

# **CHAPTER 1**

## **INTRODUCTION**

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The Pennsylvania Housing Finance Agency (the Agency) is a public corporation created by the General Assembly of Pennsylvania to finance the development of housing for low and moderate income families. Through the PennHOMES Program and the sale of taxable and tax-exempt bonds, the Agency provides construction and permanent mortgage loans to qualified developers. These loans, issued at interest rates normally below conventional financing, provide quality housing at affordable rents throughout the Commonwealth.

In addition, the Agency is the designated administrator for the federal Low-Income Housing Tax Credit Program (LIHTC). Traditionally, equity raised through the LIHTC is necessary to complete the financing package for affordable housing developments. The Agency is also charged with the responsibility of monitoring compliance with the regulations of the Low-Income Housing Tax Credit Program.

Loans are repaid through revenue generated by the rental income of the properties the Agency finances. Mortgagor deferment of payments or defaults on the loans can jeopardize the placement of future Agency securities and threaten its ability to continue financing multifamily rental housing construction.

Agency programs require owners to comply with all federal, state, or local fair housing and civil rights laws, e.g., Section 504 of the Rehabilitation Act of 1973, as amended, the Fair Housing Amendments Act of 1988, the Pennsylvania Human Relations Act, as amended, and U.S. Department of Housing and Urban Development (HUD) Equal Employment Opportunity (EEO) requirements. Copies of these documents can be obtained from the HUD office or the Pennsylvania Human Relations Commission (PHRC). Management agents must use various training methods for staff regarding these requirements.

To assist in achieving consistent, effective, and professional property marketing and management operations, the Agency has issued this Manual to establish the basic property operations requirements of “**Agency-financed properties.**” From time to time, the Agency will issue directives to explain, augment, or interpret these requirements. All updates will be posted on the Agency website [www.phfa.org](http://www.phfa.org).

Agency financed properties include but are not limited to:

PennHOMES	PHFA 1 <sup>st</sup> mortgage/RDA 538
Federal HOME	Taxable Bond
Agency Reserves	PHARE (includes MS/RTT)
HOMES (closed prior to July 1, 1995)	TCAP
Tax Exempt Bond	DCED/HRA/Keystone
Housing Trust Fund	Exchange