

**Directions:** This Checklist is to be submitted on top of the Pre-Closing Package. It is important that the documents are scanned in the order of this document when uploaded into VirPack. Upload as Document Type "Pre-Closing Package", Upload the Appraisal, then select "Process" to submit the files to VirPack. Incomplete files will not be marked received until all required documents have been uploaded to VirPack. Complete files uploaded after 3:00 pm will be marked received as of the next business day.

HOMEOWNERSHIP PROGRAMS DIVISION	
PRIMARY BORROWER'S NAME	CO-BORROWERS NAME
<input type="checkbox"/> PURCHASE <input type="checkbox"/> PURCH & IMPR <input type="checkbox"/> HOMESTYLE <input type="checkbox"/> PHIF	<input type="checkbox"/> CONVENTIONAL <input type="checkbox"/> FHA <input type="checkbox"/> RD <input type="checkbox"/> VA (Select Financing)
LENDER NAME: _____ Telephone: _____	CONTACT NAME: _____ Email Address: _____
A. PRE-CLOSING DOCUMENTS (place a check in the column as it applies)	
<input type="checkbox"/> 1. Preliminary Package (Form 1) submitted <input type="checkbox"/> YES - Provide copy of PHFA approval <input type="checkbox"/> NO	<input type="checkbox"/> 12. Residential Mortgage Credit Report with Credit Score or 3 merged reports with Credit Score
<input type="checkbox"/> 2. Modification Funds Request (Form 62) with complete contract, plans and specs (if applicable)	<input type="checkbox"/> 13. Informed Consumer Choice Disclosure Notice FHA (if applicable)
<input type="checkbox"/> 3. Automated Underwriting Findings Report	<input type="checkbox"/> 14. Signed & Dated Important Notice to Homebuyers: FHA
<input type="checkbox"/> 4. Proof of loan insurance/guarantee <input type="checkbox"/> a. Signed FHA Loan Underwriting and Transmittal Summary (HUD 92900-LT) or Firm Commitment: FHA <input type="checkbox"/> b. Signed Loan Analysis (VA 26-6393): VA <input type="checkbox"/> c. Signed Conditional Commitment: RD <input type="checkbox"/> d. Private Mortgage Insurance Certificate: HFA Preferred <input type="checkbox"/> e. 203(k) Maximum Mortgage Worksheet (92700 203k) <input type="checkbox"/> f. 203(k) Borrower's Acknowledgment (HUD 92700(A)) <input type="checkbox"/> g. Request for Single Family Housing Loan Guaranty, RD Form 3555-21	<input type="checkbox"/> 15. Credit Score Information Disclosure
<input type="checkbox"/> 5. FNMA Transmittal Summary (FNMA Form 1008): Conventional and RD	<input type="checkbox"/> 16. Verification of Deposit or 2 full months current bank statements
<input type="checkbox"/> 6. Signed & Dated initial Uniform Residential Loan • Include copy of cleaned up 1003 used to run the AUS report. Application (FNMA Form 1003) and HUD Addendum(s) (HUD 92900-A) if applicable	<input type="checkbox"/> 17. Gift Affidavit (if applicable)
<input type="checkbox"/> 7. Supplemental Consumer Information Form (FNMA Form 1103)	<input type="checkbox"/> 18. Copy of Fannie Mae Community Seconds Checklist (FM 0109) if applicable (Conv)
<input type="checkbox"/> 8. Verification the LDP and GSA lists have been searched for all parties (FHA/VA/RD)	<input type="checkbox"/> 19. PHFA Form 5 - Affordable Housing Assistance Program Checklist if app. (all loan types with subordinate seconds, grants or CLT except PHFA seconds or grant programs)
<input type="checkbox"/> 9. Veteran's Certificate of Eligibility (VA 26-1870, 26-8320 or 26-8320-1): VA	<input type="checkbox"/> 20. Verification of Employment (FULL VOE or verbal w/ current pay stubs showing YTD earnings and 2 yrs of W2's)
<input type="checkbox"/> 10. Verification of VA Benefit-Related Indebtedness (VA 26-8937): VA (if applicable)	<input type="checkbox"/> 21. Self-Employed Borrowers Fannie Mae Form 1084 - Cash Flow Analysis and 2 years tax returns
<input type="checkbox"/> 11. Copy of completed/signed Counseling Checklist for Military Homebuyers VA Form 26-0592 (only required for active military homebuyers)	<input type="checkbox"/> 22. Divorce Decree/Agreement of Child Support/Spousal Support (if applicable)
	<input type="checkbox"/> 23. Co-signer Documentation <input type="checkbox"/> a. Uniform Residential Loan Application <input type="checkbox"/> b. Residential Mortgage Credit Report <input type="checkbox"/> c. Verification of Employment
	<input type="checkbox"/> 24. Executed Agreement of Sale/Construction Contract <input type="checkbox"/> a. FHA/VA Amendatory Language of Agreement of Sale <input type="checkbox"/> b. FHA Real Estate Certification (if applicable) <input type="checkbox"/> c. Deed, Settlement Sheet or Agreement of Sale for Land <input type="checkbox"/> d. Copy of Purchase & Improvement/Access Modification Program Acknowledgement (Form 48)

\* If borrower/co-borrower is a PHFA employee, you can now submit the package through VirPack.

<input type="checkbox"/> <b>25. Condominium Approval documentation (Conv)</b> Select & Provide applicable documentation from list. <input type="checkbox"/> a. Copy of lenders unexpired CPM Certification for Condo projects reviewed under the Full Review process. <input type="checkbox"/> b. Copy of signed warranty statement for Condo projects reviewed under the Limited Review process.	<input type="checkbox"/> <b>30. Copy of Loan Estimate</b> <input type="checkbox"/> a. Copy of any revisions w/change of circumstance letter, if applicable <input type="checkbox"/> b. Copy of the list of service providers shopped for, if applicable
<input type="checkbox"/> <b>26. Applicable Appraisal Report</b> NOTE: Original electronic Appraisal (only) to be a separate upload into VirPack <input type="checkbox"/> a. UCDP Submission Summary Report (Conv Loans) <input type="checkbox"/> b. Provide a copy of FHA's "successful" EAD notification <input type="checkbox"/> c. Reconsideration of Value disclosures / documentation (Conv/FHA) <input type="checkbox"/> d. Conditional Commitment/Statement of Appraised Value (HUD 92800.5B) <input type="checkbox"/> e. Certificate of Reasonable Value (VA 26-1843) or Notification of Reasonable Value <input type="checkbox"/> f. Housing Quality Standards Questionnaire: HOMEstead (HS-Appendix 5) <input type="checkbox"/> g. Leasehold Documentation – Copy of lease <input type="checkbox"/> h. VA approval of Leasehold (if applicable)	<input type="checkbox"/> <b>31. Provide copy of "intent to proceed"</b>
<input type="checkbox"/> <b>27. HomeStyle Approval documentation</b> <input type="checkbox"/> a. Lien Waiver (FNMA Form 3739) <input type="checkbox"/> b. Renovation Loan Agreement (FNMA Form 3731) <input type="checkbox"/> c. Maximum Mortgage Worksheet (FNMA Form 1035) <input type="checkbox"/> d. Consumer Tips (FNMA Form 1204) <input type="checkbox"/> e. Final Estimates/Bids <input type="checkbox"/> f. Contractor Profile Report (FNMA Form 1202)	<input type="checkbox"/> <b>32. Copy of the list of HUD approved Homeownership Counseling Organizations (per RESPA) provided to the borrower</b>
<input type="checkbox"/> <b>28. Life of Loan Flood Determination</b> <input type="checkbox"/> a. Copy of FEMA Elevation Certificate with photographs <input type="checkbox"/> b. Copy of application of flood insurance, along with quote of a full NFIP premium rate.	<input type="checkbox"/> <b>33. Completed and signed IRS Form 4506-C (effective 3/1/2021)</b> (provide copies of 2 years of tax transcripts for all Borrowers, if available)
<input type="checkbox"/> <b>29. Wood Destroying Insect Report and any additional items to satisfy issues on cert.</b>	<input type="checkbox"/> <b>34. Provide a signed acknowledgement that the borrower(s) have received a copy of the Know Before You Owe, Your Home Loan Toolkit booklet</b>
<b>B. PHFA DOCUMENTS (As required by Program)</b>	
	<input type="checkbox"/> <b>1. Mortgagors Affidavit: Form 3</b> (not needed for K-Flex, K-Gov or FNMA programs) <input type="checkbox"/> a. Applicable Addendums Pg.7, 8 <input type="checkbox"/> b. Seller's Affidavit Pg. 6 (if available at underwriting)
	<input type="checkbox"/> <b>2. Copy of LE for Advantage or KFIT and any revisions w/ change of circumstance if applicable.</b>
	<input type="checkbox"/> <b>3. Verification of Counseling based upon loan program being requested (if available at underwriting)</b>
	<input type="checkbox"/> <b>4. FNMA Form 1017 for pre-purchase counseling prior to executing AOS (HFA program only)</b>
	<input type="checkbox"/> <b>5. Notice to Sellers: HOMEstead (HS-Appendix 7)</b>
	<input type="checkbox"/> <b>6. Access Assistance Loan - Needs Assessment Form 61</b>
	<input type="checkbox"/> <b>7. Borrowers Signature Authorization to Release Information Section 8 Housing Homeownership Assistance Program (Form 66)</b>
	<input type="checkbox"/> <b>8. Homestead Needs Assessment (HS Appendix - 3)</b>

\* If borrower/co-borrower is a PHFA employee, you can now submit the package through VirPack.

**PENNSYLVANIA HOUSING FINANCE AGENCY  
MORTGAGOR'S AFFIDAVIT OF ELIGIBILITY AND ACKNOWLEDGMENT OF PROGRAM  
REQUIREMENTS FOR KEYSTONE HOME LOAN AND HOMESTEAD**

*To be completed and signed by the Applicant(s) at application and reaffirmed at closing (or conversion in the case of C/P loans). The Seller's Affidavit is to be completed and signed by the seller(s) at or before closing.*

**INSTRUCTIONS**

The Pennsylvania Housing Finance Agency ("PHFA" or the "Agency") uses the funds from tax exempt bonds to finance Mortgage Loans. This affidavit is intended to satisfy the requirements of the Federal Mortgage Subsidy Bond Tax Act of 1980, Section 25 of the Internal Revenue Code of 1986, as amended and Section 143 of the Internal Revenue Code of 1986, as amended, and/or regulations promulgated pursuant thereto by the U.S. Department of the Treasury. Please read this form carefully to be sure the information is correct and complete before signing. All questions must be answered and all blanks completed. Some parts of this form may not be applicable to your loan. If this is the case, write "N/A" on the appropriate line. Completion of your loan application and this document does not entitle nor ensure that you will be granted a mortgage loan.

I/We [print name(s)]: \_\_\_\_\_ do hereby attest that I/we and the property being purchased meet the following program requirements:

**RESIDENCE/PROPERTY REQUIREMENTS**

- The residence located at \_\_\_\_\_ is a single family residence located in Pennsylvania and I/we will occupy the residence as a principal residence (not as a second or vacation home) within 60 days of the loan closing (the "Residence"). I/we will notify PHFA if the Residence ceases to be my/our principal Residence.
- Except for half of a duplex, rental of any portion of the property is not allowed as long as the mortgage loan is outstanding and no more than 15% of the total area of the home can be used in a trade or business.
- All of the land upon which the Residence is located is reasonably necessary to maintain the basic livability of the home and will not provide, other than incidentally, a source of income. I/we have no intention of subdividing such land or otherwise selling it apart from the home. The lot size does not exceed four (4) acres unless the septic and/or zoning considerations require additional acreage. Maximum lot size will not exceed ten (10) acres.
- Current federal tax law may require a payment to the federal government of a "recapture tax" due upon the sale, transfer or other disposition of your home. For additional information, refer to PHFA Form 4, the Recapture Tax Notice. You may also consult your tax advisor or local IRS office for further information. **PHFA agrees to reimburse you if you ever have to pay a recapture tax in connection with the sale of your home.**

**FIRST-TIME HOMEBUYER REQUIREMENT** *(This section does not apply if you are a qualified veteran or are purchasing a home in a Targeted Area.)*

I/we nor anyone who intends to occupy the Residence within 12 months from closing has had an ownership interest in any principal residence during the three years immediately prior to the closing of the mortgage loan for which application has been made (or, if applying under the HOMEstead Program, any residence other than a property owned in connection with a business that is the primary source of income). **Note:** An "ownership interest" means all forms of ownership including a joint tenancy, a tenancy in common, a tenancy by the entirety, a community property interest, the interest of a tenant-shareholder in a cooperative, a life estate, or a purchase contract in excess of 2 years duration during which time you have the right to possession of the property although legal title to the property is not to be transferred until sometime later. A "present ownership interest" does not include a lease (with or without a purchase option), a purchase contract without the right to possession or of less than 2 years duration, a remainder interest, an ownership interest in a manufactured home that is not permanently fixed to real property, or

an ownership interest in a home that is not a principal residence (e.g. a vacation home, time share or rental property).

**INCOME LIMIT**

**The gross annual household income from all sources of all persons over age 18 (except for dependent full-time undergraduate students) intending or expected to reside in the home within 12 months from closing is**

**\$ \_\_\_\_\_.**

**Do any adult household members receive child support?    Yes        No**

**If yes, it must be included in the annual income figure listed above, along with all other sources of income including those listed in the paragraph below.**

The gross annual household income listed above may not exceed the income limit established by the federal government for the county in which the Residence is located, under the applicable PHFA home loan program. **ALL SOURCES OF INCOME MUST BE DISCLOSED, INCLUDING ANY KNOWN INCREASES IN INCOME TO OCCUR WITHIN THE NEXT YEAR. THIS INCLUDES, BUT IS NOT LIMITED TO: GROSS BASE PAY, OVERTIME, PART-TIME INCOME, BONUSES, DIVIDENDS, DISABILITY INCOME, INTEREST, PENSION, NET RENTAL INCOME, ALIMONY, CHILD SUPPORT, PUBLIC ASSISTANCE, SELF-EMPLOYMENT INCOME, SOCIAL SECURITY, UNEMPLOYMENT COMPENSATION, TRUST INCOME, WORKERS' COMPENSATION, ETC. DO NOT SIMPLY LIST THE PREVIOUS CALENDAR YEAR INCOME.**

I/we certify that the number of persons including children expected to live in my/our household during the next 12 months is \_\_\_\_\_.

If the above number includes an unborn child, attach a copy of the "Certification of Pregnancy" Addendum to this Affidavit, completed and signed by a physician. (An unborn child may not be used to increase the applicable income limit under the HOMEstead Program.)

