

OVERVIEW

CalHFA provides low interest rate home financing to low to moderate income homebuyers in California, as well as down payment and closing cost assistance.

Terms	CalHFA SM Conventional	CalHFA SM FHA
PRODUCT CODES	See Product Codes Table	
AGENCY LOAN LIMITS	Limits determined by CalHFA: See County Limit	
AGENCY PROGRAM FORMS	<ul style="list-style-type: none"> • www.calhfa.ca.gov • http://www.calhfa.ca.gov/homeownership/bulletins/manual.pdf • Tax Return Affidavit • Borrower Affidavit Household Size <ul style="list-style-type: none"> ○ No change to occupancy affidavit after loan submission 	
AUS REQUIREMENTS	Fannie Mae DU <u>Only</u> . HFA Preferred must be selected in the <i>Community Lending Product Field</i>	Fannie Mae Desktop Underwriter (DU) and Freddie Mac Loan Product Advisor (LPA) are acceptable. All loans must be submitted through FHA TOTAL Scorecard and receive an 'Approve/Eligible' finding
BORROWER ELIGIBILITY	<p>All borrowers must be either a citizen or other National of the United States, or a "Qualified Alien" as defined at 8 U.S.C § 1641.</p> <p>CalHFA is for first-time homebuyers only. Tax transcripts are required for all years that income is used for credit qualifying.</p> <p>Co-signers and non-occupant co-borrowers:</p> <ul style="list-style-type: none"> • Non-occupant co-borrowers are not allowed • Non-occupant co-signers are not allowed 	
DOWNPAYMENT ASSISTANCE AND LAYERING	<p>Subordinate financing may be layered with MyHome OR School Teacher and Employee Assistance Program (School Program). Please note: MyHome and School Program may not be combined.</p> <p>If using subordinate financing, all borrowers must be First-time homebuyers, unless the borrower has been affected by a California natural disaster:</p> <ul style="list-style-type: none"> • Previous property must be located in an area declared as a Major Disaster and posted on the Federal Emergency Management Assistance (FEMA) website • Previous property must have been the borrower's primary residence • Previous property must have been destroyed or declared uninhabitable with supporting documentation supplied from either (i) the insurance company or (ii) the local government jurisdiction • Borrowers affected by a declared Major Disaster are eligible to purchase a new home using CalHFA loan programs within three (3) years of that Major Disaster's declaration date • Must follow all other borrower and property requirements of CalHFA 	
ELIGIBLE COUNTIES	Available throughout all counties	
ELIGIBLE PROPERTY	1 Unit Single Family Residences, Condos, and Manufactured Homes. Owner Occupied/Primary Residence.	



Terms	CalHFA SM Conventional	CalHFA SM FHA
ELIGIBLE STATE	CA	
EIN - EMPLOYEE IDENTIFICATION NUMBER	68-0181576 California Housing Finance Agency	
FICO SCORE REQUIREMENTS	Minimum 640 Minimum 660 for manufactured homes Non-traditional credit is not accepted	Minimum 640 for AUS Approval Minimum 660 for manually underwritten loans Minimum 660 for manufactured homes Non-traditional credit reports may be eligible as long as the credit report has been scored and meets the minimum representative credit score
FUNDING FEE/FLOOD	\$250 per loan Funding Fee, payable to Lakeview Loan Servicing (LLS) \$10 Life of Loan Flood Certification (Flood Certification must be payable to LLS) \$250 fee on the 2 nd payable to Land Home Financial Services, Inc. (Must state "MyHome" or "School Program")	
GIFT FUNDS	Follow Agency Gift Fund Guidelines.	
HIGHER PRICED MORTGAGE LOAN	Exempt from QM and ATR, thus the QM Points and Fees test does not apply; However, CalHFA loans are not exempt from the HOEPA and/or HPML requirements. Cannot exceed HOEPA's 5% Points and Fees threshold and must meet HPML.	
HOME WARRANTY INSURANCE	All first-time homebuyer(s) must obtain a one-year home warranty covering at minimum: <ul style="list-style-type: none"> • Water Heater(s) • Air Conditioning • Heating • Oven/Stove/Range <i>*Not required if property is new construction and builder has provided the home warranty. *Home Warranty to be paid through close of escrow</i>	
HOME-BUYER EDUCATION (HBE)	Homebuyer Education counseling is required for one occupying first-time homebuyer. Homebuyer Education is not required for non-first-time homebuyer(s). Homebuyer Education can be completed by the following: <ul style="list-style-type: none"> • Online: eHome's eight-hour Homebuyer Education and Counseling course is the only online course accepted by CalHFA. (fee: \$99) Other online courses like Frameworks are not acceptable because they do not provide a one-hour, 1-on-1 counseling follow-up session. • In-Person: face-to-face Homebuyer Education and Counseling through NeighborWorks America or any HUD-Approved Housing Counseling Agency (fee: varies by agency) 	
INCOME	Limits determined by CalHFA: Income Limits CalHFA calculates income to include all "Family Income". This is defined as the annualized gross income of a mortgagor, and any other person expected to: <ul style="list-style-type: none"> • Be liable on the mortgage • Be vested on title; and • Live in the residence being financed No amended tax returns 3 years full 1040 validation via 4506 transcripts	
LOAN SCENARIO	CalHFA Loan Scenario Calculator	



