
QUICK LINKS TO UPDATED FORMS

[COVID-19 QUESTIONS & ANSWERS](#)

GENERAL ANNOUNCEMENTS

- 1. COVID-19 Resources.** Please recall that we developed the [COVID-19 Questions and Answers](#) as guidance to assist our lending partners during this time. Our standard program requirements remain in place, however, there are some programmatic flexibilities allowed until further notice. This document is frequently updated as program guidelines are announced.
- 2. New Construction Rate Lock available.** Effective for locks made on or after June 15th, a new construction rate lock of 180 days will be available for Conventional and Government financing under the Keystone Home Loan and HOMEstead programs only. See the attachment for new construction guidelines and how the new construction note rate will be shown on the daily rate sheet. The new construction guidelines may also be reviewed in [Chapter 8](#) of the Seller's Guide.
- 3. Weekly Webinars.** Training opportunities are available for all housing professionals. See [June's webinar calendar](#) for topics offered for the month. Customized trainings can also be arranged for lenders and Realtors[®] at any time. Please contact us at bizdevelopment@phfa.org to schedule a session.

LOAN ORIGINATIONS & UNDERWRITING

- 1. Tax Transcripts.** As clarification, for loans where the two most recent years of completed tax returns signed by the borrower (or three years if using the MCC program) were provided in the pre-closing package or purchase submission in lieu of the tax transcripts, the transcripts must still be provided when available. The IRS processing center is now up and running and they may have a back log. The condition for submitting the tax transcripts will remain on the file until the document is submitted to PHFA.
- 2. Appraisals.** For loan applications dated on or after June 1st will require the full traditional appraisal for all PHFA first mortgage programs. Appraisal flexibilities will no longer be acceptable for loan applications taken after that date since appraisers are now permitted to access homes under Governor Tom Wolf's new real estate guidelines. Traditional appraisals are highly preferred for loan applications taken prior to June 1st, if possible. The appraisal flexibilities will remain for loan applications taken prior to June 1st.

CLOSING & POST CLOSING

- 1. Name Affidavit.** As a reminder, an original, notarized Name Affidavit for each person signing the Mortgage and Note must accompany the Note when delivered to PHFA for purchase. These documents should also be uploaded with your purchase package via VirPack. The

signature on the Name Affidavit will be compared to the signature on the Final Documents.
The loan will be ineligible for purchase without the original, notarized Name Affidavit.

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

15. New Construction

PHFA funds are not available for interim construction financing but can be used for the permanent end loan. If the lender provides the interim financing, they may charge their standard reasonable and customary rates and fees during the construction period.

For construction/permanent loan transactions (one closing), the Addendum to Note/Construction Loan ([Form 19](#)) may be used for changing the construction loan rate to the permanent loan rate which will take effect when the loan converts to permanent financing upon construction completion. This form must accompany the original Note at the time of loan purchase. The first payment date on the Note can be one of the following: 1) the first day of the second month following loan conversion or 2) if it converts within the first 5 calendar days of the month it could be the first of the month following the conversion. (This applies to “short term interest” or “interest credit” options.)

The conversion date is the date the loan converts to the permanent terms at the time the home is complete and ready to be occupied (the occupancy certificate must have been obtained). If the first payment date and maturity date changed from what was listed on the Note and Mortgage (due to a delay in the construction, or when construction is completed ahead of schedule), a Mortgage Modification Agreement (Form 40) may be needed to amend these dates. See [Chapter 10](#) for further details.

Loan set up on construction/permanent loans should be completed at the time of conversion to permanent financing, not after the initial closing prior to the start of construction. See Chapter 10 for details.

For construction/permanent loans under the Keystone Home Loan and Mortgage Credit Certificate programs, the Mortgagor’s Reaffirmation at Loan Closing ([Form 3](#)) must be completed at the time the loan converts to permanent financing.

If there will be two closings, the PHFA end loan must be replacing a temporary construction loan with a maturity date of less than two years.

PHFA financing cannot serve to refinance a permanent loan under the Keystone Home Loan or Mortgage Credit Certificate programs.

PHFA understands the risk involved in construction lending and encourages lenders to follow stringent lending procedures for construction loans. This includes, but is not limited to the following:

- not permitting a borrower who is not a general contractor by profession to act as his/her own general contractor;
- filing stipulations against liens;
- obtaining construction contracts for completed homes;
- executing the required documents;

- collecting fees;
- charging construction rates;
- working with reputable and properly licensed builders;
- the use of bonding inspections.

When reviewing mortgage loans for homes to be constructed, the lender must ensure that the construction contract or contracts include all items for a complete home. It is the lender's responsibility to review plans and specifications to be sure all items for a complete home are included. Additional items, such as painting, carpeting, decks, patios, walks, driveways, and final grading and seeding and the cost of materials (and labor, if applicable) must be included and supported by estimates or invoices.

PHFA will accept FHA required warranties on new construction and will require a clear final inspection for an RD or Conventional mortgage loan.

