

GENERAL ANNOUNCEMENTS

1. Keystone Forgivable in Ten Years Loan Program (K-FIT). Great News!!! PHFA is excited to announce a new downpayment and closing cost assistance loan program that will soon be available to be used in conjunction with the Keystone Home Loan Program. K-FIT provides eligible borrowers with a **FORGIVABLE** second loan for up to, five percent (5%) of the lesser of the purchase price or appraised value with no maximum dollar limit. K-FIT is expected to launch in the next few months. This advance notice is being provided so that participating lenders have some lead time to make system enhancements regarding this new assistance product.

Some program guidelines of **K-FIT** include:

- Minimum loan amount of at least \$500
- Minimum 660 credit score to qualify
- Provides 5% of the lesser of the purchase price or appraised value with no maximum dollar limit
- A second loan, forgiven at ten percent (10%) a year over 10 years
- No interest and no monthly payment.
- May only be used with the Keystone Home Loan program; Conventional, FHA, RD and VA loan types
- Maximum financing required

The attachment included with this update contains the K-FIT program guidelines that will be included in the Seller's Guide as well as the forms listed below required for the program:

- Form 54KFIT: KFIT Loan Subordinate Note
- Form 55KFIT: KFIT Loan Subordinate Mortgage
- Form 56KFIT: KFIT Loan Estimate (LE)
- Form 57KFIT: KFIT Closing Disclosure (CD)

Stay tuned for a future announcement with a specific launch date and training opportunities to learn more.

2. PHFA Lender Recertification. For those lenders that would like to get ahead start on the 2021 Annual PHFA Lender Recertification, it is now available online:

https://www.phfa.org/forms/homeownership_application/recertification_checklist.pdf

Recertifications must be submitted electronically via VirPack by April 30, 2021.

LOAN ORIGINATIONS & UNDERWRITING

1. **New URLA.** PHFA will begin accepting the new Uniform Residential Loan Application (URLA) effective with loan applications dated January 1, 2021. The new URLA will be mandatory for loan applications dated on or after March 1, 2021.

CLOSING & POST CLOSING

1. **Interim Servicing Not Permitted.** As a reminder, lenders are not to collect monthly mortgage payments from borrowers that received a PHFA mortgage. PHFA borrowers should send all payments directly to PHFA. Please note all mortgage loans are sold service-released to PHFA and interim servicing is not permitted.
2. **Loan Setup.** Lenders are required to complete the loan setup within seven calendar days of closing the loan and certify that Form 28 was given to the mortgagor. The loan setup must be completed prior to uploading the Purchase Package for review. Purchase submissions uploaded before the loan setup is completed will receive an error message.
3. **Purchasing Conditions.** As clarification, documents submitted to clear ineligible loans should be uploaded via VirPack, not emailed to staff. To efficiently clear conditions in a timely manner, this process should always be followed. Please review [Appendix E](#), VirPack Instructions for details.

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

A. Keystone Forgivable in Ten Years Loan Program (K-FIT)

1. General Program Description

The Keystone Forgivable in Ten Years Loan Program (K-FIT) is available to buyers with a middle FICO of at least 660 who are eligible for a PHFA first mortgage under the Keystone Home Loan only (see Chapter 3 for first mortgage program details). Through K-FIT, qualified homebuyers are able to borrow a portion of the funds needed to cover their downpayment requirement (other than their minimum required contribution) and/or closing costs associated with the purchase of their home.

2. Loan Terms and Usage

The maximum amount of assistance to eligible homebuyers will be based upon the lesser of the purchase price or appraised value. K-FIT cannot exceed five percent (5%) of the lesser of the purchase price or appraised value. The minimum loan amount is \$500. Funds must be used to help cover the borrower's downpayment requirement and/or closing costs.

The K-FIT loan is forgiven on an annual basis over ten years at a rate of 10 percent per year. (Please note that PHFA does not require the assistance to be entered as a subordinate loan for automated underwriting purposes. Instead, it can be listed as an asset.)

