

Underwriting & Processing

Josh Shapiro, Governor

Robin L. Wiessmann, Executive Director

PHFA MISSION

In order to make the Commonwealth a better place to live while fostering community and economic development, the Pennsylvania Housing Finance Agency provides the capital for decent, safe and affordable homes and apartments for older adults, persons of modest means and those with special housing needs.

www.phfa.org



OUR TEAM

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Business Development Team of
PHFA's Homeownership Programs Division

AGENDA

- What is PHFA?
- Guidelines for All Loans
- First Mortgage Programs
- Assistance Programs
- Underwriting Loans
- Virpack Instructions
- Pre-Closing Procedures
- Contact Information



PHFA, who we are

- Created in 1972
- Non- profit; Quasi Government Agency
- Headquarters in Harrisburg, PA
- Several departments: Homeownership
- Considered an “Investor”
- Over 201,537 loans purchased, worth 18.9 billion dollars

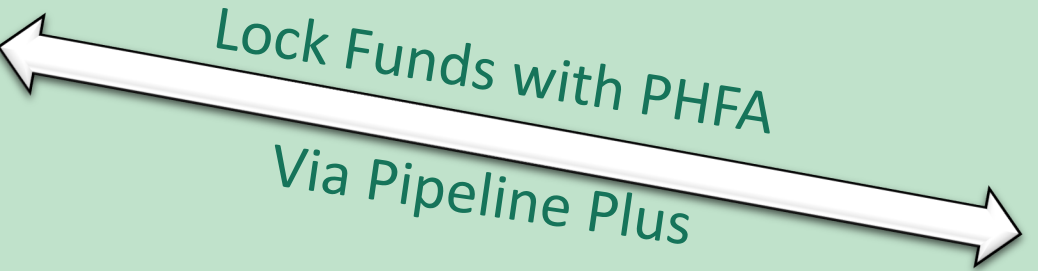
Loan Process

Loan Process

Lender

PHFA

Application



Lock Rate

Process &
Underwrite



Review Loan

Close



Purchase Loan



Loan Guidelines

Loan Guidelines

Homebuyer Education

A completed homebuyer education class or counseling session required prior to closing.

In-person homebuyer education can be a remote session if the counseling agency offers this service.

A copy of the counseling certificate(s) must be included in the purchase package to PHFA.

No Homebuyer Education required on refinance.

PHFA Programs	Keystone Home Loan	Keystone Home Loan w K-FIT, Keystone Flex with K-FIT
Minimum Credit Score without Assistance	620	N/A
Minimum Credit Score with Assistance	660	660
680 and Above Credit Score	Not Required but Recommended	Only one borrower Telephonic and online courses are acceptable and Counseling through Fannie Mae Homeview™, PHFA or one of our PHFA approved counseling agencies
Below 680 Credit Score	Middle credit scores below 680, borrower must complete an in-person homebuyer education class or counseling session prior to closing, provided by one of PHFA's approved counseling organizations	Middle credit scores below 680, borrower must complete an in-person homebuyer education class or counseling session prior to closing, provided by one of PHFA's approved counseling organizations

Loan Guidelines

Counseling Requirements:

- PHFA pays for the counseling.
- Must use a PHFA approved counseling organization.
- **Effective July 1, 2024, for customers that are below 680 FICO score, PHFA online classes will no longer be offered in lieu of in person classes. Agencies that offer remote training session will still be supported.**
- The Fannie Mae Supplemental Counseling Information Form (Form 1103) is required for all loan types with or without homebuyer education effective for loan applications taken on or after August 28, 2023.

(Use Form 63– Pre-Closing Counseling Referral to refer)



Counseling Referral Form

Please mark one:

- Pre-Purchasing Counseling** – Required for the pre-purchase counseling credit when obtaining an HFA Preferred or HFA Preferred Risk Sharing loan. Counseling must be completed prior to executing the agreement of sale. Also, available to anyone considering purchasing a home.
- Pre-Closing Counseling (for PHFA’s home purchase loans)** – Required when credit scores are under 680. Available to anyone purchasing a home. (If pre-purchase counseling has been completed, pre-closing counseling is not required.)

Lender/LPA Name _____

Address _____

Contact Person _____

Telephone _____

Fax# _____

Borrower Name _____ **FICO Score** _____

Borrower Name _____ **FICO Score** _____

Address _____

Counseling Agency Referral Information:

Name of Agency _____

Address _____

Telephone _____

Date of referral _____ **Proposed loan closing date** _____

Indicate PHFA Loan Program in Comment Section

Comments: _____

I authorize the lender named above to provide the counseling agency named above with information and paperwork regarding my mortgage application, including copies of my loan application, credit report, asset and employment information and other related documentation, as requested by the counseling agency.

Borrower Signature and Date

Co-Borrower Signature and Date

Form 63



Loan Guidelines

Prior PHFA Loans: Borrowers that previously had a PHFA loan that resulted in foreclosure, pre-foreclosure sale, deed in lieu of foreclosure or a write-off are ineligible for PHFA financing if the event appears on the credit history.

PHFA does not issue pre-approval or pre-qualification letters.

All loans are 30-Year fixed rate

Lender must determine if the loan is approved under FHA, VA, RD or Fannie Mae.

Electronic signatures are acceptable on initial disclosures; however, all closing documents must be wet signed.

Eligible Properties:

- One-two units(attached or detached) (HFA Preferred™-one unit only)
- Condos and PUDs (condos must be warranted by the lender, PHFA will not review)
- Manufactured Homes

Loan Guidelines

Underwriting:

- Conventional - DU
- FHA & VA Loans - DU or LP
- RD Loans - GUS only
- Manual underwriting - Per Government entity's guidelines

Maximum LTV:

- Conventional - 95%-97% (95% 2 units)
- FHA - 96.5%
- RD, VA - 100%

Maximum DTI:

- Conventional - 50%
- FHA, VA & RD - 45%
- Manually underwritten files must follow gov't entity guidelines

Loan Guidelines

Allowable Fees

Actual amount (or your standard fees) for items including, but not limited to:

- Credit report
- Appraisal fee
- Filing and recording fees
- Wood-destroying insect report
- Tax certification fees can be charged on all loans
- \$93 tax service fee must be charged on all loans:
 - Borrower or lender paid, reflect on LE & CD (PHFA forwards to CoreLogic)
- **\$1,500** Administrative fee to cover overhead such as underwriting, processing and doc prep
- **\$1,100** for FHA streamline refinance product and the VA Streamline Refinances

Loan Guidelines

Income Requirements

Self-employed borrowers two years of tax returns and Profit and Loss statement after the first quarter.

IRS Tax Transcripts. IRS Tax Transcripts will be required to be submitted with the purchase submission package to be eligible for loan purchase.

Programs	Income Docs For Borrower(s)	Income Docs for Adult Occupants	Use Income for PHFA limits
Keystone Home Loan	Full VOE OR Verbal VOE, Current Paystubs, 2yrs W-2s, 2yrs tax transcripts	Current Paystubs, 2yrs W-2s	Yes
Keystone Flex	Full VOE OR Verbal VOE, Current Paystubs, 2yrs W-2s, 2yrs tax transcripts	N/A	Yes

Loan Guidelines

Rate Lock

Lenders must monitor their rate expiration pipeline or expiration report, as a loan will be subject to additional fees if purchased after the lock expires. Loans that cannot be purchased within **30 days** of rate expiration, will also be subject to worst case re-pricing.

Rate Lock Extensions: For an active loan, PHFA must receive the request on or before the lock expiration and the date of closing. (See KHL for new construction lock extension)

Rate/Price Sheet will be distributed daily to PHFA Participating Lenders via PHFA Pipeline Plus System. Subject to change at anytime. Lender will receive an email when change occurs; no exceptions.

Revision to an Active Lock

Only one 3-day lock extension is available

Calendar Days	Cost (% of loan amount)
3	No Cost
7	0.125
15	0.250
30	0.375

Note Rate	30 Days	60 Days	90 Days
6.000	99.776	99.776	99.792
6.125	100.356	100.356	100.373
6.250	100.258	100.258	100.276
6.375	100.580	100.580	100.598
6.500	100.993	100.993	101.012
6.625	101.587	101.587	101.606
6.750	101.347	101.316	101.305
6.875	101.641	101.610	101.600
7.000	102.036	102.004	101.995
7.125	102.598	102.566	102.558
7.250	102.539	102.523	102.531
HFA Preferred Advantage- Lo MI			
Note Rate	30 Days	60 Days	90 Days
6.625	99.587	99.587	99.606
6.750	99.347	99.316	99.305
6.875	99.641	99.610	99.600
7.000	100.036	100.004	99.995
7.125	100.598	100.566	100.558
7.250	100.539	100.523	100.531
7.375	100.805	100.790	100.798
Keystone Government & Streamline Refinance (Price does not include LLPAs)			
Note Rate	30 Days	60 Days	90 Days
5.625	99.868	99.680	99.507
5.750	100.378	100.191	100.018
5.875	99.899	99.680	99.477
6.000	100.407	100.189	99.986
6.125	100.905	100.686	100.484
6.250	101.391	101.173	100.972
6.375	100.673	100.407	100.160
6.500	101.155	100.890	100.643
6.625	101.621	101.355	101.109
6.750	102.069	101.803	101.558
6.875	101.116	100.944	100.793
7.000	101.562	101.390	101.240
7.125	101.990	101.818	101.669
Keystone Government Advantage (Price does not include LLPAs)			
Note Rate	30 Days	60 Days	90 Days
6.250	99.391	99.173	98.972
6.375	99.673	99.407	99.160



Pricing as of 04/24/2023 10:00 AM EST

Keystone Home Loan w/K-FIT		
Note Rate	60 Days	Loan Type
6.375	102.375	FHA, VA, RHS
6.625	102.375	Conventional *Up to 97% LTV with PHIF
6.625	102.375	Purchase Improvement
Keystone Home Loan		
Note Rate	60 Days	Loan Type
5.750	102.375	FHA, VA, RHS
6.000	102.375	Conventional *Up to 97% LTV with PHIF
Keystone Home Loan Advantage, Homestead, & Purchase Improvement		
Note Rate	60 Days	Loan Type
5.875	102.375	FHA, VA, RHS
6.125	102.375	Conventional
6.125	102.375	Purchase Improvement- May be used with Advantage
Keystone Home Loan Construction		
Note Rate	180 Days	Loan Type
6.500	102.375	FHA, VA, RHS
6.750	102.375	Conventional *Up to 97% LTV with PHIF
6.750	102.375	Advantage and Homestead
7.250	102.375	FHA, VA, RHS, Conv w/K-FIT
Keystone Flex Loan w/K-FIT		
Note Rate	60 Days	Loan Type
7.375	102.375	FHA, VA, RHS
7.500	102.375	Conventional *Up to 97% LTV with PHIF
7.500	102.375	Purchase Improvement
Keystone Flex Loan Refinance		
Note Rate	60 Days	Loan Type
6.750	102.375	FHA and VA Only
7.000	102.375	Conventional *Up to 97% LTV with PHIF
Please See Page 3 For Program Notes		



PHFA Program Notes

[Please refer to the Sellers Guide for complete program information.](#)

- K-FIT cannot be combined with Advantage, Homestead, or Access Downpayment
- Max compensation to be retained by the lender is 103 (0.625% withheld at purchase and paid if file cleared within 30 days after purchase date; 0.125% is deducted for each additional 30 days until the file is cleared.)
- Lender may charge standard 3rd party fees and origination fee ≤ \$1,500 (\$1000 for refinances)
- Min FICO = 620 on all products except PHIF insured loans. Min FICO = 660 for PHIF insured loans.
- Min FICO = 660 for Advantage and K-FIT.
- Deduct 100 bps for 203(K) and Homestyle loans.

