

GENERAL ANNOUNCEMENTS

1. June is Homeownership Month. To celebrate Homeownership Month, we will host the webinar series, ‘**Opening Doors and Closing Deals**’. Several customized webinar sessions will be available for Lenders and Realtors to attend. For lenders, there will be an opportunity to enter the drawing to fast track 5 PreClosing submissions. High attendance from your organization for all **six sessions** will increase the probability to win. Join the first session to learn details.

Sessions for Lenders: [Opening Doors and Closing Deals – For Lenders](#)

Sessions for Realtors: [Opening Doors and Closing Deals – For Realtors](#)

LOAN ORIGATION & UNDERWRITING

1. Loan Estimate. As a reminder, the Loan Estimate for PHFA first mortgage programs should be issued in lender’s name since those loans are closed in the lender’s name and assigned to PHFA after closing. The Loan Estimate for PHFA second mortgage programs (e.g. KFIT, Advantage, etc.) should be issued in PHFA’s name as the lender, since those loans are closed in PHFA’s name.

CLOSING & POST CLOSING

- 1. Minimum Contribution.** We’ve received a high number of loans where the borrower’s minimum contribution is not being maintained into the transaction. As a reminder borrower’s obtaining FHA or Conventional loans with an LTV greater than 80% must contribute the lesser of \$1,000 or 1% of the loan amount from their own funds, gifts and assistance programs cannot be counted towards the borrower’s minimum contribution. Their contribution must remain in the transaction and cannot be returned to the borrower. Funds from other sources must be reduced accordingly if there’s an excess of funds.
- 2. Borrower’s Payments.** Lenders are reminded that all PHFA loans are servicing released from the date of closing with all borrower payments made to PHFA. Please ensure that your organization does not generate monthly mortgage statements and/or collect payments on PHFA loans. This also applies even if the loan has not yet been purchased by PHFA.
- 3. Loan Setup.** We continue to receive a high volume of loans that cannot be imported due to incorrect, incomplete and/or missing documentation. Please review Page 4 of Form 58 that list all the required documents. The contact person listed in VirPack is the individual that will be notified of any missing documentation. Please review all messages sent and provide us with all requested items. Verify all figures keyed into the Loan Set Up screen are consistent with documents uploaded with your submission. Once the loan set up is successfully completed the purchase packages can be submitted. Delays in clearing outstanding loan set up items will delay your ability to submit the purchase package. Please allow 48 hours for PHFA to review and process loan set up items.

4. **Homeowners Insurance Deductible.** Effective immediately, the homeowners insurance deductible will be the following for Conventional, VA and RD loans the maximum allowed deductible is five percent (5%) of the face amount of the policy. For FHA loans the maximum allowed deductible is three (3%) of the face amount of the policy. As a reminder, along with the HOI's declaration page, please be sure to include a receipt for payment in full for the first year's premium. There are times where the Closing Disclosure indicates it was paid and the premium is still outstanding.

5. **Homestead Exemption.** As a reminder, the homestead exemption must be approved in the borrower's name with supporting documentation provided for the homestead exemption amount to be utilized towards the transaction. If not provided, the standard tax figures will be utilized, no exceptions will be considered.

6. **Taxes Escrowed.** Lenders and Tax Agents should **not** issue any form of a credit for taxes if the bill is not available at the time of closing. All taxes must be escrowed at the most recent known amount; use the full amount from the prior payment.

Please ensure the following mortgagee clause is used for all policies: PHFA ISAOA, P.O. Box 15057, Harrisburg, PA 17105-5057.

7. **Final Document Submission.** Once the loan file has been purchased, the submission of recorded final documents may be submitted using the Final Document Submission Checklist [Form 31](#). Please be sure to use the submission checklist marked, 'Purchased on or after 10/1/24'. The review of Final Documents will begin when all documentation on the checklist is provided, not before. A pre-review of individual final documents will not be conducted. Within the Pipeline Plus system, please utilize the 'Waiting for Recorded Documents' section to monitor loans that need final documents to be submitted.

8. **Pay out of SRPs.** The Service Release Premium are disbursed on Mondays, if that Monday is a Holiday, the payment will be released on Tuesday, the following day. Please be advised that the timing requirements remain the same and that the SRP could be impacted. Failure to provide the correct item the first time will result in a negative impact on the final SRP payment.

9. **Final Title Policy.** The Title Policy provided with the Purchase Package Submission should be the Final Title Policy. There is no need to resubmit the same version of the Final Title Policy with your final document submission. At the time of Final Document review, if there was a change in the Final Title Policy that was provided to Purchasing, the change should be identified with the Final Document submission. Sending multiple copies of the same version will cause additional reviews and conditions which will negatively impact your final SRP. If the Short Form Policy was provided at the time of purchase, it is not necessary to update the policy with the Long Form to provide the recording information; the short form is acceptable without it.

10. **Signatures on Title Policies:** All Title Policy signatures must be the authorized person's authentic signature. Typed font of their signature is not acceptable.

11. **Mortgage Document:** The Certificate of Residence on the Mortgage instrument is expected to be fully completed with the correct date and signature of the Notary. This signature must be wet signed. Any errors will result in a condition to re-record.

12. **Mortgage Modification Agreements.** As a reminder, PHFA will submit the completed Modification Agreements for recording. Lenders are required to remit the recording fee to PHFA prior to the document being sent for recording. Once the funds have been received, the

Modification Agreement will be recorded. The receive date of the recording funds will be the received date for the document.

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