



PENNSYLVANIA HOUSING FINANCE AGENCY

MAKE HOMEBUYING MORE AFFORDABLE WITH PHFA FINANCING



Tom Wolf, Governor

Brian A. Hudson, Executive Director

PHFA Mission

In order to make the Commonwealth a better place to live while fostering community and economic development, the Pennsylvania Housing Finance Agency provides the capital for decent, safe and affordable homes and apartments for older adults, persons of modest means and those with special housing needs.

www.phfa.org

What is PHFA?

- We are a home loan investor
 - We provide funding for homebuyers to purchase homes through participating lenders
- Created in 1972- Homeownership in 1982
- Headquarters in Harrisburg, PA
- PHFA has invested over \$14.2 billion in home loans for potential Pennsylvania homeowners
- Provided home loan funding to more than 175,900 homeowners

PHFA Advantages



**WHY SHOULD I CHOOSE A
PHFA MORTGAGE?**



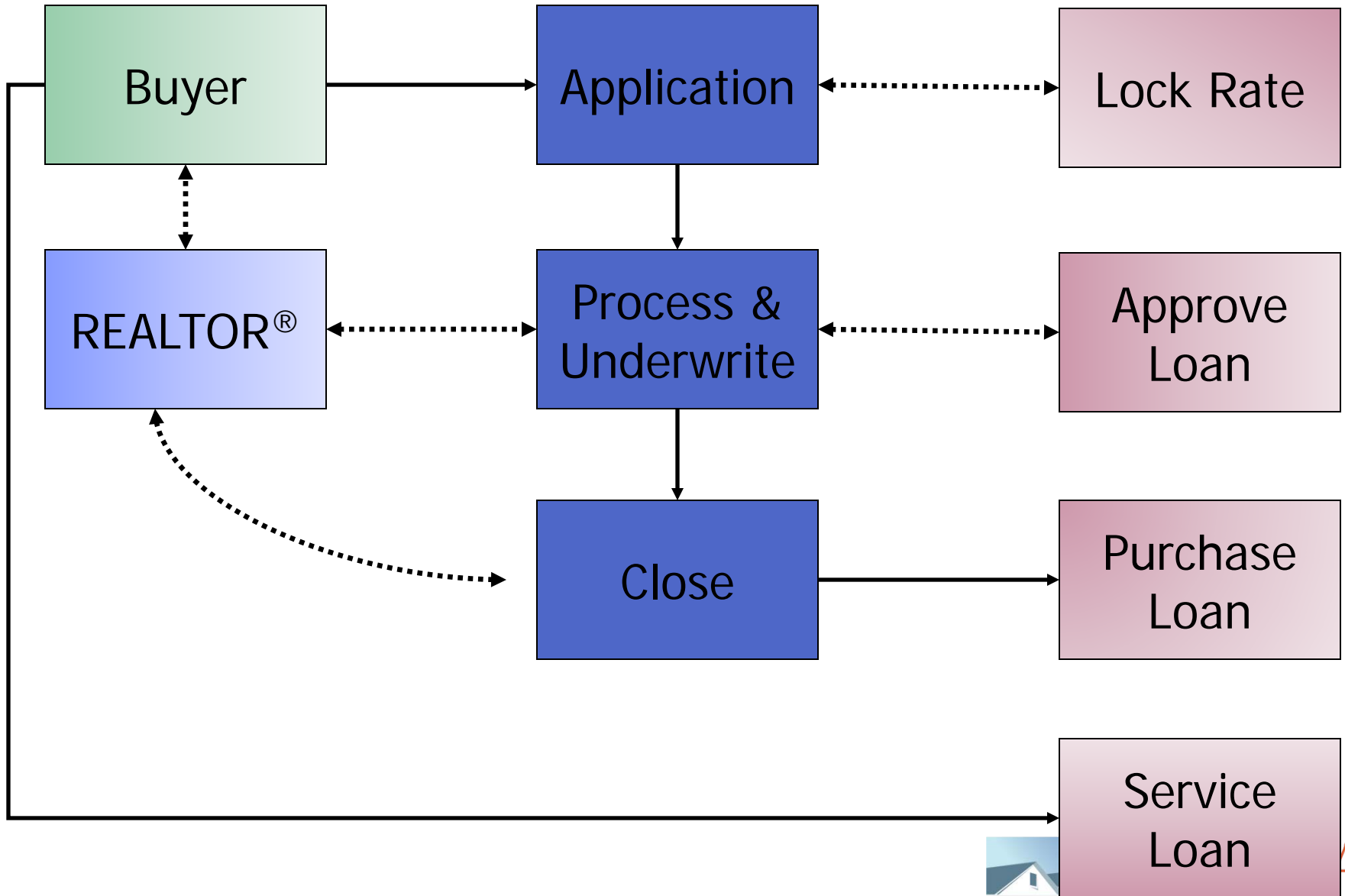
PHFA Advantages

- ❑ PHFA has different loan programs to meet the different home purchase needs of PA homebuyers
- ❑ Homebuyer tax credit
- ❑ Home purchase/refinance loan options
- ❑ Assistance programs
- ❑ Competitive interest rates and affordable mortgage terms
- ❑ Free homebuyer education
- ❑ Over 80 lending partners throughout PA
- ❑ Loan servicing provided by PHFA