List the name(s) of other adult household members included in this total who are not listed on the mortgage application (include separate page if necessary):

\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

The Lender will make final income calculations based upon the receipt of income verifications. The applicant is required to disclose any changes to the income after application at or prior to closing. **If your total annual gross income is above the applicable income limit either at the time of loan application, lender verification, or loan closing, you will not be eligible for a mortgage loan under this program.**

**PURCHASE PRICE LIMIT**

**The Total Acquisition Cost may not exceed the PHFA's Maximum Purchase Price limit under the applicable home loan program for the county in which the home being purchased is located.** The Total Acquisition Cost includes the amount paid, in cash or in kind, by the Applicant or any other person to or for the benefit of the Seller or Borrower (or a related party) for the land and Residence (excluding any personal property which is not a fixture), as well as the additional cost for fixtures. If the residence is incomplete or unfinished or is to be rehabilitated, include the additional costs of completing or rehabilitating the residence not to be paid to the Seller. If the residence is purchased subject to a ground rent, then include the capitalized value of the ground rent. The cost of land owned by Borrower less than two years prior to commencement of construction of the residence thereon must also be included. Use the purchase price of said land. However, if the transaction is not arm's length (e.g. father to son or employer to employee), the appraised value, NOT the purchase price, of the Residence is used to determine Maximum Purchase Price eligibility and the appraised value cannot exceed the Maximum Purchase Price limit.

The sales price and the total acquisition cost need not be the same amount. The acquisition cost of a residence does not include (1) usual and reasonable settlement and financing costs or (2) the value of services performed by the Borrower or members of his family (which include the Borrower’s parents, brothers and sisters (whether by whole or half blood), spouse, ancestors and lineal descendants) in completing or rehabilitating the residence (i.e. "sweat equity"). Settlement and financing costs that exceed the usual and reasonable costs which otherwise would be paid must be included in the acquisition cost. The acquisition cost does not include the cost of land owned by the Borrower for two years or more prior to the date on which construction of the residence begins. PHFA has information available concerning what constitutes a fixture or personal property under state law. The acquisition cost of the land and residence to be acquired by the Buyer from the Seller is computed as follows:

- a) Amount paid, in cash or in kind, by the Applicant or any other person to or for the benefit of the Seller (or a related party) for the land and Residence (excluding any personal property which is not a fixture)..... \$ \_\_\_\_\_
- b) Amount paid for fixtures (if not included in (a) above)..... \$ \_\_\_\_\_
- c) Amount paid, in cash or in kind, by the Applicant or any other person to or for the benefit of the Applicant to the seller..... \$ \_\_\_\_\_
- d) If the Residence is purchased subject to a ground rent, the capitalized value of the ground rent (annual ground rent divided by 5%)..... \$ \_\_\_\_\_
- e) Cost of land owned by Buyer less than 2 years prior to commencement of construction of Residence thereon..... \$ \_\_\_\_\_
- f) If the Residence is incomplete, the estimated cost of completing it..... \$ \_\_\_\_\_
- g) TOTAL ACQUISITION COST..... \$ \_\_\_\_\_

**NEW MORTGAGE REQUIREMENT**

I/we certify that no part of the proceeds of the Mortgage Loan will be used directly or indirectly to repay an existing loan made in connection with the Residence, except construction loans, bridge loans or similar temporary initial financing having a term of 24 months or less.

**BORROWER’S AUTHORIZATION**

I/we hereby authorize PHFA and its agents or designees to verify past and present employment, earning records, bank accounts, stock holdings, and any other asset balances that are needed to process the mortgage loan application. I/we also authorize the obtaining of consumer credit reports and the verification of other credit information, including past and present mortgage and landlord references, and further grant permission to PHFA and its agents or designees to verify the statements made herein.

**CERTIFICATION/VERIFICATION**

I/we understand and acknowledge that this affidavit is being made under penalties of perjury and that if I/we have made any fraudulent statements, misstatements due to negligence or material misstatements in the representations contained in any part of this document, or failed to state any of the information requested, the following may occur:

1. I/we could be imprisoned for up to 30 years pursuant to Section 1014 of Title 18 of the United States Code.
2. The Office of the Attorney General of the Commonwealth may be contacted for investigation regarding perjury, misrepresentation and false swearing.
3. The outstanding principal balance of the loan, if financed by mortgage revenue bonds, will be immediately due and payable together with accrued interest and foreclosure costs, legal fees and applicable expenses. All application fees and other costs and/or charges paid in connection with the application will be nonrefundable.
4. If applicable, I/we will be subject to a \$10,000 penalty under section 6709 of the Internal Revenue Code in addition to the other monetary penalties permissible under Section 6709(a) of the Internal Revenue Code.
5. I/we may be subject to criminal penalties.

\_\_\_\_\_  
Signature of Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Co-Borrower

\_\_\_\_\_  
Date

**LENDER CERTIFICATION**

I have explained the contents of this Affidavit to the person(s) whose name(s) appear above, and I have no reason to believe that said person(s) made any misstatements or omissions in the warranties and representations required to be made herein.

\_\_\_\_\_  
Signature of Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Lender/Broker Representative

\_\_\_\_\_  
Name of Originating Lender/Broker Company

**PENNSYLVANIA HOUSING FINANCE AGENCY  
MORTGAGOR'S REAFFIRMATION AT LOAN CLOSING**

**If any information of representations contained in the Mortgagor's Affidavit have changed since the affidavit was completed, the information must be corrected or a new affidavit must be completed as of the date of closing (or conversion if a C/P loan).**

BORROWER NAME(S): \_\_\_\_\_

ADDRESS OF HOME  
BEING PURCHASED: \_\_\_\_\_

ORIGINATING LENDER: \_\_\_\_\_

I/we as Purchasers of the Residence indicated herein have reviewed all of the information, representations and warranties contained in the original Affidavit of Eligibility and Acknowledgement of Program Requirements and I/we do hereby reaffirm all information, representations and warranties made therein. I/we understand and acknowledge that this affidavit is being made under penalties of perjury and that if I/we have made any fraudulent statements or material misstatements in the representations contained in any part of this document, or failed to state any of the information requested, the following may occur:

1. I/we could be imprisoned for up to 30 years pursuant to Section 1014 of Title 18 of the United States Code.
2. The Office of the Attorney General of the Commonwealth may be contacted for investigation regarding perjury, misrepresentation and false swearing.
3. The outstanding principal balance of the loan, if financed by mortgage revenue bonds, will be immediately due and payable together with accrued interest and foreclosure costs, legal fees and applicable expenses. All application fees and other costs and/or charges paid in connection with the application will be nonrefundable.
4. If applicable, I/we will be subject to a \$10,000 penalty under section 6709 of the Internal Revenue Code in addition to the other monetary penalties permissible under Section 6709(a) of the Internal Revenue Code.
5. I/we may be subject to criminal penalties.

\_\_\_\_\_  
Signature of Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Co-Borrower

\_\_\_\_\_  
Date

Commonwealth of Pennsylvania

County of \_\_\_\_\_

This record was acknowledged before me on \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, who represents he/she executed the record for the purposes stated in the record.

\_\_\_\_\_  
Signature of Notarial Officer



## ADDENDA TO PHFA MORTGAGOR'S AFFIDAVIT

(Complete applicable section(s) at time of application.)

### ADDENDUM A: FHA "NOTICE TO BUYERS"

(To be used in connection with all FHA-Insured Loans)

Dear Homebuyer:

Your home purchase is being financed with a mortgage made available with the assistance of the Pennsylvania Housing Finance Agency ("PHFA"). This mortgage is made at an interest rate below what is usually being charged. Because of this, your mortgage provides that you cannot sell your home to a person ineligible for assistance from PHFA, unless you pay your loan in full. If you sell your home to a party who intends to assume your mortgage and that party is ineligible for a PHFA mortgage, PHFA may demand immediate full repayment of the loan. This could result in foreclosure of your mortgage and repossession of the property. In addition, if you rent the property or committed fraud or intentionally misrepresented yourself when you applied for the loan, the lender or PHFA may foreclose your mortgage and repossess the property. If the lender or PHFA takes your home through a foreclosure of the mortgage, because of these reasons, HUD will not be able to help you.

If the money received from the foreclosure sale is not enough to pay the remaining amount of money you owe on the loan, PHFA may obtain a deficiency judgment against you (a court ruling that you must pay whatever money is still owed on the loan after the foreclosure sale). Such judgment will be taken over by HUD if PHFA files an insurance claim against HUD because of the foreclosure. HUD may then bring an action against you to collect the judgment.

I/we hereby acknowledge and understand the above restrictions as they pertain to the HUD/FHA-insured loan I/we are applying for and I/we consent to the existence of the due on sale clause.

\_\_\_\_\_  
Signature of Borrower and Date

\_\_\_\_\_  
Signature of Co-Borrower and Date

### ADDENDUM B: VA NOTICE

(To be used in connection with all VA-Guaranteed Loans)

Dear Veteran:

Your home purchase is being financed with the assistance of the Pennsylvania Housing Finance Agency ("PHFA"). This mortgage is made at an interest rate below what is usually being charged. If you sell, lease or transfer the property without paying off the PHFA mortgage and without the prior written consent of PHFA to a party ineligible for PHFA's assistance, PHFA may invalidate any such actions and demand immediate and full repayment of the loan. This could result in foreclosure or repossession of the property. If such foreclosure takes place, the VA will not be able to help you. In addition, the VA may have to pay a claim to PHFA for any loss incurred on your loan. You may then be obligated to the VA for any claim paid to PHFA by the VA.

BY: \_\_\_\_\_  
Signature of Officer of Originating Lender/Broker and Date

\_\_\_\_\_  
Name of Originating Lender/Broker

I hereby acknowledge and understand the above restrictions as they pertain to my VA-Guaranteed Mortgage Loan and consent to the existence of the due-on-sale clause. This addendum is a part of the Mortgagor's Affidavit of Eligibility.

BY: \_\_\_\_\_  
Signature of Veteran Borrower and Date

\_\_\_\_\_  
Signature of Co-Borrower and Date

**ADDENDUM C: CERTIFICATION OF PREGNANCY**

(To be completed and executed by the pregnant borrower’s physician when the birth of a child will change the household size which will result in an increase in the applicable Income Limit)

I \_\_\_\_\_, do hereby certify that I am a physician and have  
(Physician)  
tested/examined \_\_\_\_\_ and have determined that she is pregnant. It is estimated  
(Name)  
that the child will be born on \_\_\_\_\_.  
(Date)

I certify that the above information is true and correct.

\_\_\_\_\_  
Date Signature of Physician Field of Medicine

**ADDENDUM D: FIRST TIME HOMEBUYER EXCEPTION FOR VETERANS**

(To be signed by veterans applying for a Keystone Home Loan  
who are not first-time home buyers and not purchasing a home in a Target area.)

I understand that my home purchase is being financed with a mortgage made available by the assistance of the Pennsylvania Housing Finance Agency ("PHFA") using the proceeds from Qualified Mortgage Revenue Bonds.

I affirm that I qualify for an exemption from the first-time homebuyer requirement because I am a qualified veteran.

By signing below, I certify that:

- I am a veteran, within the meaning of 38 U.S.C. Section 101, who served in active duty of the United States Armed Forces or Reserves and who was discharged or released under conditions other than dishonorable. A copy of my/our discharge papers have been provided as verification.
- I have not previously obtained a mortgage through the Pennsylvania Housing Finance Agency.

\_\_\_\_\_  
Signature of Veteran Date

## HOMestead PROGRAM SECOND MORTGAGE ASSISTANCE Needs Assessment Form

Date: \_\_\_\_\_ Series: \_\_\_\_\_

Borrower: \_\_\_\_\_ SS#: \_\_\_\_\_

Co-Borrower: \_\_\_\_\_ SS#: \_\_\_\_\_

**\*\*Round All Amounts Off To The Nearest Dollar\*\***

Purchase Price \$ \_\_\_\_\_ Mortgage Amount \$ \_\_\_\_\_

ASSETS				ELIGIBLE DOWN PAYMENT AND CLOSING COST FOR ASSISTANCE			
		<u>Lender</u>	<u>PHFA</u>			<u>Lender</u>	<u>PHFA</u>
Cash Deposit Paid	(*1)	\$ _____	\$ _____				
Checking/Savings	(*2)	\$ _____	\$ _____	Total Closing Costs			
Gifts		\$ _____	\$ _____	From *Loan Estimate			
CD's	(*3)	\$ _____	\$ _____	(* (exclude FHA			
				Upfront MIP, VA			
				Funding & RHS			
				Guarantee fee (B)	\$ _____	\$ _____	
Money Market		\$ _____	\$ _____				
Stocks/Bonds		\$ _____	\$ _____	Deduct Closing Costs			
Profit Sharing	(*4)	\$ _____	\$ _____	Paid by Seller or	\$ _____	\$ _____	
				other Entity (C)			
Other	(*5)	\$ _____	\$ _____				
SUBTOTAL		\$ _____	\$ _____	Total Cash			
Deduct required				Requirement			
Downpayment	(*6)	\$ (_____)	\$ (_____)	(* (D)	\$ _____	\$ _____	
TOTAL ASSETS	(A)	\$ _____	\$ _____				

\*Refer to numbered or lettered instructions on back of form.

“PHFA” is for PHFA use only.

**Please Note: No Closing Cost Assistance will be granted on less than maximum financed loans. Any additional dollars the borrower has must go towards closing costs before additional down payment.**

### CALCULATION OF TOTAL AMOUNT OF ASSISTANCE NEEDED

		<u>Lender</u>	<u>PHFA</u>
1) - Total Assets (From Line "A" Above)		1. \$ _____	\$ _____
2) - <u>Less</u> Asset Allowance		2. \$ <u>(5,000.00)</u>	\$ <u>(5,000.00)</u>
3) - Total Assets Available		3. \$ _____	\$ _____
4) - Total Eligible Costs for Assistance-(From Line “D” above)		4. \$ _____	\$ _____
5) - Additional Amount for Affordability/Downpayment		5. \$ _____	\$ _____
6) - Subtotal		6. \$ _____	\$ _____
7) - Less Total Assets Available (Line 3)		7. \$ _____	\$ _____
8) - Total Amount of Assistance Needed		8. \$ _____	\$ _____

(May not exceed \$10,000 or be less than \$1,000)

PLEASE NOTE: (If line 8 is less than \$1,000, NO ASSISTANCE SHALL BE GRANTED.)

#### Preliminary Lender Certification

I certify that the "Total Amount Of Assistance Needed" for the above referenced borrower(s) is \$ \_\_\_\_\_

\_\_\_\_\_  
Name of Originating Lender

\_\_\_\_\_  
Signature of Officer

#### For PHFA Use Only

B.A. È

\_\_\_\_\_ Approved \$ \_\_\_\_\_ or \_\_\_\_\_ Rejected because \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

The Closing Disclosure will be used to verify the actual amount of assistance disbursed at loan closing. Cash back to the borrower is limited to \$100 in excess of reimbursement for POC items. Any additional funds must be reimbursed to PHFA, and the HOMestead loan must be reduced accordingly (or the first mortgage when there is no PHFA second). When submitting the loan for purchase, please include a check made payable to PHFA for any unused portion of assistance provided.

