

AROUND *the* HOUSE

A NEWSLETTER
FOR OUR CUSTOMERS

Fall 2017

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PHFA has refinance options that might be right for you

Did you know PHFA offers refinance options? If you're thinking about refinancing your PHFA mortgage, we may have the product for you. PHFA offers two conventional loan products: HFA Preferred Risk Sharing™ or HFA Preferred™. These fully amortized, 30-year, fixed-rate loans provide no mortgage insurance or a reduced mortgage insurance premium at an affordable interest rate. Both programs share income limits and additional eligibility requirements. Depending on your circumstances, you could also consider our FHA/VA refinance programs. These two refinancing government loans are available for current FHA borrowers or eligible veterans. Visit [PHFA's website](#) for eligibility requirements and to find a [PHFA participating lender](#) in your area.

Creating an online PHFA account

Want to access your PHFA loan information online, but not sure how to get started? Watch this [video](#) for step-by-step instructions about how to create an online account...



Low-Income Home Energy Assistance Program accepting applications

Please help us spread the word with your friends and neighbors: The Low-Income Home Energy Assistance Program (LIHEAP) is currently accepting applications for the period November 1, 2017, through March 31, 2018. LIHEAP provides payments directly to utility companies for people in need of heating assistance.

To find out if you're eligible and start the application process, visit the [Department of Human Services website](#).

In addition to the LIHEAP cash program, households experiencing a heating crisis may be eligible for additional benefits through the LIHEAP crisis program.

The crisis program also opened on November 1, 2017. Emergency situations include such things as broken heating equipment or leaking lines that must be fixed or replaced, lack of fuel, the main heating source or second heating source has been completely shut off, danger of being without fuel (less than a 15 day supply) or of having utility service terminated (received a notice that services will be shut off within the next 60 days).

Assistance with home heating crisis situations will be available 24 hours a day; in most counties, you should contact your [local county assistance office](#).



Home Equity

What is Home Equity?
How do you build Home Equity?
How and when should you use it?

Home equity is the amount of your home's value not owed to the lender. It is calculated by subtracting the outstanding mortgage loan balance from the market value of your property.

Your home is an asset of monetary value and can be converted to cash

1

Sell your home to access the cash left over after the loan is paid off

2

Borrow against the equity, using your property as collateral for the loan

There are two ways to increase or build equity in your home

1

Making your loan payments decreases the outstanding loan balance and builds equity

2

When the market value of your home increases, your equity grows, too.

When using home equity, you're pledging your home as collateral and putting your home at risk. If you don't make the loan payments, the lender can foreclose on your property and sell it to satisfy the debt. Make sure you can meet the additional loan obligations.

Consider how you'll use the proceeds from the loan. Only use a home equity loan to improve your financial status.

YES

1

Using home equity to make home improvements can increase the value of your home

2

Paying for a child's college can help increase their future income (however, your child's future income will most likely not be used to pay off the loan)

NO

1

Using home equity to go on vacation is basically entertainment and doesn't grow assets for financial security

2

Using home equity to consolidate debt including credit cards, may lower payments, but it's paying for yesterday's debt. It also doesn't correct the spending habits that created the debt in the first place



What to do when you have damage to your home

#1 Filing claim with insurance company/agent

- Contact insurance company/agent
- How much is your deductible
- Tell insurance company date and time of loss and the cause
- Notify PHFA
- Decide if you need a public adjuster
- *Obtaining a public adjuster is your choice. Before signing a contract with a public adjuster, you should contact PHFA. PHFA will be able to explain in more detail how a public adjuster works.*

#2 Get estimates from licensed contractors & select contractor

- Get several estimates
- Compare estimates
- Review contract carefully
- Check the Better Business Bureau or the Attorney General's Office to check contractor licensing – <http://HICSearch.attorneygeneral.gov/>.
- Make sure to get a warranty/guarantee on workmanship and materials.

#3 Check Processing

- Contact PHFA Property Preservation Department – Shana Erdley at serdley@phfa.org or 717-780-3814
- If your loan is current and your hazard loss is under \$10,000, mail the check for endorsement to: PHFA, Attn: Shana Erdley, 211 N. Front Street, Harrisburg, PA 17101.

#4 Public Adjuster

- Do you need a public adjuster? (*contact PHFA before deciding to use a public adjuster*)
- Fees – 10-20% of claim amount
- Find out more at <http://apps02.ins.state.pa.us/producer/ilist1.asp>

Please contact PHFA whenever a loss occurs



Help with housing is a call or a click away!

PHFA's Customer Solutions Center • 1-855-U-Are-Home (827-3466)

Extended hours: Mon – Fri, 8 a.m. – 7 p.m.

AskPHFA@PHFA.org