- 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 downpayment.
- Max discount points charged to borrower = 2%
- **Please note: because the KHL & K-Flex loan programs only offers one interest rate option, no origination or discount points may be charged to the borrower this includes all KHL, K-FIT, & K-Flex programs. See Chapter 1 Section C1 of the PHFA Seller's Guide.**
- Add \$250 if borrower is receiving a PHFA Access Modification Loan

<u>Extension Fees:</u>		<u>Extension Fees for Keystone Home Loan Construction:</u>	
3 Days	Free	3 Days	Free
7 Days	0.125	1st 30 Days	0.125
15 Days	0.250	2nd 30 Days	0.25
30 Days	0.375	3rd 30 Days	0.375
Submit extensions through the Pipeline Plus		Submit requests using Form 6 to secondary@phfa.org	

FICO Pricing KGOV LOANS ONLY		Pricing adjustments will not be reflected in price at time of lock; they will appear on purchase advice.	Worse Case Re-Pricing
620-639 & no FICO	-0.625	See Seller's Guide for details. ('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	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	-0.500		
660-679	-0.375		
680-699	-0.125		
700-719	0.000		
720-739	0.125		
740+	0.250		

<u>Contact Information</u>		Change Requests
Lock Desk/Secondary	secondary@phfa.org	All change request prior to pre-closing review must be made using Form 6 and submitted to secondary@phfa.org .
Pre-Closing	preclosing@phfa.org	
Post-Purchasing	sfpurchasing@phfa.org	
Business Development	sfgeneralprograminfo@phfa.org	
Compliance	quality_control@phfa.org	

Loan Guidelines

Homeowner's Insurance

Policy term:

- Effective for at least one year.
- Insurance must be effective the day of closing not after.

Fire and Extended Coverage Required:

- Protection against loss or damage from fire and other hazards covered by standard and extended coverage endorsement, in an amount equal to the lesser of the loan amount or the maximum insurable value with added improvements.
- PHFA does not accept a policy binder and requires the declarations page for the homeowner's insurance policy to purchase the loan.

While the difference is usually obvious, on Erie policies it is not. On those declaration pages, the policy number must start with a Q. If it doesn't, it is a binder.

Loan Guidelines

Homeowner's Insurance

PHFA maximum allowed deductible is:

- 1% of the face amount of policy
- Maximum of \$3,000
- Per RD guidelines, deductibles should not exceed the greater of either \$1,000 or 1% of the policy coverage.

PHFA's Mortgagee Clause: PHFA, ISAOA P.O. Box 15057, Harrisburg, PA 17105-5057

Guidelines for All loans

Address Discrepancies

Please Note:

For any address discrepancies, a condition will be placed on all Pre-Closing Eligible notices to explain.

- Please provide an explanation from the **borrower** regarding any address discrepancies on the credit report or any documents provided by the borrower which do not appear in the residency history on the 1003.

When there are no address discrepancies a signed certification from the **lender** will be required. The explanation or certification must be provided with the **purchase** package.

Property Guidelines

Property Guidelines

- The census tract must be listed when applicable
- Include the Conditional Commitment/Direct Endorsement Statement of Appraised Value for FHA loans (HUD 92800.5b)
- Include the Certificate or Notification of Reasonable Value for VA loans
- Appendix I - **PHFA Appraisal Review Sheet**. This checklist is provided for informational purposes to assist appraisers and lending staff when reviewing a property for which PHFA financing is being requested.
- **1-4 Family Rider**. For Conventional Two-Unit properties under Keystone Home Loan and Keystone Flex Loan Programs, the [Fannie Mae Family Rider - Form 3170](#) will be required for loans closed on or after July 1st. Please note this rider is only required for two unit properties.

Property Guidelines

Mortgagee Clause:

- Endorsed in favor of **PHFA ISA OA**
- Address is on PHFA **Form 53** (closing instructions)
- Secretary of HUD should not be referenced
- Copy of HO6 (contents) coverage for condos

Taxes and Insurance are **ALWAYS** escrowed

Property Guidelines

FHA loan proof of Mortgage Insurance:

- The signature section of the Loan Underwriting Transmittal Summary must either indicate a DU Accept or LP Approve AND the ZFHA number.
- OR it must be signed by the DE underwriter.
(DE underwriter must also complete the Conditional Commitment)

Sources of Funds:

- Seller concessions (Conventional loans)
 - 3% if LTV > 90%
 - 6% if LTV < 90%
- If FHA, VA, RD those guidelines apply.

Property Guidelines

PHFA Form 5

PHFA allows the use of county programs. They must be acceptable to the insurer/investor.

Must be willing to use 3rd lien position if PHFA downpayment and closing cost programs are also being used.

Lender fills out and provide PHFA with Affordable Housing Assistance Program Checklist that is signed by the lender's underwriter approving the loan.

Common Suspense Reasons:

Failure to include this form in your **Pre-Closing** package if the borrower intends to use:

- Grant Funds
- Non-PHFA Subordinate Financing
- Community Land Trusts

UW signature: must be signed by an underwriter prior to submission Must show a current date

PHFA Affordable Housing Assistance Program Checklist

This checklist must be completed by the Participating Lender where the borrower is utilizing a non-PHFA administered Affordable Housing Assistance (AHA) Program. The Participating Lender is responsible to ensure that the AHA Program documents including the Mortgage, Note, Deed, or any other pertinent agreements and documents comply with all applicable insurer and investor guidelines. A separate form must be completed for each program being utilized.

Affordable Housing Assistance Programs include but are not limited to the following:

- Grants that do not create liens as well as subordinate financing that creates a lien against the property regardless of whether the funds bear interest, require a monthly repayment, are forgiven over time, or are due upon sale or transfer;
- Shared appreciation agreements or resale restrictions such as those that require future sales to income eligible borrowers or restrict the sales price of future transfers;
- Community Land Trusts. CLT's with Conventional financing will require the CLT Ground Lease Rider - Fannie Form 2100 (3/06 rev. 12/10). This document must be recorded with the ground lease and a true & certified copy must be submitted with the Purchase Submission.

Name of Organization Administering Program: _____

Contact Name: _____ Phone: _____ Email: _____

Type and Terms of Assistance: _____

Amount of Assistance: _____

Question	Yes/No/NA
1. Will the funds be used for anything other than the down payment, closing costs, or repairs? If yes, property is ineligible for PHFA financing.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2. Are there provisions in any of the program's documents that impose resale restrictions which do <u>not</u> terminate in the event of foreclosure or deed in lieu of foreclosure (or assignment to the Secretary of HUD in the case of FHA insured loans)? If yes, property is ineligible for PHFA financing.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3. Is the servicer of the first mortgage required to notify the program administrator or another third party in the event of delinquency or default (for example, a Right of First Refusal provision)? If yes, property is ineligible for PHFA financing.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4. If the first mortgage is a conventional loan , does the Community Land Trust comply with all applicable Fannie Mae guidelines contained in the Selling Guide? (Attach completed CLT checklist.)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
5. If the first mortgage is a conventional loan , does the AHA program comply with all applicable Fannie Mae guidelines contained in the Selling Guide including those for Community Seconds®, if applicable? (Attach completed Community Seconds® checklist.)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
6. If the first mortgage is FHA insured, does the AHA program comply with all applicable HUD regulations contained in 24 CFR §203, as well as the HUD Handbook 4000.1?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
7. If the first mortgage is VA guaranteed, does the AHA program comply with all applicable VA regulations contained in 38 CFR § 36, as well as the VA Lender's Handbook?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
8. If the first mortgage is USDA guaranteed, does the AHA program comply with all applicable USDA regulations contained in 7 CFR § 3555, as well as the SFH Guaranteed Loan Program Technical HB- 1-3555?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Name of Participating Lender's Underwriter

CHUMS # if FHA loan or LAPP # if VA loan

Underwriter Signature

Date

PHFA Form 5

Property Guidelines

Flood Insurance

If needed, Include flood insurance application in the Pre-Closing package

If needed for a condo, obtain proof of Condo Association's insurance

Standard Policy Rate calculation is included in:

- Debt-to-income ratios
- Amount escrowed
- Monthly PITI payment

The maximum deductible permitted by PHFA is \$5,000, if a mortgage insurer/guarantor (such as FHA) has a lower maximum, the borrower must still qualify at the lowest deductible permitted

Property Guidelines

Flood Insurance

If property is in Special Flood Hazard Area (SFHA) See Chapter 12 for details. These guidelines will eliminate the need for certain borrowers to obtain an elevation certificate and should also help streamline the process.

“Life of Loan Certification” issued by a Flood Insurance company required for all loans included in purchase package Form 58.

Insured as “Pennsylvania Housing Finance Agency, its Successors and Assigns” – PHFA no longer accepts Notice of Servicing Transfers.

Property Guidelines

Flood Insurance – Private Policies

Conventional, RD, VA:

- Must contain the compliance aid statement within the policy or an endorsement to the policy: **“This policy meets the definition of private flood insurance contained in 42 U.S.C. 4012a(b)(7) and the corresponding regulation.”**

FHA:

- Must contain the FHA compliance aid statement: **“This policy meets the definition of private flood insurance contained in 24 CFR 203.16a(e) for FHA insured mortgages.”**

Property Guidelines

Special Assessments

- Any special assessments, tax assessments and past due taxes must be paid by closing
- This includes unpaid lien for water/sewer rents and unpaid Condo/PUD Association fees

1st Mortgage Programs

Re-Amortization Request

PHFA's Loan Servicing Department will only process re-amortization requests after a lump sum of funds are applied on Conventional Loans under the Fannie Mae Programs or Mortgage Revenue Bond (MRB) loans (Keystone Home Loan & K-Flex Loan programs).

The following steps must be completed:

- a. PHFA will provide the borrower with an estimate of what their new P&I would be based on the lump sum they want to apply. There are various calculators on the borrower web site to assist with determining calculations.
- b. PHFA will only proceed if the payment reduction is at least \$25
- c. PHFA will then direct the borrower to send in a written request along with the funds to P.O. Box 15057 Attn: Loan Modification Department.
- d. When funds are received, the funds will be applied to the account and PHFA will send the agreement to the borrower to sign.
- e. Once the agreement is signed and returned PHFA will then change the P&I in the system.