**Instructions for Completing the Needs Assessment Form  
 HOMESTEAD SECOND MORTGAGE ASSISTANCE PROGRAM  
ASSETS**

Enter all liquid assets (see *Seller's Guide* for definition) of the Borrower(s) according to categories listed on the form.

1. Refers to earnest deposit or hand money paid by the Borrower apart from funds shown on V.O.D.'s or gift letters in file.
  2. Defined as funds in checking and savings accounts.
  3. Must be included regardless of maturity dates.
  4. These accounts are included only if they can be withdrawn without a penalty.
  5. Include prepayment of the Participation Fee, Qualifying Fee, and any other closing costs.
  6. Assets necessary for the minimum downpayment must be deducted from the total assets to determine the balance of assets available for closing costs.
    - *For Conventional and FHA loans, show the amount equal to the required investment (borrowers need to contribute the lesser of \$1000 or 1% of the loan amount).*
    - *For VA and RD Loans, -0- is to be listed on this line.*
- A. Total Assets are used to determine the total amount of assistance needed. (Assets exceeding \$5,000.00 must be used toward the purchase of the home). In all cases, we will require verification that the borrower(s) have sufficient funds to cover their minimum required investment.

**Eligible down Payment and Closing Cost Assistance**

B) Enter the total closing costs from the "Loan estimate". This estimate is NOT to include any monthly PITI reserves.

Eligible closing costs include the following:

Origination Fee	Notary Fees	Recording Fees
Application Fee or Credit/Appraisal Fees	Transfer Tax	Survey
Interest to First of the month	Realtor Fees	Tax Escrow
First Year Mortgage Insurance Premium	Insurance Escrow	Administrative Fee
First Year Hazard Insurance Premium	Title Insurance	Mortgage Insurance Escrow
Pro-rata Tax Reimbursement		

Any other costs other than those listed above must be approved by the Agency prior to inclusion.

**\* Please note: The VA Funding Fee, the RHS Guarantee Fee and the FHA Upfront MIP are NOT eligible closing cost because they can be financed in the Mortgage.**

- C) Deduct closing costs paid by seller or other entity.
- D) Subtract C (if applicable) from B for the "Total Cash Requirement".

**DETERMINATION**

The steps to determine estimated assistance are

- 1) - List Total Assets from Line A.
- 2) - Borrower's Asset Allowance is \$5,000.
- 3) - Total Assets Available - (Line 1 minus Line 2)
- 4) - Enter the total Cash Requirement amount from line "D" above.
- \*5) - Enter additional amount to make the loan affordable for the borrower.
- 6) - Subtotal.
- 7) - Deduct Assets Available (from Line 3).
- 8) - Enter total Amount of Assistance Needed. (May not exceed \$10,000 nor be less than \$1,000)

If assistance needed is less than \$1,000, no assistance will be granted.

**Preliminary Lender Certification**

Enter the amount of assistance needed (if the amount exceeds the maximum then enter the maximum amount) on the appropriate line. Please properly complete all other sections as designated.

\* This program is designed to make the home purchase more affordable for homebuyers. Borrowers may experience payment shock; Line 5 is to be used to determine an amount that will help make the first mortgage more affordable for the homebuyer. The amount on line 5 will depend on the factors in the balance of the file. This amount represents the difference between the affordable loan amount and the loan amount based on 97% of the sales price.

**PENNSYLVANIA HOUSING FINANCE AGENCY  
HOMEstead Program --Property Inspection Checklist**

THE FOLLOWING INFORMATION SHOULD BE COMPLETED BY THE FHA APPROVED APPRAISER AND BE SUBMITTED TO PHFA IN CONNECTION WITH THE LOAN.

	<b>YES</b>	<b>NO</b>
1. Does the home contain an operable flush toilet in a separate, private room, adequate for the disposal of human waste and does this room contain a fixed basin with hot and cold running water?	_____	_____
2. Is the home served by an approved public or private water and disposal system?	_____	_____
3. Do bathroom areas have at least one operable window or other adequate exhaust ventilation?	_____	_____
4. Does the home have a shower or tub with hot and cold running water that can be used in privacy?	_____	_____
5. Does the home contain a kitchen area suitable for the preparation and servicing of food in a sanitary manner and contain a stove, oven, refrigerator, properly operating sink with hot and cold running water?	_____	_____
6. Are all doors and windows accessible from outside the dwelling lockable?	_____	_____
7. Do living and sleeping rooms include at least one window?	_____	_____
8. Is a ceiling or wall type light fixture present and working in the bathroom and kitchen areas?	_____	_____
9. Are there at least two electric outlets (one of which may be an overhead light) present and operable in the living area, kitchen area and each bedroom?	_____	_____
10. Are there any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling or noticeable movement under walking stress in the interior ceilings, walls and floors?	_____	_____
11. Are there any serious defects such as leaning, buckling, sagging, cracks or holes, loose siding or other serious damage to the exterior or wall structure?	_____	_____
12. Is the condition of exterior stairways, porches and walkways such as not to present a danger of tripping or falling? For stairways--handrails are present for run of 4 steps or more.	_____	_____
13. The home appears to be free from dangerous levels of air pollution.	_____	_____
14. Is the home served by a properly functioning heating (and cooling if applicable) system and is the air circulation adequate throughout the unit?	_____	_____
15. The hot water heater is properly vented, has a pressure relief valve and discharge line and is in an appropriate location.	_____	_____
16. Was the home built prior to 1978?	_____	_____
17. If the home was built prior to 1978, is there any interior/exterior chipping, cracking and/or peeling paint?	_____	_____
18. Is the roof structurally sound and weather tight?	_____	_____
19. Is the home free of dangerous asbestos?	_____	_____
20. Does the home have at least one battery-operated or hard-wired smoke detector, in proper operating condition on each level of the home including basements (excluding unfinished attics) ?	_____	_____

**THIS CHECKLIST IS TO BE ATTACHED TO AND MADE PART OF THE APPRAISAL. ANY ADVERSE ITEMS MUST BE SATISFIED AND/OR CORRECTED PRIOR TO LOAN CLOSING. IF ITEM #17 IS "YES", THE LOAN NO LONGER QUALIFIES FOR HOMESTEAD ASSISTANCE.**

Date \_\_\_\_\_  
Appraiser's FHA # \_\_\_\_\_  
(if applicable)

Appraiser Signature \_\_\_\_\_  
Printed Name \_\_\_\_\_  
Business Address \_\_\_\_\_

Appendix 7

PENNSYLVANIA HOUSING FINANCE AGENCY  
HOMEstead PROGRAM

NOTICE TO SELLER

Dear Seller:

The following Buyer(s), \_\_\_\_\_, have offered to purchase your home. As part of the financing to make this purchase, the Buyers have applied to the Pennsylvania Housing Finance Agency (the "Agency") for a HOMEstead Loan. This is a loan from the Agency to the Buyers to help pay the down payment and other related closing costs involved in this purchase. The funds for the loan come from the Department of Housing and Urban Development through the HOME Investment Partnership Program. Because federal government money may be used in the purchase of your home, you must be informed of the following:

1. Because this is a **voluntary sale**, by which you are willingly selling the residence to the Buyer, the Buyer cannot acquire this property if you and the Buyer fail to reach an amicable sales agreement.
2. The Buyer does not have the right of eminent domain (eminent domain is the power of the government to take property for public use).
3. The Buyer believes the fair market value of your residence to be \$ \_\_\_\_\_.
4. Because this is a **voluntary sale**, you are not entitled to any benefits under the Uniform Relocation Assistance And Real Property Acquisition Policies Act of 1970, as amended.

Further, in order to comply with certain federal regulations (49 C.F.R. Part 24), the Buyer must request that you disclose whether you were renting your property to anyone at the time the Agreement of Sale was signed, and also whether you have rented the property to anyone since then. Please indicate below whether there are or have been tenants on your property: (please check all that apply)

1. The property \_\_\_\_\_ *was* or \_\_\_\_\_ *was not* (check one) tenant occupied at the time the Agreement of Sale was signed.
2. The property \_\_\_\_\_ *has* or \_\_\_\_\_ *has not* (check one) been rented since the Agreement of Sale was signed.
3. \_\_\_\_\_ The property *is* currently being rented by the Buyer.

PLEASE NOTE: IF THE PROPERTY WAS TENANT OCCUPIED (BY ANYONE OTHER THAN THE BUYER) WHEN THE AGREEMENT OF SALE WAS SIGNED OR SINCE THEN, THE PROPERTY IS NOT ELIGIBLE TO BE FINANCED UNDER THE HOMEstead PROGRAM.

You should have received two copies of this letter. Please keep one for your records, and please sign the other copy on the applicable line below and return to the lending institution that is evaluating the Buyer's loan application. The Buyer can supply you with the address of the lending institution. Please fill out and return this Notice immediately, as the Buyer's loan application cannot be considered until you return this Notice.

I/we have read this letter, understand the contents, have answered the questions related to tenants on the property, and wish to proceed with the sale to the Buyer:

\_\_\_\_\_  
*Signature of Seller* *Date*

\_\_\_\_\_  
*Signature of Seller* *Date*

I/we have read this letter, understand the contents, but no longer wish to proceed with the sale to the Buyer:

\_\_\_\_\_  
*Signature of Seller* *Date*

\_\_\_\_\_  
*Signature of Seller* *Date*



**Homeownership Programs Division  
PURCHASE SUBMISSION CHECKLIST**

	<b>Lender Loan #</b>	<b>PHFA Loan #</b>	
--	----------------------	--------------------	--

**LENDER FILE CONTACT**

**PHONE # AND EMAIL**

**The Purchase Submission Package is due prior to the lock expiration date. It must be purchased within 7 days of the expiration date. Late fees will apply if deadline is not met.**

**DIRECTIONS:**

The Lender is responsible to accurately complete each line on this Purchase Submission Checklist, upload and submit a legible purchase submission package as indicated on [Appendix E](#). Place an “X” next to each item included with this Purchase Submission package or indicate “N/A” if not applicable. In the doc type column place a (C) copy, (CC) lender certified copy or (P) previously submitted next to each item applicable to this purchase submission in the order listed on this checklist. For the items indicating that we need the original (O) please mail them to the address listed below. All Forms and Appendices required on this checklist can be located in the PHFA Sellers Guide at [www.phfa.org/hop/lenders/](http://www.phfa.org/hop/lenders/).

**Electronic Submission Timeline:**

Purchase Submission packages submitted **on or before 12 noon** will be reviewed the **current business day** & if the file is complete and accurate it will be funded within 4 business days.  
 Purchase Submission packages submitted **after 12 noon** will be documented as received the **next business day**. The review process will not begin until the next business day. These timelines can be longer during periods of high volume.

Please note: A “COMPLETE” Purchase Submission package is submitted to PHFA after the following steps are successfully uploaded and submitted to VirPack:

- 1) Pre-Closing Eligible Notification and the items to clear the Conditions (Reviewed at Purchase)**
- 2) Purchase Package (Form 58 & required documents)**

If you are having trouble uploading the package due to the size, please be sure you are only uploading the required purchase documents. After that is confirmed, then you can break it into 2 separate uploads if needed.

The required Original documents must be mailed to PHFA in a file folder using the following address:

**PHFA, - Homeownership Division– Attn: Purchasing Unit**  
**211 North Front Street**  
**Harrisburg, PA 17101**

Timing the upload with the date the original items are received by PHFA will help to expedite the purchase process.

<b>PRE-CLOSING ELIGIBLE CONDITIONS (Reviewed with Purchase documents)</b>		
<b>Upload separately but at the same time as the Purchase Package (Form 58, pages 2 thru 4)</b>		
Illegible, incomplete, incorrect or missing items may cause the file to be ineligible for purchase		
<b>Required Documents:</b>		
<b>PHFA</b>	<b>Lender 'X' or N/A</b>	<b>Pre-Closing Eligible Conditions (Reviewed at Purchase)</b>
		1) A current copy of the Pipeline Loan Details Report (Eligible date must be indicated) Or a copy of the Pre-Closing Eligible Notification.
		2) Documents required to clear ALL the conditions listed on #1 above.

## Purchase Package (Form 58 &amp; required documents)

## PURCHASE DOCUMENT CHECKLIST

**IMPORTANT INFO:** If any of the following items are illegible, incomplete, incorrect or missing from the upload -DO NOT submit the file to the Agency. If an incomplete file is submitted the file will be ineligible for purchase & late fees may accrue. Legend key for columns below:

**Program Type:** **H** = Home Purchase (Keystone Home Loan with or w/o Assistance.) **G** = Keystone Gov/HFA Preferred  
**KFLEX** = (Keystone Flex w/ K-FIT and Keystone Flex Purchase and Improvement w/ K-FIT)  
**KFLEX-R** = (Keystone Flex Refinance)

PHFA	Lender 'X' or N/A	Program Type	PURCHASE DOCUMENTS
			Directions: Place Page 2 of the Checklist on top of the copies of the following items, in the order listed below.
		H/G	1) Purchase Submission Checklist (Form 58, pg.2).
		H/G	2) Escrow Agreement regardless of whether PHFA or the Lender is holding escrowed funds. Note: If PHFA is holding the escrow our Form 65 must be completed & indicate that PHFA is holding the funds.
		H/G KFLEX	3) Access Home Modifications & Purchase Improvement Loans Form 49 a) <b>Access Home Modification Loan</b> if PHFA will be holding the escrow & Lender is seeking reimbursement for an Initial payment made to the contractor at the Loan Closing. b) <b>Purchase Improvement Loan</b> PHFA will hold the escrow funds. They will be deducted from the purchase funds.
		H/G KFLEX KFLEX-R	4) Final signed and dated Loan Application (1003) & all applicable pages of the HUD 92900A.
		H/G KFLEX KFLEX-R	5) Any & all revised Loan Estimates with change of circumstance documentation for the 1st Mortgage & Advantage or K-FIT Loans.
		H/G KFLEX KFLEX-R	6) Closing Disclosure for First Mortgage & Advantage or K-FIT Loans. Provide the time compliant issued at least 3 days prior to closing and final copy.
		H/G KFLEX	7) Seller's Closing Disclosure, if applicable – Purchases only.
		H	8) Mortgagor's Affidavit Reaffirmation page signed and <b>dated as of loan closing and notarized.</b> (Form 3, Page 5).
		H	9) Affidavit of Seller (Form 3, page 6), completed, signed and dated.
		H	10) Recapture Tax Notice (Form 4). Include both pages of the form. Please be sure to use the most current income chart (Page2). Page 1 must be signed and dated by the borrower(s) and the maximum recapture figure must be listed in Section B.
		H/G KFLEX KFLEX-R	11) Provide a copy of all applicable Closing Instructions letters that were used in this transaction.
		H/G KFLEX KFLEX-R	12) Conventional loans closed on or after 9/25/17 – Provide a copy of the successful UCD Submission. The final CD must be reflected in the UCD Submission.
		H/G KFLEX KFLEX-R	13) Evidence of Borrower's Identification Verification per "USA Patriot Act".
		H/G KFLEX KFLEX-R	14) VA Loans – VA Report & Certification of Loan Disbursement (Form 26-1820).
		H/G	15) FHA 203K Loans – Rehab Loan Agreement.
		H/G	16) FHA 203K Loans – After the work has been completed, a close out package is required. This package includes the mortgagor's letter of completion, screen shot of the FHA connection close out, final comp. inspection for full 203K, final release & contingency release, title policy endorsement, & completed draw request forms.
		G	17) Homestyle Loans – Provide Form 71 for escrowed payments. After the work has been completed, a closeout package is required. This package includes Form 49, title policy endorsement, and inspection for completion.
			<b>PHFA SUBORDINATE DOCUMENTS</b>
		H/G KFLEX	18) PHFA <u>Second Lien Subordinate Mortgage Note</u> (Forms 54 ADV (Advantage), Form 54 KFIT (K-FIT) or 54a (HOMEstead) loans. The Advantage or KFIT loan must be in second lien position.* <b>Mail Original to PHFA.</b>
		H	19) Disclosures for PHFA HOMEstead & Access Modification Loans.
		H/G KFLEX	20) PHFA Second Lien Subordinate Mortgage Form 55ADV (Advantage), Form 55KFIT or 55 (HOMEstead) with evidence document was sent for recording.
		H	21) PHFA <u>Third Lien Subordinate Mortgage Note</u> (Form 54). <b>*Mail Original to PHFA.</b>
		H	22) PHFA Third Lien Subordinate Mtg. with evidence document was sent for recording (Form 55). The Advantage or KFIT Mortgage cannot be in 3 <sup>rd</sup> lien position.

