

QUICK LINKS TO UPDATED FORMS

[RECERTIFICATION CHECKLIST](#); [APPENDIX E](#)

GENERAL ANNOUNCEMENTS

1. **Lender Recertification Reminder.** The 2019 annual Participating Lender recertification is due April 30. Please be sure to review the [recertification checklist](#) for details and upload your submission via VirPack. Please refer to [Appendix E](#) for uploading instructions.

LOAN ORIGINATIONS & UNDERWRITING

1. **New HOMEstead Purchase Price Limits.** Effective for locks made on or after April 15th, the new purchase price limits will apply (income limits are unchanged). Please note that limits increased for existing homes in many counties while limits slightly decreased for newly constructed homes in most counties. A draft copy is attached.
2. **Homebuyer Education.** Effective for locks made on or after May 1st, borrowers obtaining a Keystone Advantage Assistance loan paired with any PHFA first mortgage loan must complete homebuyer education. All borrowers with a middle credit scores below 680 must attend an in-person homebuyer workshop or counseling session with a [PHFA approved counseling agency](#) prior to closing.

For Keystone Advantage Assistance loans with borrowers having a middle credit score of 680 or higher, the homebuyer education class or counseling session may be completed by only one borrower. The education or counseling session must be completed by one of the PHFA's approved counseling organizations or a PHFA-approved mortgage insurance provider.

3. **Private Flood Insurance.** Effective immediately, PHFA will accept certain private flood insurance policies for Conventional, RD and VA loans. The policy must contain the compliance aid statement within the policy or an endorsement to the policy: **“This policy meets the definition of private flood insurance contained in 42 U.S.C. 4012a(b)(7) and the corresponding regulation.”** If the policy does not have this statement present, the private policy will not be acceptable. **Please note that NFIP policies are still required for FHA loans.**

As a reminder, the completed application for flood insurance must be included in the Pre-Closing package. If the application is omitted, the file will be ineligible for approval until received. All other flood insurance requirements remain in place. Please refer to [Chapter 12](#) of the Seller's Guide for additional details.

CLOSING & POST CLOSING

- 1. Hazard Insurance Deductible on RD Loans.** Effective immediately, per RD guidance the deductible should not exceed the greater of either \$1,000 or one percent (1%) of the policy coverage. The hazard insurance deductible for all other loan types will remain unchanged.

Please [contact us](#) with any questions.