



Loan Programs for Home Improvements & Repairs

The program that is best for you will depend on your specific circumstances, such as your credit history and amount of cash savings, as well as your individual preferences. A PHFA approved **homebuyer education provider** or **participating lender** can help you decide.

ACCESS Home Modification

The ACCESS Home Modification Program provides mortgage loans to assist persons with disabilities or who have a family member(s) living in the household with disabilities who are purchasing a home that needs accessibility modifications. This program provides a deferred payment loan, with no interest, and no monthly payment. The loan becomes due and payable upon sale, transfer, or non-owner occupancy of the property.

Eligibility Requirements

Applicants must meet the requirements of the ACCESS Home Modification program which are listed below:

- Applicants must be homebuyers who are persons with a permanent disability or have a family member(s) living in the household with a permanent disability who are purchasing a new or existing home with a loan originated through one of the Agency's homeownership loan programs.
- Applicants may apply for any of the Agency's **first mortgage program loans** (i.e., Keystone Home Loan, Keystone Government Loan, HFA Preferred™ (Lo MI).
- Applicants must meet the underwriting guidelines for the first mortgage program in which they are applying. Refer to **Seller's Guide Appendix A** for program guidelines.

Eligible Home Modifications

Home modifications should be designed to meet the needs of the person with the physical disability who will be residing in the home. Eligible modification items may include, but are not limited to the following.

- bathroom modifications
- installation of grab bars and handrails
- kitchen modifications
- lifting devices
- main level bathroom or bedroom addition
- ramp addition or repair
- sidewalk addition or repair
- widening doorways or hallways

Downpayment and/or Closing Cost Assistance

In addition to the ACCESS Modification Program, some applicants may qualify for **downpayment and/or closing cost assistance** through the HOMEstead or the ACCESS Downpayment and Closing Cost Assistance loan programs.

If HOMEstead assistance is used in conjunction with the ACCESS Modification Program, the types of modifications will be limited to those that will not disturb any painted surfaces, unless the home was built after January 1, 1978. For homes built prior to 1978 where the modifications may disturb painted surfaces, the borrower cannot use HOMEstead assistance but may use the ACCESS assistance if needed and if eligible.

Rates and Fees

ACCESS mortgage loans are interest free and have no fees.

Mortgage Amounts

- Not less than \$1,000 and no more than \$10,000. Funds will be available on a first-come, first-serve basis.
- ACCESS Home Modification loans are available in addition to any downpayment and/or closing cost assistance or HOMEstead funds for which the applicants may qualify. These additional mortgages will NOT be factored into maximum loan-to-value financing limitations.
- This is a non-interest bearing loan with no monthly payment. The loan becomes due and payable upon sale, transfer, or non-owner occupancy of the property.

Applicant Responsibilities

Applicants are responsible for determining what accessible modifications are required. Most Local Centers for Independent Living and Area Agencies on Aging can provide technical assistance in making this determination. The applicant is to provide the lender with a proposal completed by a general contractor of choice, detailing the modification improvements that will be needed to make the home accessible.

Upon completion of your application, the lender will perform a preliminary review of the construction proposal submitted by the applicant, which includes the specifications, cost estimates, and drawings of the work to be completed. A contract, signed by the applicant and the contractor, is required before the lender can send the loan package to PHFA for final approval. (NOTE: The contract should include a clause stating that its implementation is contingent upon approval of the mortgage loan).

Closing/Funding

At closing, PHFA will hold the ACCESS Home Modification funds in an escrow account, pending completion of the modifications. Should there be an increase in costs during the modification/improvement period which takes the cost of the project over the amount approved, the borrower must fund the amount of the increase.

PHFA will disburse the funds to the contractor with the homebuyer's written approval and secure a certificate of completion. The improvements must be completed within 90 days of the closing. All funds disbursed must be used for the accessibility modification improvements. Any unused ACCESS Home Modification Loan funds must be refunded to the Agency.

How to Apply

If you meet the conditions above, contact a PHFA participating lender to start your mortgage application. PHFA also offers homebuyers the opportunity to receive homebuyer counseling and education free of charge through one of its approved counseling agencies. We strongly encourage you to seek the assistance of a counselor before you sign a sales agreement, especially if you are a first-time buyer.