Keystone Home Loan

Keystone Home Loan

Program Details

Eligible Products - Conventional, FHA, VA, RD with fixed rate & 30-year term

Underwriting:

- Conventional - DU
- FHA & VA Loans - DU or LP
- RD Loans - GUS only
- Manual UW- Per Government entity's guidelines

Income Requirements - KHL Income limits (Appendix A) Household Income

Keystone Home Loan

Program Details

Maximum DTI:

- 50% (Conventional Only)
- 45% FHA, VA & RD
- Manually underwritten files must follow gov't entity guidelines

Maximum LTV/CLTV:

- Conventional 95%-97% with DU Approve/ Eligible Findings
- FHA, VA, RD – follow entity guidelines

First-time Homebuyer Requirement - 3-year rule, waived for veterans and buyers purchasing in all targeted areas indicated on Appendix A

Keystone Home Loan

Program Details

Non-traditional Credit:

- Conventional: N/A.
- Borrowers on gov't insured/guaranteed loans with no scores may be eligible with sufficient documentation w/max DTI of 43%

Subordinate Financing:

- Keystone Forgivable in Ten Years Loan Program
- Keystone Advantage Assistance

Keystone Home Loan

Program Details

Mortgage Insurance: FHA, VA, RD requirements apply.

Conventional MI (LTV's above 80%) - Provided by PHFA through PHIF **only**

Renovation Programs:

- Purchase and Improvement up to \$15,000
- Access Modification Loan

Minimum FICO Requirement: 620 with DU Approve/Eligible Findings

Minimum Borrower Contribution: The lesser of 1% or \$1000- purchases only

Keystone Home Loan Program

Pennsylvania Housing Insurance Fund(PHIF)

- For **conventional** Keystone Home Loan and Keystone Flex with K-Fit and Keystone Flex Purchase and Improvement with K-FIT only
- To request PHIF mortgage insurance coverage, mark the “PHIF” box at the top of [PHFA Form 51- Pre-Closing Package Submission Checklist](#)

March 2022 PRE-CLOSING PACKAGE CHECKLIST AND COVER SHEET PHFA Form 51

Directions: This Checklist is to be submitted on top of the Pre-Closing Package. It is important that the documents are scanned in the order of this document when uploaded into VirPack. Upload as Document Type “Pre-Closing Package”, Upload the Appraisal, then select “Process” to submit the files to VirPack.

HOMEOWNERSHIP PROGRAMS DIVISION	
PRIMARY BORROWER'S NAME	CO-BORROWERS NAME
<input type="checkbox"/> PURCHASE <input type="checkbox"/> PURCH & IMPR <input type="checkbox"/> HOMESTYLE <input type="checkbox"/> MCC <input type="checkbox"/> PHIF	<input type="checkbox"/> CONVENTIONAL <input type="checkbox"/> FHA <input type="checkbox"/> RD <input type="checkbox"/> VA (Select Financing)

- If eligible for coverage, a PHIF MI Certificate will be generated once the lender receives a Pre-Closing Eligible notice, via the Pipeline Plus System
- The eligible notice will list purchase conditions relating to the PHIF MI certificate



Keystone Home Loan

Appendix G: PHIF Guidelines

Keystone Home Loan

Form 3: Mortgagor's Affidavit Upfront & at Closing

Common Loan Suspense Item:

Failure to complete the following will result in a suspense:

- Missing pages (Form 3 consist of 8 pages; Pages 1-4 must be in your pre-closing package)
- Missing signatures/dates
- Incorrect information
- Blank spaces on any page

Keystone Home Loan

Federal Recapture Tax

Form 4: Recapture Tax Upfront or at Closing

Only applies if borrower:

- Sells home within 9 years
- Make a gain on sale
- Over income limit for tax
- Filed with Federal Income Taxes for the year home is sold
- Recapture Tax Reimbursement by PHFA
- Calculate maximum tax: $6.25\% \times \text{loan amount}$

Questions?

Keystone Flex Loan Program

Keystone Flex Loan Program

Program Details

Eligible Products: Conventional, FHA, VA, RD with fixed rate & 30-year term

Underwriting:

- Conventional - DU
- FHA & VA Loans - DU or LP
- RD Loans - GUS only
- Manual UW- Conventional-N/A , Gov't - Follow Gov't entity guidelines

Income Requirements:

- **Appendix F:** Income limit for all counties
- Purchase Price limit for all counties
- Reflects max **QUALIFYING** income for all borrowers

Keystone Flex Loan Program

Program Details

Maximum DTI:

- 50.0% (Conventional Only)
- 45.0% FHA, VA & RD
- Manually underwritten files must follow gov't entity guidelines

Maximum LTV/CLTV:

- Conventional 95%-97% w/DU Approve/Eligible Findings
- FHA,VA,RD – follow entity guidelines

Keystone Flex Loan Program

Product Details

First-time Homebuyer Requirement: None

Non-traditional Credit: N/A

Subordinate Financing:

- K-FIT
- Access Modification Loan

Keystone Flex Loan Program

Product Details

Mortgage Insurance: FHA, VA, RD requirements apply. Conventional MI Provided by PHFA through PHIF only

Renovation Programs:

- Purchase and Improvement
- Access Modification

Minimum Borrower Contribution: The lesser of 1% or \$1000- purchases only

Keystone Flex Loan Program

Asset Limitations - The borrower's liquid assets may not be greater than \$50,000 **after** deducting the loan closing funds.

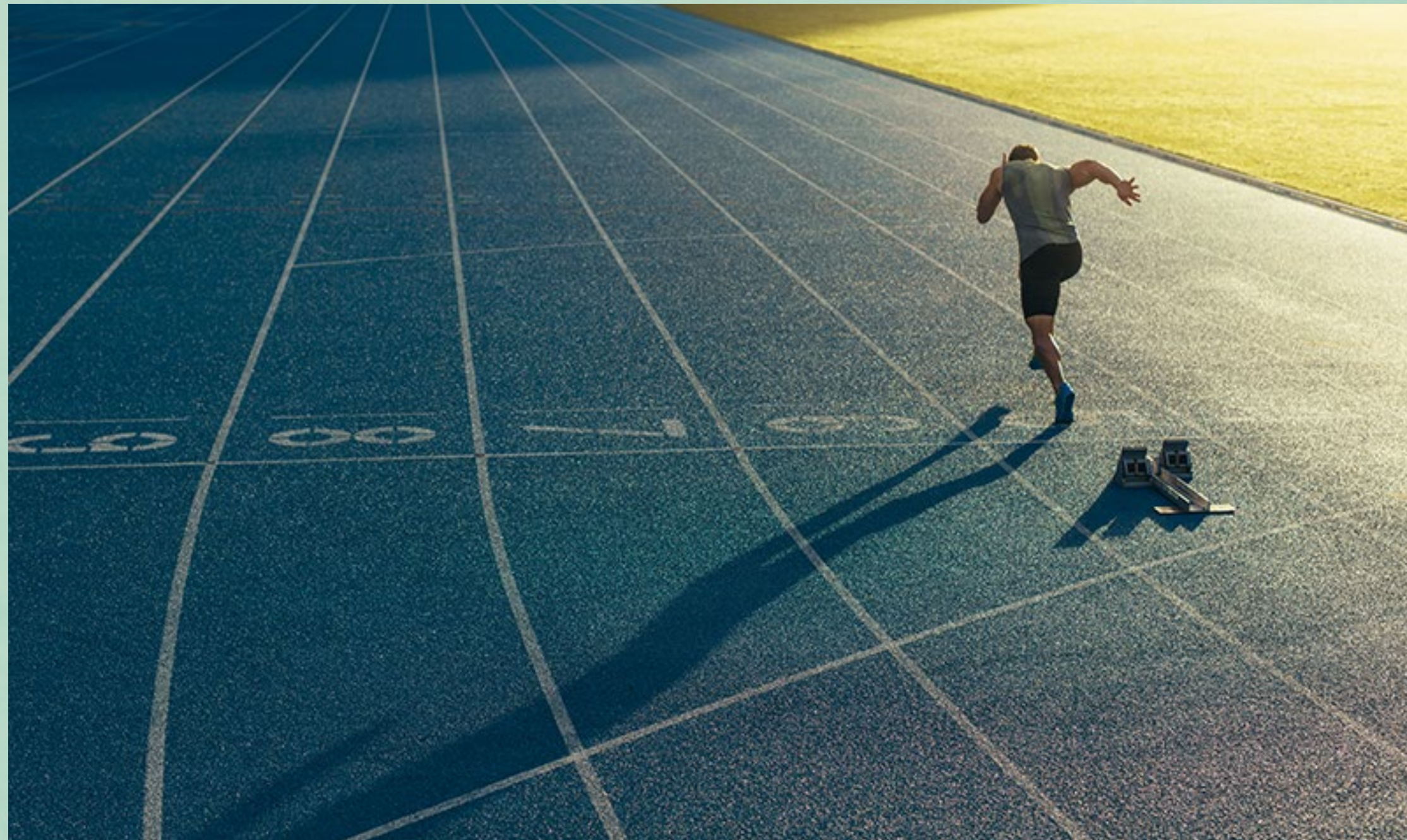
This includes:

- cash
- checking and savings accounts balances
- stocks, bonds, certificates of deposit and similar liquid accounts
- Funds from retirement accounts, such as 401(k)'s, IRAs, and pension funds, will only be considered if they can be withdrawn **without penalty** due to the borrower meeting the age requirement of 59 ½ and/or being retired

Questions?

Assistance Programs

Keystone Forgivable in Ten Years Loan Program (K-FIT)



Keystone Forgivable in Ten Years Loan Program

- **K-Fit** is a **forgivable**, second lien loan (this is not a grant) that is used in conjunction with the Keystone Home Loan and Keystone Flex Loan Program only. It provides downpayment and/or closing cost assistance. Funds are available year-round

Refer to Chapter 4 of the Sellers Guide – Assistance Programs

Keystone Forgivable in Ten Years Loan Program

- **First Mortgage Loan Program:** Keystone Home Loan (KHL) & Keystone Flex (K-Flex) only
- **FICO:** 660
- **Homebuyer Education:** Above 680 only one borrower must attend in-person or remote homebuyer education from a PHFA approved counseling agency. Below 680 requires all borrowers to attend in person counseling
- **Mortgage Amounts:** 5% purchase price or appraised value with no maximum dollar amount
- **Term/Repayment:** Forgiven 10% per year over 10-year period. Prorated repayment is required upon the sale or transfer or nonowner occupancy of the property, prior to the full forgiveness period

Keystone Forgivable in Ten Years Loan Program

- Minimum Loan amount of at least \$500
- No interest and no payments for the time period of the loan
- Maximum financing is required
- May not be combined with other PHFA assistance programs except for the Access Modification Loan Program
- Cannot be resubordinated when refinancing

Keystone Forgivable in Ten Years Loan Program

Any loan forgiveness of \$600 or more must be reported to the IRS. Borrowers may expect to receive an information return (1099-C) from PHFA each year in which at least \$600 of principal is forgiven.

This information is included in the note.

K-FIT Note: 54K-FIT

K-FIT Mortgage: 55K-FIT

Keystone Forgivable in Ten Years Loan Program

Non-Qualifiers:

- K-FIT funds may not be used to fund down payment in excess of the applicable minimum required depending on the loan type. The rest goes toward closing cost
- K-FIT can not be used to finance the VA or RD guaranty **fees** or the FHA Upfront Mortgage Insurance Premium since those items may be financed by the first mortgage

Keystone Forgivable in Ten Years Loan Program

Lender Instructions and Procedures

Locking of Funds:

Locked simultaneously with the Keystone Home Loan and other options under the Keystone Flex Loan program.

