

GENERAL ANNOUNCEMENTS

Congratulations on another successful year of supporting our neighbors and communities through the Pennvest Homeowner Septic Loan Program. In a year when loan volume grew exponentially, and challenges to closing loans kept pace, we have had another successful year.

We welcome new lending partner **Mercer County Community Federal Credit Union**, with offices in Sharon and Hermitage, to the program. They will be serving Mercer County.

Collectively, as of 11/30/2020, we have closed 64 loans for \$1.3 million. While this is fewer loans than in 2019, we experienced COVID-related challenges, including an unprecedented cessation of construction work this past spring. There are at least 15 more loans that we are aware of in the pipeline. It seems that the mild weather has installers and excavators “squeezing in” a few more jobs before winter really hits.

LOAN ORIGINATIONS & UNDERWRITING

- 1) **PENNVEST PROGRAM GUIDELINES** have been updated to include the following items:
 - a) Mandate use of the new PV25 - Borrower’s Authorization form. See p. 15.
 - b) Provide additional explanation and resources for ensuring that credit report and Title-Lien search documents will be no older than 120 days at closing. See p.18
- 2) **New Form PV25 – Borrower’s Authorization** explains to applicants that by applying for a loan they are permitting PHFA and its partners to verify their application’s information including income and credit. It also specifies penalties for mortgage fraud.
- 3) **PV4- Origination File Checklist** has been edited to
 - a) Delete the property size limitation of 10 acres, already announced.
 - b) Add reference to the required clear LDP/GSA print outs on lender staff and applicants.
 - c) Add reference to the required Processor’s Certification for non-labile co-owners,
 - i) Neither addition is a policy change just new items on the checklist to assist lenders.
- 4) **4506C and IVES**: The IRS is requiring the use of the 4506C form to request Return Transcripts (option 6A) through IVES starting March 1, 2021. Lenders need to prepare now for this transition.
- 5) **PHFA Lender Recertification** For those lenders that would like to get a head start on the 2021 Annual PHFA Lender Recertification, it is now available online:
https://www.phfa.org/forms/homeownership_application/recertification_checklist.pdf
- 6) **PV6- LOAN ESTIMATE**: Please take note of another new Loan Estimate, edited to correct a typo in a fill-in field. Effective immediately the new document must be utilized for each transaction.

CLOSING & POST CLOSING

- 1) Borrowers must be “natural persons” according to Title I guidelines. They may have attorneys-in-fact, also known as representatives with “power of attorney.” If lenders receive an application with this circumstance, a copy of the fiduciary document must be presented to PHFA for **preliminary review**. If approved, PHFA will provide Mortgage and Name Affidavit documents that support the required signature requirements.

Please contact the Homeownership Special Initiatives staff with any questions at

SEPTIC@PHFA.ORG OR 717.780.3871

Or here is a link to all PHFA Homeownership and Servicing contacts: [contact us](#)