

QUICK LINKS TO UPDATED FORMS

[Recertification Checklist;](#)

GENERAL ANNOUNCEMENTS

1. Recertification Reminder. The 2025 annual Participating Lender Recertification is due April 30, 2025. The 2025 [Recertification Checklist](#) is now available and must be submitted with the required corresponding documents via VirPack. Please note, the Agency is requiring an updated executed Master Origination and Sale Agreement and/or PENNVEST Participation Agreement from all participating lenders in this year's recertification. Please refer to [Appendix E](#) for uploading instructions. For staff to submit the recertification package, the 'Recertification' menu item must be added to their Pipeline Plus profile. The Pipeline Plus administrator for each lender can grant access if needed.

2. Pipeline Plus Security Enhancements and Redesign. The redesign of the Pipeline Plus system was successfully launched in December and all users should have been prompted to update their account information. As a reminder, the new security enhancement will send notices to users to log in every 60 days, so accounts are not deleted. Lenders will be prompted to change their password, verify their email address and verify their profile information every 6 months.

LOAN ORIGATION & UNDERWRITING

1. Flood Insurance Update. We revised our flood insurance eligibility requirements. Effective immediately, PHFA will follow the respective government entity flood insurance requirements. The maximum debt-to-income ratio will remain at 45.00% for all loan types under all loan programs. The maximum deductible of \$5,000 will also remain in place. Chapter 12 – Insurance Requirements of the Sellers Guide has been updated to reflect this information.

2. Loan Amounts. As a reminder loan amounts for all first mortgage and subordinate programs must be a whole number. When calculating the maximum loan amount, if the loan amount contains cents, the cents must be removed and the loan amount must be rounded down to the whole dollar amount. Loan amounts with cents are not acceptable on any PHFA programs.

3. Fannie Mae \$2,500 Credit Extended. In the updated Lender Letter ([LL-2024-01](#)) dated 12/5/2024, Fannie Mae announced the enhancement to the HomeReady® loan product providing very low-income purchase borrowers (VLIP) with a \$2,500 credit has been extended for one year. This product enhancement has been extended to the HFA Preferred™ program. As a reminder, loans locked under the HFA Preferred™ program with a total qualifying income less than or equal to 50% of the applicable area median income (AMI) limit may receive a \$2,500 grant toward down payment and/or closing costs. Borrowers are still required to contribute the lesser of 1% or \$1,000 of their own funds into the transaction, and at least one borrower on the loan must be a first-time homebuyer to be eligible for this credit. Fannie requires the \$2,500 grant to be labeled as a Federal Agency Grant in Desktop Underwriter. This item should be labeled the same way on Loan Estimates and Closing Disclosures. Funds for this grant will be reimbursed at loan purchase. Please note this \$2,500 grant only applies to those with qualifying income less than or equal to 50% of the applicable AMI. Borrowers exceeding 50% AMI will continue to receive the \$500 grant from PHFA.

4. Resale Restrictions. The PHFA Affordable Housing Assistance Program Checklist ([Form 5](#)) must be completed for all properties that are subject to resale restrictions such as those that require future sales to income eligible borrowers or restrict the sales price of future transfers and must be included in the Pre-Closing submission package along with a copy of the resale restrictions. As a reminder, if there are provisions in the program's documents that impose resale restrictions that do not terminate in the event of foreclosure or deed in lieu of foreclosure (or assignment to the Secretary of HUD in the case of FHA insured loans), the property is ineligible for PHFA financing.

CLOSING & POST CLOSING

1. Documents required at Loan Set Up. In efforts to accelerate the loan set up process, in the [4th Quarter Interim Update](#) we requested for the legal description and final closing disclosure used for the subject property to be provided directly after the loan set up has been completed. Many loan set ups received, do not have the required documents uploaded to VirPack. Lenders are reminded to provide this information immediately after the loan set up is completed which is required to onboard loans into our system. The delay of providing this information will delay the review of the submitted purchase packages.