When submitting mortgage loans for new construction the plans and specifications must be included in the Pre-Closing (Underwriting Package) Submission if the borrower has contracted with a builder to erect a home on his/her own lot. However, if the borrower is purchasing a home as a "package deal" (land and home sold together) from a builder/developer, plans and specifications are not required.

NOTE: A guide to help calculate the maximum mortgage amount permitted under the Keystone Home Loan and Mortgage Credit Certificate programs for properties where the land has been or will be purchased separately is detailed in [Appendix L](#).

HFA Preferred- Lo MI			
Note Rate	30 Days	60 Days	90 Days
3.125	99.692	99.613	99.535
3.250	100.439	100.359	100.280
3.375	100.791	100.711	100.632
3.500	101.176	101.096	101.016
3.625	101.671	101.589	101.509
3.750	101.574	101.524	101.459
3.875	101.818	101.766	101.702
4.000	102.135	102.083	102.018
4.125	102.562	102.509	102.443
4.250	102.514	102.507	102.504
4.375	102.712	102.704	102.701
HFA Preferred Advantage- Lo MI			
Note Rate	30 Days	60 Days	90 Days
4.625	101.355	101.346	101.341
4.750	101.880	101.871	101.866
4.875	102.100	102.090	102.085
5.000	102.362	102.351	102.346
5.125	102.929	102.917	102.911
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Keystone Government & Streamline Refinance (Price does not include LLPA's)			
Note Rate	30 Days	60 Days	90 Days
3.250	102.188	102.078	101.971
3.375	101.508	101.414	101.323
3.500	101.987	101.892	101.803
3.625	102.413	102.318	102.229
3.750	102.799	102.703	102.615
3.875	101.938	101.905	101.881
4.000	102.367	102.333	102.310
4.125	102.751	102.717	102.695
4.250	103.000	103.000	103.000
4.375	102.916	102.772	102.642
4.500	103.307	103.162	103.000
4.625	103.661	103.516	103.389
4.750	103.989	103.843	103.717

Keystone Government Advantage (Price does not include LLPA's)			
Note Rate	30 Days	60 Days	90 Days
4.250	101.099	101.065	101.044
4.375	100.916	100.772	100.742
4.500	101.307	101.162	101.024
4.625	101.661	101.516	101.389
4.750	101.989	101.843	101.717
4.875	101.926	101.827	101.749
5.000	102.294	102.194	102.117
5.125	102.633	102.534	102.457

Keystone Home Loan			
60 Day Note Rate	180 Day Note Rate	Price	Loan Type
3.000	3.875	102.375	FHA, VA, RHS
3.375	3.875	102.375	Conventional *Up to 97% LTV with PHIF

Keystone Home Loan Advantage, Home Equity & Purchase Improvement			
60 Day Note Rate	180 Day Note Rate	Price	Loan Type
3.875	4.000	102.375	FHA, VA, RHS
3.875	4.000	102.375	Conventional
3.875	N/A	102.375	Purchase Improvement

- Max compensation to be retained by the lender = 103 (625% withheld at purchase and paid if file cleared within 30 days after purchase date; .125% is deducted for each additional 30 days until the file is cleared.)
- Lender compensation above 103 must be paid to borrower and shown as a credit on the LE and CD. It may ONLY be used to cover closing costs. It CANNOT be used towards any portion of the borrower's down payment.
- Max discount points charged to borrower = 2%
- Please note: because the PHFA program only offers one interest rate option, no discount points may be charged to the borrower per Chapter 1 Section C1 of the PHFA Seller's Guide.
- Lender may charge maximum 3rd party fees and origination fee ≤ \$1,000 (\$600 for refinances)
- Min FICO = 620 on all products except PHIF insured loans. Min FICO = 660 for PHIF insured loans.
- Min FICO = 660 for Advantage. Advantage may be used towards the borrower's down payment and closing costs.
- Deduct 100 bps for 203(K) and Homestyle loans.
- Add \$250 if borrower is receiving a PHFA Access Modification Loan

Extension Fees:		Contact Information	
3 Days	Free	Lock Desk/Secondary	secondary@phfa.org
7 Days	0.125	Pre-Closing	preclosing@phfa.org
15 Days	0.250	Post-Purchasing	sfpurchasing@phfa.org
30 Days	0.375	Business Development	sfgeneralprograminfo@phfa.org
Submit extensions through the Pipeline Plus		Compliance	quality_control@phfa.org

FICO Pricing Adjustments		Pricing adjustments will not be reflected in price at time of lock; they will appear on purchase advice.	Worse Case Re-Pricing
KGOV LOANS ONLY			
620-639 & no FICO	-0.500	See Seller's Guide for details. Please note: non-traditional credit files ('no score') will be subject to the same KGOV FICO price adjustment as borrowers in the lowest tier (-50 bps). The LLPA will be based on the lowest middle credit score.	Loans that cannot be purchased by PHFA within 30 days of the rate expiration date will be subject to a worse case reprice. A fee of 37.5bps will be applied to loans relocked within 60 days of expiration.
640-659	-0.375		
660-679	-0.250		
680-699	0.000		
700-719	0.125		
720-739	0.250		
740+	0.375		