



AROUND *the* HOUSE A NEWSLETTER FOR OUR CUSTOMERS

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Answering Common Customer Questions

Q: Why did my mortgage payment increase?

A: Your principal and interest will remain a fixed amount for the life of the loan. But, PHFA also reviews your account each year to determine and ensure that the correct amounts are being collected to pay your taxes and homeowner's insurance premiums. This is called escrow. PHFA adjusts the amount collected to cover the escrow costs. You will receive an Escrow Analysis Statement once a year explaining any changes and the escrow payment amount. In the event your escrow account is more than needed to pay your insurance premiums and taxes, the overage will be refunded. In the event your escrow account doesn't have enough funds to cover the insurance premiums and taxes, you can make a lump sum payment to cover the shortage, or PHFA can spread the shortage amount over the next 12 monthly payments.

If you have questions about your escrow account, please contact **PHFA at 1-855-827-3466, then press "0" for the Customer Solutions Center.**

Building your financial house

Did you know PHFA has an entire website dedicated to providing education about managing finances? Check out the video below to learn more...



Abandoned mines may be putting some Pa. homes in danger

Abandoned mines are causing concern in Pennsylvania, especially in northern Beaver County. The concern for homeowners is mine subsidence, which happens when the ground above an old or abandoned mine collapses. Mine subsidence can happen without warning and can cause significant damage to property above the mine.

The state Department of Environmental Protection warns that mine subsidence is not covered by standard homeowner's insurance policies. The DEP administers low-cost mine subsidence insurance through the state, and senior citizens are eligible for discounted rates.

The DEP urges homeowners in coal mining areas throughout Pennsylvania to view updated maps showing the location of abandoned mines at www.pamsi.org and click on "Check Mining Conditions."



Areas in pink show where underground mining has possibly occurred



Mortgage

Talk

Whether you're a new or long-standing homeowner, there still may be some things that aren't clear when it comes to mortgages and homeownership. Let us help with Mortgage Talk! Each issue we'll break down some of the jargon and concepts used in the housing industry and put it in common language

Ever wonder how your mortgage payment is broken down once it's received by PHFA?

Your payment has three parts:

Principal, Interest and Escrow

1

Principal

In general, principal is the amount you borrowed and is reduced by each payment you make. The principal part of your monthly payment is the portion which goes toward that reduction.

2

Interest

Interest is the cost of borrowing money and the amount decreases for each payment as the principal is reduced.

3

Escrow

Escrow is a separate account used to collect money for annual property taxes and insurances. Note that the escrow portion of your payment will change as these costs fluctuate.

3_A

Taxes

Taxes are paid to your municipality for services and to support your school district based on the assessed value of your property.

3_B

Homeowners' Insurance

This insurance protects your house and contents when a covered event occurs (e.g. fire, theft, etc.)

3_C

Mortgage Insurance

This insurance protects the lender in the case of borrower default and is usually required if your down payment is less than 20 percent of the purchase price. It is not life insurance to pay the principal balance in the event of your death.

Do you have repairs that need to be done or want to do some energy efficient upgrades to your home but don't know where to start? Give us a call. Our HEELP loan could help.

Have you recently been told you now have to hook-up to public sewer and were shocked when you found out how much it would cost? Give us a call. Our PENNVEST loan could help.

Having trouble making your mortgage payment or have you received an Act 91 Notice and don't know what to do next? Give us a call. Our HEMAP loan could help.

HOME *Improvements*



CHOOSING THE RIGHT PAINTBRUSH FOR THE JOB



For some, painting can be a daunting task. Painting not only can add value to your home, but can also freshen the look of your home.

Choosing the right paintbrush for the job can take some of the guesswork and worries out of the task. The first thing to consider when choosing a paintbrush, is what type of paint you're using and what type of surface you'll be painting.

Brushes made with synthetic, nylon or nylon/polyester blends work best when using water-based latex paint. These types of bristles will stand up best to the wetness of the paint.

Use a brush made with natural bristles if you're using an alkyd or oil-based paint. Natural bristles made of hair will stand up best to the chemicals in the paint and paint thinner.

Disposable sponge brushes work well with any type of paint and are a less expensive option. However, sponge brushes may leave small pieces in the paint when used on a textured surface.

Last but not least, flat vs. angled. Use a flat brush when cutting into walls and corners and painting large areas. Paint rollers also work well for large areas and can also cut down on paint time. Use an angled brush when painting trim and molding. Most professionals recommend a 2 1/2" angled brush.

Now you're ready to get started with that painting project and give your home a fresh new look!



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

