

**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: Conv <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. Conditional Commitment/Statement of Appraised Value (HUD 92800.5B) <input type="checkbox"/> d. Certificate of Reasonable Value (VA 26-1843) or Notification of Reasonable Value <input type="checkbox"/> e. Housing Quality Standards Questionnaire: HOMEstead (HS-Appendix 5) <input type="checkbox"/> f. Leasehold Documentation – Copy of lease <input type="checkbox"/> g. VA approval of Leasehold (if applicable)	<input type="checkbox"/> <b>31. Provide copy of "intent to proceed"</b> <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>33. Completed and signed IRS Form 4506-C (effective 3/1/2021) (provide copies of 2 years of tax transcripts for all Borrowers, if available)</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>
<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)	<p style="text-align: center;"><b>B. PHFA DOCUMENTS (As required by Program)</b></p> <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>
<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>29. Wood Destroying Insect Report and any additional items to satisfy issues on cert.</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

**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

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**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





**Homeownership Programs Division  
PURCHASE SUBMISSION CHECKLIST**

	<b>Lender Loan #</b>	<b>PHFA Loan #</b>	
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**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 & 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	<b>PURCHASE DOCUMENTS</b>
		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/VA Addendum(s) (HUD 92900-A/VA 26-1802A).
		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</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</u> Subordinate Mortgage Note (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</u> Subordinate Mortgage Note (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

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>	
		<b>O*</b>	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: "Pay without recourse to the Pennsylvania Housing Finance Agency"</b> . 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)		
		<b>O*</b>	2) Co-signer certification (Form 21), if applicable. <b>* Mail Original to PHFA.</b>
		<b>O*</b>	3) Addendum to Note/Construction Loan (Form 19), if applicable. <b>*Mail Original to PHFA.</b>
		<b>CC</b>	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)		
		<b>O</b>	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.
		<b>CC</b>	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)		
		<b>CC</b>	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.
		<b>CC</b>	8) Subordination Agreement – signed and stamped certified true copy of the doc, sent for recording.
		<b>O</b>	9) <b>Original notarized Name Affidavit</b> must accompany the Note. If there is an additional person (s) on the mortgage, we need an <b>original notarized name affidavit</b> for that person as well. Copies need to be uploaded into the electronic system. <b>*Mail Original to PHFA &amp; upload a copy.</b>
		<b>O*</b>	10) Instant Title Policy with all required addendums & endorsements. The Title Policy must contain an authorized agent's countersignature. If the <u>original</u> form is not available refer to Chapter 12 of the Seller's Guide for acceptable alternatives. <b>*Mail Original to PHFA &amp; upload a copy.</b>
		<b>C</b>	11) Executed Deed that was sent for recording. This is required for all loans types except for Refinance Loans.
		<b>CC</b>	12) Non-PHFA Additional Assistance Program – Includes Other County Programs Subordinate Mortgage and Subordinate Note if approved to use with this loan transaction.
		<b>C</b>	13) Survey, if common and typical to area. (This is not a PHFA requirement).
		<b>C</b>	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>. WE PREFER THE ORIGINALS BUT WE ALSO ACCEPT LEGIBLE COPIES OF THE RECORDED DOCUMENTS.

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

## PURCHASE PACKAGE - SERVICE RELEASED CHECKLIST

LENDER TO COMPLETE <u>ALL</u> BLANKS IN THIS SECTION	Borrower's Name: _____  PHFA Loan # (on PHFA Approval ) _____	Lender: _____  Contact: _____  Tel. # _____ Email: _____	Date Completed  _____
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**DIRECTIONS:** Place this Page 4 of the Checklist with the items in the order listed below. These items are uploaded with the Purchase Package with Form 58: **Documents >> Upload**; Document Type: **Purchase Package**. For any questions regarding these items, email [loansetup@phfa.org](mailto:loansetup@phfa.org) or call (717)780-3871.

PHFA: X, N/A, OR MISSING	LENDER "X" OR N/A	<u>Servicing Release Documents</u>
		1) PLEASE NOTE: The Preliminary 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.
		2) If Real Estate tax must be paid, include tax bill and note that bill must be paid immediately.
		3) Automatic Withdrawal (ACH form) (Form # 67). (Document must be faxed to the Agency within 4 business days after closing). <b>Optional.</b>
		4) 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.
		5) 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.
		6) 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.
		7) W-9 Form for all borrowers.
		8) Initial (Aggregate) Escrow Account Statement Disclosure.
		9) FHA purchase loans - include the applicable Addendums and FHA Settlement Certification that accompany the Closing Disclosure.
		10) 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.
		11) 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.
		12) 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.
		13) Proof of Mine Subsidence Insurance, with receipt for first year's premium and/or copy of check, if applicable.
		14) Copy of Right of Rescission addressed to each owner for all Refinance Loans.
		15) Life of Loan Flood Certification (must list PHFA's name & address).
		16) 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.
		17) 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. (Required on HFA loans with MI.)
		18) Provide the Initial PMI Cancellation Disclosure and the Amortization Schedule. (Required on Conventional loans with MI and PHIF.)
		19) 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.
		20) 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: _____
		21) 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**

**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

PENNSYLVANIA HOUSING FINANCE AGENCY
SELLER'S AFFIDAVIT ACKNOWLEDGING PROGRAM REQUIREMENTS
FOR KEYSTONE HOME LOAN PROGRAM

To be completed by seller(s) at or before closing unless (1) the borrower is purchasing property under an eligible installment sales agreement, or (2) the seller is HUD; Fannie Mae or Freddie Mac. This affidavit is made for the purpose of satisfying the requirements set forth in the Internal Revenue Code of 1986, as amended, (the "Code") and the rules and regulations promulgated pursuant thereto by the U.S. Department of the Treasury. Read and complete it carefully to be sure that the information is true and correct.