- Amount requested may be entered as subordinate financing or as an “Other Liquid Asset” in DU for KHL and K-Flex Conventional program
- For KHL and K-Flex government loans, the K-FIT loan may be entered as subordinate financing or as an asset
- The PHFA Pre-Closing Package Review Results will indicate whether the K-FIT loan was approved, and if so, for how much

Keystone Forgivable in Ten Years Loan Program

Lender Instructions and Procedures

Closing Procedures:

- The first mortgage closes in the lender's name, but the subordinate K-FIT loan closes in PHFA's name
- Lenders are responsible for completing the Loan Estimate and Closing Disclosure for the subordinate K-FIT loan using industry-standard and compliant forms
- Except for the cost to record the Mortgage and a reasonable notary fee, no additional fees may be charged on a PHFA subordinate assistance loan

Keystone Forgivable in Ten Years Loan Program

Form 56LE and Form 57CD

Loan Assumptions

Chart & Guidelines located in PHFA Seller's Guide (Ch. 3)

- i. *Program Assumptions.* When completing the Loan Estimate and Closing Disclosures, please keep in mind that not all PHFA loan products are eligible for assumption. For more information, please see the chart below:

Program	Assumable
HFA Preferred™ & HFA Preferred Risk Sharing™	No
Keystone Government Loans (K-Gov) FHA & VA Loans	Yes
Keystone Government Loans (K-Gov) RD Loan	No
Keystone Home Loans (KHL) Conventional, FHA & VA Loans	Yes
Keystone Home Loans (KHL) RD loan	No
Keystone Flex Loans (K-Flex) Conventional, FHA & VA Loans	Yes
Keystone Flex Loans (K-Flex) RD Loans	No
Keystone Advantage Assistance Loan	Yes
Keystone Forgivable in Ten Years Loan (K-FIT)	Yes
Renovate & Repair (R&R)	No
Pennvest	No
Homeowners Energy Efficiency Loan Program (HEELP)	No
Refinance to an Affordable Loan (REAL)	No
Homeowner's Equity Recovery Opportunity (HERO)	No

K-FIT & Keystone Advantage Asset Limitation

Asset Limitations - The borrower's liquid assets may not be greater than \$50,000 **after** deducting the loan closing funds.

This includes:

- cash
- checking and savings accounts balances
- stocks, bonds, certificates of deposit and similar liquid accounts
- Funds from retirement accounts, such as 401(k)'s, IRAs, and pension funds, will only be considered if they can be withdrawn **without penalty** due to the borrower meeting the age requirement and/or being retired

Keystone Advantage Assistance Loan

Keystone Advantage Assistance Loan

- **FICO:** 660
- **Mortgage Amounts:** 4% of purchase price or appraised value or \$6,000 (whichever is less)
- **Term/Repayment:** 0% interest rate over 10-year period. Monthly principal payments are required

Keystone Advantage Assistance Loan

- **Pairs with:** Keystone Home Loan
- Minimum Loan amount of at least \$500
- Monthly payment required but no interest for the time period of the loan
- Maximum financing is required
- May not be combined with other PHFA assistance programs except for the Access Modification Loan Program
- May be resubordinated when refinancing

Keystone Advantage Assistance Loan

54ADV Advantage Note
55ADV Advantage Mortgage
Form 56LE
Form 57CD

Underwriting PHFA Loans

Loan Submission Quality

To reduce the number of times PHFA staff handle the same loan file:

- A. Use Form 51 (the loan submission checklist): Compile in stacking order of the checklist. The checklist should be the first page of your submission.
- B. Include all the required documents: Do not include any unnecessary documents or disclosures in submission packages.
- C. Reduce the number of uploads: Only split the upload if it exceeds the 60 MB limit.
- D. Appraisal is processed as its own upload (Appendix E provides instructions).
- E. Loans fully underwritten by the lender prior to submission.
- F. Ineligible notices: Submit all required documentation to clear the ineligible conditions at the same time. Do not upload one at a time as you get them.

Directions: This Checklist is to be submitted on top of the Pre-Closing Package. It is important that the documents are scanned in the order of this document when uploaded into VirPack. Upload as Document Type "Pre-Closing Package", Upload the Appraisal, then select "Process" to submit the files to VirPack. Incomplete files will not be marked received until all required documents have been uploaded to VirPack. Complete files uploaded after 3:00 pm will be marked received as of the next business day.

PHFA Form 51

Page 1

HOMEOWNERSHIP PROGRAMS DIVISION	
PRIMARY BORROWER'S NAME	CO-BORROWERS NAME
<input type="checkbox"/> PURCHASE <input type="checkbox"/> PURCH & IMPR <input type="checkbox"/> HOMESTYLE <input type="checkbox"/> PHIF <input type="checkbox"/> CONVENTIONAL <input type="checkbox"/> FHA <input type="checkbox"/> RD <input type="checkbox"/> VA (Select Financing)	
LENDER NAME: _____ CONTACT NAME: _____ Telephone: _____ Email Address: _____	
A. PRE-CLOSING DOCUMENTS (place a check in the column as it applies)	
<input type="checkbox"/> 1. Preliminary Package (Form 1) submitted <input type="checkbox"/> YES - Provide copy of PHFA approval <input type="checkbox"/> NO	<input type="checkbox"/> 12. Residential Mortgage Credit Report with Credit Score or 3 merged reports with Credit Score
<input type="checkbox"/> 2. Modification Funds Request (Form 62) with complete contract, plans and specs (if applicable)	<input type="checkbox"/> 13. Informed Consumer Choice Disclosure Notice FHA (if applicable)
<input type="checkbox"/> 3. Automated Underwriting Findings Report	<input type="checkbox"/> 14. Signed & Dated Important Notice to Homebuyers: FHA
<input type="checkbox"/> 4. Proof of loan insurance/guarantee <input type="checkbox"/> a. Signed FHA Loan Underwriting and Transmittal Summary (HUD 92900-LT) or Firm Commitment: FHA <input type="checkbox"/> b. Signed Loan Analysis (VA 26-6393): VA <input type="checkbox"/> c. Signed Conditional Commitment: RD <input type="checkbox"/> d. Private Mortgage Insurance Certificate: Conv <input type="checkbox"/> e. 203(k) Maximum Mortgage Worksheet (92700 203k) <input type="checkbox"/> f. 203(k) Borrower's Acknowledgment (HUD 92700(A)) <input type="checkbox"/> g. Request for Single Family Housing Loan Guaranty, RD Form 3555-21	<input type="checkbox"/> 15. Credit Score Information Disclosure <input type="checkbox"/> 16. Verification of Deposit or 2 full months current bank statements <input type="checkbox"/> 17. Gift Affidavit (if applicable) <input type="checkbox"/> 18. Copy of Fannie Mae Community Seconds Checklist (FM 0109) if applicable (Conv) <input type="checkbox"/> 19. PHFA Form 5 - Affordable Housing Assistance Program Checklist if app. (all loan types with subordinate seconds, grants or CLT except PHFA seconds or grant programs) <input type="checkbox"/> 20. Verification of Employment (FULL VOE or verbal w/ current pay stubs showing YTD earnings and 2 yrs of W2's)
<input type="checkbox"/> 5. FNMA Transmittal Summary (FNMA Form 1008): Conventional and RD	<input type="checkbox"/> 21. Self-Employed Borrowers Fannie Mae Form 1084 - Cash Flow Analysis and 2 years tax returns
<input type="checkbox"/> 6. Signed & Dated initial Uniform Residential Loan • Include copy of cleaned up 1003 used to run the AUS report. Application (FNMA Form 1003) and HUD Addendum(s) (HUD 92900-A) if applicable	<input type="checkbox"/> 22. Divorce Decree/Agreement of Child Support/Spousal Support (if applicable) <input type="checkbox"/> 23. Co-signer Documentation <input type="checkbox"/> a. Uniform Residential Loan Application <input type="checkbox"/> b. Residential Mortgage Credit Report <input type="checkbox"/> c. Verification of Employment
<input type="checkbox"/> 7. Supplemental Consumer Information Form (FNMA Form 1103)	
<input type="checkbox"/> 8. Verification the LDP and GSA lists have been searched for all parties (FHA/VA/RD)	
<input type="checkbox"/> 9. Veteran's Certificate of Eligibility (VA 26-1870, 26-8320 or 26-8320-1): VA	<input type="checkbox"/> 24. Executed Agreement of Sale/Construction Contract <input type="checkbox"/> a. FHA/VA Amendatory Language of Agreement of Sale <input type="checkbox"/> b. FHA Real Estate Certification (if applicable) <input type="checkbox"/> c. Deed, Settlement Sheet or Agreement of Sale for Land <input type="checkbox"/> d. Copy of Purchase & Improvement/Access Modification Program Acknowledgement (Form 48)
<input type="checkbox"/> 10. Verification of VA Benefit-Related Indebtedness (VA 26-8937): VA (if applicable)	
<input type="checkbox"/> 11. Copy of completed/signed Counseling Checklist for Military Homebuyers VA Form 26-0592 (only required for active military homebuyers)	

* If borrower/co-borrower is a PHFA employee, you can now submit the package through VirPack.