Terms	CalHFA SM Conventional	CalHFA SM FHA
LTV/CLTV	<p>Max LTV 97.00% Max CLTV 105.00%</p> <p>Manufactured Homes: <u>MH Advantage</u> <u>MH Standard</u> Max LTV 97.00% Max LTV 95.00% Max CLTV 105.00% Max CLTV 105.00%</p>	<p>Max LTV ≤ 96.5% Max CLTV 105.00%</p>
MANUAL UNDERWRITING	Manual Underwriting is <u>not</u> permitted	<p>Manual Underwriting is allowed with the following parameters:</p> <ul style="list-style-type: none"> • Maximum DTI ratio: 43.00% • Minimum Credit Score: 660
MAX LOAN AMOUNT	<p>Loan amounts not to exceed \$484,350¹</p> <p>1. Loans with a total loan amount exceeding \$484,350 up to \$726,525 are considered a Conventional High Balance Loan and limited to 95% LTV and are subject to an additional fee. 2. First Mortgages in which the total loan amount exceeds \$484,350 (excluding UFMIP) are considered an FHA High Balance Loan and are subject to an additional fee.</p> <p>All loans with a loan amount exceeding \$484,350 will be subject to an additional fee. See CalHFA rate sheet for applicable fees. Refer to maximum Purchase Price Limits on CalHFA website for current sales price limits</p>	<p>Loan amounts not to exceed the lesser of \$484,350 (excluding UFMIP) or FHA loan limits²</p>
MISCELLANEOUS	<ul style="list-style-type: none"> • Borrower may not have an ownership interest in any other residential dwelling at the time of loan closing. <ul style="list-style-type: none"> ○ A manufactured home, regardless of the type of property ownership is considered a residential dwelling for this purpose ○ An ownership interest in a timeshare is acceptable. • All members of the household must be living with the borrower for a minimum of a 12 months. 	
MINIMUM BORROWER CONTRIBUTION	<ul style="list-style-type: none"> • CalHFA does not require a minimum borrower investment from the borrower • Follow Fannie Mae HomeReady and Genworth Mortgage Insurance guidelines 	<ul style="list-style-type: none"> • CalHFA does not require a minimum borrower investment from the borrower • Follow FHA guidelines
MORTGAGE INSURANCE	<p>Mortgage Insurance is required for all loans 80.01% LTV or higher, through Genworth Mortgage Insurance Company using their Housing Finance Agency (HFA) MI rates ONLY:</p> <ul style="list-style-type: none"> • 95.01-97% LTV 18% • 90.01-95% LTV 16% • 85.01-90% LTV 12% • 80.01-85% LTV 6% <p>Borrower Paid Monthly, Borrower Paid Single Premium, or Split Premium is acceptable. Financed MI premium must be included in the LTV and CLTV.</p> <p>Rates can be found at: https://mortgageinsurance.genworth.com/RateAndGuidelines/RateFinder.aspx</p>	Upfront and Annual MIP Required
ORIGINATION/DISCOUNT POINTS	<p>The 1st will have the normal fees as seen on all originations. The 1st mortgage may include a maximum borrower paid compensation fee of 2.25%. Cannot exceed LPC. LHFS admin fee is \$995 (borrower paid only). (Total of all fees cannot exceed 3.0%).</p>	



