PHFA takes Pennsylvania’s Homeowner Assistance Fund Program in-house

*Intake of new applications will be temporarily paused to prioritize the processing of current applications*

HARRISBURG, PA – Beginning on Feb. 6, 2023, day-to-day operations of Pennsylvania’s Homeowner Assistance Fund (PAHAF) will transition from a current third-party vendor to the Pennsylvania Housing Finance Agency. This pandemic-relief fund provides financial assistance to qualified homeowners for mortgage and housing-related expenses to address delinquency and avoid default, foreclosure or displacement from their homes.

The decision by PHFA to fully administer the program will better leverage the agency’s deep knowledge of Pennsylvania’s housing market and its broad network of mortgage lenders, community partners, and housing counseling agencies on behalf of eligible applicants. For more than 50 years, PHFA has been dedicated to providing Pennsylvanians with the capital they need for decent, safe and affordable housing.

As part of the transition, PHFA is announcing it will pause the PAHAF program for new applicants effective Feb. 1, 2023. This is to allow adequate time for the transition, to process current applications as a priority, and to determine the remaining funds available prior to reopening the program. Applications completed and submitted before Feb. 1, 2023, will be processed during the program pause.

New applications from homeowners in danger of losing their homes during the pause period will be prioritized and processed by housing counseling agency partners on a case-by-case basis. PAHAF anticipates reopening the program for new applications once current applications have been addressed and remaining funds have been assessed.

As the program enters its second year, the PHFA Executive Committee made the decision to move the full execution and management of the program from the current third-party vendor to the PHFA in-house team. As part of the transition, the third-party vendor will be responsible for fully completing applications that have been partially disbursed but are pending additional payments by March 31, 2023. This will allow for a clean transition between systems for audit and control purposes. All other applications will be processed by PHFA.

PHFA has updated its software system and bolstered its call center operations in order to meet the operational needs of the PAHAF program. Current applications will continue to be processed without the need to start a new application, and documentation will automatically and securely transfer to the new system. Applicants will be sent information about how to register with the new system and access the status of their application.

PHFA is utilizing approximately 30 staff members for the PAHAF program and will monitor the agency’s application processing in order to adjust staffing levels accordingly. PHFA is in the process of proactively communicating with a wide range of stakeholders, most importantly program applicants and partners, in order to smooth the transition.
Pennsylvania was awarded $350 million for the administration of the program and the disbursement of funds as part of the American Rescue Plan Act of 2021, enacted to prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and displacement of homeowners experiencing financial hardship as a result of the pandemic. Since the program began, $89.6 million has been disbursed to Pennsylvania homeowners. As a mission-driven agency, PHFA remains deeply committed to serving its constituents and providing aid to Pennsylvania homeowners.

About PHFA
The Pennsylvania Housing Finance Agency works to provide affordable homeownership and rental housing options for older adults, low- and moderate-income families, and people with special housing needs. Through its carefully managed mortgage programs and investments in multifamily housing developments, PHFA also promotes economic development across the state. Since its creation by the legislature in 1972, it has generated more than $16.9 billion of funding for more than 191,870 single-family home mortgage loans, helped fund the construction of 141,492 rental units, distributed approximately $239 million to support local housing initiatives, and saved the homes of more than 50,660 families from foreclosure. PHFA programs and operations are funded primarily by the sale of securities and from fees paid by program users, not by public tax dollars. The agency is governed by a 14-member board.

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