PHFA Form 51

Page 2

<input type="checkbox"/> 25. Condominium Approval documentation (Conv) Select & Provide applicable documentation from list. <input type="checkbox"/> a. Copy of lenders unexpired CPM Certification for Condo projects reviewed under the Full Review process. <input type="checkbox"/> b. Copy of signed warranty statement for Condo projects reviewed under the Limited Review process.	<input type="checkbox"/> 30. Copy of Loan Estimate <input type="checkbox"/> a. Copy of any revisions w/change of circumstance letter, if applicable <input type="checkbox"/> b. Copy of the list of service providers shopped for, if applicable <input type="checkbox"/> 31. Provide copy of "intent to proceed"
<input type="checkbox"/> 26. Applicable Appraisal Report NOTE: Original electronic Appraisal (only) to be a separate upload into VirPack <input type="checkbox"/> a. UCDP Submission Summary Report (Conv Loans) <input type="checkbox"/> b. Provide a copy of FHA's "successful" EAD notification <input type="checkbox"/> c. Conditional Commitment/Statement of Appraised Value (HUD 92800.5B) <input type="checkbox"/> d. Certificate of Reasonable Value (VA 26-1843) or Notification of Reasonable Value <input type="checkbox"/> e. Housing Quality Standards Questionnaire: HOMEstead (HS-Appendix 5) <input type="checkbox"/> f. Leasehold Documentation – Copy of lease <input type="checkbox"/> g. VA approval of Leasehold (if applicable)	<input type="checkbox"/> 32. Copy of the list of HUD approved Homeownership Counseling Organizations (per RESPA) provided to the borrower <input type="checkbox"/> 33. Completed and signed IRS Form 4506-C (effective 3/1/2021) (provide copies of 2 years of tax transcripts for all Borrowers, if available) <input type="checkbox"/> 34. Provide a signed acknowledgement that the borrower(s) have received a copy of the Know Before You Owe, Your Home Loan Toolkit booklet
<input type="checkbox"/> 27. HomeStyle Approval documentation <input type="checkbox"/> a. Lien Waiver (FNMA Form 3739) <input type="checkbox"/> b. Renovation Loan Agreement (FNMA Form 3731) <input type="checkbox"/> c. Maximum Mortgage Worksheet (FNMA Form 1035) <input type="checkbox"/> d. Consumer Tips (FNMA Form 1204) <input type="checkbox"/> e. Final Estimates/Bids <input type="checkbox"/> f. Contractor Profile Report (FNMA Form 1202)	<p>B. PHFA DOCUMENTS (As required by Program)</p> <input type="checkbox"/> 1. Mortgagors Affidavit: Form 3 (not needed for K-Flex, K-Gov or FNMA programs) <input type="checkbox"/> a. Applicable Addendums Pg.7, 8 <input type="checkbox"/> b. Seller's Affidavit Pg. 6 (if available at underwriting) <input type="checkbox"/> 2. Copy of LE for Advantage or KFIT and any revisions w/ change of circumstance if applicable. <input type="checkbox"/> 3. Verification of Counseling based upon loan program being requested (if available at underwriting) <input type="checkbox"/> 4. FNMA Form 1017 for pre-purchase counseling prior to executing AOS (HFA program only) <input type="checkbox"/> 5. Notice to Sellers: HOMEstead (HS-Appendix 7) <input type="checkbox"/> 6. Access Assistance Loan - Needs Assessment Form 61 <input type="checkbox"/> 7. Borrowers Signature Authorization to Release Information Section 8 Housing Homeownership Assistance Program (Form 66) <input type="checkbox"/> 8. Homestead Needs Assessment (HS Appendix - 3)
<input type="checkbox"/> 28. Life of Loan Flood Determination <input type="checkbox"/> a. Copy of FEMA Elevation Certificate with photographs <input type="checkbox"/> b. Copy of application of flood insurance, along with quote of a full NFIP premium rate.	
<input type="checkbox"/> 29. Wood Destroying Insect Report and any additional items to satisfy issues on cert.	

* If borrower/co-borrower is a PHFA employee, you can now submit the package through VirPack.

PENNSYLVANIA HOUSING FINANCE AGENCY

HOMEOWNERSHIP PROGRAMS DIVISION

717.780.3871 • <https://www.phfa.org>

PRELIMINARY DETERMINATION REQUEST

- This form may be used by PHFA-participating lenders to request a preliminary determination (prior to PHFA loan approval) on a questionable compliance issue (income limit, purchase price limit, first-time buyer when applicable, owner occupancy, and the additional criteria of the Advantage program which includes the liquid asset restriction) or underwriting issue (credit, ratios, income, property, etc.).
- Requests involving multiple issues must be submitted in a single request using one cover sheet (next page).
- Completed requests should be faxed to 717.780.3872 or e-mail it to HOPPrelim@phfa.org.
- PHFA will make every effort to issue a written response within 24 hours of receipt, but no later than 48 business hours of receipt of the request.
- If the request is approved, include a copy of the final cover sheet with PHFA's decision directly under the PHFA transmittal summary (form 51) in the Credit/Pre-Compliance Submission Package.
- **For ALL requests regardless of the nature of the request:** Submit the following cover sheet, a completed loan application, and only the pertinent documentation for the request. For example, when requesting a review of income for limit purposes, provide documentation for all sources of income on all adult household members including (if applicable) explanations of increases, decreases, and/or additional income reported on pay stubs, part-time jobs, child support, disability, etc. High ratio requests must include a copy of the first page and signature page of the agreement of sale.
- **For credit issues:** Please note it is the lender's contractual responsibility to underwrite the file; PHFA verifies the lender's decision and reviews each file for PHFA compliance issues. For requests involving credit, the following documentation is required along with this form.
 - **For FHA loans:** a signed FHA Loan Underwriting and Summary Transmittal or signed statement from the FHA Direct Endorsement Underwriter explaining the situation and compensating factors and stating that the file is approvable as an FHA loan OR a findings report indicating approval and a 92900 LT with the ZFHA Chums number listed. If the request involves the property, provide copy of the Conditional Commitment signed by the DE underwriter showing any conditions;
 - **Conventional loans:** a signed statement from the underwriter explaining the situation and compensating factors;
 - **For VA loans:** a signed copy of loan analysis or a signed statement by a VA authorized LAPP underwriter explaining the situation and compensating factors and stating the file is approvable as a VA loan OR a findings report indicating Approve/Eligible or Accept. For situations involving the property, provide a copy of the completed and signed Notice of Reasonable Value;
 - **For RD loans:** a copy of the signed conditional commitment, an approve waiver from RD or statement from the underwriter explaining the situation and compensating factors and stating that the file is approvable as an RD loan OR a findings report indicating Approve/Eligible or Accept. If the request involves the property, provide copy of the Conditional Commitment signed by the DE underwriter showing any conditions.

PHFA Form 1

Page 1

PENNSYLVANIA HOUSING FINANCE AGENCY

COVER SHEET FOR PRELIMINARY DETERMINATION REQUEST

DATE: _____ # OF PAGES INCLUDING THIS COVER SHEET: _____

PARTICIPATING LENDER NAME: _____

CONTACT PERSON NAME: _____
(The decision and any questions regarding this request will be directed to this person.)

CONTACT'S FAX # _____ CONTACT'S TELEPHONE # _____

CONTACT'S E-MAIL ADDRESS: _____

REASON FOR REQUEST: (be very specific; e.g., ratios, income for limit, etc.) _____

NAME OF BORROWER(S): _____

LTV: _____ COUNTY: _____ NUMBER OF HOUSEHOLD MEMBERS: _____

PROGRAM: **KHL** **KFLEX** **HFA PREFERRED** **HOMESTEAD**

LOAN TYPE: **CONVENTIONAL** **FHA** **VA** **RD**

THIS SECTION FOR PHFA USE ONLY.

PHFA DECISION: APPROVED** APPROVED WITH CONDITIONS NOTED BELOW
REJECTED NEED MORE INFORMATION (see below)

Reviewed By: _____ Date Reviewed: _____

**This file has been reviewed for _____ only and the approval above relates to this specific request only. Ultimate approval or rejection of the loan request will depend on the complete review of the credit/pre-compliance submission.

COMMENTS AND/OR CALCULATIONS: _____

PHFA Form 1
Page 2



Preclosing Reports

PRE-CLOSING PACKAGE REVIEW RESULTS

10/27/2022

ELIGIBLE

The following loan has been approved by PHFA, subject to any conditions listed below. If you have questions concerning this approval or if any of the information listed below is incorrect, please contact the Agency at PreClosing@phfa.org.

NOTE: Price shown assumes post-purchase conditions are cleared within 30 days of purchase and does not include any applicable loan-level pricing adjustments such as for FICO or property type. Loans purchased by PHFA 30 days after the lock expiration date are subject to worse case-reprice.

Name(s) of Borrower(s):

Pre-Closing Eligible Date: 10/27/2022
Expiration Date: 11/10/2022
Interest Rate: 5.875 %
Price: 102.375
Mortgage Amount: \$148,410.00
PHFA Loan #:
PHFA Contact:

Property Address:

UPPER DARBY, Pa. 19082-1322

Keystone Home Loan KFIT
Conventional

Loan Purpose:

* Purchase *

ASSISTANCE APPROVED:

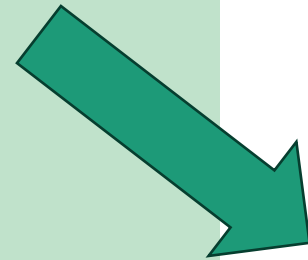
Assistance totaling \$7,650 has been approved for this loan. Under the terms of the Master Origination and Sale Agreement and the Seller's guide, at closing PHFA has a legally enforceable obligation to provide the funds for the assistance.

PURCHASE CONDITIONS: Attach documentation to clear the items listed below to a copy of this notification and upload at the same time as the purchase package.

1. You will be responsible to ensure that the purchase package contains the documentation needed to satisfy the Fannie Mae DU findings report Verification Messages/Approval Conditions. In addition, all Day 1 Certainty Vendor Reports will be required as applicable.
2. Provide a verbal verification of employment for each borrower within 10 calendar days prior to the Note date. For self-employed borrowers under the HFA program, the verbal VOE can be within 120 calendar days of the Note date. For military income, a military Leave & Earnings Statement (LES) dated within 30 calendar days prior to the note date is acceptable.
3. A Keystone Forgivable in Ten (KFIT) loan has been approved for this file. This loan must be in second lien position. Borrower(s) cannot receive cash back at closing.
4. This loan has been approved for mortgage insurance through PHIF. A copy of the PHIF Certificate is available in Pipeline Plus.

Pre-Closing Eligible Notice:

- The loan is eligible to close
- Contains **Purchase Conditions** that must be uploaded with the purchase package



10/20/2022

PRE-CLOSING PACKAGE REVIEW RESULTS

INELIGIBLE

The following loan is ineligible for sale to PHFA for the reason(s) listed below. Once all of the appropriate documents have been obtained, upload to PHFA. Upon satisfactory clearance of all items, an Eligibility notice will be issued.

Name(s) of Borrower(s):

Property Address:

JIM THORPE, PA 18229

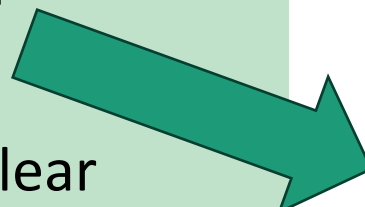
Keystone Home Loan KFIT
FHA 203B

Pre-Closing Ineligible Date: 10/20/2022
Expiration Date: 11/21/2022
Interest Rate: 6.375 %
Mortgage Amount: \$147,283.00
PHFA Loan #:
PHFA Contact:

-
1. Provide DU Findings Report.
 2. Rework loan. Borrower must keep \$1000 of his own funds in the transaction. This has to be above and beyond the credit card payoff of \$196.90. The 1003 you submitted shows borrower getting back \$1911.59. In this case before any changes are made the borrower could only get back \$714.69. Just keep this in mind when reworking loan.
 3. The seller assist can only be \$6000 as per the Agreement of Sale
 4. The credits from the borrower are \$1000 EMD and \$575 Appraisal fee
 5. Provide the initial Loan Estimate
 6. Gift of \$3000 has already been deposited. Mark the 1003 as Deposited and corrected the Key Bank balance to show \$3261.99. Resubmit into DU with this correction.
 7. DU needs to reflect the wording that there is a gift but the actual gift should not be reflected with the assets.
 8. Provide DU, 1003 and 92900LT with all changes.