Borrowers must be utilizing maximum PHFA financing. Any K-FIT funds exceeding the borrower's downpayment requirement must be used to cover closing costs. K-FIT funds may not be used to fund down money in excess of the applicable minimum required depending on the loan type. Additionally, K-FIT can not be used to finance the VA or RD guaranty fees or the FHA Upfront Mortgage Insurance Premium since those items may be financed by the first mortgage. PHFA guidelines as detailed in this Seller's Guide, as well as all applicable FHA, VA, RD guidelines apply, including loan to value and downpayment requirements.

The K-FIT program may not be combined with any other PHFA assistance programs, with the exception of the Access Modification Loan Program.

3. Eligibility Requirements

Buyers must meet the requirements of the applicable PHFA first mortgage program, as well as the criteria below. Being a first time homebuyer is only required if it is applicable to the first mortgage program.

a. Liquid Asset Limitation

The borrower's liquid assets may not be greater than \$50,000 after deducting the funds needed to close on the loan. This includes cash and funds in checking and savings accounts, stocks, bonds, certificates of deposit and similar liquid accounts. Funds from retirement accounts, such as 401(k)'s, IRAs, and pension funds, will only be considered if they can be withdrawn without a penalty due to the borrower meeting the age requirement and/or being retired.

b. Homebuyer Education

All borrowers with middle credit scores *below* 680 must complete an in person homebuyer education class or counseling session prior to closing, provided by one of [PHFA's approved counseling organizations](#). Online courses will not be accepted for these borrowers.

For loans where *all* borrowers have a middle credit score of 680 or higher, a homebuyer education class or counseling session must still be completed prior to closing; however, it need be completed by only one borrower. The education or counseling session must be provided by one of PHFA's approved counseling organizations or a PHFA-approved mortgage insurance provider. Telephonic and online courses are also acceptable for borrowers with a FICO of 680 or higher; acceptable online courses are those provided by an approved PMI company, Framework® or [PHFA](#). In all cases, a copy of the counseling certificate(s) must be included in the purchase package to PHFA.

4. Lender Instructions and Procedures

a. Locking of Funds

The K-FIT loan is locked simultaneously with the Keystone Home Loan program via the Pipeline Plus system.

b. Underwriting Procedures

The K-FIT loan amount being requested may be entered as subordinate financing or as an "Other Liquid Asset" in DU for the KHL Conventional program. For KHL government loans, the K-FIT loan may be entered as subordinate financing or as an asset, per the applicable Agency guidelines for the type of loan. The PHFA Pre-Closing Package Review Results will indicate whether the K-FIT loan was approved, and if so, for how much.

c. Closing Procedures

The first mortgage closes in the lender's name, but the subordinate K-FIT loan closes in PHFA's name. Lenders are responsible for completing the Loan Estimate and Closing

Disclosure for the subordinate K-FIT loan using industry-standard and compliant forms. The K-FIT loan is assumable under certain conditions. The late fee would be the same as for the first mortgage.

Except for the cost to record the Mortgage and a reasonable notary fee, no additional fees may be charged on a PHFA subordinate assistance loan since it is done in conjunction with the PHFA first mortgage in order to help the borrower qualify for the loan.

The K-FIT loan must be recorded in second lien position. This will be verified post closing by PHFA.

The lender also prepares the Subordinate Mortgage and Note but uses PHFA's forms for those documents ([Form 54 K-FIT](#) and [Form 55 K-FIT](#), respectively). The amount must be the actual assistance being disbursed at closing and listed on the CLOSING DISCLOSURE, rounded to the nearest dollar. The Subordinate Mortgage Instrument shall be recorded directly behind the first mortgage instrument as a second lien. No assignment of the subordinate mortgage is required since it closes in PHFA's name.

At closing, the lender is to disburse only the actual amount of assistance needed, rounded off to the nearest dollar, up to the amount initially approved by PHFA. Cash back to the borrower is limited to \$100 in excess of reimbursement of POC items.

d. Post-Closing

When the Agency purchases the first mortgage, it will also reimburse the lender for the actual amount of funds used by the borrower under the K-FIT loan as listed on the CLOSING DISCLOSURE.

