

# PENNSYLVANIA HOUSING FINANCE AGENCY

## Homeownership Programs Division

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### 2<sup>nd</sup> QUARTER PROGRAMS UPDATE

*April 2009*

**QUICK LINKS TO UPDATED FORMS:** [Form 3](#), [Form 18](#), [Form 26](#), [Form 54TC](#), [Form 55 TC](#), [Form 56](#),  
[Form 58](#)

#### **GENERAL ANNOUNCEMENTS**

1. **New Program!** The **Tax Credit Advance Loan Program** will be available on PHFA loan reservations beginning on **Monday, April 6, 2009**. Please see [Chapter 17](#) of the Sellers' Guide for complete details. [Forms 3](#) (Mortgagor's Affidavit), [18](#) (Reservation of Funds), and [58](#) (Purchase Submission Checklist) have been updated for this program. Also, check out the [FAQ's](#) on our Web site.

Please note that this program has not yet been approved for use on FHA insured loans, but they are expected to issue a Mortgagee Letter on the topic soon; we will keep you posted.

FREE webinars on this new program will be held on April 7, 9, 15 and 17. Click here to register:  
[http://www.phfa.org/forms/conferences/homeownership\\_programs/webinar042009.pdf](http://www.phfa.org/forms/conferences/homeownership_programs/webinar042009.pdf)

2. **Increased Closing Cost Assistance!** Also effective beginning with reservations made on **Monday, April 6<sup>th</sup>**, the amount available per Keystone PLUS Assistance Loan will be increased from \$2,000 to \$3,000 and up to \$1,500 will be available to eligible buyers under the regular Keystone Home Loan. Since the funds will be available under both programs, the name will also change to the more generic Keystone Assistance Loan. The first time buyer requirement and \$5,000 asset limitation will apply to buyers receiving assistance under either the Keystone PLUS or the regular Keystone Home Loan (regardless of whether or not the property is located in a target area under the KHL program). [Form 56](#) (Needs Assessment) and [Chapter 10](#) have been updated accordingly. An Excel version of the form with fields that auto-populate and calculate has been attached; this form is not available on the Web site.
3. **More improvements to come.** We are also working on updating the [Purchase Improvement Program](#) so that you may choose PHFA as the holder and administrator of the escrow funds. Additionally, we are working on a new program for government insured/guaranteed loans that will hopefully allow us to offer a competitive interest rate without the eligibility restrictions of the Keystone Home Loan programs (first-time buyer, income and purchase price limits, etc.).

#### **LOAN ORIGINATIONS/UNDERWRITING**

1. **Revised HOMEstead Income and Purchase Price Limits Effective April 15.** Effective with loan reservations made on or after April 15, 2009 the new [HOMEstead](#) Income and Purchase Price limits will apply. [Appendix 1](#) and [Appendix 2](#) have been updated to reflect the new limits.

#### **POST CLOSING**

1. **Netting of Tax and Insurance Escrow.** Great News! The check for the tax and insurance escrow collected at closing is no longer required for purchase packages delivered to PHFA on or after April 6, 2009. If there is no check, we will deduct the tax and insurance escrow from the purchase proceeds. This procedure will become mandatory on May 1, 2009, when we will no longer accept escrow checks.
2. **Revised Preliminary Loan Set Up Sheet ([Form 26](#)).** The tax and insurance escrow amount must be listed on this form, which is submitted to PHFA within four business days of closing. This amount will be deducted from the purchase proceeds as mentioned in the paragraph above. The new form should be used immediately but it will not become mandatory until May 1, 2009.

3. **Revised Purchase Submission Checklist ([Form 58](#))**. This form has been revised to accommodate the Tax Credit Advance Loan Program as well as the changes mentioned above in items 1 and 2 of this section. The form was also modified on page 3 to request a copy of the deed for all loans submitted for purchase.
4. **List of Approved Title Companies ([Appendix U](#))** has been updated.
5. **Tax Credit Advance Note ([Form 54TC](#)) and Mortgage ([Form 55TC](#))**. Please use these forms for the new Tax Credit Advance Loan Program. These documents will be required in the purchase package.

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