

MAY 4, 2020

GENERAL ANNOUNCEMENTS

PHFA continues to monitor the impacts of the COVID-19 pandemic on the mortgage industry and the communities we serve throughout the Commonwealth. This announcement is to remind our lending partners that PHFA will continue to purchase eligible mortgage loans meeting the Agency's program eligibility requirements per the Master Origination and Sale Agreement (MOSA).

In Section 2.02 of the Master Origination and Sale Agreement, the lender represents and warrants that as of the purchase date of the mortgage, "There is no default or delinquency under the terms and covenants of the Mortgage Loan, no payments are past due or unpaid under the Mortgage Loan. . . ." This remains the policy of PHFA, regardless of whether the borrower has requested forbearance after closing but prior to purchase. If the borrower has requested a forbearance prior to purchase, but the account is not past due, PHFA will purchase the loan as long as all other requirements for purchase are met. It is therefore to your advantage to submit the complete purchase package as soon as possible.

If an account is not current when all the purchasing conditions are cleared, the loan will be ineligible for loan purchase until it becomes current.

If a forbearance plan is requested after loan purchase, PHFA will work directly with the borrower and no action will be necessary by the participating lender.

Effective immediately, conventional loans under the HFA PreferredTM program must adhere to the recent Fannie Mae guidance released in Lender Letter ([LL-2020-06](#)). HFA PreferredTM loans in a forbearance will be subject to the loan level pricing adjustments (LLPA) established by Fannie Mae. HFA PreferredTM loans with a LLPA resulting from a forbearance will be flagged in our system and the originating lender will be notified to remit the required LLPAs to PHFA. These pricing adjustments must be paid by the participating lender within thirty (30) days of the date of the notice.

As a reminder, the participating lender is responsible to submit completed purchase submissions to PHFA prior to the lock expiration date to ensure a timely purchase. Lenders that submit purchase packages after lock expiration may experience purchase delays. Purchase delays may also be caused by incomplete purchase packages and delinquent borrowers, with or without a forbearance plan.

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