If a notice is posted to the PHFA Pipeline Plus regarding missing items from this page, please note the item (s) must be uploaded as purchase conditions: **Documents >> Upload**; Document Type: **Purchase Conditions**

**Purchase Package (Form 58 & required documents)**

**FIRST MORTGAGE DOCUMENT CHECKLIST**

**Instructions:** The following items must be present for ALL Program Types: Items are: 2,3,4,5,6,7, 9 & 10

O = ORIGINAL    C = COPY    CC = LENDER CERTIFIED COPY    E = Emailed Copy

PHFA	Lender 'X' or N/A	<u>FIRST MORTGAGE DOCUMENTS</u>	
		<b>Directions: Place Page 3 of the Checklist on top of the copies of the following items, in the order listed below</b>	
		O*	1) First Mortgage Note with a signed endorsement to the Pennsylvania Housing Finance Agency. <b>*Mail Original to PHFA in file folder &amp; upload a copy.</b> <b>(a) Loan Amount</b> and P & I Payment are correct; <b>(b) The Interest Rate</b> is the PHFA reserved rate disclosed on the Approval Notification; <b>(c) First Payment Date:</b> 1st day of the 2nd month following the date of closing, funding or construction conversion. For loans closed/funded by the 5th calendar day of the month, the first payment date could be the first day of the month following closing if the loan closed with an interest credit or short interest. <b>(d) Maturity Date:</b> One month preceding the 1st payment date plus 30 years; <b>(e) Late Charges:</b> (15 days after due date) 4% FHA, VA and RD Guaranteed; 5% Conventional; <b>(f) All First Mortgage Notes submitted for purchase must have the following Legible Endorsement:</b> "Pay without recourse to the Pennsylvania Housing Finance Agency". Endorsement to be signed by an authorized officer of the lender. Lender's name should appear with the signature of the authorized signer. The typed Officer's name & title needs to appear with the signature. <b>(g) If applicable, Legible Endorsement</b> from an authorized affiliated entity to the participating lender submitting the loan for purchase. <b>(h) NMLS Information</b> must be present.
___(a)	___(a)		
___(b)	___(b)		
___(c)	___(c)		
___(d)	___(d)		
___(e)	___(e)		
___(f)	___(f)		
___(g)	___(g)		
		O*	2) Co-signer certification (Form 21), if applicable. <b>* Mail Original to PHFA.</b>
		O*	3) Addendum to Note/Construction Loan (Form 19), if applicable. <b>*Mail Original to PHFA.</b>
		CC	4) Mortgage Instrument with the following attachments and signed <b>evidence</b> document was sent for recordation (See item # 6 below for the acceptable forms of evidence of recording). If the mortgage references additional attachments, all items must be included. <b>(a) Legal Description</b> must be present. <b>(b) Condo/PUD/Manufactured Home Affixation Riders.</b> <b>(c) NMLS Information</b> must be present.
___(a)	___(a)		
___(b)	___(b)		
		O	5) Mortgage Modification Agreement (Form 40). Before using a modification please check with PHFA to determine that is the best option to make the correction.
		CC	6) Assignment of First Mortgage to Pennsylvania Housing Finance Agency (Form 20) with <b>evidence</b> the document was sent for recording such as: <b>(a)</b> Individual receipt from recorder of deeds for the document that was submitted for recording <b>OR</b> <b>(b)</b> The following signed statement typed on a copy of the document: "I hereby certify that this is a true and correct copy of the original which was submitted for recordation". By: _____ Date: _____ Name of Title Insurance Company Agency or Lender Authorized Officer
___(a)	___(a)		
___(b)	___(b)		
		CC	7) <b>If applicable</b> , an Assignment of Mortgage from an authorized affiliated entity to the participating lender submitting loan for purchase, with evidence document was sent for recording as referenced above in #6.
		CC	8) Subordination Agreement – signed and stamped certified true copy of the doc, sent for recording.
		CC/O	9) <b>A copy of a notarized Name Affidavit</b> must accompany the Note. If there is an additional person (s) on the mortgage, we need a copy of the <b>notarized name affidavit</b> for that person as well. Copies need to be uploaded into the electronic system. <b>Any inconsistencies/variations between the printed name and signature will require an original Name Affidavit be mailed to PHFA.</b>
		E	10) Instant Title Policy with all required addendums & endorsements. The Title Policy must contain an authorized agent's countersignature. <b>*eMail from Title Agent/Company stating it is the original is required.</b>
		C	11) Executed Deed that was sent for recording. This is required for all loans types except for Refinance Loans.
		CC	12) Non-PHFA Additional Assistance Program – Includes Other County Programs Subordinate Mortgage and Subordinate Note if approved to use with this loan transaction.
		C	13) Survey, if common and typical to area. (This is not a PHFA requirement).
		C	14) Power-Of Attorney, if applicable. Please include the communication with PHFA staff granting permission to close with the POA.

**IMPORTANT NOTICE:** THE FINAL DOCUMENTS, APPROPRIATE GOVERNMENT INSURING CERTIFICATE & ALL MISCELLANEOUS ITEMS THAT WERE REQUIRED BY PHFA MUST BE SUBMITTED TIMELY TO RECEIVE THE FULL SRP. PLEASE CLICK ON THE LINK FOR SRP SCHEDULE <http://www.phfa.org/forms/sellersguide/sellersguide.pdf>. THE FOLLOWING DOCUMENTS (when applicable) ARE REQUIRED TO BE UPLOADED TO VIRPACK. REFER TO THE FINAL DOCUMENT PACKAGE CHECKLIST.

- |  |                                       |
|--|---------------------------------------|
| 1. RECORDED FIRST MORTGAGE AND ASSIGNMENT(S) | 5. FHA MORTGAGE INSURANCE CERTIFICATE |
| 2. RECORDED PHFA SUBORDINATE MORTGAGE(S)     | 6. VA LOAN GUARANTY CERTIFICATE       |
| 3. ORIGINAL MORTGAGE MODIFICATION AGREEMENT  | 7. RD LOAN NOTE GUARANTY              |
| 4. RECORDED NON-PHFA SUBORDINATE MTG.        |                                       |

**PURCHASE PACKAGE - SERVICE RELEASED CHECKLIST**

LENDER TO COMPLETE <u>ALL</u> BLANKS IN THIS SECTION	Borrower's Name: _____	Lender: _____	Date Completed  _____
	PHFA Loan # (on PHFA Approval) _____	Contact: _____	
		Tel. # _____	
		Email: _____	

<b>LENDER "X" OR N/A</b>	<b>Loan Set Up Review Documents</b>
	The Loan Set Up Sheet must be completed by accessing it at <a href="https://lenders.phfa.org">https://lenders.phfa.org</a> . The closing information must be completed within 7 calendar days after closing or before the lock expires, if the lock expired <a href="mailto:Secondary@phfa.org">Secondary@phfa.org</a> must be notified to reactivate the loan so that the loan set up information can be completed. <b>PLEASE NOTE:</b> Loan Set Up must be completed after the required Loan Set Up Review Documents are submitted and processed. The documents listed below are required to be submitted and must be processed prior to the Loan Set Up being made available. Use <a href="#">Appendix E</a> as a reference for submitting Loan Set Up Review Documents.
	1) Provide a copy of the Legal Description for the subject property.
	2) Provide a copy of the Final Closing Disclosure.
	3) Homeowners Insurance declaration page must be effective no later than the closing date. If the CD references the insurance as a POC, proof of <u>payment in full</u> for the first year's premium is required. The Ins. Agent must document payment was received. For PHFA to PHFA refis /only the dec. page is required.
	4) Copy of Hello/Goodbye letter with the PHFA Privacy Disclosure (Form 28 – all pages) given to the mortgagor at closing with the complete payment information.
	5) Life of Loan Flood Certification (must list PHFA's name & address).
	6) Initial (Aggregate) Escrow Account Statement Disclosure.
	7) Tax Certification verifying payment of School, County and City/Twp or Boro taxes. Form 27 may be used if <b>fully completed</b> with all taxing authorities, tax amounts and discount dates listed and signed by the lender. All tax figures must match figures on the Final Closing Disclosure. Please note if property contains multiple parcels, tax amounts must be reflected separately.
	<b>Servicing Release Documents</b>
	<b>Directions:</b> Place this Page 4 of the Checklist with the documents in the order listed below. These items are uploaded with the Purchase Package with Form 58: <b>Documents &gt;&gt; Upload</b> ; Document Type: <b>Purchase Package</b> . For any questions regarding these items, email <a href="mailto:sfservicingconditions@phfa.org">sfservicingconditions@phfa.org</a> or call 717.780.3871 *The below documents are required to be submitted with the Purchase Package.
	1) If Real Estate tax must be paid, include tax bill and note that bill must be paid immediately. Please note that if the Closing Disclosure reflect the current year taxes as paid a receipt will be required to be submitted as verification.
	2) Automatic Withdrawal (ACH form) (Form # 67). (Document must be faxed to the Agency within 4 business days after closing). <b>Optional.</b>
	3) Guaranteed Rural Housing Form 3555-18E Conditional Commitment for Single Family Housing Loan Guarantee (4 pages) with <b>proof servicing was transferred</b> . If this is done electronically, we will accept screen shots from the USDA website of the GLS lender loan closing confirmation & update on loan closing in place of the form. <b>This document is only required on RD loans.</b>
	4) W-9 Form for all borrowers.
5) <b>FHA purchase loans only</b> - include the applicable Addendums and FHA Settlement Certification that accompany the Closing Disclosure.	
6) Letter to Insurance Co. (Form 42) advising of change of Servicer – This is required when PHFA is not listed on the declaration page. The correct address is PHFA, P.O. Box 15057, Harrisburg, PA 17105.	
7) If flood Ins is required – Provide proof of Flood Ins. with acquired by including a fully executed & dated application. A payment receipt for first year's premium is needed even if it is listed as a POC.	
8) Proof of Mine Subsidence Insurance, with receipt for first year's premium and/or copy of check, if applicable.	
9) Copy of Right of Rescission addressed to each owner for all Refinance Loans.	
10) For Condominium units, provide a copy of Certificate of Association's Insurance for Hazard and/or Flood and a unit owner's HO-6 policy for replacement.	
11) Copy of clear MI Certificate, including an acknowledgement that the servicing was transferred to PHFA. The certificate must also include proof of payment as applicable per the MI Company. <b>(Required on HFA loans with MI.)</b>	
12) Provide the Initial PMI Cancellation Disclosure and the Amortization Schedule. <b>(Required on Conventional loans with MI and PHIF.)</b>	
13) Authorization letter from borrower for PHFA to use the escrow funds to apply to the new loan. Required on PHFA to PHFA refinances per FHA in ML 2013-29.	
14) If applicable, non-liable co-owner's name _____ (This is needed when another person is living in the home but he/she is not on the note.) Social Security # _____ Date of Birth: _____	
15) Address of co-borrower not occupying property. _____	

If a notice is posted to the PHFA Pipeline Plus regarding missing items from this page, please note the item (s) must be uploaded as Servicing conditions: **Documents >> Upload**; Document Type: **Servicing Conditions**

## PHFA Form 4

**NOTICE TO MORTGAGOR OF POTENTIAL RECAPTURE TAX UPON SALE OF HOME\***

**A. INTRODUCTION:** As a recipient of a mortgage loan from the proceeds of a tax-exempt bond, you may be subject to a recapture tax if you sell your home during the next nine years. The recapture is accomplished by an increase in your federal income tax for the year in which you sell your home. The recapture only applies, however, if you sell your home at a gain and if your income increases more than 5% per year. The recapture tax may also apply if you dispose of your home in some other way. Any references in this notice to the "sale" of your home also include other ways of disposing of your home. For instance, you may owe the recapture tax if you give your home to a relative.

**B. MAXIMUM RECAPTURE TAX & CALCULATION OF TAX DUE, if any:**

**NO RECAPTURE TAX DUE:** In the following situations, no recapture tax is due and you do not need to do the calculations listed below:

1. You sell your home more than nine years after settlement.
2. Your home is disposed of as a result of your death.
3. You transfer your home either to your spouse or to your former spouse in connection with a divorce and you have no gain or loss included in your income under section 1041 of the Internal Revenue Code, or
4. You dispose of your home at a loss.

**MAXIMUM RECAPTURE TAX:** The maximum recapture tax that you may have to pay is \$\_\_\_\_\_. This amount is 6.25% of the highest principal amount of your mortgage loan and is your federally subsidized amount with respect to the loan.

The **ACTUAL RECAPTURE TAX**, if any, can be determined when you sell your home, and is the lesser of (1) 50% of your gain on the sale of your home, regardless of whether you have to include that gain in your income for federal income tax purposes, or (2) your RECAPTURE AMOUNT determined below:

1. If home is sold before the 1<sup>st</sup> anniversary of closing, or on or after the 8<sup>th</sup> anniversary but before the 9<sup>th</sup>, your recapture amount will be 1.25% of your original principal mortgage amount.
2. If home is sold on or after 1<sup>st</sup> anniversary of closing but before the 2<sup>nd</sup>, or on or after the 7<sup>th</sup> anniversary but before the 8<sup>th</sup>, your recapture amount will be 2.5% of your original principal mortgage amount.
3. If home is sold on or after 2<sup>nd</sup> anniversary of closing but before the 3<sup>rd</sup>, or on or after the 6<sup>th</sup> anniversary but before the 7<sup>th</sup>, your recapture amount will be 3.75% of your original principal mortgage amount.
4. If home is sold on or after 3<sup>rd</sup> anniversary of closing but before the 4<sup>th</sup>, or on or after the 5<sup>th</sup> anniversary but before the 6<sup>th</sup>, your recapture amount will be 5% of your original principal mortgage amount.
5. If home is sold on or after 4<sup>th</sup> anniversary of closing but before the 5<sup>th</sup> your recapture amount will be 6.25% of your original principal mortgage amount. This is the maximum recapture amount.