Any borrower with a FICO credit score lower than 680 is required to complete a course prior to closing on their loan.

HomeStyle® Renovation Program

The Pennsylvania Housing Finance Agency offers the HomeStyle® Renovation program which allows eligible homebuyers purchasing a home or existing homeowners seeking a refinance mortgage to repair, remodel, renovate or complete energy improvements. Qualified borrowers can fund up to 75% of the "as completed" appraised value of the property. This allows buyers to make needed repairs right away, without having to take out another loan at a higher rate and with a shorter repayment period. This program can be used in conjunction with the **HFA Preferred™** program. For Manufactured homes, repairs are limited to the lesser of 50% of the "as completed" appraised value, or \$50,000.

The HomeStyle® Renovation program may be combined with PHFA's Keystone Advantage Assistance Loan, as applicable. Two-unit properties are not eligible for this program.

The Repairs/Improvements:

The home improvement must be permanently affixed to the property and add value to the home.

Common repairs include:

- Roof repair/replacement
- Installation or improvement of heating and/or air conditioning systems
- Upgrades to kitchen and/or bath areas
- Repairs/improvements to plumbing and/or electric systems
- Addition of living space

Luxury amenities such as: swimming pools, tennis courts, hot tubs/Jacuzzis, saunas or other recreational or entertainment facilities, are not eligible.

The Contract:

All repairs must be completed by a qualified and licensed contractor. If the local government (city or municipality) does not require contractors to be licensed, proof of their liability insurance must be supplied and included with the contract. Borrowers may not act as their own contractors, unless that is their profession.

The contract must contain the following items:

- A description of the specific work to be completed. This must be supported by specifications, drawings, photos, etc.;
- A statement of the actual maximum amount that can be charged (not estimated amount);
- A release of lien clause to maintain clear title;
- The contractors agreement to complete the work in compliance with all applicable building codes and zoning restrictions and to obtain the necessary permits;
- The borrowers and the contractors signatures and date.

Buyer Responsibilities:

It is up to the buyer to provide the lender with a written request detailing the required improvements/repairs to be completed, along with the estimates, specs, contracts, etc., from a qualified and licensed contractor(s). The lender will provide the buyer with the HomeStyle® Renovation Consumer Tips Form and the Contract Profile Report to review and sign. The borrower must fund any amount that exceeds the as approved appraised value.

Lender Responsibilities:

The lender is responsible for reviewing the borrower written request and specs, contracts, etc., to determine the credibility and legitimacy of the proposed repairs and/or improvements, and to ensure the contract contains all the necessary items as listed above under the section titled The Contract. Also, the lender will ensure that the funding of any additional costs do not jeopardize the buyers debt to income ratios or PHFA's lien position, nor do they cause the purchase price limit to be exceeded.

The lender will submit a signed Contractor Profile Report provided by the participating lender with specs, contract(s), etc., to PHFA when they submit the pre-closing package. The lender should select HomeStyle® on the top of the **51 Pre-Closing Package Checklist - PURCHASE**. The lender must provide the appraiser with the contract and supporting documentation so the as completed value of the property can be determined.

At closing, the lender will escrow the repair funds and will thereafter monitor the completion of the repairs and issue draws, if applicable, using the appropriate PHFA forms. An initial draw in an amount up to 25 percent of the total repair cost may be issued at closing. The checks for each draw must be signed by both the borrower and the contractor. PHFA will purchase the loan according to the normal schedule, which will usually be prior to the completion of the repairs.

This program is also covered in Chapter 3 of the **Seller's Guide**.

Purchase Improvement

PHFA's Purchase Improvement loans allow buyers who qualify to make needed repairs right away, without having to take out another loan at a higher rate and with a shorter repayment period. The purchase price plus the cost of the repairs (referred to as the total acquisition cost) cannot exceed PHFA's applicable purchase price.

For the **Keystone Home Loan Program**, eligible buyers may include between \$1,000 and \$15,000 for repairs and/or improvements with a conventional PHFA first mortgage, as long as the As Completed appraised value supports the cost of the repairs. The loan amount will be based on the lesser of the total acquisition cost or the as completed appraised value. This program may be combined with PHFA's Keystone Advantage Assistance Loan, as applicable. Two-unit properties are eligible for this program.

