

LOAN ORIGINATIONS & UNDERWRITING

- 1. Keystone Home Loan Program Limits.** The new income and purchase price limits for the Keystone Home Loan program will be effective for loans locked on or after June 30, 2025. There was a slight decrease in the income limits for Centre County. All income limits for other counties have increased or remain the same.

The purchase price limits for this program will increase as well. However, the purchase price limits for Lancaster County have decreased. Based on last year's Keystone Home Loan program production, there were no loans purchased above the new purchase price limit for Lancaster County. There should be no effect to your PHFA business in those areas. Please be sure to review the revised limits and make any necessary changes to your system – See Appendix A attached to this announcement.

Please note: the income limits for the Recapture Tax Notice- Form 4 will also change. This is effective for loans locked on or after June 30, 2025. Form 4 will be updated and reflected on our website as: "Form 4 Recapture Tax Notice (locks made on or after 6/30/2025)". See Form 4 attached to this announcement.

Locks made prior to June 30, 2025 would use the current Form 4. The current form will be labeled, "Form 4 Recapture Tax Notice (locks made prior to 6/30/2025)".

- 2. Keystone Flex Loan Program Limits.** Effective for loans locked on or after June 30, 2025 the income limit for the Keystone Flex Loan Program will increase to \$204,000. The new purchase price limit will be \$709,300. See Appendix F for the new limits.
- 3. Access Down Payment & Closing Cost Assistance Limit.** Effective for loans locked on or after June 30, 2025 the income limit for this program will increase to \$81,600.

For all updated program limits, see pages below and the updated limits will be placed on www.phfa.org on June 30, 2025.

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

**PENNSYLVANIA HOUSING FINANCE AGENCY
KEYSTONE HOME LOAN PROGRAM
MAXIMUM PURCHASE PRICE AND INCOME LIMITS ***
By Region and County (Target Areas indicated by "T")

Effective for reservations on or after 6/30/2025

<u>County</u>	<u>Maximum Purchase Price</u>	<u>Income Limit</u>	
<u>County</u>	<u>Purchase Price Limit</u>	<u>1 & 2 Member Households</u>	<u>3 or more Member Households</u>
<u>Region 1</u>			
Bucks	\$ 571,200	\$119,400	\$137,300
Chester	571,200	119,400	137,300
Delaware	571,200	119,400	137,300
Montgomery	571,200	119,400	137,300
Philadelphia (T)	709,300	143,200	167,100
<u>Region 2</u>			
Berks	\$478,500	\$102,000	\$117,300
Bradford (T)	596,700	122,400	142,800
Carbon	478,500	102,000	117,300
Lackawanna (T)	596,700	122,400	142,800
Lehigh	478,500	102,000	117,300
Luzerne (T)	596,700	122,400	142,800
Monroe	491,100	104,400	120,000
Northampton	478,500	102,000	117,300
Pike	584,600	120,200	140,200
Schuylkill (T)	596,700	122,400	142,800
Sullivan (T)	596,700	122,400	142,800
Susquehanna (T)	596,700	122,400	142,800
Tioga (T)	596,700	122,400	142,800
Wayne (T)	596,700	122,400	142,800
Wyoming (T)	596,700	122,400	142,800
<u>Region 3</u>			
Adams	480,400	\$ 102,400	\$117,700
Cumberland	496,600	105,400	121,200
Dauphin	496,600	105,400	121,200
Franklin	478,500	102,000	117,300
Lancaster	488,300	106,700	122,700
Lebanon	478,500	102,000	117,300
Perry (T)	618,500	126,400	147,500
York	498,500	105,800	121,600

*The maximum purchase price for a two unit property (duplex\ doubles) cannot be greater than the lesser of 10% above the current existing single unit limit, or \$806,500.

MAXIMUM PURCHASE PRICES AND INCOME LIMITS ***By Region and County (Target Areas indicated by "T")**