The lender is to forward to the Agency the following executed subordinate mortgage documents in the purchase package:

- Loan Estimate and Closing Disclosure
 - Subordinate Mortgage Note ([Form 54 K-FIT](#))
 - Certified copy of the Subordinate Mortgage ([Form 55 K-FIT](#)) with evidence it was sent for recording.
 - A copy of any other subordinate Mortgage(s) with evidence it was sent for recording (for any other downpayment/closing cost/rehab funds received for which a mortgage is recorded). Please note that the K-FIT loan must be recorded in second lien position.
- e. The Closing Disclosure submitted with the SRP portion of the file (Page 4, [Form 58](#)) will be used to verify the amount of funds that were used by the borrower. The lender is to forward the original recorded mortgage document (Form 55 K-FIT) to the Agency within sixty days from the date of purchase. The lender is also responsible to forward a copy of the recorded mortgage that was used for any other downpayment/closing cost/rehab programs, if applicable. This will confirm that the PHFA K-FIT Mortgage was recorded in

second lien position. The mortgages are to be attached to a properly completed Form 30 and submitted to the Agency at the address referenced on the form.

DRAFT

**PENNSYLVANIA HOUSING FINANCE AGENCY
Keystone Forgivable in Ten Years Loan Program**

SUBORDINATE MORTGAGE NOTE

Date: _____, 20____

FOR VALUE RECEIVED, the undersigned _____,
jointly, separately and severally (collectively, "Borrower"), promise(s) to pay to the order of the
PENNSYLVANIA HOUSING FINANCE AGENCY, a public corporation and government instrumentality
having its principal office at 211 North Front Street, Harrisburg, PA 17101 ("PHFA"), at such place as PHFA
may from time to time designate in writing, the principal sum of:

_____ Dollars (\$_____).

This Subordinate Mortgage Note ("Note") is accompanied and secured by a Subordinate Mortgage dated
this date on real property owned by Borrower located at: _____

1. **INTEREST.** Interest shall not accrue on the sums advanced in connection with this Note.
2. **REPAYMENT.** Borrower must repay the outstanding balance of this loan upon the occurrence of any of the following events (each a "Repayment Event") during the term of this loan and prior to the end of the Forgiveness Period set forth below:
 - A. The property is rented, sold, or transferred; or
 - B. Borrower ceases to occupy the property which is secured by the Subordinate Mortgage 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 in connection with the making of this loan; or

If not sooner paid or forgiven in accordance with the provisions below, any outstanding amount under this Note shall be due and payable on the tenth (10th) anniversary of the making of this Note.

3. **FORGIVENESS PERIOD.**
 - A. The "Forgiveness Period" is the ten (10) year period commencing with the making of this Note and ending on the tenth (10th) anniversary of the making of this Note.
 - B. While the property remains occupied as the primary residence of at least one Borrower and no Repayment Event described above has occurred, this Note is forgivable in nature. Provided no Repayment Event has occurred, each year on the anniversary date of the Note, ten percent (10%) of the original amount of the Note shall be forgiven. Borrower is responsible for any tax liability that may result from the forgiveness of debt, and should seek the advice of a tax accountant or tax counsel with any questions concerning the treatment of forgiven debt as income.
 - C. No prorated credit shall be given for a portion of a year. To qualify for forgiveness, at least one Borrower must own and occupy the residence for each full twelve (12) month period.
 - D. If 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.
 - E. 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 at the end of the Forgiveness Period.

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

5. **PRIMARY RESIDENCE.** Borrower hereby agrees that the real property secured by the Subordinate Mortgage accompanying this Note shall at all times be the primary residence of Borrower while any amount of the loan evidenced by the Note remains outstanding, and that a default under this provision shall be a Repayment Event causing any outstanding balance to become immediately due and payable.

6. **DISCLOSURE STATEMENT BY BORROWER.** Borrower hereby affirms that full, complete and accurate financial information has been submitted by Borrower 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.

7. **ACCOMPANYING DOCUMENTS.** This Note is secured by a Subordinate Mortgage on the residence of 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 Borrower of any of the terms of the Loan Documents shall also constitute a breach of the terms of this Note.