**C. INCOME CALCULATION.** You can calculate the income as follows: SUBTRACT the applicable ADJUSTED QUALIFYING INCOME in the taxable year in which you sell your home, as listed on **Page 2** of this form, FROM your MODIFIED ADJUSTED GROSS INCOME in the taxable year in which you sell your home.

Your **modified adjusted gross income** means your adjusted gross income shown on your federal income tax return for the taxable year in which you sell your home, with the following two adjustments: (a) your adjusted gross income must be INCREASED by the amount of any interest that you receive or accrue in the taxable year from tax exempt bonds that is excluded from your gross income (under section 103 of the Internal Revenue Code); and (b) your adjusted gross income must be DECREASED by the amount of any gain included in your gross income by reason of the sale of your home.

Your **adjusted qualifying income** can be obtained from Page 2 of this form. Start by finding the area and county in which your PHFA-financed property is located. If the area is not specified, you would use the income figure from "All Other Counties". You would then choose the family size at the time of sale, whether it be 1 to 2 members or 3 or more. Once you have the correct row selected for the income, you would choose the correct column by selecting the year in which you are selling your home. Use this figure for you ADJUSTED QUALIFYING INCOME.

**NOTE:** If your income calculation above is zero or less, you owe no recapture tax. If it is \$5000 or more, you will owe 100% of the recapture amount. If it is greater than zero but less than \$5,000, it must be divided by \$5000. This fraction, expressed as a percentage, represents your income percentage. For example, if the fraction is \$1,000/\$5,000, your income percentage is 20%.

**D. LIMITATIONS AND SPECIAL RULES ON RECAPTURE TAX.**

1. If you give away your home (other than to your spouse or ex-spouse incident to divorce), you must determine your actual recapture tax as if you had sold your home for its fair market value.
2. If your home is destroyed by fire, storm, flood, or other casualty, there generally is no recapture tax if, within two years, you purchase additional property for use as your principal residence on the site of home financed with your original subsidized mortgage loan.
3. In general, except as provided in future regulations, if two or more persons own a home and are jointly liable for the subsidized mortgage loan, the actual recapture tax is determined separately for them based on their interests in the home.
4. If you repay your loan in full during the nine year recapture period and you sell your home during this period, your holding period percentage may be reduced under the special rule in section 143(m)(4)(C)(ii) of the Internal Revenue Code.
5. Other special rules may apply in particular circumstances. You may wish to consult with a tax advisor or the local office of the Internal Revenue Service when you sell or otherwise dispose of your home to determine the amount, if any, of your actual recapture tax. See section 143(m) of the Internal Revenue Code generally.

**\* NOTICE – RECAPTURE TAX REIMBURSEMENT:** If you ever have to pay a recapture tax in connection with the sale of this home, PHFA agrees to reimburse you, as long as you applied for this PHFA loan on or after January 1, 2004. For recapture tax inquiries, please contact PHFA at 855-827-3466 or [askphfa@phfa.org](mailto:askphfa@phfa.org).

**I/We have read and acknowledge receipt of pages 1 and 2 of this form.**

Borrower's Signature \_\_\_\_\_ Date \_\_\_\_\_

Borrower's Signature \_\_\_\_\_ Date \_\_\_\_\_

**RECAPTURE TAX INCOME LIMITS FOR 2024 (effective for reservations on or after 7/1/2024)**

Counties	Family Size By Members	Less Than	1 To 2	2 To 3	3 To 4	4 To 5	5 To 6	6 To 7	7 To 8	8 To 9
		1 Year								
ADAMS COUNTY	1 TO 2	100,500	105525	110801	116341	122158	128266	134680	141414	148484
	3 OR MORE	115,500	121275	127339	133706	140391	147411	154781	162520	170646
ALLENTOWN MSA (Carbon, Lehigh, Northampton)	1 TO 2	98,800	103740	108927	114373	120092	126097	132401	139022	145973
	3 OR MORE	113,600	119280	125244	131506	138082	144986	152235	159847	167839
ELK, FRANKLIN, INDIANA, LEBANON, MCKEAN, UNION, AND WARREN COUNTIES	1 TO 2	98,800	103740	108927	114373	120092	126097	132401	139022	145973
	3 OR MORE	113,600	119280	125244	131506	138082	144986	152235	159847	167839
ERIE MSA (Erie)	1 TO 2	98,800	103740	108927	114373	120092	126097	132401	139022	145973
	3 OR MORE	113,600	119280	125244	131506	138082	144986	152235	159847	167839
FAYETTE and WASHINGTON COUNTIES	1 TO 2	123,100	129255	135718	142504	149629	157110	164966	173214	181875
	3 OR MORE	143,600	150780	158319	166235	174547	183274	192438	202060	212163
HARRISBURG MSA (Cumberland, Dauphin)	1 TO 2	102,700	107835	113227	118888	124832	131074	137628	144509	151735
	3 OR MORE	118,100	124005	130205	136716	143551	150729	158265	166179	174487
LANCASTER MSA (Lancaster)	1 TO 2	106,700	112035	117637	123519	129695	136179	142988	150138	157644
	3 OR MORE	122,700	128835	135277	142041	149143	156600	164430	172651	181284
MONROE COUNTY	1 TO 2	103,500	108675	114109	119814	125805	132095	138700	145635	152917
	3 OR MORE	119,000	124950	131198	137757	144645	151878	159471	167445	175817
NEWBURGH MSA (Pike)	1 TO 2	115,200	120960	127008	133358	140026	147028	154379	162098	170203
	3 OR MORE	134,400	141120	148176	155585	163364	171532	180109	189114	198570
PERRY COUNTY	1 TO 2	123,200	129360	135828	142619	149750	157238	165100	173355	182023
	3 OR MORE	143,700	150885	158429	166351	174668	183402	192572	202200	212310
PITTSBURGH MSA (Allegheny, Beaver, Butler, Westmoreland)	1 TO 2	102,600	107730	113117	118772	124711	130946	137494	144369	151587
	3 OR MORE	117,900	123795	129985	136484	143308	150474	157997	165897	174192
PHILADELPHIA MSA (Bucks, Chester, Delaware, Montgomery)	1 TO 2	114,700	120435	126457	132780	139419	146389	153709	161394	169464
	3 OR MORE	131,900	138495	145420	152691	160325	168342	176759	185597	194876
PHILADELPHIA COUNTY	1 TO 2	137,600	144480	151704	159289	167254	175616	184397	193617	203298
	3 OR MORE	160,500	168525	176951	185799	195089	204843	215085	225840	237132
READING MSA (Berks)	1 TO 2	98,800	103740	108927	114373	120092	126097	132401	139022	145973
	3 OR MORE	113,600	119280	125244	131506	138082	144986	152235	159847	167839
STATE COLLEGE MSA (Centre)	1 TO 2	115,500	121275	127339	133706	140391	147411	154781	162520	170646
	3 OR MORE	132,800	139440	146412	153733	161419	169490	177965	186863	196206
YORK MSA (York)	1 TO 2	105,100	110355	115873	121666	127750	134137	140844	147886	155281
	3 OR MORE	120,800	126840	133182	139841	146833	154175	161884	169978	178477
ALL OTHER COUNTIES Non Target	1 TO 2	118,500	124425	130646	137179	144037	151239	158801	166741	175078
	3 OR MORE	138,300	145215	152476	160100	168105	176510	185335	194602	204332

**NOTICE TO MORTGAGOR OF POTENTIAL RECAPTURE TAX UPON SALE OF HOME\***

**A. INTRODUCTION:** As a recipient of a mortgage loan from the proceeds of a tax-exempt bond, you may be subject to a recapture tax if you sell your home during the next nine years. The recapture is accomplished by an increase in your federal income tax for the year in which you sell your home. The recapture only applies, however, if you sell your home at a gain and if your income increases more than 5% per year. The recapture tax may also apply if you dispose of your home in some other way. Any references in this notice to the "sale" of your home also include other ways of disposing of your home. For instance, you may owe the recapture tax if you give your home to a relative.

**B. MAXIMUM RECAPTURE TAX & CALCULATION OF TAX DUE, if any:**

**NO RECAPTURE TAX DUE:** In the following situations, no recapture tax is due and you do not need to do the calculations listed below:

1. You sell your home more than nine years after settlement.
2. Your home is disposed of as a result of your death.
3. You transfer your home either to your spouse or to your former spouse in connection with a divorce and you have no gain or loss included in your income under section 1041 of the Internal Revenue Code, or
4. You dispose of your home at a loss.

**MAXIMUM RECAPTURE TAX:** The maximum recapture tax that you may have to pay is \$\_\_\_\_\_. This amount is 6.25% of the highest principal amount of your mortgage loan and is your federally subsidized amount with respect to the loan.

The **ACTUAL RECAPTURE TAX**, if any, can be determined when you sell your home, and is the lesser of (1) 50% of your gain on the sale of your home, regardless of whether you have to include that gain in your income for federal income tax purposes, or (2) your RECAPTURE AMOUNT determined below:

1. If home is sold before the 1<sup>st</sup> anniversary of closing, or on or after the 8<sup>th</sup> anniversary but before the 9<sup>th</sup>, your recapture amount will be 1.25% of your original principal mortgage amount.
2. If home is sold on or after 1<sup>st</sup> anniversary of closing but before the 2<sup>nd</sup>, or on or after the 7<sup>th</sup> anniversary but before the 8<sup>th</sup>, your recapture amount will be 2.5% of your original principal mortgage amount.
3. If home is sold on or after 2<sup>nd</sup> anniversary of closing but before the 3<sup>rd</sup>, or on or after the 6<sup>th</sup> anniversary but before the 7<sup>th</sup>, your recapture amount will be 3.75% of your original principal mortgage amount.
4. If home is sold on or after 3<sup>rd</sup> anniversary of closing but before the 4<sup>th</sup>, or on or after the 5<sup>th</sup> anniversary but before the 6<sup>th</sup>, your recapture amount will be 5% of your original principal mortgage amount.
5. If home is sold on or after 4<sup>th</sup> anniversary of closing but before the 5<sup>th</sup> your recapture amount will be 6.25% of your original principal mortgage amount. This is the maximum recapture amount.

**C. INCOME CALCULATION.** You can calculate the income as follows: SUBTRACT the applicable ADJUSTED QUALIFYING INCOME in the taxable year in which you sell your home, as listed on **Page 2** of this form, FROM your MODIFIED ADJUSTED GROSS INCOME in the taxable year in which you sell your home.

Your **modified adjusted gross income** means your adjusted gross income shown on your federal income tax return for the taxable year in which you sell your home, with the following two adjustments: (a) your adjusted gross income must be INCREASED by the amount of any interest that you receive or accrue in the taxable year from tax exempt bonds that is excluded from your gross income (under section 103 of the Internal Revenue Code); and (b) your adjusted gross income must be DECREASED by the amount of any gain included in your gross income by reason of the sale of your home.

Your **adjusted qualifying income** can be obtained from Page 2 of this form. Start by finding the area and county in which your PHFA-financed property is located. If the area is not specified, you would use the income figure from "All Other Counties". You would then choose the family size at the time of sale, whether it be 1 to 2 members or 3 or more. Once you have the correct row selected for the income, you would choose the correct column by selecting the year in which you are selling your home. Use this figure for you ADJUSTED QUALIFYING INCOME.

**NOTE:** If your income calculation above is zero or less, you owe no recapture tax. If it is \$5000 or more, you will owe 100% of the recapture amount. If it is greater than zero but less than \$5,000, it must be divided by \$5000. This fraction, expressed as a percentage, represents your income percentage. For example, if the fraction is \$1,000/\$5,000, your income percentage is 20%.

**D. LIMITATIONS AND SPECIAL RULES ON RECAPTURE TAX.**

1. If you give away your home (other than to your spouse or ex-spouse incident to divorce), you must determine your actual recapture tax as if you had sold your home for its fair market value.
2. If your home is destroyed by fire, storm, flood, or other casualty, there generally is no recapture tax if, within two years, you purchase additional property for use as your principal residence on the site of home financed with your original subsidized mortgage loan.
3. In general, except as provided in future regulations, if two or more persons own a home and are jointly liable for the subsidized mortgage loan, the actual recapture tax is determined separately for them based on their interests in the home.
4. If you repay your loan in full during the nine year recapture period and you sell your home during this period, your holding period percentage may be reduced under the special rule in section 143(m)(4)(C)(ii) of the Internal Revenue Code.
5. Other special rules may apply in particular circumstances. You may wish to consult with a tax advisor or the local office of the Internal Revenue Service when you sell or otherwise dispose of your home to determine the amount, if any, of your actual recapture tax. See section 143(m) of the Internal Revenue Code generally.

**\* NOTICE – RECAPTURE TAX REIMBURSEMENT:** If you ever have to pay a recapture tax in connection with the sale of this home, PHFA agrees to reimburse you, as long as you applied for this PHFA loan on or after January 1, 2004. For recapture tax inquiries, please contact PHFA at 855-827-3466 or [askphfa@phfa.org](mailto:askphfa@phfa.org).