<u>County</u>	<u>Purchase Price Limit</u>	<u>Income Limit</u>	
		<u>1 & 2 Member Households</u>	<u>3 or more Member Households</u>
<u>Region 4</u>			
Bedford (T)	\$ 596,700	\$122,400	\$142,800
Blair (T)	596,700	122,400	142,800
Cambria (T)	596,700	122,400	142,800
<u>Centre</u>	511,000	108,100	124,300
Clinton (T)	596,700	122,400	142,800
Columbia (T)	596,700	122,400	142,800
Fulton (T)	596,700	122,400	142,800
Huntingdon (T)	596,700	122,400	142,800
Juniata (T)	596,700	122,400	142,800
Lycoming (T)	596,700	122,400	142,800
Mifflin (T)	596,700	122,400	142,800
Montour (T)	596,700	122,400	142,800
Northumberland (T)	596,700	122,400	142,800
Snyder (T)	596,700	122,400	142,800
Somerset (T)	596,700	122,400	142,800
Union	486,900	103,600	119,100
<u>Region 5</u>			
<u>Allegheny</u>	\$506,300	\$ 107,300	\$123,300
Armstrong (T)	596,700	122,400	142,800
<u>Beaver</u>	506,300	107,300	123,300
Butler	506,300	107,300	123,300
Fayette (T)	631,000	128,700	150,200
Greene (T)	596,700	122,400	142,800
Indiana	478,500	102,000	117,300
Washington (T)	631,000	128,700	150,200
<u>Westmoreland</u>	506,300	107,300	123,300
<u>Region 6</u>			
Cameron (T)	\$596,700	\$122,400	\$142,800
Clarion (T)	596,700	122,400	142,800
Clearfield (T)	596,700	122,400	142,800
Crawford (T)	596,700	122,400	142,800
Elk	478,500	102,000	117,300
<u>Erie</u>	478,500	102,000	117,300
Forest (T)	596,700	122,400	142,800
Jefferson (T)	596,700	122,400	142,800
Lawrence (T)	596,700	122,400	142,800
<u>McKean</u>	478,500	102,000	117,300
Mercer (T)	596,700	122,400	142,800
Potter (T)	596,700	122,400	142,800
Venango (T)	596,700	122,400	142,800
Warren	478,500	102,000	117,300

* The maximum purchase price for a two unit property (duplex/doubles) cannot be greater than 10% higher than the current existing single unit limit.

**CENSUS TRACTS DESIGNATED AS TARGETED
AREAS (WITHIN NON-TARGETED COUNTIES)
AND APPLICABLE MAXIMUM PURCHASE PRICES AND INCOME LIMITS**

An [address search](#) will determine if a specific property is located within one of the targeted census tracts listed below. It can also provide a map of the property's census tract.

<u>County</u>	<u>Census Tract</u>	<u>Block Group</u>	<u>Maximum Purchase Price</u>	<u>Income Limit</u>	
			<u>Purchase Price</u>	<u>1 & 2 Member Households</u>	<u>3 or more Member Households</u>
Allegheny	0103		\$506,300	\$107,300	\$123,300
"	0301		"	"	"
"	0303		"	"	"
"	0304		"	"	"
"	0305		"	"	"
"	0401		"	"	"
"	0402		"	"	"
"	0405		"	"	"
"	0501		"	"	"
"	0502		"	"	"
"	0503		"	"	"
"	0504		"	"	"
"	0509		"	"	"
"	0510		"	"	"
"	0511		"	"	"
"	0603		"	"	"
"	0809		"	"	"
"	0901		"	"	"
"	1011		"	"	"
"	1016		"	"	"
"	1017		"	"	"
"	1113		"	"	"
"	1114		"	"	"
"	1206		"	"	"
"	1207		"	"	"
"	1208		"	"	"
"	1301		"	"	"
"	1304		"	"	"
"	1306		"	"	"
"	1504		"	"	"
"	1604		"	"	"
"	1605		"	"	"
"	2202		"	"	"
"	2205		"	"	"
"	2303		"	"	"
"	2509		"	"	"
"	2609		"	"	"
"	2614		"	"	"
"	2704		"	"	"
"	2814		"	"	"
"	4240		"	"	"
"	4644		"	"	"
"	4831		"	"	"
"	4838		"	"	"
"	4869		"	"	"
"	4927		"	"	"
"	5050		"	"	"

<u>County</u>	<u>Census Tract</u>	<u>Block Group</u>	<u>Maximum Purchase Price</u>	<u>Income Limit</u>	
			<u>Purchase Price</u>	<u>1 & 2 Member Households</u>	<u>3 or more Member Households</u>
Allegheny	5100		\$506,300	\$107,300	\$123,300
"	5134		"	"	"
"	5138		"	"	"
"	5140		"	"	"
"	5143		"	"	"
"	5150		"	"	"
"	5504		"	"	"
"	5509		"	"	"
"	5512		"	"	"
"	5519		"	"	"
"	5521		"	"	"
"	5523		"	"	"
"	5604		"	"	"
"	5606		"	"	"
"	5610		"	"	"
"	5611		"	"	"
"	5612		"	"	"
"	5616		"	"	"
"	5617		"	"	"
"	5625		"	"	"
"	9805		"	"	"
Beaver	6012		\$506,300	\$107,300	\$123,300
"	6013		"	"	"
"	6042		"	"	"
"	6045		"	"	"
Berks	0001		\$478,500	\$102,000	\$117,300
"	0002		"	"	"
"	0008		"	"	"
"	0009	1	"	"	"
"	0010		"	"	"
"	0011		"	"	"
"	0012		"	"	"
"	0013		"	"	"
"	0014		"	"	"
"	0016		"	"	"
"	0017		"	"	"
"	0019		"	"	"
"	0020		"	"	"
"	0021		"	"	"
"	0022		"	"	"
"	0023		"	"	"
"	0024	1,2	"	"	"
"	0025		"	"	"
"	0026		"	"	"
Centre	0121		\$511,000	\$108,100	\$124,300
"	0125		"	"	"
Chester	3056		\$571,200	\$119,400	\$137,300
Cumberland	131.02		\$496,600	\$105,400	\$121,200