Pre-Closing Ineligible Notice:

- PHFA cannot complete the review due to missing or incomplete documentation
- Lists the additional required items
- All documents to clear ineligible loans should be uploaded to VirPack at one time



Virpack Instructions

Virpack Instructions

Utilize Appendix E – VirPack Instructions:

- Can be found at <http://www.phfa.org/hop/lenders/>
- Log into the PHFA Pipeline Plus system:
- Continue to use the PHFA Pipeline Plus system to check loan status and view reports/notifications
- Account Administrators would add the VirPack menu item to users submitting any portion of a file to PHFA

Pipeline Plus Security

To access VirPack, each person must have a PHFA Pipeline Plus System account

Accounts where the user does not log in within 60 days:

- Notices will be provided at 60-days
- **Starting at 61 days without logging in**, user will receive daily reminders to log in
- Failure to access the account within 75 days, account will be deactivated
- PHFA is providing a 15-day courtesy for lenders to access their accounts prior to deactivation

When the access is deactivated, the User Account Admin must:

- Reactivate the account
- Ensure that the user logs in so that the account does not deactivate the next day
- Ensure all accesses are accurate

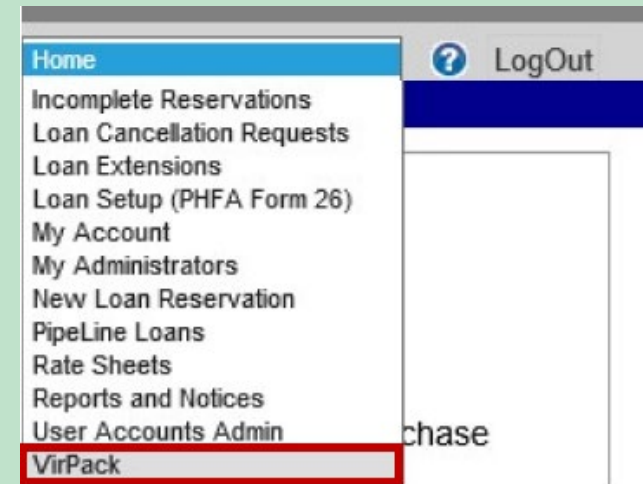
General accounts are not permitted. Each user must have their own individual accounts

VirPack Instructions for Pre-Closing Submissions

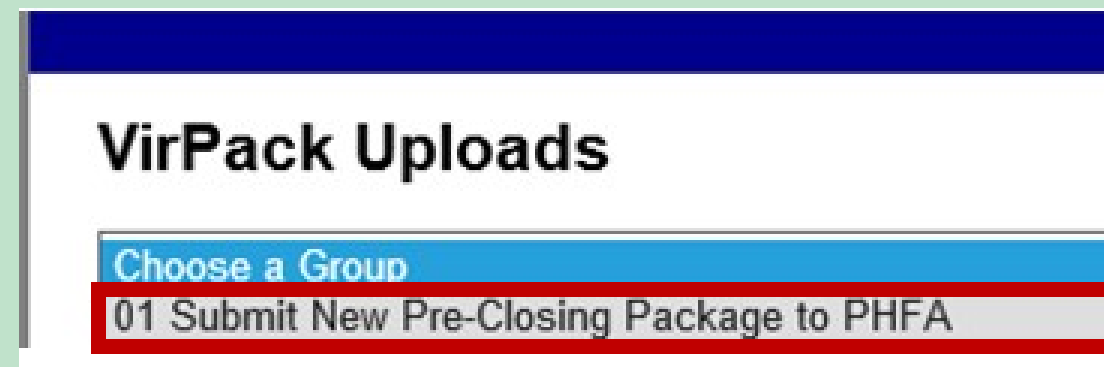
- Locked or password protected PDF files are not permitted
- File sizes are limited to 60 MB
- When creating the file name, it cannot contain spaces/special characters and must not exceed 75 characters in length
- **PHFA Form 51 or 51R (refinance)** must be used when submitting the Pre-Closing package to PHFA
- Must be in the stacking order checklist
- Do not upload excessive documentation
- Be sure to gather all documents to submit at once

VirPack Instructions for Pre-Closing Submissions

- Select the 'VirPack' menu option from the Home dropdown



- Select 'Submit New Pre-Closing Package to PHFA' from the Group dropdown



VirPack Instructions for Pre-Closing Submissions

- A list of available loans will display:
 - Select the 'Documents' link to begin uploading the required documentation

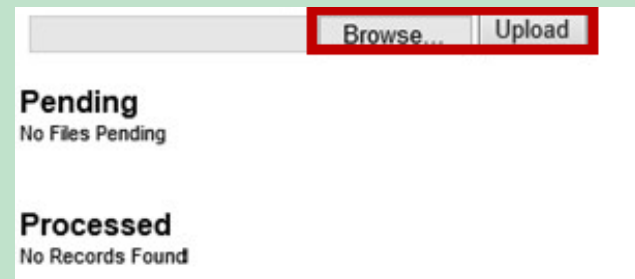
01 Submit New Pre-Closing Package to PHFA Records found: 70

Loan	Borrower Name	Application Date		
		8/16/2016	Documents	VirPack DMDS
		8/23/2016	Documents	VirPack DMDS



NOTE: If you are unable to see your loan, the lock may have expired. Contact Secondary@phfa.org.

VirPack Instructions for Pre-Closing Submissions

- Select 'Browse' to find your saved documents then select 'Upload'
-Continue these steps until all the documents have been uploaded



- Select the proper Document Type for the uploaded files
-You must upload both the 'Pre-Closing Package' and the 'Appraisal' in order to submit to VirPack

	File Name	Document Type	
	LSAMS# Appraisal.pdf	Choose a File Name	
	LSAMS# Pre Closing Package.pdf	Pre-Closing Package	
		Appraisal	



- Select 'Process' to submit the document to VirPack
- If you upload a document in error, you can remove it by selecting the 'Delete Document' icon

VirPack Instructions for Pre-Closing Submissions

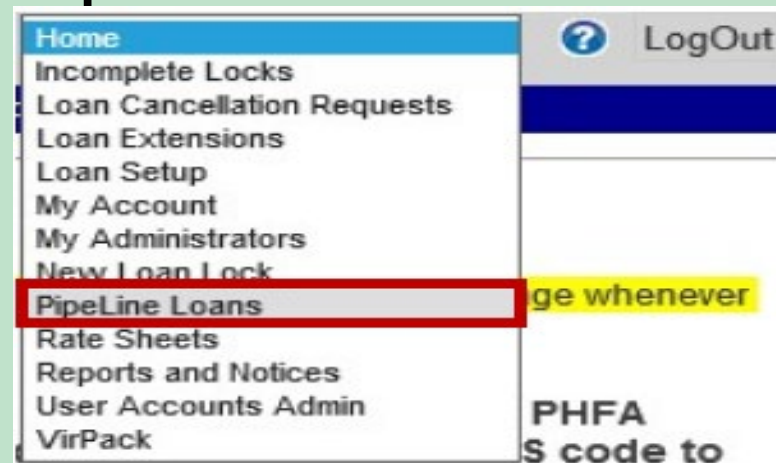
- To verify the documents have been sent to VirPack, check for the file and processed information at the bottom

Processed							
Document Type	Group	File Name	File Uploaded	Uploaded By	File Processed	Processed By	Sent to VirPack
Pre-Closing Package	Submit New Pre-Closing Package to PHFA	ADV_MCC New Pre Closing Package_Redacted.pdf	12/9/2016 8:41 AM	TESTING	12/9/2016 8:42 AM	TESTING	12/9/2016 8:42 AM
Appraisal	Submit New Pre-Closing Package to PHFA	LSAMS#_Appraisal.pdf	12/9/2016 8:42 AM	TESTING	12/9/2016 8:42 AM	TESTING	12/9/2016 8:42 AM

VirPack Instructions for Pre-Closing Submissions

Searching for a Loan

- Select the 'Pipeline Loans' menu option from the Home dropdown



- Select the correct Status for your loan or use the 'SS Search'

A screenshot of the search interface. On the left, there is a dropdown menu labeled 'Select PipeLine Loan Status' with a downward arrow. To the right, there is a search field labeled 'SS Search:' followed by a text input box and a 'Search' button.

- Select the 'Details' link beside the loan

A screenshot of a loan search result table. At the top, there is a dropdown menu showing '3. Received not Reviewed by PHFA' and an 'SS search:' field with a 'Search' button. Below this is a table with the following columns: 'Locked By', 'Borrower Name', 'Social Security', and 'Lock Expiration Date'. The first row of data shows 'Fax/Mail (Not Locked via Internet)', a redacted borrower name, a redacted social security number, and the date '3/19/2018'. A 'Details' link is located at the end of the first row and is highlighted with a red rectangular box.

PHFA Pre-Closing Document Review

Procedural Change

1/2/2024

Why the Change?

This change is to assist in Pre-Closing turn times by:

1. Reducing time our Pre-Closing Officers spend on reviewing file submissions that do not contain designated information
2. Creating a quicker turn time for files submitted correctly
3. Assisting lenders in receiving their Pre-Closing decisions more quickly
4. Identify training opportunities for lending staff that are unfamiliar with complete file submissions to PHFA

New Process

- PHFA staff will review the file for complete information submission based on loan type and prior to marking the file received
- Files marked received will be placed in the Pre-Closing Queue for review on a **first in, first out basis**
- Cut off time is **3:00pm est.** – Marked **next day** after this time

New Process

Files Not Marked Received

- Lender will receive a notification that their file was not complete and what items are missing (Make sure the email information in the Pipeline Plus System is accurate)
- Lender will have to **resubmit the missing documents** prior to being marked received
- This would be the 1st review and file will be Ineligible for a Pre-Closing Premium

Note: This process is only to determine whether we received the documents necessary for a Pre-Closing review, not the accuracy of the documents

New Process

Files Not Marked Received vs Preclosing Ineligible

Required documents that must be included by loan type for every file:

- There may be additional documents that are required for your specific file that will not hold up the file being marked received
- These missing docs may make it **Pre-Closing Ineligible** when reviewed by the Pre-Closing Officer.