8. **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, Borrower has executed this Note on the date written above.

Borrower's signature

Borrower's signature (if applicable)

Co-Signer's signature (if applicable)

Co-Signer's signature (if applicable)

Mortgage Loan Officer's Name:

NMLS Number:

Loan Origination Organization

NMLS Number:

Prepared by: _____

Return to: _____

Property Parcel Number: _____

Above space is intentionally left blank for recording data.

**PENNSYLVANIA HOUSING FINANCE AGENCY
Keystone Forgivable in Ten Years Loan Program**

SUBORDINATE MORTGAGE

This Subordinate Mortgage ("Mortgage"), entered into this ____ day of _____, 20____, is given by _____ ("Borrower") as security for the loan made to Borrower by the **Pennsylvania Housing Finance Agency** ("Lender"), its successors and or assigns, a public corporation and government instrumentality, having its principal office at 211 North Front Street, City of Harrisburg, County of Dauphin, Commonwealth of Pennsylvania.

Borrower is indebted to Lender in the principal amount of: _____ \$(_____) Dollars, which indebtedness is evidenced by a Subordinate Mortgage Note dated this date ("Note"), providing for conditional payment pursuant to its terms no later than the tenth (10th) anniversary of the making of the Note.

This Mortgage is given by Borrower to Lender to secure any and all sums loaned by Lender to Borrower through Lender's Keystone Forgivable in Ten Years Loan Program. The sums secured by this Mortgage are evidenced by the Note, and include, but are not necessarily limited to, sums advanced by Lender to Borrower or on behalf of Borrower in connection with the purchase of the property secured by this Mortgage.

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

See Exhibit "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 Lender.

2. ***Repayment.*** Borrower shall repay the sums advanced in connection with this 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. ***Default.*** If Borrower fails to make payments of principal and interest as may be required by this Mortgage or the Note, or if Borrower violates any other term of this Mortgage or the Note, Lender may declare this Mortgage to be in default, and Lender 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, Lender may institute an action of mortgage foreclosure against Borrower, or such other form of civil action as is determined appropriate by Lender. If it is necessary for Lender to institute such legal action, Borrower agrees to pay all costs and attorney's fees actually incurred by Lender.

4. ***Interest.*** Interest shall not accrue on the sums advanced pursuant to this Mortgage.

5. ***Prepayment Permitted.*** Borrower may repay the sums loaned pursuant to the Note and this Mortgage, in whole or in part, at any time without penalty.

4. ***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.

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. ***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.

7. ***Taxes and Insurance.*** Borrower agrees that all real estate, water and sewage charges, and other charges that are levied against the Property will be paid in a timely manner. Borrower further agrees to maintain adequate liability and hazard insurance to protect the property against risk of loss, and that Lender will be named as a Mortgagee on any such policy. In the event that Borrower fails to pay the taxes or to maintain adequate liability and hazard insurance, Lender may pay the same and add the amount disbursed to the amount owed to Lender by Borrower.

8. ***Insurance Proceeds.*** In the event that the proceeds of an insurance claim are paid to Borrower, and those proceeds are not to be used to restore the premises, Lender may claim its right to a proportional share of such proceeds to satisfy any remaining indebtedness.

9. ***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 Lender in an amount sufficient to satisfy any outstanding indebtedness owed to Lender.

10. **Transfer of the Property: Due on Sale.** In accordance with the provisions of the Note, Lender may declare all of the sums secured by this Mortgage to be immediately due and payable upon the sale or transfer of any of Borrower's interest in the property.

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 Lender not a Waiver.** Any forbearance by Lender 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.

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 Lender as provided herein, and (b) any notice to Lender shall be given by first class or registered or certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender 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 Lender when given in the manner designated herein.

(signatures continued on next page.)