BUYER

LENDER

PHFA



Affordable Mortgage Products

Conventional Financing

- HFA Preferred™
- Keystone Home Loan (KHL)

Government Financing

- Keystone Home Loan (KHL)
- Keystone Government (K-Gov) loan

Conventional Options

Conventional Loan Programs

HFA Preferred™

- Mortgage insurance provided by a Fannie-approved insurer
 - Genworth, MGIC, UGI, Radian, Arch MI, National MI and Essent

- Mortgage Insurance Coverage requirements:
 - 18% coverage for LTVs > 95% and ≤ 97%
 - 16% coverage for LTVs > 90% and ≤ 95%
 - 12% coverage for LTVs > 85% and ≤ 90%
 - 6% coverage for LTVs > 80% and ≤ 85%

HFA Preferred™

- ❑ Purchase loan for new and existing homes
- ❑ No first-time homebuyer requirement
- ❑ Must meet HFA income limits
 - ❑ Region 1 (Bucks, Chester, Delaware, Montgomery & Philly)
\$113,500
 - ❑ All other counties \$95,620
 - ❑ Appendix B
 - ❑ Gross, annual income projected over the next 12 months
 - ❑ Calculated on ALL adults who intend to occupy the home within one year from loan closing

HFA Preferred™

- Up to 97% financing
- Borrower must have a FICO score of at least 620
- Maximum DTI 50%
- Borrowers must contribute the lesser of 1% or \$1,000 from their own funds
 - Balance of required funds to close may come from PHFA Advantage loan and/or Fannie approved CommunitySeconds®
- Maximum Combined Loan to Value- 105%
- Downpayment and CCA available

HFA Preferred™

- Eligible Properties
 - One unit properties only
 - No duplexes
 - Condos , PUDs and Manufactured Housing are acceptable
- Property must be primary residence

HFA Preferred™ Lo MI

- ❑ Homebuyer Education:
 - ❑ All borrowers with middle credit scores below 680 must complete an in-person class session prior to closing
 - ❑ Online courses are not acceptable for scores below 680
 - ❑ Must use a PHFA approved Counseling Agency
 - ❑ No Homebuyer education is required on refi's

HFA Preferred™ Lo MI

- ❑ Homebuyer Education:
 - ❑ For loans where all borrowers have a middle credit score of 680 or higher:
 - ❑ At least one borrower must complete an approved counseling session prior to closing
 - ❑ Use PHFA approved Counseling Agency **OR** PHFA online course **OR** PHFA approved mortgage insurance company online course (Arch, Essent, National) **OR** Framework®
 - ❑ For Pre-Purchase counseling completed prior to executing the agreement of sale, the borrower may receive \$300 credit towards closing cost if obtaining a HFA Preferred loan

Keystone Home Loan-Conventional

- ❑ Maximum LTV up to 97%; Maximum CLTV 105%
 - ❑ Approved Mortgage Insurance: PHIF only
- ❑ Income and purchase price limits apply
- ❑ First-time homebuyer requirement
 - ❑ Waived in 39 Target counties & 13 census tracts
 - ❑ Waived for Veterans
- ❑ Maximum DTI 50%
- ❑ Borrowers must have a FICO score of at least 620
 - ❑ 660 for LTV's above 80%
- ❑ Borrowers must contribute lesser of 1% or \$1,000 of own funds
- ❑ Balance of required funds to close may come from PHFA Advantage loan and/or Fannie approved community seconds

Government Options

Keystone Home Loan- Government

- ❑ First time homebuyer requirement except in targeted counties & for veterans
- ❑ Income and purchase price limits apply
- ❑ Borrowers must contribute the lesser of 1% or \$1,000 of their own funds (FHA loans only)
- ❑ Borrowers must have a FICO score of at least 620
- ❑ Maximum DTI 45%
- ❑ FHA, VA or RD financing available
- ❑ Offers downpayment and CCA for government loan types

KHL limits:

Some surrounding counties:

County	Purchase Price Limit	1 & 2 Member Households	3 or more Member Households
Philadelphia (T)	\$433,500	\$104,800	\$122,300
Dauphin	\$271,100	\$75,200	\$86,400
Lancaster	\$271,000	\$74,000	\$85,100
Allegheny	\$271,100	\$76,000	\$87,400

Keystone Government (K-Gov)

- ❑ Loans insured/guaranteed by FHA, VA or RD
- ❑ Borrower must have a FICO score of at least 620
- ❑ Maximum DTI 45%
- ❑ No PHFA specific limits
- ❑ No PHFA first time homebuyer requirements
- ❑ Borrower must contribute the lesser of 1% or \$1,000 of their own funds (FHA loans only)
- ❑ One or two unit dwellings, condos or manufactured homes
- ❑ Offers downpayment and CCA for all loan types