For the **Keystone Flex Purchase and Improvement with K-FIT**, eligible buyers may include up to \$30,000 for repairs and/or improvements. This program includes downpayment and closing cost assistance through the Keystone Forgivable in Ten Years Loan Program (K-FIT). This conventional loan will be based on the lesser of the total acquisition cost or the as completed appraised value. Two-unit properties are eligible for this program. This loan can be paired with the Access Modification Loan up to \$10,000.

The Repairs/Improvements:

Common repairs include:

- Renovation of plumbing or electric systems
- Installation of improved heating or air conditioning systems
- Addition of living space
- Renovation of a kitchen or bath area
- Replacement of a roof
- Energy conservation and solar energy improvements

A maximum of three inspection fees of up to \$75 each may be included in the repair costs. Recreational or entertainment items such as swimming pools, tennis courts, hot tubs, saunas, etc., may not be included.

The Contract:

All repairs must be completed by a qualified and licensed contractor. If the local government (city or municipality) does not require contractors to be licensed, proof of their liability insurance must be supplied and included with the contract. Borrowers may not act as their own contractors, unless that is their profession.

The contract must contain the following items:

- A description of the specific work to be completed. This must be supported by specifications, drawings, photos, etc.;
- A statement of the actual maximum amount that can be charged (not estimated amount);
- A release of lien clause to maintain clear title;
- The contractors agreement to complete the work in compliance with all applicable building codes and zoning restrictions and to obtain the necessary permits and a certificate of completion within 90 days of the closing date;
- The borrowers and the contractors signatures and date.

Buyer Responsibilities:

It is up to the buyer to provide the lender with a written request detailing the required improvements/repairs to be completed, along with the estimates, specs, contracts, etc., from a qualified and licensed contractor(s). The buyer must sign the **Purchase/Improvement Program Acknowledgment** at the time of application. The borrower must fund any amount in excess of the maximum amount per program guidelines and/or any amount that exceeds the as complete appraised value. If this amount is financed, it must not impact the buyer's ability to pay the mortgage (debt to income ratios).

Lender Responsibilities:

The lender is responsible for reviewing the borrowers written request and specs, contracts, etc., to determine the credibility and legitimacy of the proposed repairs and/or improvements, and to ensure the contract contains all the necessary items as listed above under the section titled The Contract. Also, the lender will ensure that the funding of any additional costs do not jeopardize the buyers debt to income ratios or PHFA's lien position, nor do they cause the purchase price limit to be exceeded.

The lender will submit a signed **Purchase/Improvement Program Acknowledgment** with specs, contract(s), etc., to PHFA when they submit the pre-closing package. The lender should write Purchase Improvement Program on the top of the **51 Pre-Closing Package Checklist - PURCHASE**, the credit/pre-compliance package checklist. The lender must provide the appraiser with the contract and supporting documentation so the as completed value of the property can be determined.

At closing, the lender will escrow the repair funds and will thereafter monitor the completion of the repairs and issue draws, if applicable, using **49 Request for Payments and Completion Certification**. An initial draw in an amount up to 50 percent of the total repair cost may be issued at closing. The checks for each draw must be signed by both the borrower and the contractor. A maximum of two inspections with a charge not to exceed \$75 each may be ordered by the lender. The lender will secure the completion certificate (**50 Requirements and Guidance for PHFA Home Improvement Loans**) from the original appraiser within 90 days of closing. Please note that the borrower must still occupy the home within 60 days, so repairs in the final month must not affect livability of the home. PHFA will purchase the loan according to the normal schedule, which will usually be prior to the completion of the repairs.

This program is also covered in Chapter 3 of the **Seller's Guide**.

Homeowners Energy Efficiency Loan Program (HEELP)

The Homeowners Energy Efficiency Loan Program (HEELP) offers loans between \$1,000 and \$10,000 for specific energy efficiency repairs at a fixed-rate of one percent (1%); (APR 1%) for ten years with no prepayment penalties. (For a representative \$10,000 loan with \$0 financing charge. Subject to credit approval and restrictions.)

HEELP loans are more affordable than you may think: \$44 per month for a \$5,000 loan or \$88 per month for a \$10,000 loan. With such affordable payments, now you can make those much needed energy efficiency repairs.

