

Pennsylvania Housing Insurance Fund (PHIF)

Guidelines, Pricing and Procedures

General guidelines:

- All guidelines contained in the PHFA [Sellers' Guide](#) are applicable, with the exception of those expressly set forth for FHA-insured, RD/VA-guaranteed and conventional uninsured (LTVs under 80) loans. These PHIF guidelines are meant to serve as a summary for insurance eligibility determination purposes. Any exceptions must be pre-approved by PHIF in writing on a [Preliminary Determination Form 1](#).
- The property must be an owner occupied, one or two-unit single family dwelling designed for residential use. This includes condominiums, manufactured and modular homes, existing and new construction, attached and detached homes. Except for two-unit properties, PHIF guidelines including pricing and LTV maximums are not differentiated by property type or location (e.g., “declining market”). PHIF will also consider special PHFA-approved state, county and local programs/developments that do not meet the standard underwriting guidelines outlined herein.
- Ratios up to 40/50 are permitted with an automated underwriting response of Approve Eligible or Accept, regardless of the credit score. Otherwise, the debt to income ratio maximums are 33/38. (Please refer to the chart below for additional requirements based on the credit score.)
- PHFA-approved subordinate second loans are permitted with no CLTV restrictions. See PHFA's [approved list of programs](#).

Additional guidelines based on credit score:

Credit Score*	Guidelines
660 and higher	<ul style="list-style-type: none"> ▪ Max LTV = 97% ▪ Borrowers must contribute \$1000 of their own funds toward downpayment; balance from an acceptable source.
620 to 659	<ul style="list-style-type: none"> ▪ Max LTV = 95% ▪ Borrowers must contribute at least 3% of their own funds toward downpayment; balance from an acceptable source.
580 to 619	<ul style="list-style-type: none"> ▪ Max LTV = 95% ▪ Borrowers must contribute at least 3% of their own funds toward downpayment; balance from an acceptable source. ▪ Two-unit properties are not permitted. ▪ Borrowers must meet at least three of the following compensating factors: <ol style="list-style-type: none"> 1. Two Months PITI in reserves 2. Two full years of stable income 3. Payment shock less than 50% 4. Isolated and satisfactorily explained credit blemishes (and documented if possible)

	<p>5. Twelve months timely rental payments verified by a non-relative</p> <p>6. Underwriting ratios at or below 33/38</p>
No credit score	<ul style="list-style-type: none"> ▪ Max LTV = 95% ▪ Two-unit properties are not permitted. ▪ Borrowers must contribute at least 3% of their own funds toward downpayment; balance from an acceptable source. ▪ Four to six forms of nontraditional credit must be provided. The following represent the different tiers of acceptable credit. If four can be documented out of Tier I, no additional information is needed. If four cannot be supported from Tier I, then six forms will be required. Start with as many from Tier I and then move to Tier II and then III. <ul style="list-style-type: none"> - Tier I – Rental payments, utility payments (if not included in rent), electricity, gas, water, telephone (land line or cell), internet and/or cable service payments. When verifying rental payments, the report must specify if the verification was obtained by a professional management company or an individual landlord. If obtained by anyone other than a professional management company, the lender should ask for 12 months canceled rent checks or proof of timely rent payments (such as bank statements showing payments made on time). - Tier II – Includes medical and life insurance payments (excluding payroll deductions), auto insurance and/or renter's insurance payments. - Tier III – Includes regular repayments to local stores (department, appliance, specialty, grocery, etc.), rental payments for durable goods (including automobiles), medical bills, school tuition, child care, and loan payments to an individual if the repayment terms are documented in a written agreement and the borrower can provide copies of canceled checks to show the payments are of a continual nature.

*Credit score is based on the middle FICO of the borrower with the lowest score.

Pricing

The plan is a zero upfront monthly premium plan.

LTV	Coverage	Monthly Premium 1 st Year thru 10	Monthly Premium 11 thru term
95.01---97.0%	35%	.70	.20
90.01---95.0%	30%	.56	.20
85.01---90.0%	25%	.41	.20
80.01---85.0%	20%	.35	.20

Procedures

- To request coverage under this program, simply mark the appropriate box at the top of the [Underwriting Submission Checklist Form 51](#). If eligible for coverage, a mortgage insurance certificate will be faxed to the lender. The Credit/Pre-Compliance Approval Notification will be e-mailed separately.