Assistance Programs

Keystone Advantage Assistance

Keystone Advantage Assistance Loan

- Downpayment and/or closing cost assistance for eligible homebuyers
- Maximum financing
 - Conventional, FHA,VA,RD
- Existing homes: 4% of purchase price, capped at \$6,000
- Newly- constructed: up to \$6,000
- Each borrower must have minimum FICO of 660
- Homebuyer education is required regardless of FICO score
- 0% interest rate amortized over 10 year term
- Assistance funding is based on need determined by the lender

Access Modification Loans

For Persons with Disabilities

Access Home Modification Loan

- With any PHFA home purchase program
- Conventional, FHA or RD
- \$1,000 to \$10,000 soft/silent subordinate mortgage
- Repayment is not required as long as buyer occupies home
- Modifications to be completed within 90 days of closing

Access Downpayment & CCA

- Used with a PHFA first AND a PHFA Access Home Modification Loan
- Household income can't exceed \$54,800
- \$1,000 to \$15,000
- Subordinate loan
- Borrowers must need maximum financing (may not have more than 3-5% down)

Repair Program Options

Purchase & Improvement

Eligible Repairs & Improvements

- Purchase & Improvement Program
 - Borrower can make repairs in the same mortgage transaction up to \$15,000
 - The maximum mortgage amount cannot exceed 97% of the total acquisition cost or the “as completed” appraised value
 - All repairs, alterations and improvements must be completed within 90 days
- Repairs can include new windows, heating units, kitchen or bathroom upgrades, etc.

HomeStyle Renovation

Eligible Repairs & Improvements

- ❑ The renovation loan allows eligible borrowers to make renovations, repairs, or improvements to an existing home. The total cost of the renovations cannot exceed 75% of as completed value after renovations.
- ❑ Eligible repairs, alterations and/or improvements must be permanently affixed to the property and add value.
- ❑ Acceptable uses for home improvements:
 - ❑ Roof Repair/Replacement
 - ❑ Installation or improvement of heating or air conditioning systems
 - ❑ Renovation to kitchen/bathroom
 - ❑ Plumbing/ Electric Systems
 - ❑ Room Addition

Unacceptable Repairs/Improvements

- ❑ Swimming Pools
- ❑ Tennis Courts
- ❑ Hot Tubs
- ❑ Jacuzzis
- ❑ Saunas

Program Eligibility

- ❑ Available only with the HFA Preferred™ and HFA Preferred Risk Sharing™ programs.
 - ❑ Purchase or refinance (LCOR)
 - ❑ Must meet HFA income limits (Appendix B)
 - ❑ Max LTV 97%, Max CLTV 105%
 - ❑ Maximum DTI 50%
 - ❑ Borrowers must have a FICO of at least 620
 - ❑ Can not be combined with:
 - ❑ Keystone Home Loan
 - ❑ Keystone Government (K-GOV)

Homebuyer Education

Homebuyer Education

- Counseling is FREE!
- PHFA has a network of homeownership counseling agencies throughout the state
 - ▣ Listed by county at www.phfa.org
- Homebuyer counseling is available to any PHFA borrower who would like to attend
 - ▣ Required for all those with FICO < 680
- PHFA Online Homebuyer course available

Employer Assisted Housing Initiative

PHFA's EAH Goal

To encourage employers to offer a monetary employee benefit of at least \$500 to promote and enable homeownership for their staff

EAH: Employer Assisted Housing

If an EAH employee is approved for a PHFA mortgage, through one of our participating lenders, the borrower will receive substantial financial advantages!

The employer must be registered as a
“PHFA EAH EMPLOYER”



STRETCH

Their home buying dollar with Employer
Assisted Housing
(EAH)

Eligible employees may receive up to \$8,000
with the Keystone Advantage Loan for
downpayment and closing cost assistance

What does PHFA offer?

PHFA borrowers utilizing at least \$500 in EAH funds from their employer get up to \$8,000 in down payment and closing cost assistance from PHFA!

- Standard amount is the lesser of 4% of sales price up to \$6,000
- PHFA/EAH borrowers are eligible for up to \$8,000 with no % cap
- May be used with our Keystone Advantage Assistance program
- May also be combined with PHFA's mortgage tax credit!

PHFA EAH Stats

- Fifty employers
- Purchased 241 loans worth over 28.9 million
- High producing markets include Philadelphia, Lancaster, Cumberland and Dauphin
- Average age of our borrowers: 30 years old and younger followed by 55+



Contact us for Training Opportunities

- ▣ Informational sessions
- ▣ Lunch and learns
- ▣ Partnership information

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Homeownership Professional Line

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PHIFA

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THANK YOU FOR
ATTENDING

5/8/19



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