

Brian Hudson,  
President and CEO

*Pennsylvania Housing  
Finance Agency*



# PHFA

PENNSYLVANIA HOUSING FINANCE AGENCY

**Governor**

Edward G. Rendell

**Chairperson**

Steven Kaplan

**Executive Director**

Brian A. Hudson, Sr.



**211 North Front St.  
Harrisburg, PA 17101  
[www.phfa.org](http://www.phfa.org)**

## **OUR MISSION:**

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



**PHFA is the Commonwealth's leading finance organization for affordable homes and rental apartments. It was created by the legislature in 1972. Its core mission was to finance affordable apartments and homes at minimal expense to Commonwealth taxpayers through the issuance of securities. That is still the case today. PHFA does not receive a general appropriation from the Commonwealth for its programs or operations, with the exception of the Homeowners' Emergency Mortgage Assistance Program.**



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**The Agency has three main program areas: Multifamily rental housing, single family homeownership loan purchases and foreclosure prevention through the Homeowners' Emergency Mortgage Assistance Program.**

**Statewide, the Agency has provided \$9 billion dollars of funding for 130,000 homes and 83,000 apartments. Additionally, the Homeowners' Emergency Mortgage Assistance Program, which PHFA administers for the Commonwealth, has saved over 43,000 homes from foreclosure.**



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## **The American Recovery and Reinvestment Act of 2009 (Public Law 111-5) February 2009**

**Provided for capital investments in Low Income Housing Tax Credits (LIHTC) projects (the Tax Credit Assistance Program, or TCAP), and appropriated funds for grants to state housing credit agencies to finance construction or acquisition and rehabilitation of qualified low income buildings for low-income housing in lieu of LIHTCs (the Tax Credit Exchange Program).**



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**PHFA may receive up to \$95,050,396 in TCAP for developments awarded LIHTC in 2007, 2008 or 2009.**

**As of October 30, 2009 we have obligated \$19,449,353**

**2009 Tax Credit Awards – 28 of 43 projects awarded tax credits in 2009 had TCAP as part of conditional award**

**The Tax Credit Exchange Program is also known as the 1603 Exchange Program.**

**As of October 30, 2009 PHFA has exchanged and committed \$120,900,000 in tax credits.**

**\$11,000,000 in 2007 and 2008 credits and \$3,000,000 in 2009 credits.**

**\$3.1 billion has been exchanged Nationwide.**



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**As part of the ARRA first-time homebuyers who purchase a home and close on the loan prior to November 30 in 2009 can get a credit of up to \$8,000 with no payback requirement.**

**PHFA made first-time home buying under this provision even easier by capitalizing the credit so that it could be used as part of the purchase transaction.**

**We helped 1300 Pennsylvanians fulfill their dream of owning their first home during this most difficult economic time.**

**In October, a new two-part initiative was announced by the Treasury. This initiative will support new lending through a bond purchase program and improve access to liquidity for outstanding bonds through a temporary credit and liquidity program.**

**The initiative is designed to be temporary in nature and will be available for only a short window to help bridge the transition period housing finance agencies resume their activities after experiencing a number of challenges in the course of the housing downturn.**



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**The New Issue Bond Program (NIBP) will provide temporary financing to issue new mortgage revenue bonds. Using authority under the Housing and Economic Recovery Act of 2008 (HERA), Treasury will purchase securities of Fannie Mae and Freddie Mac backed by these new mortgage revenue bonds. The program will support new mortgages to first-time homebuyers this coming year, as well as refinancing opportunities to put at-risk but responsible and performing borrowers into more sustainable mortgages. The new bond issuance will also support development of tens of thousands of new rental housing units for working families.**



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**In the Temporary Credit and Liquidity Program (TCLP), Fannie Mae and Freddie Mac will provide replacement credit and liquidity facilities that will help reduce the costs of maintaining existing financing. The agreements will serve to help relieve financial strains and enable us to continue our important work. Treasury will backstop the GSE replacement credit and liquidity facilities by purchasing an interest in them using HERA authority.**



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**For the most part, except for the Homeowners' Emergency Mortgage Assistance Program (HEMAP), PHFA does not get a state funding allocation.**

**In the recently passed budget, HEMAP was allocated \$11 million.**

**For 2009, through September, we have disbursed HEMAP loan funds of approximately \$15 million and, at the current rate, would expect to disburse another \$5 million through the end of the year.**



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**Since inception in December of 1983 HEMAP has received \$236,332,533 in state appropriations and allocations and helped over 43,000 homeowners in their attempt to save their home from foreclosure.**

**\$249,013,526 has been repaid by homeowners.**

**Total loan disbursements through September of 2009 are \$448,560,721.**



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**In addition we continue to offer distressed homeowners our REAL (REfinance to an Affordable Loan) and HERO Homeowners' Equity Recovery Oppportunity products.**

**Our network of more than 100 counseling agents are prepared to advise clients regarding their options.**



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**By leveraging our funds with NeighborWorks grant funding we continue to provide a variety of counseling, including foreclosure mitigation, to homeowners throughout the Commonwealth.**

**There is never a charge to the homeowner for PHFA counseling services.**

**Through our counseling agencies we are actively addressing the issue of those purporting to be foreclosure mitigation specialists, charge a fee and give the distressed homeowner little or nothing as a service.**

**Although there are signs of a recovering housing market and economy, we are not there, yet.**

**In 2009 we were unable to fund or, unable to fund at desirable levels, some of our most popular programs.**

**The Homeownership Choice Programs which help revitalize our urban neighborhoods and core communities was unfunded. Funding for our Penn HOMES program which helps make our multifamily housing developments financially feasible was severely reduced.**



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**In 2010 we look forward to:**

- 1. Securing additional Federal funding for LIHTC developments;**
- 2. Funding for a National Housing Trust Fund;**
- 3. Providing up to \$1 Billion in loans to first-time homebuyers;**
- 4. The continuation of the homebuyer tax credit; and**
- 5. Partnering with other funding institutions to leverage limited resources.**