In addition to the legal description and final closing disclosure, please also provide the following items:

- ***Homeowner's Insurance declaration page.*** If the CD references the insurance as a paid outside of closing (POC) item, proof of payment in full for the first year's premium is required.
- ***Life of Loan Flood Certification listing PHFA as the certificate holder.*** Lenders are required to complete the servicing transfer to PHFA prior to providing the flood certification to us.

These two additional items will be required for closed loans with Loan Set Ups completed on or after **February 18, 2025**. If you have these documents prior to the effective date, we'll gladly accept them. We are requesting these items during the Loan Set Up process to ensure the subject property is properly insured to establish escrow accounts for borrowers.

2. Original Final Documents. We updated the process of submitting original final documents for loans purchased on or after October 1, 2024. Details of the new process was announced in the [4th Quarter Interim Update](#). Original final documents mailed to PHFA for loans closed on or after October 1, 2024 will be returned to the lender's final document contact.

3. Title Policies. As a reminder, the original title policy no longer needs to be mailed to us, however, if provided the original paper version will be accepted. The preferred method is to include an email copy of the title policy with a copy of the email from the title agent to the lender in the purchase submission package. Please note if the original mailed version is utilized, a copy of the title policy must be included with the purchase submission.

4. Final Documents Submission. Lenders are reminded to upload all required recorded Final Documents at the same time. The submission of incomplete packages is causing review delays and increasing the number of reviews per file. To support our guidance, effective immediately we will mark completed submissions acceptable, those submissions will be posted as received in VirPack and placed in the queue for review. Incomplete Final Document submissions will remain unreceived until all required documents are provided. Please refer to [Appendix E](#) for uploading instructions.

5. Final Document Checklist. A new Final Document Checklist Form 31 has been created to support the submissions of required recorded Final Documents. Lenders may start using the checklist as the cover page when uploading Final Documents to VirPack. The new checklist must be used by March 1st. A copy of Form 31 is attached to this announcement and added to the Forms section of the website.

[Form 30](#) Final Document Submission cover letter will continue to be available for loans purchased prior to October 1, 2024 that requires Final Documents to be mailed to PHFA.

6. Accuracy of Mortgage Instruments. Lenders are to verify that all required information within the mortgage and subordinate mortgage documents (including the notary section) are complete and accurate prior to submission and recording.

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

FINAL DOCUMENT ELECTRONIC CHECKLIST AND COVER SHEET

Directions: This Checklist is to be submitted on top of the Final Document Package. It is important that all applicable documents are scanned in with this document when uploaded into VirPack. Upload as Document Type "Recorded Documents", 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	
Select Financing <input type="checkbox"/> CONVENTIONAL <input type="checkbox"/> FHA <input type="checkbox"/> RD <input type="checkbox"/> VA		PHFA Subordinate Mortgage: (when applicable) <input type="checkbox"/> K-FIT <input type="checkbox"/> KEYSTONE ADVANTAGE <input type="checkbox"/> HOMESTEAD <input type="checkbox"/> ACCESS MOD	
LENDER NAME: _____ Telephone: _____		CONTACT NAME: _____ Email Address: _____	
PHFA Loan Number: _____			
Purchase Date: _____			
A. FINAL DOCUMENTS (place a check in the column as it applies)			
<input type="checkbox"/>	1. Recorded Mortgage and all applicable riders	<input type="checkbox"/>	2. Recorded Assignment of Mortgage
<input type="checkbox"/>	3. Recorded PHFA Subordinate Mortgage (when applicable)	<input type="checkbox"/>	4. Mortgage Insurance Certificate -FHA (when applicable)
<input type="checkbox"/>	5. Loan Guaranty Certificate – VA (when applicable)	<input type="checkbox"/>	6. Loan Note Guarantee - USDA- RD (when applicable)
<input type="checkbox"/>	7. Recorded Non-PHFA Subordinate Lien (when applicable)	<input type="checkbox"/>	8. Signed Modification agreement (when applicable)