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

Borrower

Borrower

Commonwealth of Pennsylvania :

:

County of _____ :

This record was acknowledged before me on _____, 20____, by

_____.

Signature of Notarial Officer

Certification of Residence

I hereby certify that precise address of Lender (Mortgagee) is:

211 North Front Street, P.O. Box 8029

Harrisburg, Pennsylvania 17105-8029

Authorized Agent

Mortgage Loan Officer's Name

NMLS Number:

Loan Origination Organization

NMLS Number:

Loan Estimate

DATE ISSUED

APPLICANTS

PROPERTY

SALES PRICE

LOAN TERM 10 years

PURPOSE

PRODUCT Fixed Rate

LOAN TYPE Conventional FHA VA _____

LOAN ID #

RATE LOCK Yes, until

Before closing, your interest rate, points and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on

Loan Terms	Can this amount increase after closing?	
Loan Amount		NO
Interest Rate	0%	NO
Monthly Principal & Interest See Projected Payments below for your Estimated Total Monthly Payment		NO
	Does the loan have these features?	
Prepayment Penalty		NO
Balloon Payment		NO

Projected Payments	Years 1-10	
Payment Calculation		
Principal & Interest		
Mortgage Insurance		+ 0
Estimated Escrow <i>Amount can increase over time</i>		+ 0
Estimated Total Monthly Payment		
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i>	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.	In escrow? NO NO
	a month	

Costs at Closing		
Estimated Closing Costs	Includes \$0 in Loan Costs +	in Other Costs –
	In Lender Credits. See page 2 for details.	
Estimated Cash to Close	Includes Closing Costs. See Calculating Cash to Close on page 2 for details.	

Closing Cost

Loan Costs		Other Costs	
A. Origination Charges	\$0	E. Taxes and Other Government Fees	
0% of Loan Amount (Points)	\$0	Recording Fees and Other Taxes	
		Transfer Taxes	\$0
		F. Prepays	
		Homeowner's Insurance Premium	\$0
		Mortgage Insurance Premium	\$0
		Prepaid Interest	\$0
		Property Taxes	\$0
		G. Initial Escrow Payment at Closing	
		Homeowner's Insurance	\$0
		Mortgage Insurance	\$0
		Property Taxes	\$0
		H. Other	
		I. TOTAL OTHER COSTS (E + F + G + H)	
		J. TOTAL CLOSING COSTS	
		D + I	
		Lender Credits	
		Calculating Cash to Close	
		Total Closing Costs (J)	
		Closing Costs Financed (Paid from your Loan Amount)	
		Down Payment/Funds from Borrower	\$0
		Deposit	\$0
		Funds for Borrower	\$0
		Seller Credits	\$0
		Adjustments and Other Credits	
D. TOTAL LOAN COSTS (A + B + C)	\$0	Estimated Cash to Close	

Additional Information about this Loan

LENDER NMLS/LICENSE ID	Pennsylvania Housing Finance Agency N/A	MORTGAGE BROKER NMLS/LICENSE ID
LOAN OFFICER NMLS/LICENSE ID		LOAN OFFICER NMLS/LICENSE ID
EMAIL PHONE		EMAIL PHONE

Comparisons

Use these measures to compare this loan with other loans.

In 5 Years	Total you will have paid in principal, interest, mortgage insurance and loan costs.	
	Principal you will have paid off.	
Annual Percentage Rate (APR)	0%	Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	0%	The total amount of interest you will pay over the loan term as a percentage of your loan amount.

Other Considerations

Appraisal

We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.

Assumption

If you sell or transfer this property to another person, we

- will allow, under certain conditions, this person to assume this loan on the original terms.
 will not allow assumptions of this loan on the original terms.

Late Payment

If your payment is more than 15 days late, we will charge a late fee of _____ of the monthly principal and interest payment.

Refinance

Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

Servicing

We intend

- to service your loan. If so, you will make your payments to us.
 to transfer servicing of your loan.

Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant signature

Date

Co-Applicant Signature

Date

Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information

Date Issued
Closing Date
Disbursement Date
Settlement Agent
File #
Property
Sale Price

Transaction Information

Borrower

Lender Pennsylvania Housing Finance Agency

Loan Information

Loan Term 10 years
Purpose Purchase
Product Fixed Rate
Loan Type Conventional
 FHA VA ___
Loan ID #
MIC#

Loan Terms	Can this amount increase after closing?
Loan Amount	NO
Interest Rate	0% NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	NO
Prepayment Penalty	Does the loan have these features? NO
Balloon Payment	NO

Projected Payments	Years 1-10									
Payment Calculation										
Principal & Interest										
Mortgage Insurance	+ 0									
Estimated Escrow <i>Amount can increase over time</i>	+ 0									
Estimated Total Monthly Payment										
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time See page 4 for details</i>	<table border="0"> <tr> <td rowspan="4">a month</td> <td>This estimate includes in escrow?</td> <td>In escrow?</td> </tr> <tr> <td><input checked="" type="checkbox"/> Property Taxes</td> <td>NO</td> </tr> <tr> <td><input checked="" type="checkbox"/> Homeowner's Insurance</td> <td>NO</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table> <p><i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i></p>	a month	This estimate includes in escrow?	In escrow?	<input checked="" type="checkbox"/> Property Taxes	NO	<input checked="" type="checkbox"/> Homeowner's Insurance	NO	<input type="checkbox"/> Other:	
a month	This estimate includes in escrow?		In escrow?							
	<input checked="" type="checkbox"/> Property Taxes		NO							
	<input checked="" type="checkbox"/> Homeowner's Insurance		NO							
	<input type="checkbox"/> Other:									

Costs at Closing	
Closing Costs	Includes \$0 in Loan Costs + in Other Costs- In Lender Credits. <i>See page 2 for details.</i>
Cash to Close	Includes Closing Costs <i>See Calculating Cash to Close on page</i>

Closing Cost Details

Loan Costs	Borrower Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
A. Origination Charges					
01					
02					
03					
04					
05					
06					
07					
08					
B. Services Borrower Did Not Shop For					
01					
02					
03					
04					
05					
06					
07					
08					
C. Services Borrower Did Shop For					
01					
02					
03					
04					
05					
06					
07					
08					
D. TOTAL LOAN COSTS (Borrower Paid)					
Loan Costs Subtotals (A+B+C)					
Other Costs					
E. Taxes and other Government Fees					
01	Recording Fees	Deed:	Mortgage:		
02					
F. Prepays \$0					
01	Homeowner's Insurance Premium (mo.)				
02	Mortgage Insurance Premium (mo.)				
03	Prepaid Interest (per day from to)				
04	Property Taxes (mo.)				
05					
G. Initial Escrow Payment at Closing \$0					
01	Homeowner's Insurance per month for mo.				
02	Mortgage Insurance per month for mo.				
03	Property Taxes per month for mo.				
04					
05					
06					
07					
08	Aggregate Adjustment				
H. Other					
01					
02					
03					
04					
05					
06					
07					
08					
I. TOTAL OTHER COSTS (Borrower- Paid)					
Other Costs Subtotals (E+F+G+H)					
J. TOTAL CLOSING COSTS (Borrower-Paid)					
Closing Costs Subtotals (D+I)					
Lender Credits					

Calculating Cash to Close

Use this table to see what has changed from your Loan Estimate.

	Loan Estimate	Final	Did this change?
Total Closing Costs (J)			
Closing Costs Paid Before Closing	\$0		
Closing Costs Financed (Paid from your Loan Amount)			
Down Payment/Funds from Borrower Deposit	\$0	\$0	NO
Funds from Borrower	\$0	\$0	NO
Seller Credits Adjustments and Other Credits			
Cash to Close			

Summaries of Transactions

Use this table to see a summary of your transactions.

BORROWER'S TRANSACTION

SELLER'S TRANSACTION

K. Due from Borrower at Closing

M. Due to Seller at Closing

01 Sale Price of Property	
02 Sale Price of Any Personal Property Included in Sale	
03 Closing Costs Paid at Closing (J)	
04	
Adjustments	
05	
06	
07	
Adjustments for Items Paid by Seller in Advance	
08 City/Town Taxes to \$0	
09 County Taxes to \$0	
10 Assessments to \$0	
11	
12	
13	
14	
15	

