

PROGRAM ANNOUNCEMENT

Spring forward with PHFA as we announce our new GRANT program!

Effective for loans locked on or after March 15, 2021 under the HFA Preferred™ program, eligible borrowers may receive a PHFA Grant of \$500 that can be applied towards downpayment and/or closing costs. Borrowers must comply with the HFA Preferred™ program guidelines and requirements to be eligible for the PHFA Grant of \$500. These grant funds do not require repayment.

As a reminder, the HFA Preferred™ program is a conventional loan product that provides funding for eligible homebuyers to purchase or refinance a home up to 97 percent (97%) of the purchase price or appraised value, whichever is less, with a maximum combined loan to value (CLTV) of 105 percent (105%). Please reference Chapter 3 of the [Seller's Guide](#) for additional program guidelines.

Stay tuned for an announcement of upcoming webinar sessions!

Additional details regarding the PHFA Grant of \$500:

- PHFA Grant Eligibility.** For qualified borrowers obtaining the HFA Preferred™ loan for *purchase transactions only*. Maximum financing is not required to receive the PHFA Grant. Grant funds may be used with the Keystone Advantage Assistance Loan, HomeStyle Renovation and Mortgage Credit Certificate (MCC) programs. Borrowers may also combine the Pre-Purchase Counseling credit of \$300 with this offer.
- Locking Funds.** Given that each HFA Preferred™ loan will receive the PHFA Grant of \$500, grant funds will not be required to be locked through the Pipeline Plus system. Grant funds are currently available year-round.
- 1003 and DU Findings.** The grant assistance must be reflected on the 1003 and DU findings respectively for HFA Preferred™ loans to receive the PHFA Grant. Grant assistance must be listed on the 1003 under the “Asset Type” section as a grant and sourced as “State Agency”. Funds must be labeled as “PHFA Grant”. In Desktop Underwriter (DU) grant funds should be reflected the same way.
- Grant Award Letter.** Along with each Pre-Closing Package Review Results – Eligible notification, a grant award letter will be generated and should be provided to the borrower at closing. This letter does not require a signature.
- Funding of Grant at Closing.** This grant will be funded at closing by the participating lender and reimbursed when the loan is purchased by PHFA. The \$500 grant must be listed as “PHFA Grant” on the closing disclosure (CD).

6. **Bank Account Funded for Reimbursement.** PHFA will remit the grant funds to the bank account used for your company's 2nd SRP payment when the loan is purchased. Your organization's PHFA purchasing contact will receive an email from PHFA staff indicating when the funds are requested to be sent via ACH to the bank account on file. Please note a payment advice will not be generated for the PHFA Grant refund.
7. No cash back is permitted over paid outside of closing (POCs) items.

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