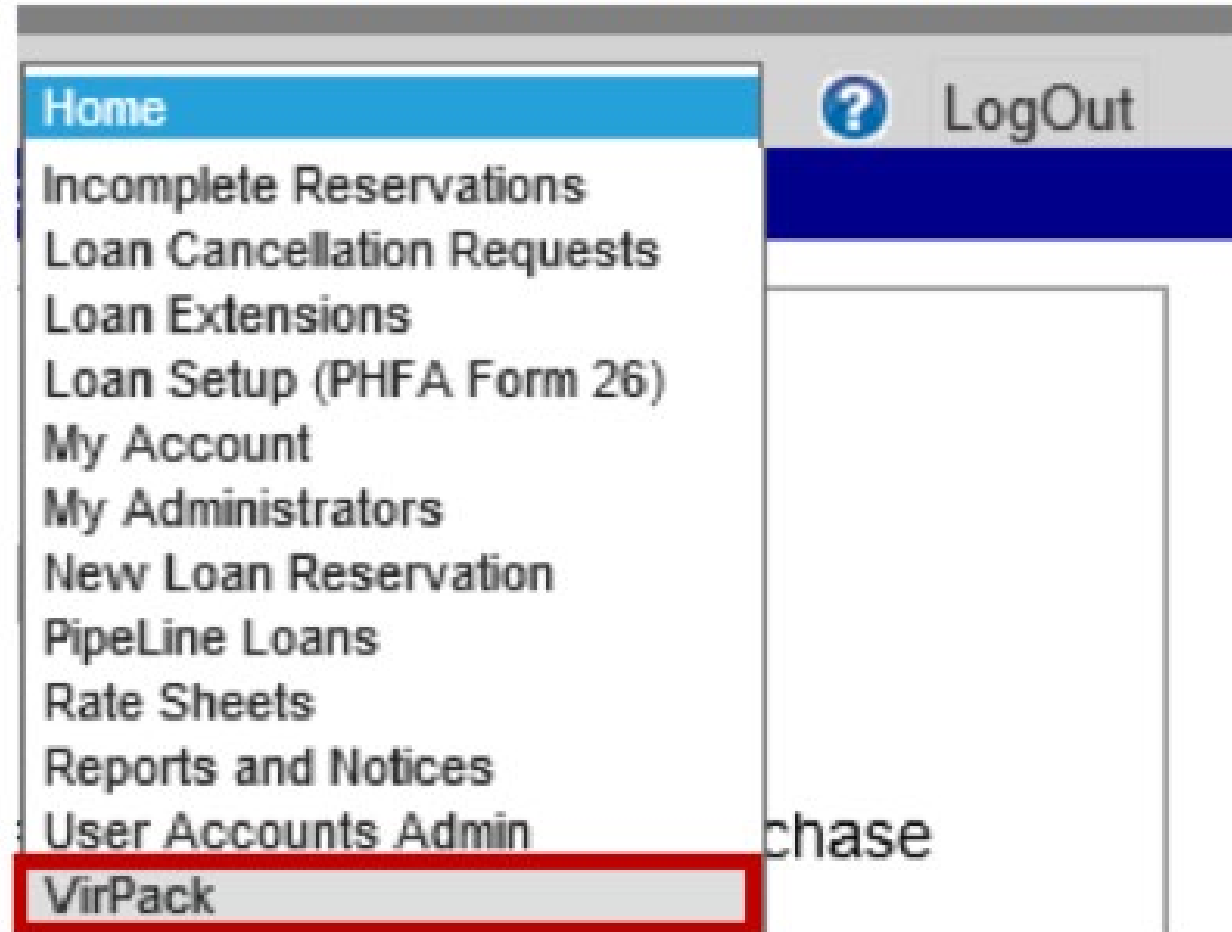
Examples:

- Income Documents for adult occupants – KHL Loan
- Form 5 needed for other assistance programs utilized

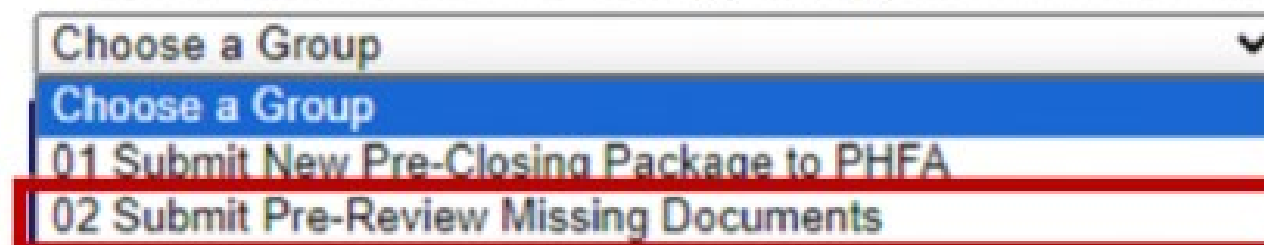
Appendix E: Pre-Review Missing Documents

Submitting Pre-Review Missing Documents

- Select the 'VirPack' menu option from the Home dropdown



- Select 'Submit New Pre-Closing Package to PHFA' from the Group dropdown



Appendix E: Pre-Review Missing Documents

- A list of available loans will display
 - Select the 'Documents' link to begin uploading the required documentation

02 Submit Pre-Review Missing Documents Records found: 35

Loan	Borrower Name	Application Date		
		8/16/2023	Documents	VirPack DMDS

**If you do not see a loan listed, it is not in the proper status for this submission. For example, loan 1234567 is not in the list for 'Submit New Pre-Closing Package to PHFA'. This loan is possibly cancelled in our system due to lock expiration or the package has already been submitted previously for review. For additional assistance, please call 717.780.3871.*

PLEASE NOTE: locked or password protected pdf files cannot be uploaded to VirPack. We will not be able to view any documentation in that file and will need you to re-submit an unlocked version before it can be submitted for review.

NEW FILE NAME REQUIREMENTS:

In order to resolve a previous VirPack upload issue, please make sure that the file name does not contain spaces/special characters and does not exceed 75 characters in length.


- Select 'Browse' to find your saved documents then select 'Upload'
 - Continue these steps until all the documents have been uploaded

Pending
No Files Pending

Processed
No Records Found

Appendix E: Pre-Review Missing Documents

- Select the proper Document Type for the uploaded files
 *You must upload both the 'Pre-Closing Package' AND the 'Appraisal' in order to submit to VirPack.

File Name	Document Type
 TEST.pdf	Choose a File Name <input type="button" value="v"/> Choose a File Name Pre-Review Missing Documents

Select 'Process' to submit the documents to VirPack

*If you upload a document in error, you can remove it by selecting the 'Delete Document' icon.

**If you upload a document but do not select 'Process' within 24 hours of the upload, the document will be automatically deleted and must be re-uploaded for the submission.

- To verify the documents have been sent to VirPack, check for the file and processed information at the bottom

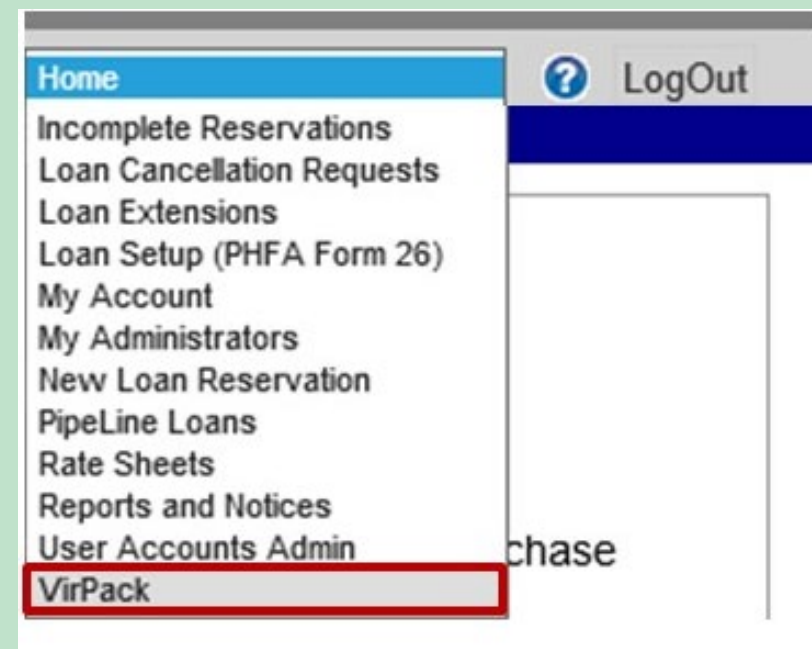
Processed

Document Type	Group	File Name	File Uploaded	Uploaded By	File Processed	Processed By	Sent to VirPack
Pre-Closing Package	Submit New Pre-Closing Package to PHFA	TEST.pdf	11/14/2023 7:48 AM	TESTING	11/14/2023 7:49 AM	TESTING	11/14/2023 7:49 AM
Appraisal	Submit New Pre-Closing Package to PHFA	TEST_additional_docs.pdf	11/14/2023 7:49 AM	TESTING	11/14/2023 7:49 AM	TESTING	11/14/2023 7:49 AM
Pre-Review Missing Documents	Submit Pre-Review Missing Documents	TEST.pdf	12/8/2023 9:06 AM	TESTING	12/8/2023 9:06 AM	TESTING	12/8/2023 9:06 AM

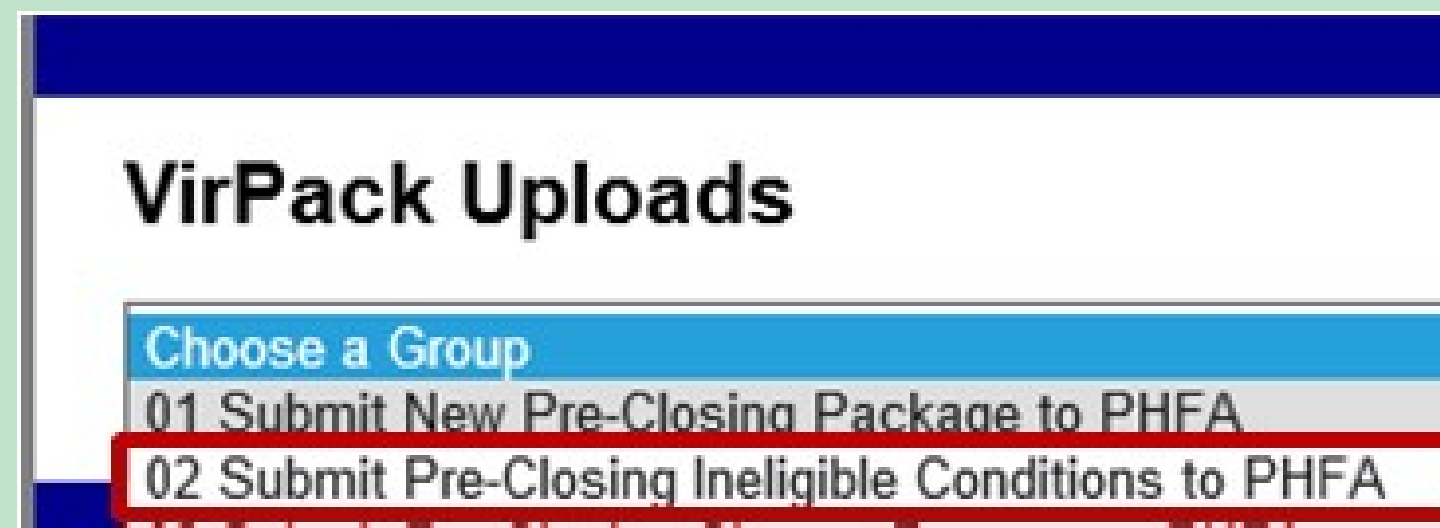
VirPack Instructions for Pre-Closing Submissions

Pre-Closing Ineligible Conditions

- Select the 'VirPack' menu option from the Home dropdown



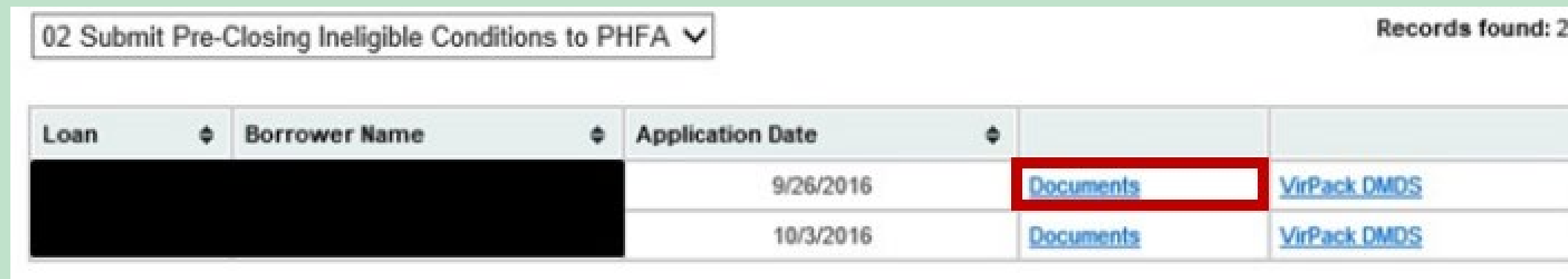
- Select 'Submit Pre-Closing Ineligible Conditions to PHFA' from the Group dropdown