**I/We have read and acknowledge receipt of pages 1 and 2 of this form.**

Borrower's Signature \_\_\_\_\_ Date \_\_\_\_\_

Borrower's Signature \_\_\_\_\_ Date \_\_\_\_\_

**RECAPTURE TAX INCOME LIMITS FOR 2024 (effective for reservations on or after 6/30/2025)**

Counties	Family Size By Members	Less Than								
		1 Year	1 To 2	2 To 3	3 To 4	4 To 5	5 To 6	6 To 7	7 To 8	8 To 9
ADAMS COUNTY	1 TO 2	102,400	107520	112896	118541	124468	130691	137226	144087	151291
	3 OR MORE	117,700	123585	129764	136252	143065	150218	157729	165616	173897
ALLENTOWN MSA (Carbon, Lehigh, Northampton)	1 TO 2	102,000	107100	112455	118078	123982	130181	136690	143524	150700
	3 OR MORE	117,300	123165	129323	135789	142579	149708	157193	165053	173306
ELK, FRANKLIN, INDIANA, LEBANON, MCKEAN, AND WARREN COUNTIES	1 TO 2	102,000	107100	112455	118078	123982	130181	136690	143524	150700
	3 OR MORE	117,300	123165	129323	135789	142579	149708	157193	165053	173306
ERIE MSA (Erie)	1 TO 2	102,000	107100	112455	118078	123982	130181	136690	143524	150700
	3 OR MORE	117,300	123165	129323	135789	142579	149708	157193	165053	173306
FAYETTE and WASHINGTON COUNTIES	1 TO 2	128,700	135135	141892	148986	156436	164257	172470	181094	190149
	3 OR MORE	150,200	157710	165596	173875	182569	191697	201282	211346	221914
HARRISBURG MSA (Cumberland, Dauphin)	1 TO 2	105,400	110670	116204	122014	128114	134520	141246	148308	155724
	3 OR MORE	121,200	127260	133623	140304	147319	154685	162420	170541	179068
LANCASTER MSA (Lancaster)	1 TO 2	106,700	112035	117637	123519	129695	136179	142988	150138	157644
	3 OR MORE	122,700	128835	135277	142041	149143	156600	164430	172651	181284
MONROE COUNTY	1 TO 2	104,400	109620	115101	120856	126899	133244	139906	146901	154246
	3 OR MORE	120,000	126000	132300	138915	145861	153154	160811	168852	177295
NEWBURGH MSA (Pike)	1 TO 2	120,200	126210	132521	139147	146104	153409	161079	169133	177590
	3 OR MORE	140,200	147210	154571	162299	170414	178935	187881	197275	207139
PERRY COUNTY	1 TO 2	126,400	132720	139356	146324	153640	161322	169388	177857	186750
	3 OR MORE	147,500	154875	162619	170750	179287	188252	197664	207547	217925
PITTSBURGH MSA (Allegheny, Beaver, Butler, Westmoreland)	1 TO 2	107,300	112665	118298	124213	130424	136945	143792	150982	158531
	3 OR MORE	123,300	129465	135938	142735	149872	157366	165234	173495	182170
PHILADELPHIA MSA (Bucks, Chester, Delaware, Montgomery)	1 TO 2	119,400	125370	131639	138220	145131	152388	160007	168008	176408
	3 OR MORE	137,300	144165	151373	158942	166889	175233	183995	193195	202855
PHILADELPHIA COUNTY	1 TO 2	143,200	150360	157878	165772	174060	182764	191902	201497	211572
	3 OR MORE	167,100	175455	184228	193439	203111	213267	223930	235126	246883
READING MSA (Berks)	1 TO 2	102,000	107100	112455	118078	123982	130181	136690	143524	150700
	3 OR MORE	117,300	123165	129323	135789	142579	149708	157193	165053	173306
STATE COLLEGE MSA (Centre)	1 TO 2	108,100	113505	119180	125139	131396	137966	144864	152108	159713
	3 OR MORE	124,300	130515	137041	143893	151087	158642	166574	174903	183648
UNION COUNTY	1 OR 2	103,600	108780	114219	119930	125926	132223	138834	145776	153064
	3 OR MORE	119,100	125055	131308	137873	144767	152005	159605	167586	175965
YORK MSA (York)	1 TO 2	105,800	111090	116645	122477	128601	135031	141782	148871	156315
	3 OR MORE	121,600	127680	134064	140767	147806	155196	162956	171103	179659
ALL OTHER COUNTIES Non Target	1 TO 2	122,400	128520	134946	141693	148778	156217	164028	172229	180841
	3 OR MORE	142,800	149940	157437	165309	173574	182253	191366	200934	210981

Prepared by & Return to:

\_\_\_\_\_  
(Contact and Department Name)

\_\_\_\_\_  
(Address of Lender)

**PIN/ID Number:** \_\_\_\_\_

*Above space is intentionally left blank for recording data.*

**ASSIGNMENT OF MORTGAGE**

For value received, the undersigned, \_\_\_\_\_, (**Originating Lender**) does hereby grant, sell, convey, assign and deliver unto the **PENNSYLVANIA HOUSING FINANCE AGENCY**, its successors and assigns, the following described Mortgage, together with the Note secured thereby:

Name of Original Mortgagor(s): \_\_\_\_\_

Secured by the real property located at: \_\_\_\_\_

Original Principal Amount of Mortgage: \$ \_\_\_\_\_ Mortgage Dated: \_\_\_\_\_

County Recorded in: \_\_\_\_\_ Municipality: \_\_\_\_\_

Recorded simultaneously with the above referenced Mortgage OR it must reference the mortgage information below if it is recorded at a later date.

The recording information is as follows: Mortgage Recording Date: \_\_\_\_\_ Record Book \_\_\_\_\_ Page \_\_\_\_\_ or Instrument Number: \_\_\_\_\_

IN WITNESS WHEREOF, the undersigned, has caused this **Assignment of Mortgage** to be executed by its duly authorized officer.

**Date:** \_\_\_\_\_

\_\_\_\_\_  
**(ORIGINATING LENDER)**

**By:** \_\_\_\_\_

**Title:** \_\_\_\_\_

Commonwealth of Pennsylvania

County of \_\_\_\_\_

This record was acknowledged before me on \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, who represents he/she is an authorized officer of \_\_\_\_\_ and that he/she executed the record for the purposes stated in the record.

\_\_\_\_\_  
Signature of Notarial Officer

**CERTIFICATE OF RESIDENCE OF ASSIGNEE**

The below officer certifies that the principal business and mailing address for this assignment and assignee is: PHFA, 211 North Front Street, Harrisburg, PA 17101

Prepared by & Return to:

\_\_\_\_\_  
(Contact and Department Name)

\_\_\_\_\_  
(Address of Lender)

**PIN/ID Number:** \_\_\_\_\_

*Above space is intentionally left blank for recording data.*

**ASSIGNMENT OF MORTGAGE**

For value received, the undersigned, Mortgage Electronic Registration Systems, Inc.(MERS) as Nominee for \_\_\_\_\_, (**Originating Lender**) does hereby grant, sell, convey, assign and deliver unto the **PENNSYLVANIA HOUSING FINANCE AGENCY**, its successors and assigns, the following described Mortgage, together with the Note secured thereby:

Name of Original Mortgagor(s): \_\_\_\_\_

Secured by the real property located at: \_\_\_\_\_

Original Principal Amount of Mortgage: \$\_\_\_\_\_ Mortgage Dated: \_\_\_\_\_

County Recorded in: \_\_\_\_\_ Municipality: \_\_\_\_\_

Recorded simultaneously with the above referenced Mortgage OR if it is recorded at a later date it must reference the mortgage information below.

The recording information is as follows: Mortgage Recording Date: \_\_\_\_\_ Record Book \_\_\_\_\_ Page \_\_\_\_\_ or Instrument Number: \_\_\_\_\_

IN WITNESS WHEREOF, the undersigned, has caused this **Assignment of Mortgage** to be executed by its duly authorized officer.

**Date:** \_\_\_\_\_

**MERS AS NOMINEE FOR** \_\_\_\_\_

**By:** \_\_\_\_\_

**Title:** \_\_\_\_\_

Commonwealth of Pennsylvania

County of \_\_\_\_\_

This record was acknowledged before me on \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, who represents he/she is an authorized officer of MERS as Nominee for \_\_\_\_\_ and that he/she executed the record for the purposes stated in the record.

\_\_\_\_\_  
Signature of Notarial Officer

**CERTIFICATE OF RESIDENCE OF ASSIGNEE**

The below officer certifies that the principal business and mailing address for this assignment and assignee is: PHFA, 211 North Front Street, Harrisburg, PA 17101

**NEW LOAN TAX AND INSURANCE INFORMATION**  
**(This form shall also be used as a tax certification form)**

Please complete all sections

**\*Please note if property contains multiple parcels, tax amounts must be reflected separately.**

**\*\*All tax figures must match figures on the Final Closing Disclosure.**

Mortgagor(s) Name(s) \_\_\_\_\_

Property Address \_\_\_\_\_

Previous Owner \_\_\_\_\_

Is this New Construction? YES NO

If this was a new construction, please estimate tax on as completed/fully assessed property.

Is this borrower Homestead Tax Exemption Eligible? YES NO

If yes, provide supporting documentation of tax exemption discount with this form.

List each tax collector that will collect a tax assessment for this property. All bills that are available and become delinquent or lose discount prior to the First Pay Date should be paid at closing. If they are not paid, an explanation must be listed on page two.

1. Type of tax: (Choose one) School County Township/Boro/Municipality

Tax Authority Name \_\_\_\_\_

Address \_\_\_\_\_

Phone No. \_\_\_\_\_

Tax ID/Parcel/Lot/Block # \_\_\_\_\_

Amount of last bill: \_\_\_\_\_

Date of Last Payment: \_\_\_\_\_

Amount of next (discount) bill: \_\_\_\_\_

Next (Discount) Due Date: \_\_\_\_\_

2. Type of tax: (Choose one) School County Township/Boro/Municipality

Tax Authority Name \_\_\_\_\_

Address \_\_\_\_\_

Phone No. \_\_\_\_\_

Tax ID/Parcel/Lot/Block # \_\_\_\_\_

Amount of last bill: \_\_\_\_\_

Date of Last Payment: \_\_\_\_\_

Amount of next (discount) bill: \_\_\_\_\_

Next (Discount) Due Date: \_\_\_\_\_

3. Type of tax: (Choose one) School County Township/Boro/Municipality

Tax Authority Name \_\_\_\_\_

Address \_\_\_\_\_

Phone No. \_\_\_\_\_

Tax ID/Parcel/Lot/Block # \_\_\_\_\_

Amount of last bill: \_\_\_\_\_

Date of Last Payment: \_\_\_\_\_

Amount of (discount) next bill: \_\_\_\_\_

Next (Discount) Due Date: \_\_\_\_\_

4. Hazard Insurance

Hazard Insurance Co. Name \_\_\_\_\_ Policy # \_\_\_\_\_  
 Address \_\_\_\_\_ Premium Amt. \_\_\_\_\_  
 Agent's Name \_\_\_\_\_  
 Agent's Address \_\_\_\_\_  
 Phone No. \_\_\_\_\_

---

5. Mortgage Insurance (Choose one)      HUD      Private Mortgage Insurance

Company Name \_\_\_\_\_ Premium Amt. \_\_\_\_\_  
 Certificate No. \_\_\_\_\_  
 FHA Case No. \_\_\_\_\_  
 How is premium paid? (check one)      Monthly      Annually

---

6. Flood Insurance (if applicable)

Insurance Co. Name \_\_\_\_\_ Policy # \_\_\_\_\_  
 Address \_\_\_\_\_ Premium Amt. \_\_\_\_\_  
 Agent's Name \_\_\_\_\_  
 Agent's Address \_\_\_\_\_  
 Phone No. \_\_\_\_\_

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7. Mine Subsidence (if applicable) Department of Environmental Protection

Certificate # \_\_\_\_\_  
 Address \_\_\_\_\_ Premium Amt. \_\_\_\_\_  
 Agent's Name \_\_\_\_\_  
 Agent's Address \_\_\_\_\_  
 Phone No. \_\_\_\_\_

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AVAILABLE TAXES NOT PAID BECAUSE: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Settlement Agent Name: \_\_\_\_\_ Phone # \_\_\_\_\_

Preparer's Signature: \_\_\_\_\_

Closer's Name: \_\_\_\_\_ Phone # \_\_\_\_\_



Re: Notice of Purchase and Servicing Transfer: \_\_\_\_\_, Loan No. \_\_\_\_\_

Dear \_\_\_\_\_

The Pennsylvania Housing Finance Agency (PHFA) has acquired your mortgage loan and will be servicing it. **EFFECTIVE IMMEDIATELY ALL PAYMENTS FOR YOUR MORTGAGE SHOULD BE SENT TO PHFA.** You may pay your bill online or set up automatic payments by visiting PHFA's Online Servicing Center at <https://loansphereservicingdigital.bkiconnect.com/phfa/#/login>. You may also call PHFA at 1.855.827.3466 to have an automatic payment authorization form mailed to you.

Your first payment is due on \_\_\_\_\_ . All payments are due on the 1st of each month. A late charge will be imposed if your payment has not been received by PHFA by the 16th of the month.

Partial Payment: As your lender, PHFA may hold partial payments in a separate account until you pay the rest of the payment, and then apply the full payment to your loan. If this loan is sold, your new lender may have a different policy.

The assignment of your mortgage is effective as of the date of your mortgage loan closing and is recorded in the office of the Recorder of Deeds in the county where your mortgaged property is located. As your servicer, PHFA will be collecting your mortgage loan payments from you. Nothing else about your mortgage loan will change. If you have any questions for either PHFA or for your originating lender about your mortgage loan or this transfer, please use the contact information below:

Servicer:

**Pennsylvania Housing Finance Agency**

Loan Servicing Division

P.O. Box 15057

211 North Front Street

Harrisburg, PA 17105-5057

Telephone: 1.855.827.3466

Originating Lender:

Telephone: \_\_\_\_\_

If you receive an insurance invoice for your home, please forward it to PHFA so we can pay it out of your escrow account. Your monthly mortgage payment amount may change based on PHFA's review of actual tax and insurance escrow invoices.

If you wish to write PHFA because you believe an error was made while servicing your mortgage or if you wish to request information about your mortgage, you must use the following address: **Pennsylvania Housing Finance Agency, ATTN: Qualified Written Request Department, P.O. Box 15057, Harrisburg, PA 17105-5057.**

You will soon be receiving a monthly billing statement from PHFA. Please use the payment coupon at the bottom of the monthly billing statement and mail it along with your check to the address listed on the payment coupon to ensure proper posting to your account. If you do not receive a billing statement before your first payment is due, please use the included temporary coupon for your payment and call PHFA at 1.855.827.3466.

Sincerely,

Kathryn Newton

Director of Loan Servicing

**TEMPORARY PAYMENT COUPONS**

You should be receiving a billing statement from PHFA in the near future. If you do not receive a billing statement before your first payment is due, please use the coupons below to make your payment and call PHFA at 1.855.827.3466.

Please note: if you have a Keystone Advantage Assistance Loan, please include a separate check and the second payment coupon for payment of your subordinate mortgage. If you do not have a Keystone Advantage Assistance Loan, you may disregard the second coupon.

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**FIRST MORTGAGE**  
**TEMPORARY PAYMENT COUPON**

*\*Please include a copy of this coupon with your payment*

<b>Make check payable to PHFA &amp; mail to:</b>
<b>PENNSYLVANIA HOUSING FINANCE AGENCY</b> Loan Servicing Division P.O. Box 15057 211 North Front Street Harrisburg, PA 17105-5057

<b>Account No.</b>
Borrower(s):
Address:

<b>First Payment</b> (Due on _____ )
\$

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**KEYSTONE ADVANTAGE ASSISTANCE LOAN**  
**TEMPORARY PAYMENT COUPON**  
*(if applicable – disregard if incomplete)*

*\*Please include a copy of this coupon with your payment*

<b>Make check payable to PHFA &amp; mail to:</b>
<b>PENNSYLVANIA HOUSING FINANCE AGENCY</b> Loan Servicing Division P.O. Box 15057 211 North Front Street Harrisburg, PA 17105-5057

<b>Account No.</b>
Borrower(s):
Address:

<b>First Payment</b> (Due on _____ )
\$

FACTS	WHAT DOES PHFA DO WITH YOUR PERSONAL INFORMATION?
<b>Why?</b>	Financial companies choose how they share your personal information. Consumers have the right to limit some but not all sharing. We feel it is important to let you know how we collect, share and protect your information. Please read this notice carefully to understand what we do.
<b>What?</b>	The types of personal information we share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>▪ Social Security number, income and contact information</li> <li>▪ Account balances and payment history</li> <li>▪ Credit history and credit scores</li> </ul>
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons PHFA chooses to share; and whether you can limit this sharing.

