

GENERAL ANNOUNCEMENTS

Happy summer! We appreciate our opportunity to work with you, and hope your companies prosper this lending season.

LOAN ORIGATION, UNDERWRITING, AND CLOSING

1. **COVID Overlays:** These overlays may be **stopped** and normal procedures resumed:
 - a. Delayed Current Owner Property Reports (aka Title-Lien Searches) – these are to be included in the Origination File when submitted to PHFA.
 - b. Second VOE – only a written VOE at origination is required, unless it will be older than 60 days on the closing date. Then a verbal VOE is required.
 - c. Notary Confirmation – cease ensuring that remote applicants have notary access.
 - d. Delayed Tax Transcripts -- One year of Tax Transcripts are required for all applicants. Additionally, self-employed applicants must provide their two prior years' signed tax returns and the most recent quarter's profit-loss statement.
 - i. The tax transcript is preferred with the Origination File and required before a Construction Approval will be issued.
 - e. Other overlays **will continue as standard operating procedures:** secure email file submission, and ACH or wire to submit borrower funds.
2. **Student Loans:** Emphasize to applicants that we will use **.5%*** of their outstanding student loan balance to calculate their Debt-to Income ratio if they do not provide a projected payment from their loan servicer as part of the origination package.
 - a. *We reduced our factor from 1% to .5% with the recently published FHA guidance. Effective immediately.
3. **PV15 Escrow Agreement:** Escrow agreement revised to show PHFA/Pennvest paid additional compensation for lenders providing state-wide service.
4. **Small Stream Discharge Systems:** This sewage management system requires a regional permit from the PA Department of Environmental Protection (DEP), not the typical municipal permit. Homeowners should not apply for a loan until they have the approved permit in hand due to the timeframes required for the preliminary technical analysis and the DEP Planning Module evaluation process. Timeframes of 6-12 months are typical for the entire process to be completed.

6. [PHFA Lender Recertification](#) All Participants have recertified – thank you!

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](#)