I/We, the undersigned seller(s): \_\_\_\_\_ depose and state the following:

- 1. I/we have entered into an agreement of sale with the following person(s):
2. The single-family Residence to be financed with the proceeds of the Mortgage Loan from the Pennsylvania Housing Finance Agency is located in the County of \_\_\_\_\_, Pennsylvania, at the following address:
3. 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 Borrower 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) If the Residence is purchased subject to a ground rent, the capitalized value of the ground rent (annual ground rent divided by 5%) \$ \_\_\_\_\_
d) TOTAL ACQUISITION COST \$ \_\_\_\_\_
4. The Residence does not contain any unfinished areas that are suitable for completion and normally finished in homes similar to the Residence. Please describe any exceptions to the foregoing statement.
5. No part of the Mortgage Loan proceeds will be used directly or indirectly to repay an existing loan made by me or anyone acting on my behalf to the Buyer or anyone acting on Buyer's behalf in connection with the Residence, except construction loans, bridge loans or similar temporary initial financing with a term of 24 months or less.
6. Neither I/we nor anyone acting on my/our behalf has entered into any contract, arrangement or understanding to make any other than the real estate broker or agent fees disclosed on the Closing Disclosure.

I/we as seller of the Residence have reviewed all of the information, representations and warranties contained in this affidavit 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. 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.
4. I/we may be subject to criminal penalties.

Signature of Seller Date

Signature of Seller Date

**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 2023 (effective for reservations on or after 6/15/2023)**

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	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	98,100	103005	108155	113563	119241	125203	131463	138037	144938
	3 OR MORE	112,800	118440	124362	130580	137109	143965	151163	158721	166657
ELK, FRANKLIN, INDIANA, LEBANON, MCKEAN, UNION, AND WARREN COUNTIES	1 TO 2	98,100	103005	108155	113563	119241	125203	131463	138037	144938
	3 OR MORE	112,800	118440	124362	130580	137109	143965	151163	158721	166657
ERIE MSA (Erie)	1 TO 2	98,100	103005	108155	113563	119241	125203	131463	138037	144938
	3 OR MORE	112,800	118440	124362	130580	137109	143965	151163	158721	166657
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	98,100	103005	108155	113563	119241	125203	131463	138037	144938
	3 OR MORE	112,800	118440	124362	130580	137109	143965	151163	158721	166657
MONROE COUNTY	1 TO 2	100,000	105000	110250	115763	121551	127628	134010	140710	147746
	3 OR MORE	115,000	120750	126788	133127	139783	146772	154111	161817	169907
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	114,400	120120	126126	132432	139054	146007	153307	160972	169021
	3 OR MORE	131,500	138075	144979	152228	159839	167831	176223	185034	194285
PHILADELPHIA COUNTY	1 TO 2	137,200	144060	151263	158826	166767	175106	183861	193054	202707
	3 OR MORE	160,100	168105	176510	185336	194603	204333	214549	225277	236541
READING MSA (Berks)	1 TO 2	98,100	103005	108155	113563	119241	125203	131463	138037	144938
	3 OR MORE	112,800	118440	124362	130580	137109	143965	151163	158721	166657
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	98,100	103005	108155	113563	119241	125203	131463	138037	144938
	3 OR MORE	112,800	118440	124362	130580	137109	143965	151163	158721	166657
ALL OTHER COUNTIES Non Target	1 TO 2	117,700	123585	129764	136252	143065	150218	157729	165616	173897
	3 OR MORE	137,300	144165	151373	158942	166889	175233	183995	193195	202855



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. \_\_\_\_\_

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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

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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.

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

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

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

Account No.
Borrower(s):
Address:

First Payment (Due on )
\$

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

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

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

Account No.
Borrower(s):
Address:

First Payment (Due on )
\$

FACTS	WHAT DOES PHFA DO WITH YOUR PERSONAL INFORMATION?
Why?	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.
What?	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>
How?	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) 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.
  - (b) Schedule A - the date of the policy should be the date of settlement and include the following: “or the date of the recording, whichever is later.”
  - (c) Schedule A - the name insured should be the name of the lender for example, “ABC Mortgage,” followed by “it successors and/or assigns”. Please don’t reference Secretary of HUD in the policy.
  - (d) There is no need to reference the assignment of the mortgage on schedule A.
  - (e) PHFA does not require an endorsement to reflect the recording data.
  - (f) 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:
- Recapture Tax Form (PHFA Form 4)
  - Re-affirmation of Mortgagor's Affidavit (PHFA Form 3, page 5)
  - 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