VirPack Instructions for Pre-Closing Submissions

Pre-Closing Ineligible Conditions

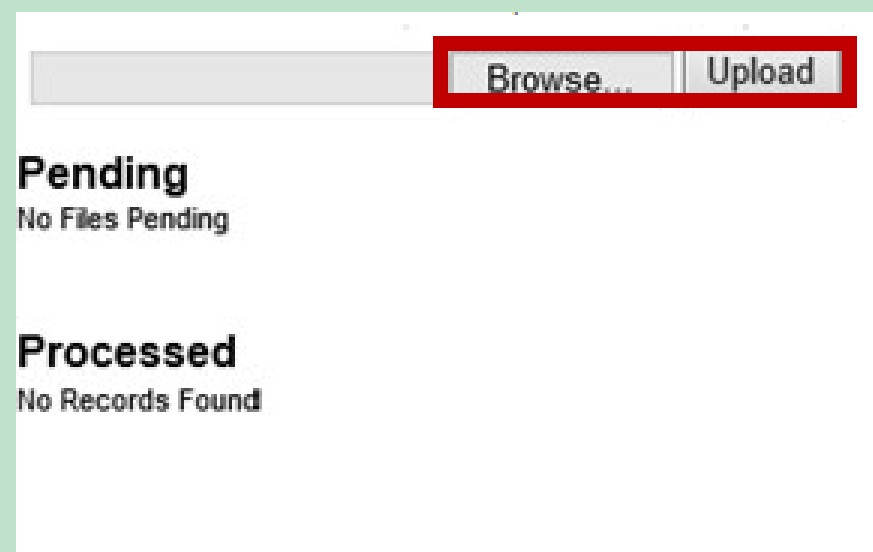
- A list of available loans will display:
 - Select the 'Documents' link to begin uploading the required documentation



02 Submit Pre-Closing Ineligible Conditions to PHFA Records found: 2

Loan	Borrower Name	Application Date		
		9/26/2016	Documents	VirPack DMDS
		10/3/2016	Documents	VirPack DMDS

- Select 'Browse' to find your saved documents then select 'Upload'
 - Continue these steps until all the documents have been uploaded



Pending
No Files Pending


Processed
No Records Found

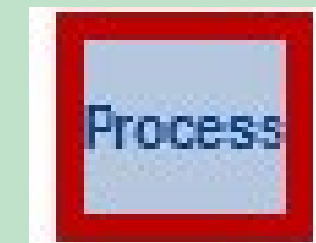
VirPack Instructions for Pre-Closing Submissions

Pre-Closing Ineligible Conditions

- Select the 'Pre-Closing Ineligible Conditions' Document Type

Pending

File Name	Document Type
 LSAMS# Pre_Closing_Ineligible_Conditions.pdf	Choose a File Name Pre-Closing Ineligible Conditions



- Select 'Process' to submit the documents to VirPack
- To verify the documents have been sent to VirPack, check for the file and processed information at the bottom

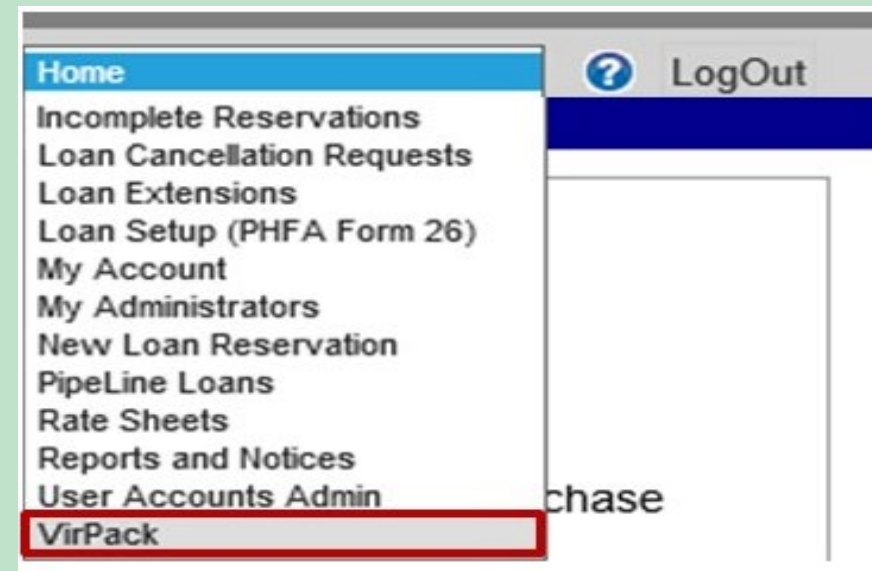
Processed

Document Type	Group	File Name	File Uploaded	Uploaded By	File Processed	Processed By	Sent to VirPack
Pre-Closing Ineligible Conditions	Submit Pre-Closing Ineligible Conditions to PHFA	LSAMS#_Pre_Closing_Conditions.pdf	12/12/2016 9:21 AM	TEST	12/12/2016 9:21 AM	TEST	12/12/2016 9:21 AM

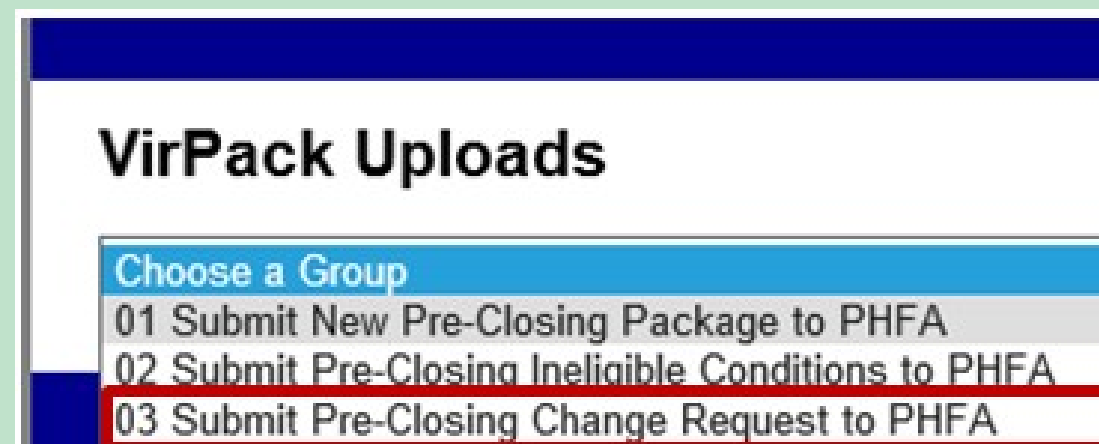
VirPack Instructions for Pre-Closing Submissions

Pre-Closing Change Request

- Select the 'VirPack' menu option from the Home dropdown



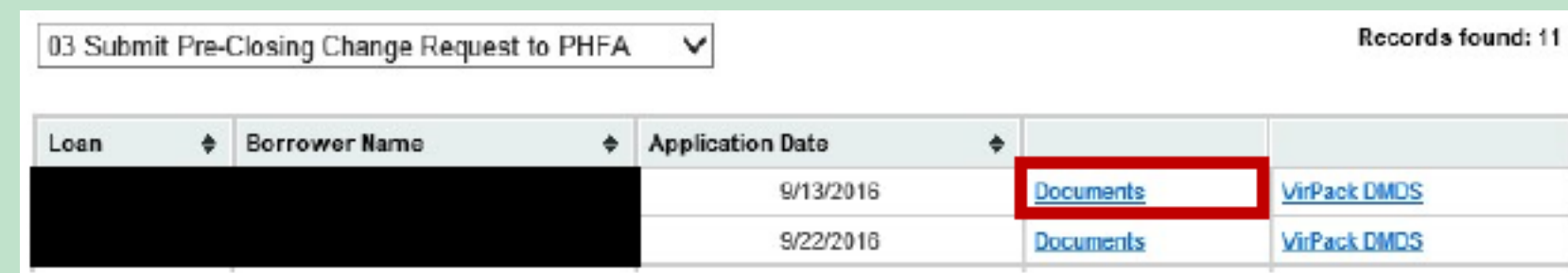
- Select 'Submit Pre-Closing Change Request to PHFA' from the Group dropdown



VirPack Instructions for Pre-Closing Submissions

Pre-Closing Change Request

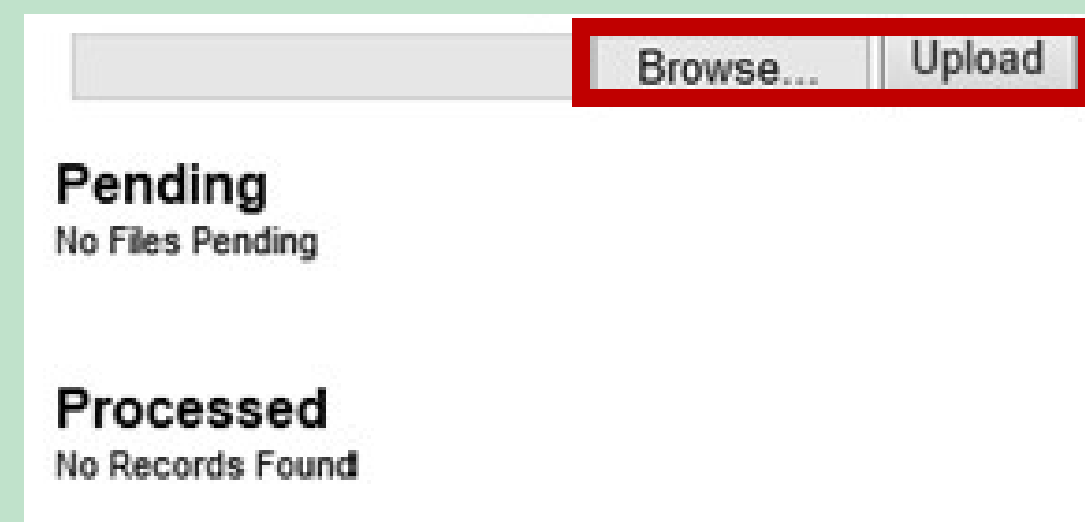
- A list of available loans will display
 - Select the 'Documents' link to begin uploading the required documentation



03 Submit Pre-Closing Change Request to PHFA Records found: 11

Loan	Borrower Name	Application Date		
		9/13/2016	Documents	VirPack DMDS
		9/22/2016	Documents	VirPack DMDS

- Select 'Browse' to find your saved documents then select 'Upload'
 - Continue these steps until all the documents have been uploaded



Browse... Upload

Pending
No Files Pending

Processed
No Records Found

Questions?

Contact Info

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THANK YOU FOR YOUR TIME AND ATTENTION

www.phfa.org