The specific uses for the HEELP funds are:

- Air sealing, insulation and ductwork
- Energy efficient windows and doors
- Energy efficient heating or cooling system repairs or replacements
- Roof replacements

The HEELP income limits are listed in the chart below.

Persons	80% of AMI*	
	Monthly	Annual
1	\$4,204	\$50,450
2	\$4,804	\$57,650
3	\$5,404	\$64,850
4	\$6,008	\$72,100
5	\$6,488	\$77,850
6	\$6,263	\$75,150
7	\$6,696	\$80,350
8	\$7,129	\$85,550

** The Agency may make exceptions to these limits. These limits may be increased up to 150% Area Median Income (AMI) based upon individual circumstances. Please contact PHFA at 1.855.827.3466 for more information.*

Download the **Borrower Application**. PHFA will underwrite your application and let you know if you are approved. If we have a local HEELP Loan Provider in your area we will refer you there. Otherwise, we will walk you through how to get the work that you need to have done approved.

Unsure if you should apply for HEELP? Complete the **Self Pre-Screening Form** to see for yourself if HEELP may be an option for you.

HEELP Approved Contractors

Locate an approved HEELP contractor in your area. If you do not see your contractor on the list, have the company apply to become an approved contractor.

To locate a contractor in your area, please choose a county from the menu below.

Choose a County ▼

Open / Download

Questions or concerns regarding this list should be directed to the **Homeownership Programs Department**.

Are you a contractor interested in doing HEELP work?

All contractors working with HEELP borrowers must be approved. Download the **Contractor Application**.

- **Homeowners Energy Efficiency Loan Program Report**

PENNVEST Homeowner Septic Program

The Pennsylvania Infrastructure Investment Authority (PENNVEST) has teamed with the Pennsylvania Housing Finance Agency (PHFA) and the Pennsylvania Department of Environmental Protection (DEP) to offer this special funding program. Assistance is available to eligible homeowners who need to repair or replace their individual on-lot septic system OR connection to a public sewer system. Program highlights are summarized below.

Benefits to You

- Receive an attractive rate for this vital home improvement.
- No prepayment penalty if the loan is paid off early.
- Eliminate worries about your septic system when you sell your home.
- Improve the environmental health of your property.
- Avoid or respond to citations from your municipality.

Loan Terms

- Interest rate of 1.75%, up to 2.8% APR as of 1/1/2019.
- Terms up to 20 years (up to 15 years for manufactured homes).
- Maximum loan amount is \$25,000.
- Loan origination charges apply.
- Loans will be secured by a mortgage on the borrower's home.
- Lien Position: the PENNVEST loan must be in first or second lien position unless the loan amount is less than \$7,500 OR the existing first and second liens were originated at purchase for the purpose of buying the home. Third lien position is permitted in these circumstances.

(*For a representative \$25,000 loan and financing charge of \$5,727. Subject to credit approval and restrictions.)

Eligibility

- No restrictions on household income as of 1/1/2019.
- Borrowers will be underwritten to determine ability to repay the loan.
- Borrowers must be PA residents seeking to improve their primary residence which meets program requirements.
- Project Location: for on-lot septic repair, all areas of PA are eligible unless a public wastewater collection and treatment system is either in place or will be constructed in the next five years. For sewer connections, any area of PA is eligible.
- Financeable Project Costs: system design charges, construction fees and costs, inspection, and permit fees, connection fees (also known as "tap-in fees"), and most loan origination fees.
- Two unit dwellings deeded as one property are eligible unless the residence is a manufactured home, then one unit only.
- Documentation: applicants must gather and provide for lender and PHFA review, all income and credit information, applicable permits, project specifications, connection fees for sewer connections, or, if you are replacing or repairing an on-lot septic system, verification from your local municipality that a wastewater disposal system neither exists nor is planned in the next five years. Additional information supporting the loan application may also be requested.
- Loans usually take 30-45 days to close. However, loan closings may be delayed, potentially significantly, by slow responses from applicants and contractors, and higher-than-expected application volume.
- Other eligibility requirements apply. Please call PHFA at 855.827.3466 to ask questions about your specific situation.

How to Apply

Contact a **PENNVEST Participating Lenders (Complete List)**.

For More Information: Contact your local Sewage Enforcement Officer, township or borough official, or PHFA at **1.855.U.Are.Home (827.3466)**.