01 Sale Price of Property	
02 Sale Price of Any Personal Property Included in Sale	
03	
04	
05	
06	
07	
08	
Adjustments for Items Paid by Seller in Advance	
09 City/Town Taxes to \$0	
10 County Taxes to \$0	
11 Assessments to \$0	
12	
13	
14	
15	
16	

L. Paid Already by or on Behalf of Borrower at Closing

N. Due from Seller at Closing

01 Deposit \$0	
02 Loan Amount	
03 Existing Loan(s) Assumed or Taken Subject to \$0	
04	
05 Seller Credit	
Other Credits \$0	
06	
07	
Adjustments	
08	
09	
10	
11	
Adjustments for Items Unpaid by Seller	
12 City/Town Taxes to \$0	
13 County Taxes to \$0	
14 Assessments to \$0	
15	
16	
17	

01 Excess Deposit \$0	
02 Closing Costs Paid at Closing (J)	
03 Existing Loan(s) Assumed or Taken Subject to \$0	
04 Payoff of First Mortgage Loan \$0	
05 Payoff of Second Mortgage Loan \$0	
06	
07	
08 Seller Credit	
09	
10	
11	
12	
13	
Adjustments from Items Unpaid by Seller	
14 City/Town Taxes to \$0	
15 County Taxes to \$0	
16 Assessments to \$0	
17	
18	
19	

CALCULATION

CALCULATION

Total Due from Borrower at Closing (K)	
Total Paid Already by or on Behalf of Borrower at Closing (L)	
Cash to Close <input type="checkbox"/> From <input type="checkbox"/> To Borrower	

Total Due to Seller at Closing (M)	\$0
Total Due from Seller at Closing (N)	
Cash <input type="checkbox"/> From <input type="checkbox"/> to Seller	

Additional Information About This Loan

Loan Disclosures

Assumption

If you sell or transfer this property to another person, your lender

will allow, under certain conditions, this person to assume this loan on the original terms.

will not allow assumption of this loan on the original terms.

Demand Feature

Your loan

has a demand feature, which your lender to require early repayment of the loan. You should review your note for details.

does not have a demand feature.

Late Payment

If your late payment is more than ____ days late, your lender will charge a late fee of _____

Negative Amortization (increase in Loan Amount)

Under your loan terms, you

are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.

may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.

do not have a negative amortization feature.

Partial Payments

Your lender

may accept payments that are less than the full amount due (partial payments) and apply them to your loan.

May hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.

Does not accept any partial payments.

If this loan is sold, your new lender may have a different policy.

Security Interest

You are granting a security interest in _____

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

Escrow Account

For now, your loan

will have an escrow account (also called an “impound” or “trust” account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1		Estimated total amount over year 1 for your escrowed property costs:
Non-Escrowed Property Costs over Year 1		Estimated total amount over year 1 for your non-escrowed property costs: You may have other property costs.
Initial Escrow Payment		A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment		The amount included in your total monthly payment.

will not have an escrow because you declined it your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner’s insurance. Contact your lender to ask if your loan can have an escrow account.

Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

In the future,

Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

Loan Calculations

Total of Payments. Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	
Finance Charge. The dollar amount the loan will cost you.	\$0
Amount Financed. The loan amount available after paying your upfront finance charge.	
Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	0%
Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	0%



Questions? If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at www.consumerfinance.gov/mortgage-closing

Other Disclosures

Appraisals

If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.

Contract Details

See your note and security instrument for information about

- what happens if you fail to make your payments,
- what is a default on the loan,
- situations in which your lender can require early repayment of the loan, and
- the rules for making payments before they are due.

Liability after Foreclosure

If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan, state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.

state law does not protect you from liability for the unpaid balance.

Refinance

Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

Tax Deductions

If you borrow more than the property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.

Contact Information					
	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
Name	Pennsylvania Housing Finance Agency	Participating Lender			
Address	211 N. Front St. Harrisburg, PA 17101				
NMLS ID	N/A				
PA License ID	N/A				
Contact	Coleen Baumert				
Contact NMLS ID	271329				
Contact PA License ID	37232				
Email	Askphfa.org				
Phone	855-827-3446				

Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant signature

Date

Co-Applicant Signature

Date