

Pennsylvania Housing Insurance Fund (PHIF)

Guidelines, Pricing and Procedures

Introduction and Background

The Pennsylvania Housing Finance Agency (PHFA) created the Pennsylvania Housing Insurance Fund (PHIF), in February 1990. PHIF's primary goal is to provide risk retention on loans financed by PHFA to enable those citizens of the Commonwealth with modest income to be able to afford a safe and decent home. Since its inception it has provided an additional option for primary mortgage insurance to originating lenders in the Pennsylvania Housing Finance Agency Homeownership Bond Programs. PHIF coverage is available only for conventional loans originated by Participating Lenders for purchase by the Pennsylvania Housing Finance Agency under the Single Family Mortgage Revenue Bond Programs.

Pricing

The plan is a zero upfront monthly premium plan.

| LTV/%Coverage | 660-679 | 680-699 | 700-719 | 720-739 | 740-759 | 760+ |
|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------------------|
| 95.01% – 97.0% 35% | 1.54 | 1.21 | 0.99 | 0.87 | 0.70 | 0.58 |
| 90.01% – 95.0% 30% | 660-679 1.28 | 680-699 0.96 | 700-719 0.78 | 720-739 0.66 | 740-759 0.53 | 760+ 0.38 |
| 85.01% - 90.0% 25% | 660-679 0.90 | 680-699 0.65 | 700-719 0.55 | 720-739 0.46 | 740-759 0.38 | 760+ 0.28 |
| 80.01% - 85.0% 20% | 660-679 0.38 | 680-699 0.28 | 700-719 0.25 | 720-739 0.23 | 740-759 0.20 | 760+ 0.20 |

The rate for years 2 through 10 is the same as the first- year rate. For years 11 through term the premium rate is reduced to 0.20%.

Procedures

- To request coverage under this program, simply mark the PHIF box at the top of the [Underwriting Submission Checklist Form 51](#). If eligible for coverage, a mortgage insurance certificate will be generated and placed in VirPack when the Pre-Closing submission is approved. The Pre-Closing Eligible Notification will list any purchase conditions as it relates to the PHIF MI certificate.
- For PHIF insured loans, no monthly premiums need to be collected at closing.

Guidelines (Topic headings listed in alphabetical order):

Loans must be underwritten by Fannie Mae's Desktop Underwriter (DU) and receive an Approve/Eligible finding. Manual underwriting is not acceptable.

Loans must meet the stricter of the conventional Keystone Home Loan guidelines found in the PHFA [Sellers' Guide](#) in addition to any applicable requirements of Fannie Mae, as well as the guidelines contained in this Appendix G relating specifically to PHIF requirements. The guidelines described in this document are generally those that are different from those found in the Sellers' Guide.

Debt to Income Ratios

- Back end ratios up to 50 are permitted.

Loan to Value Ratio (LTV) and Minimum Borrower Funds:

* The credit score is based on the middle FICO of the borrower with the lowest score.

| Credit Score* | Maximum LTV |
|----------------------|---|
| 660 and higher | <ul style="list-style-type: none"> ▪ Max LTV = 97% (Max LTV of 95% for manufactured homes) ▪ Borrowers must contribute the lesser of 1 percent of the loan amount or \$1000 of their own funds toward downpayment; balance from an acceptable source. |

Prior PHIF Claim

A borrower who was a debtor on a loan for which PHIF paid a claim is not eligible for another PHIF insured loan.