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For Immediate Release

## **PHFA, Catapult and partners launch effort to grow homeownership in Pittsburgh**

*Program includes various features intended to reduce barriers to homeownership*

**HARRISBURG, PA** – The Pennsylvania Housing Finance Agency, Catapult Greater Pittsburgh, and several other local partners today are launching a new, pilot homeownership initiative that will work to reduce purchasing barriers for homebuyers in disadvantaged Pittsburgh neighborhoods. Called the Revitalizing Neighborhoods and Increasing Homeownership program, it combines a flexible loan product with extensive consumer coaching and education to help people who previously have faced challenges trying to become homeowners.

“Homeownership is important not only for the housing it provides, but it also allows families to build wealth through their investment in real estate over time,” said PHFA Executive Director and CEO Robin Wiessmann. “Our new Revitalizing Neighborhoods and Increasing Homeownership program will give us the chance to test new loan features, paired with financial education and housing counseling, to open doors to homeownership that may have been closed previously. This initiative will benefit homebuyers who participate in the program and Allegheny County neighborhoods, too.”

The RNIH program seeks to make homeownership more accessible by relaxing some homebuyer requirements but balancing that with comprehensive homebuyer education to ensure buyers are ready for the responsibilities of homeownership. For instance, it’s possible for people with no credit score to be approved for a loan through this program by using non-traditional sources of credit.

The pilot program will feature a PHFA loan product (K-Flex) that will be paired with other PHFA loan products – to provide funds for needed home improvements, for instance. K-Flex has a 30-year fixed rate, to keep the loan’s monthly payment lower. The qualifying income limit for participation in the new RNIH program is \$180,200, and the purchase price limit is \$484,600.

PHFA has a number of important partners helping to make the pilot RNIH program possible. Key among these is Catapult Greater Pittsburgh, which will be the central point of contact for applicants and will coordinate their progress throughout the program.

“Homeownership provides an important path for individuals and families to build wealth,” said Tammy Thompson, executive director of Catapult. “Our organization will be working to ensure that the people approved for a home loan through this program are well prepared to become successful homeowners for the long term.”

Critical funding for the initiative has come from the Heinz Endowments, The Pittsburgh Foundation and the Hillman Family Foundation. Other local partners in the RNIH program include Willissae’s Agency for Vision and Empowerment (WAVE), Advantage Credit Counseling Services, and NeighborWorks of Western PA.

To participate in the program, RNIH participants must live in Allegheny County, must be purchasing a home in Allegheny County, and must be first-time homebuyers. Borrowers must make a minimum

contribution from their own funds that is the lesser of \$1,000 or 1% of the loan amount. Their liquid assets must be no greater than \$50,000.

For homebuyers who qualify, grants of \$25,000 are available to help lower the loan principal and to apply to the closing costs. As another benefit of the RNIH program, excess grant funds can be used to pay down the borrower's student loans. Additional assistance funds in the form of a 10-year forgivable loan of up to 5% of the sales price are available to eligible borrowers. No mortgage insurance will be required, reducing monthly loan payments. PHFA will be servicing the mortgage loans for program participants.

Residents of Allegheny County who want to participate in the program, or who simply want more information, should contact Catapult Greater Pittsburgh at (412) 623-9596 or via email at [info@catapultpittsburgh.org](mailto:info@catapultpittsburgh.org).

The RNIH program is expected to run for several years. Extensive data will be collected during the pilot program to determine best practices that help homebuyers become successful homeowners, as well as what features can be improved.

#### About PHFA

The Pennsylvania Housing Finance Agency works to provide affordable homeownership and rental housing options for older adults, low- and moderate-income families, and people with special housing needs. Through its carefully managed mortgage programs and investments in multifamily housing developments, PHFA also promotes economic development across the state. Since its creation by the legislature in 1972, it has generated more than \$16.9 billion of funding for more than 191,870 single-family home mortgage loans, helped fund the construction of 141,492 rental units, distributed approximately \$239 million to support local housing initiatives, and saved the homes of more than 50,660 families from foreclosure. PHFA programs and operations are funded primarily by the sale of securities and from fees paid by program users, not by public tax dollars. The agency is governed by a 14-member board.

#### **Media contact:**

Sadik Roberts  
(412) 440-8298  
[info@pyramidpgh.org](mailto:info@pyramidpgh.org)

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