<u>County</u>	<u>Census Tract</u>	<u>Block Group</u>	<u>Maximum Purchase Price</u>	<u>Income Limit</u>	
			<u>Purchase Price</u>	<u>1 & 2 Member Households</u>	<u>3 or more Member Households</u>
Dauphin	0205	1-3	\$496,600	\$105,400	\$121,200
"	0206		"	"	"
"	0207		"	"	"
"	0210		"	"	"
"	0211		"	"	"
"	0212		"	"	"
"	0213		"	"	"
"	0214		"	"	"
"	0215		"	"	"
"	0216		"	"	"
Delaware	4025		\$571,200	\$119,400	\$137,300
"	4047		"	"	"
"	4048		"	"	"
"	4049		"	"	"
"	4050		"	"	"
"	4051		"	"	"
"	4052		"	"	"
"	4054		"	"	"
"	4058.02		"	"	"
Erie	0001		\$478,500	\$102,000	\$117,300
"	0003		"	"	"
"	0004		"	"	"
"	0005		"	"	"
"	0006		"	"	"
"	0007		"	"	"
"	0008		"	"	"
"	0009		"	"	"
"	0010	1 - 3	"	"	"
"	0011	1	"	"	"
"	0012		"	"	"
"	0013		"	"	"
"	0014		"	"	"
"	0015		"	"	"
"	0017		"	"	"
"	0018		"	"	"
"	0019		"	"	"
"	0020		"	"	"
"	0023	4	"	"	"
"	0028	4	"	"	"
Franklin	0112		\$478,500	\$102,000	\$117,300
Lancaster	0004		\$488,300	\$106,700	\$122,700
"	0007		"	"	"
"	0009		"	"	"
"	0011		"	"	"
"	0014		"	"	"
"	0147		"	"	"
Lebanon	0003		\$478,500	\$102,000	\$117,300
Lehigh	0004		\$478,500	\$102,000	\$117,300

<u>County</u>	<u>Census Tract</u>	<u>Block Group</u>	<u>Maximum Purchase Price</u>	<u>Income Limit</u>	
			<u>Purchase Price</u>	<u>1 & 2_Member Households</u>	<u>3 or more Member Households</u>
Lehigh	0005		\$478,500	\$102,000	\$117,300
"	0007		"	"	"
"	0008		"	"	"
"	0009		"	"	"
"	0010		"	"	"
"	0012		"	"	"
"	0016		"	"	"
"	0017		"	"	"
"	0018		"	"	"
"	0097		"	"	"
McKean	4202		\$478,500	\$102,000	\$117,300
Montgomery	2024.01		\$571,200	\$119,400	\$137,300
	2039.01		"	"	"
Northampton	0105		\$478,500	\$102,000	\$117,300
"	0109		"	"	"
"	0110		"	"	"
"	0112		"	"	"
Westmoreland	8002		\$506,300	\$107,300	\$123,300
"	8007		"	"	"
"	8052		"	"	"
"	8054		"	"	"
York	0001		\$498,500	\$105,800	\$121,600
"	0002		"	"	"
"	0004		"	"	"
"	0006		"	"	"
"	0007		"	"	"
"	0009		"	"	"
"	0010		"	"	"
"	0011		"	"	"
"	0012		"	"	"
"	0015		"	"	"
"	0016		"	"	"

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 1st anniversary of closing, or on or after the 8th anniversary but before the 9th, your recapture amount will be 1.25% of your original principal mortgage amount.
2. If home is sold on or after 1st anniversary of closing but before the 2nd, or on or after the 7th anniversary but before the 8th, your recapture amount will be 2.5% of your original principal mortgage amount.
3. If home is sold on or after 2nd anniversary of closing but before the 3rd, or on or after the 6th anniversary but before the 7th, your recapture amount will be 3.75% of your original principal mortgage amount.
4. If home is sold on or after 3rd anniversary of closing but before the 4th, or on or after the 5th anniversary but before the 6th, your recapture amount will be 5% of your original principal mortgage amount.
5. If home is sold on or after 4th anniversary of closing but before the 5th 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.