Reasons we can share your information	Does PHFA share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We Do Not Share
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	No	We Do Not Share
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	No	We Do Not Share
<b>For nonaffiliates to market to you</b>	No	We Do Not Share
<b>For nonaffiliates to provide free credit counseling</b>	Yes	No

<b>Questions?</b>	Call 1-855-827-3466 or visit us online at <a href="http://www.phfa.org">www.phfa.org</a> .
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## Who we are

**Who is providing this notice?**

Pennsylvania Housing Finance Agency (PHFA)

## What we do

**How does PHFA protect my personal information?**

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

**How does PHFA collect my personal information?**

We collect your personal information, for example, when you:

- Apply for a loan
- Make payments
- Give us your income, employment, or other information

We also collect your personal information from others, such as credit bureaus, credit counseling agencies, and other companies.

**Why can't I limit all sharing?**

Federal law allows consumers to limit only:

- Sharing for affiliates' everyday business purposes—information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

## Definitions

**Affiliates**

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *We do not share your personal information with affiliates.*

**Nonaffiliates**

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *We may share with housing counseling agencies, but we do not otherwise share your personal information with nonaffiliates.*

**Joint Marketing**

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *We do not share your personal information for joint marketing.*

## Other important information

**Housing Counseling Agencies**

PHFA contracts with housing counseling agencies to provide free credit counseling to consumers. All credit counseling services are confidential, and our network of housing counseling agencies are not permitted to sell or otherwise share your personal information except as required by law or for auditing purposes. Because these agencies do not share or sell your personal information, we may provide your contact information and limited account information to our network of housing counseling agencies.

## Pennsylvania Housing Finance Agency Home Loan Closing Instructions

NOTE: All PHFA forms referenced in this document may be obtained at [www.phfa.org/hop/lenders/](http://www.phfa.org/hop/lenders/). Feel free to call 717-780-3871 for the Homeownership Programs Division with any questions.

Lender please select type of PHFA Loan:  Keystone Government  Keystone Home Loan  HFA Preferred™  Keystone Flex with K-FIT (Purchase)  Keystone Flex Purchase & Improvement with K-FIT  Keystone Flex (Refinance)  FHA/VA Streamline

These closing instructions must be followed for the loan to be eligible for sale to PHFA. If there is a problem with any of the instructions being satisfied, do not close the loan. The following required items are in addition to the lenders closing instruction letter, they are specific to PHFA loans.

1. **Certified Copies.** Certify copies of the first mortgage, assignment, PHFA subordinate mortgage(s), & County or Local Assistance Program subordinate mortgage, if applicable. The certification on each document is a SIGNED statement verifying that the documents provided are true & correct copies of the originals that have been sent for recording.
2. **Property Address.** The address on mortgage, note, assignment & title policy must reflect the correct property address; typically, this is the USPS mailing address but does not include post office box numbers. Please note that if the city differs from the township, boro, etc. this information can also be included within the address in parenthesis.
3. **First Payment Date.** The first payment date on the Note can be one of the following: 1) the first day of the second month following loan closing or 2) if it is closed within the first 5 calendar days of the month it could be the first of the month following loan closing. The latter is a “short term interest” or “interest credit” option.
4. **Original Instant Mortgagee Residential Short Form Title Policy.** The long form policy is also acceptable with the endorsements referenced below.
  - (a) Reference **Appendix T** for additional guidelines
  - (b) A counter-signed policy is required on all PHFA loans. PHFA recommends the use of the Residential Short Form Title Policy because there is no need to require separate 100, 300 & 8.1 Endorsements. If the Short Form Policy includes an Addendum to Schedule B, these items must be acceptable to be included as outlined in Chapter 12 of the PHFA Sellers Guide. Please note if the policy references an agreement to remove minerals from the property an endorsement 1030 is required. When the traditional long form is used the following endorsements must be included with the policy:
    - 100 (If there are no restrictions, and an endorsement 100 is not being issued, this information must be stated on a signed letter to PHFA from the title agent regarding the missing endorsement 100.)
    - 300 except when a Condo or a PUD
    - 8.1 or 900 Environmental
    - 800 Condo or 801 PUD, when applicable
    - 1030 Mineral Rights endorsement. Endorsement 100 is not needed when the endorsement 1030 is purchased.
  - (c) The borrower’s names should be listed in the same manner on the Deed, Mortgage, Note, Assignment & Title Policy.
5. **PHFA Borrower Forms.** The following forms must be executed at closing and notarized, if applicable, for PHFA KHL, HOMEstead:
  - a. Recapture Tax Form (PHFA Form 4)
  - b. Re-affirmation of Mortgagor’s Affidavit (PHFA Form 3, page 5)
  - c. Borrowers to sign their respective name affidavits, if necessary (**All loans types**)
6. Provide the **Co-Signer Certificate** (Form 21) if there is a non-occupying cosigner on the loan.

7. **Insurance Policies:** Homeowners', Flood and/or mine subsidence (if applicable) insurances must be pre-paid for a full 12 months - no installment payments are permitted (if it is listed as a POC on the HUD 1 it does not waive the proof of payment requirement); coverage must be effective the date of loan closing and include the following Mortgagee clause:

PHFA ISAOA  
P.O. Box 15057, Harrisburg, PA 17105-5057

(Please do not reference Secretary of HUD on the insurance policies)

8. **Outstanding Taxes.** Tax Certification verifying payment of School, County and City/Twp or Boro taxes. PHFA's Form 27 may be used if fully completed listing all of the taxing authorities, tax amounts and discount dates & it must be signed by the lender.

9. **Multiple Parcels.** Multiple parcels must also be listed on Form 27 with the correct tax amounts. Please note those tax amounts must be included in the monthly payment and on the CD.

10. **Hello/Goodbye Letter.** The mortgagor(s) must receive a copy of the 4 page PHFA Hello/Goodbye letter with includes the Privacy Notice (PHFA Form 28). The On Line Loan Set-Up , which is completed via the PHFA Pipeline Plus requires certification that Form 28 was given to the mortgagor(s). This Form is required for PHFA First & Second Mortgages.

11. **Fees.** An Administration Fee no greater than \$1,500 (\$1,100 on FHA streamline & VA refis) may be charged to cover lender overhead. No additional overhead fees can be charged. Pass through fees for third party charges are allowed (credit report, appraisal, flood cert, etc.). A \$93 tax service fee payable to CoreLogic applies to all loans.

12. **Closing Disclosure.** The borrower's Closing Disclosure (CD) must also include all applicable seller-paid fees in the transaction on page 2 of the CD. If a separate Seller's Closing Disclosure is not utilized, page 3 of the Closing Disclosure under the "Summaries of Transaction" section would also need to be completed under the Seller's Transaction section. All fees of the loan transaction must be disclosed.

13. **Cash Back at Closing (Purchase Transactions).** Cash back to the borrower is limited to \$100 in excess of reimbursement for POC items. Any additional funds must be reimbursed to the lender. If there is a PHFA subordinate closing cost/down payment assistance loan the subordinate loan amount must be reduced accordingly if there is an excess of funds available. **(Refinance Transactions).** Limited cash back permitted per applicable insurer/guarantor guidelines (FHA, VA, Fannie).

14. **Borrower's Minimum Contribution.** Borrowers are required to invest the minimum of 1% or \$1,000 of their own funds into the transaction for Conventional and FHA loans. The minimum investment from the borrower may not be refunded. Those funds must remain in the transaction for the file to be eligible for loan purchase.

15. **Special Instruction for ALL Refinance Loan Products.** Proof of right of Rescission was given to each owner of the property.

16. **Advantage/KFIT Loan (PHFA Seconds)** – If the funds were used, this mortgage must be in second lien position. This loan cannot have any additional charges on the CD other than the cost to record the mortgage & a reasonable notary fee which cannot exceed \$20.00. No additional fees are permitted since this loan is done in conjunction with the PHFA first mortgage to help the borrower qualify for the loan.

I do hereby certify that the above items have been completed and are enclosed.

\_\_\_\_\_  
Signature of Title Agent

\_\_\_\_\_  
Title

**PENNSYLVANIA HOUSING FINANCE AGENCY**  
**HOMEstead Downpayment and Closing Cost Assistance Loan Program**  
**SUBORDINATE MORTGAGE NOTE**

Date: \_\_\_\_\_, 20\_\_\_\_

**FOR VALUE RECEIVED**, the undersigned \_\_\_\_\_, jointly, separately and severally (herein collectively "Borrower"), promise(s) to pay to the **PENNSYLVANIA HOUSING FINANCE AGENCY**, a public corporation and government instrumentality having its principal office at 211 North Front Street, P.O. Box 8029, Harrisburg, PA 17105 (herein "PHFA" or "Agency") or its order, at such place as PHFA may from time to time designate in writing, the principal sum of:

\_\_\_\_\_ Dollars (\$\_\_\_\_\_).

This Subordinate Mortgage Note (hereinbefore and hereinafter ("Note")) is accompanied by a Subordinate Mortgage dated this date on real property owned by the Borrower located at : \_\_\_\_\_.

**1. HOME INVESTMENT PARTNERSHIP PROGRAM AND/OR AMERICAN DREAM DOWNPAYMENT INITIATIVE.** This is a HOMEstead Program loan and funds loaned to the Borrower were provided by the U.S. Department of Housing and Urban Development either through the HOME Investment Partnership Program ("HOME Program") or the American Dream Downpayment Initiative ("ADDI") or some combination thereof. The funds are being supplied in the form of a non-interest bearing, deferred payment, forgivable loan. The HOME and ADDI programs require the Borrower to continue to use the property as their principal residence during a designated Affordability Period and to repay a portion of the funds should they fail to occupy the property for a portion of the Affordability Period. The Affordability Period applicable to this loan is based upon the amount of funds loaned to the Borrower as set forth in Paragraph 4 hereof. Funds loaned hereunder may only be used for approved downpayment and closing costs related to the purchase of the property described in the accompanying Subordinate Mortgage, and will be disbursed at the closing of that purchase. Borrower is aware that this HOMEstead loan is subject to federal regulations, which may change from time to time.

**2. INTEREST.** Interest shall not accrue on the sums advanced in connection with this Note, unless/until there is an Event of Default under the terms of this Note.

**3. REPAYMENT.** Borrower must repay the outstanding balance of this loan upon the occurrence of one of the following during the term of this loan and prior to the expiration of the Affordability Period set forth in Paragraph 4:

- A. The property is rented, sold, or transferred; or
- B. Borrower ceases to occupy the property which is secured by this loan as Borrower's primary residence; or
- C. Borrower defaults under the terms of this Note or the accompanying Subordinate Mortgage or defaults under the first mortgage obligation; or
- D. It is discovered that Borrower has submitted incomplete, false or misleading information in connection with this loan or Borrower's first mortgage loan, or fails to comply with any applicable federal or state laws.

**4. TERM OF REPAYMENT AND AFFORDABILITY PERIOD.**

A. Repayment of the Note and the Note Term (also known as the "Affordability Period") is determined by the amount of HOMEstead funds disbursed under this Note as follows:

- (i). 5-year Term = Loans of less than \$15,000.00 (i.e. up to \$14,999.99)
- (ii). 10-year Term = Loans of \$15,000.00 to \$35,000.00

B. The Note is forgivable in nature as per the following schedule:

- (i) 5-year Note = 20% of the original Note amount is forgiven each year on the anniversary date of the Note.
- (ii) 10-year Note = 10% of the original Note amount is forgiven each year on the anniversary date of the Note.

(iii) No credit shall be given for a portion of a year. For the above forgiveness percentages to apply the Borrower must own/occupy the residence for each full 12 month period.

C. If the Borrower becomes the subject of a foreclosure proceeding that results in the sale of part or all of the premises, any sums in excess of those paid to superior lien holders shall be paid to PHFA to apply to the outstanding balance of this loan. If there are insufficient funds to pay off this Note, PHFA may in its discretion waive the payment of any or all of the remaining outstanding loan balance.

D. Borrower shall be responsible for payment of all fees or costs associated with the satisfaction or release of the subordinate mortgage, either when the loan is paid off or after the end of the Affordability Period.

5. **PREPAYMENT.** Borrower may prepay the principal due on this Note in whole or in part at any time, without penalty.

6. **PRIMARY RESIDENCE.** The Borrower hereby agrees that the real property secured by the Subordinate Mortgage accompanying this Note shall at all times be the primary residence of the Borrower.

7. **DISCLOSURE STATEMENT BY BORROWER.** Borrower hereby affirms that he/she has submitted full, complete and accurate financial information in connection with this loan. Borrower further agrees to submit full and complete financial information to PHFA as requested by the Agency. In addition, Borrower promises to give PHFA immediate written notification of (1) any change of address, or (2) if and when the property is to be sold or transferred.

8. **ACCOMPANYING DOCUMENTS.** This Note is secured by a Subordinate Mortgage on the residence of the Borrower and by other loan documents (collectively the "loan documents"). All the terms, covenants, agreements, conditions, warranties and provisions contained in the loan documents are hereby incorporated in this Note. A breach by the Borrower of any of the terms of the loan documents shall also constitute a breach of the terms of this Note.

9. **REMEDIES.** In the event that the Borrower violates any terms of this Note or the loan documents, then PHFA may immediately declare the entire principal remaining due under the terms of this Note to be immediately due and payable, by giving written notice to the Borrower. If the sum due is not promptly paid, PHFA may then institute appropriate legal action in any court of competent jurisdiction, including the Court of Common Pleas of Dauphin County, Pennsylvania. In the event that it is necessary to institute such legal action, Borrower agrees to pay reasonable attorney's fees and costs, actually incurred by PHFA in enforcement of such a remedy. The remedies provided to PHFA in this Note are in addition to any remedy provided in the other loan documents.

10. **NOTICES.** Any notices required to be given pursuant to this Note may be given by either first class or registered or certified mail. Notices shall be sent to the addresses indicated in this Note, unless either party notifies the other in writing of a change of address.

11. **TIME OF ESSENCE.** Time is of the essence with respect to each and every provision of this Note.

IN WITNESS WHEREOF, intending to be legally bound, the Borrower has executed this Note on the date written above.

WITNESS:

\_\_\_\_\_

\_\_\_\_\_

*Borrower*

\_\_\_\_\_

\_\_\_\_\_

*Borrower*

Mortgage Loan Officer Signature & NML#:

\_\_\_\_\_  
Name

\_\_\_\_\_  
NMLS Number:

Prepared by & Return to:

\_\_\_\_\_  
(Contact and Department Name)

\_\_\_\_\_  
(Address of Lender)

\_\_\_\_\_

\_\_\_\_\_

**PIN/ID Number:** \_\_\_\_\_

*Above space is intentionally left blank for recording data.*

---

**PENNSYLVANIA HOUSING FINANCE AGENCY  
SUBORDINATE MORTGAGE**

THIS MORTGAGE, entered into this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_, by \_\_\_\_\_ and \_\_\_\_\_ between  
\_\_\_\_\_  
\_\_\_\_\_ ("Borrower(s)"),

AND

the PENNSYLVANIA HOUSING FINANCE AGENCY, ("PHFA" or "AGENCY"), a public corporation and government instrumentality, created by and existing pursuant to the Housing Finance Agency Law (35 P.S. § 1680.101 et seq., as amended, hereinafter referred to as "Act"), having its principal office at 211 North Front Street, City of Harrisburg, County of Dauphin, Commonwealth of Pennsylvania.

WHEREAS, Borrower is indebted to PHFA in the principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_) Dollars, which indebtedness is evidenced by a Subordinate Mortgage Note dated this date, providing for the payment of principal and interest when required pursuant to its terms.

This Mortgage is given by the Borrower to PHFA to secure any and all sums loaned by PHFA to the Borrower pursuant to \_\_\_\_\_ the \_\_\_\_\_ Agency's \_\_\_\_\_ Program. The sums secured by this Mortgage are evidenced by a Subordinate Mortgage Note (hereinafter "Note") between the parties and includes sums advanced by PHFA to the Borrower or on behalf of the Borrower in connection with closing costs, fees and expenses associated with the purchase of the real property described below.

To secure the repayment of such sums, Borrower does hereby mortgage, grant and convey to PHFA the following described real property, located in the County of \_\_\_\_\_, Commonwealth of Pennsylvania, which real property has the address of \_\_\_\_\_, and is described as follows:

**See Appendix "A" attached hereto and incorporated herein.**

TOGETHER with all the improvements now or hereafter erected in the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and water stock, and all fixtures now or hereafter attached to the property, all of which including replacements and additions

thereto, shall be deemed to be and remain a part of the property covered by this Mortgage (herein the "Property").

**BORROWER COVENANTS AND AGREES AS FOLLOWS:**

1. **BORROWER'S COVENANT.** Borrower covenants and warrants that Borrower lawfully owns the Property hereby conveyed and has the right to mortgage, grant and convey the Property to PHFA.

2. **REPAYMENT.** Borrower shall repay the sums advanced in connection with this Subordinate Mortgage in accordance with the terms contained in the Note of even date, which is incorporated herein in its entirety. In the event there is more than one Borrower, the obligation of each shall be joint and several.

3. **INTEREST.** Interest shall not accrue on the sums advanced pursuant to this mortgage.

4. **PREPAYMENT PERMITTED.** The Borrower may repay the sums loaned pursuant to this Mortgage, in whole or in part, at any time without penalty.

5. **PRIMARY RESIDENCE.** At all times this loan is outstanding Borrower must occupy the property as a primary residence. This requirement shall automatically terminate following a transfer pursuant to a foreclosure sale to the first mortgagee, a deed-in lieu of foreclosure to the first mortgagee or an assignment of the first mortgage to the Secretary of the Department of Housing and Urban Development.

6. **DEFAULT.** If Borrower fails to make timely payments of principal and interest, or discontinues use of the property as a primary residence, as required by this Mortgage or the Note, or if Borrower violates any other term of this Mortgage or the Note or any other loan document, PHFA may declare this Mortgage to be in default, and PHFA may accelerate all outstanding indebtedness, by declaring all sums remaining due under this Mortgage to be immediately due and payable in their entirety. In such event, PHFA may institute an action of mortgage foreclosure against Borrower, or such other form of civil action as is determined appropriate by PHFA. If it is necessary for PHFA to institute such legal action, Borrower agrees that Borrower will pay all costs and reasonable attorney's fees actually incurred by PHFA.

7. **PRESERVATION AND MAINTENANCE OF PROPERTY.** Borrower shall maintain the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property.

8. **INSPECTION.** PHFA may make or cause to be made reasonable entries upon and inspection of the Property, provided that PHFA shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to PHFA's interest in the Property.

9. **TAXES AND INSURANCE.** Borrower agrees that all real estate taxes, water and sewage charges, and other charges that are levied against the Property will be paid in a timely manner. Borrower further agrees that he/she will maintain adequate liability and hazard insurance to protect the Property against risk of loss, and that PHFA will be named as a Mortgagee on any such policy.

In the event that Borrower fails to maintain adequate liability and hazard insurance, PHFA may obtain such coverage and add its cost to the amount owed to PHFA by Borrower.

10. **CONDEMNATION.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to PHFA in an amount sufficient to satisfy any outstanding indebtedness owed to PHFA.

11. **REMEDIES CUMULATIVE.** All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage, the Note or the other loan documents, or afforded by law or in equity, and may be exercised concurrently, independently or successively.

12. **FORBEARANCE BY PHFA NOT A WAIVER.** Any forbearance by PHFA in exercising any right or remedy hereunder, or otherwise afforded by applicable law shall not be a waiver or preclude the exercise of any such right or remedy at any time.

13. **GOVERNING LAW: SEVERABILITY.** This Mortgage shall be governed by the laws of the Commonwealth of Pennsylvania. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note

which can be given effect without the conflicting provision, and to this end, the provisions of the Mortgage and Note are declared to be severable.

14. **SUCCESSORS AND ASSIGNS BOUND.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors, administrators, executors and/or assigns of PHFA and Borrower.

15. **NOTICE.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by first class or registered or certified mail addressed to Borrower at the Property address or at such other address as Borrower may designate by notice to PHFA as provided herein, and (b) any notice to PHFA shall be given by first class or registered or certified mail, return receipt requested, to PHFA's address stated herein or to such other address as PHFA may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or PHFA when given in the manner designated herein.

16. **RIGHT OF FIRST REFUSAL (HOMESTEAD LOANS ONLY).** If this is a HOMESTEAD Loan, the Agency shall have a right of first refusal to purchase the property before foreclosure pursuant to 24 C.F.R. § 92.254.

IN WITNESS WHEREOF, and intending to be legally bound hereby, Borrower has executed this Mortgage on the day and year first above written.

WITNESS:

\_\_\_\_\_

\_\_\_\_\_

Borrower

\_\_\_\_\_

\_\_\_\_\_

Borrower

Commonwealth of Pennsylvania

County of \_\_\_\_\_

This record was acknowledged before me on \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, who represents he/she executed the record for the purposes stated in the record.

\_\_\_\_\_  
Signature of Notarial Officer

I hereby certify that principal place of business and complete address of PHFA (Mortgagee) is Pennsylvania Housing Finance Agency, 211 North Front Street, Harrisburg, PA 17101.

AFTER RECORDATION, THIS MORTGAGE IS TO BE MAILED TO:  
(Participating Lender's name and address)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By:

\_\_\_\_\_

Closing Agent for Mortgagee

Mortgage Loan Officer's Name:

NMLS Number:

\_\_\_\_\_

\_\_\_\_\_

Lender:

NMLS Number:

\_\_\_\_\_

\_\_\_\_\_

# Compliance Inspection Report

**U.S. Department of Housing and Urban Development**  
Office of Housing  
Federal Housing Commissioner

OMB No. 2502-0189  
(exp. 7/31/98)

**Note:** Reports of Final and Repair Compliance Inspections left at site always require reviewer's signature to be Official. Consult mortgagee for official reports.

Builder's Name and Address	a. <input type="checkbox"/> Report not left at site. b. <input type="checkbox"/> Report not official without reviewer's signature.	FHA Case Number <hr/> Date of Inspection (mm/dd/yyyy)
Mortgagee's Name and Address	Property Address	

## I. Inspection of On-Site Improvements Reveals

- |  |   |
|--|---|
| 1. Construction <input type="checkbox"/> was, <input type="checkbox"/> was not begun prior to the date of mortgage insurance approval shown on the commitment, statement of appraised value or "Early Start" letter. (Applies to the initial report on new construction)<br>2. <input type="checkbox"/> Builder other than named in application<br>3. <input type="checkbox"/> Unable to make inspection. (Explain below)<br>4. <input type="checkbox"/> Accepted construction exhibits not available at site<br>5. <input type="checkbox"/> Individual Sewage disposal system; <input type="checkbox"/> Individual Water supply system<br><input type="checkbox"/> No noncompliance. <input type="checkbox"/> Correction essential as explained below.<br><input type="checkbox"/> Submit Health Department letter<br>6. <input type="checkbox"/> Correction req'd. by rpt. dated _____ not acceptably completed<br>7. <input type="checkbox"/> Repairs required by form HUD-92800.5B not acceptably completed<br>8. <input type="checkbox"/> Correction essential as explained below<br><input type="checkbox"/> a. Will examine at next inspection<br><input type="checkbox"/> b. Do not conceal until reinspected<br>9. <input type="checkbox"/> No noncompliance observed | 10. <input type="checkbox"/> Acceptable variations as described below (Request for Change, form HUD-92577, may be submitted).<br>11. <input type="checkbox"/> Extensive noncompliance as explained below (see IV.A below)<br>12. <input type="checkbox"/> On-site improvements acceptably completed subject to receipt of certification that mortgagee's inspection reveals satisfactory completion of all items listed below.<br>13. <input type="checkbox"/> On-site improvements acceptably completed except items listed below, completion of which is delayed by conditions beyond control of the builder (see IV.B below).<br>14. <input type="checkbox"/> On-site improvements acceptably completed<br>15. <input type="checkbox"/> Off-site improvements<br><input type="checkbox"/> a. Correction/Completion essential as explained below<br><input type="checkbox"/> b. Completion assured by escrow agreement or governing authority<br><input type="checkbox"/> c. Acceptably completed |
|--|---|

## II. Explanation of statements checked in Parts I and III

	<input type="checkbox"/> Initial Inspection <input type="checkbox"/> Framing Inspection <input type="checkbox"/> Final Inspection <input type="checkbox"/> Other (explain) <input type="checkbox"/> Repair Inspection	Inspection Number
No.		No.

**Certification:** I certify that I have carefully inspected this property on this date. I have no personal interest, present or prospective, in the property, applicant, or proceeds of the mortgage. To the best of my knowledge I have reported all noncompliance, work requiring correction, and unacceptable work.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature	Date (mm/dd/yyyy)	<input type="checkbox"/> Fee Inspector <input type="checkbox"/> Appraiser <input type="checkbox"/> DE Staff Inspector <input type="checkbox"/> HUD Inspector	ID Number
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## III. Specific Conditions Required by the HUD-92800.5B, Not Requiring Field Inspection

16. <input type="checkbox"/> Submit items or resubmit incomplete items as noted above.	17. <input type="checkbox"/> Acceptable Compliance with all specific conditions not requiring field inspection.	18. <input type="checkbox"/> Submit Termite Soil Treatment Guarantee. <input type="checkbox"/> None
Approved	Signature	Date (mm/dd/yyyy)
<input type="checkbox"/> as modified by me		
		<input type="checkbox"/> Direct Endorsement Underwriter <input type="checkbox"/> Chief Architect <input type="checkbox"/> Deputy

## IV. To Mortgagee: When signed below, refer to the statement on the back corresponding to the designation checked.

<input type="checkbox"/> <b>A. Noncompliance</b> <input type="checkbox"/> (a) Variations from exhibits. <input type="checkbox"/> (b) Unacceptable construction. <input type="checkbox"/> (c) Premature construction.	<input type="checkbox"/> <b>B. Compliance -- Incomplete Items.</b> "Mortgagee's Assurance of Completion", HUD-92300, may be submitted. for completion \$ _____ not later than:(mm/dd/yyyy)	<input type="checkbox"/> <b>C. Final Acceptance.</b> Closing papers may be submitted provided mortgage credit analysis is acceptable
Signature	Date (mm/dd/yyyy)	
		<input type="checkbox"/> Direct Endorsement Underwriter <input type="checkbox"/> Director of Housing Development <input type="checkbox"/> Deputy

<b>For HUD Use Only for concurrence of Direct Endorsement Processing of this Compliance Inspection Report. If signed, this final report is considered processed by HUD and, thereby, convertible to the Veterans Administration.</b>	Signature of HUD Authorized Agent
	Date (mm/dd/yyyy)

**See the statement below that corresponds to the designation checked on the front of the form under section "IV. To Mortgagee".**

**A. Noncompliance.** Construction is not acceptable or all specific conditions have not been fulfilled in accordance with the terms of the related commitment because of :

- (a) Variations from Exhibits.** Inspection reveals extensive non compliance, involving variations from accepted construction exhibits. The property will be considered ineligible for mortgage insurance (1) unless the work has been corrected so as to effect compliance, or (2) unless reprocessing is requested on the basis of the mortgage security as it is now being constructed, and this is found to be acceptable. Requests for reprocessing must be accompanied by a letter, in duplicate, fully describing the work as now being constructed, signed by the mortgagor and approved by the mortgagee. Where the plan arrangement, or either the exterior or interior appearance is affected, the mortgagor's letter must be accompanied by drawings, in duplicate, fully indicating the variations and signed by both the mortgagor and the mortgagee.
- (b) Unacceptable Construction.** Construction reveals extensive noncompliance with applicable FHA requirements or good construction practice. The property will be considered ineligible for mortgage insurance until construction has been corrected so as to effect compliance.
- (c) Premature Construction.** Inspection reveals that construction was begun prior to the date of approval for mortgage insurance (in noncompliance with the commitment or statement of appraised value).

**B. Compliance.** (with incomplete items)

Construction of on-site improvements has been acceptably completed except for any items listed on the front of this form. Completion of those items is delayed by conditions beyond the parties' control. The property will considered acceptable for mortgage insurance and closing papers may be submitted provided:

- (a)** All required off-site improvements have been acceptably completed and so reported, or their completion has been assured by an acceptable "Mortgagee's Assurance of Completion" form, and;
- (b)** All specific conditions not requiring field inspection as indicated on the front of this form have been acceptably fulfilled or evidence of compliance is submitted with the closing papers, and;
- (c)** The closing papers are accompanied by form HUD-92300, "Mortgagee's Assurance of Completion," properly executed and providing for withholding the sum indicated, or by indicating the sum is available on a commercial letter of credit, and for completion of construction not later than the date stated on the front of this form.

**C. Final Acceptance**

Construction has been completed and all specific conditions have been acceptably fulfilled. Closing papers may be submitted provided the mortgagee's credit analysis of the borrower is acceptably completed. Evidence of compliance with specific conditions not requiring field inspection as indicated on the front of this form may be submitted with the closing papers.