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 2024 (effective for reservations on or after 6/30/2025)

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	102,400	107520	112896	118541	124468	130691	137226	144087	151291
	3 OR MORE	117,700	123585	129764	136252	143065	150218	157729	165616	173897
ALLENTOWN MSA (Carbon, Lehigh, Northampton)	1 TO 2	102,000	107100	112455	118078	123982	130181	136690	143524	150700
	3 OR MORE	117,300	123165	129323	135789	142579	149708	157193	165053	173306
ELK, FRANKLIN, INDIANA, LEBANON, MCKEAN, AND WARREN COUNTIES	1 TO 2	102,000	107100	112455	118078	123982	130181	136690	143524	150700
	3 OR MORE	117,300	123165	129323	135789	142579	149708	157193	165053	173306
ERIE MSA (Erie)	1 TO 2	102,000	107100	112455	118078	123982	130181	136690	143524	150700
	3 OR MORE	117,300	123165	129323	135789	142579	149708	157193	165053	173306
FAYETTE and WASHINGTON COUNTIES	1 TO 2	128,700	135135	141892	148986	156436	164257	172470	181094	190149
	3 OR MORE	150,200	157710	165596	173875	182569	191697	201282	211346	221914
HARRISBURG MSA (Cumberland, Dauphin)	1 TO 2	105,400	110670	116204	122014	128114	134520	141246	148308	155724
	3 OR MORE	121,200	127260	133623	140304	147319	154685	162420	170541	179068
LANCASTER MSA (Lancaster)	1 TO 2	106,700	112035	117637	123519	129695	136179	142988	150138	157644
	3 OR MORE	122,700	128835	135277	142041	149143	156600	164430	172651	181284
MONROE COUNTY	1 TO 2	104,400	109620	115101	120856	126899	133244	139906	146901	154246
	3 OR MORE	120,000	126000	132300	138915	145861	153154	160811	168852	177295
NEWBURGH MSA (Pike)	1 TO 2	120,200	126210	132521	139147	146104	153409	161079	169133	177590
	3 OR MORE	140,200	147210	154571	162299	170414	178935	187881	197275	207139
PERRY COUNTY	1 TO 2	126,400	132720	139356	146324	153640	161322	169388	177857	186750
	3 OR MORE	147,500	154875	162619	170750	179287	188252	197664	207547	217925
PITTSBURGH MSA (Allegheny, Beaver, Butler, Westmoreland)	1 TO 2	107,300	112665	118298	124213	130424	136945	143792	150982	158531
	3 OR MORE	123,300	129465	135938	142735	149872	157366	165234	173495	182170
PHILADELPHIA MSA (Bucks, Chester, Delaware, Montgomery)	1 TO 2	119,400	125370	131639	138220	145131	152388	160007	168008	176408
	3 OR MORE	137,300	144165	151373	158942	166889	175233	183995	193195	202855
PHILADELPHIA COUNTY	1 TO 2	143,200	150360	157878	165772	174060	182764	191902	201497	211572
	3 OR MORE	167,100	175455	184228	193439	203111	213267	223930	235126	246883
READING MSA (Berks)	1 TO 2	102,000	107100	112455	118078	123982	130181	136690	143524	150700
	3 OR MORE	117,300	123165	129323	135789	142579	149708	157193	165053	173306
STATE COLLEGE MSA (Centre)	1 TO 2	108,100	113505	119180	125139	131396	137966	144864	152108	159713
	3 OR MORE	124,300	130515	137041	143893	151087	158642	166574	174903	183648
UNION COUNTY	1 OR 2	103,600	108780	114219	119930	125926	132223	138834	145776	153064
	3 OR MORE	119,100	125055	131308	137873	144767	152005	159605	167586	175965
YORK MSA (York)	1 TO 2	105,800	111090	116645	122477	128601	135031	141782	148871	156315
	3 OR MORE	121,600	127680	134064	140767	147806	155196	162956	171103	179659
ALL OTHER COUNTIES Non Target	1 TO 2	122,400	128520	134946	141693	148778	156217	164028	172229	180841
	3 OR MORE	142,800	149940	157437	165309	173574	182253	191366	200934	210981

**PENNSYLVANIA HOUSING FINANCE AGENCY
KEYSTONE FLEX
MAXIMUM INCOME AND PURCHASE PRICE LIMITS**
Effective for reservations on or after 6/30/2025

Income Limit
(Qualifying income)

All Counties **\$204,000**

19

Purchase Price Limit

All Counties **\$709,300**

Please note: The qualifying income limit may not exceed the income listed above.