Terms	CalHFA SM Conventional	CalHFA SM FHA
PRODUCT ELIGIBILITY	30 Year Fixed Rate Fannie Mae - HFA Preferred	30 Year Fixed Rate FHA
PRICING	Interest Rates posted daily on CalHFA website	
PROPERTY TYPE	<p>Eligible Properties: Attached / Detached 1-Unit Dwellings Condos Manufactured Homes</p> <p>Ineligible Properties: 2-4 Unit Properties Leaseholds/Land Trusts, and Co-Ops Lot Size > 5 Acres Single wide manufactured homes</p>	
PURCHASE PRICE LIMITS	Purchase Price Limits on CalHFA website: sales price limits	
QM & ATR	California Housing Finance Agency loan products are exempt from QM and ATR; thus, the QM Points and Fees test does not apply when originating a CalHFA 1st or CalHFA Subordinate financing transaction. However, Housing Finance Agency (HFA) loans are not exempt from the HOEPA and/or HPML requirements. Thus, all CalHFA transactions cannot exceed HOEPA's 5% Points and Fees threshold and must meet HPML requirements.	
RATIOS/MAX DTI	45.00%	45.00% (43.00% for manually underwritten loans)
RESERVATION AND RATE LOCKS	Only Conditionally Approved loans will be allowed to lock with CalHFA to ensure program compliance. Loan locked in eXPRESS , LHFS will register and lock loan with CalHFA.	
SELLER CONTRIBUTION	May not be used for payment of condo fees, personal property or down payment assistance.	
SPECIAL FEES AND COSTS	See Fee Table	
SUBORDINATE FINANCING	<p>These programs may be layered with:</p> <ul style="list-style-type: none"> • Fannie Mae approved community second, • MyHome Assistance Program (2nd position) or School Teacher and Employee Assistance Program (School Program), and/or • Mortgage Credit Certificate (MCC) Tax Credit Program (first-time homebuyers only). • Please note: MyHome and School Program may not be combined. 	
TRANSACTION TYPE	Purchase transactions only	

ADDITIONAL INFO – MANUFACTURED HOMES (CONVENTIONAL):

Fannie Mae MH Advantage	Fannie Mae Standard MH
Max LTV/CLTV: 97%/105%	Max LTV/CLTV: 95%/105%
Desktop Underwriter® (DU®) - Use with Fannie Mae HFA Preferred™ only	
Select MH Advantage in the "Subject Property Type" field	Select Manufactured Home or Manufactured Home: Condo/PUD/Co-op in the "Subject Property Type" field



OVERVIEW OF THE DOWN PAYMENT ASSISTANCE PROGRAMS

The MyHome Assistance Program (MyHome) is a deferred payment, simple interest 2.50% rate loan that may be used in conjunction with a CalHFA first mortgage.

The School Teacher and Employee Assistance Program (School Program) is a deferred payment, simple interest 2.50% rate loan that may be used in conjunction with a CalHFA first mortgage.

Cash Back to the borrower from these loans is prohibited, although the complete EMD may be refunded.

*Simple interest is defined as Interest computed only on the principal and not on the principal plus interest incurred in the previous period(s). Simple Interest is used commonly in variable rate consumer lending and in mortgage loans where a borrower pays interest only on the funds used.

Formula: Principal Amount x Annual Interest Rate x Number of Years

CALHFA SUBORDINATE FINANCING AND OTHER PROGRAMS

Terms	School Program	MyHome
ALLOWABLE FEES	\$250 Lender processing fee, plus title charge, and recording fee (payable to Land Home Financial Services, Inc. - Must state "MyHome" or "School Program").	
ASSISTANCE AMOUNT	Maximum of 4.0% of the sales price or appraised value (whichever is less).	Maximum of 3.5% of the sales price or appraised value (whichever is less).
CLTV	Maximum 105% CLTV	
DISCLOSURE REQUIREMENTS	LHFS will disclose the 1 st , and 2 nd mortgages (including LE, NOI, and all Federal / State required disclosures).	
ELIGIBLE BORROWERS	First-time homebuyers only	
ESCROW/IMPOUND ROLLOVER	Not Allowed	
FIRST TIME HOMEBUYER (FTHB) REQUIREMENT	CalHFA SM mortgage programs are for first-time homebuyers only. Limitations apply as noted. MyHome and the School Program are for first-time homebuyers only; unless the borrower has been affected by a California natural disaster as described below: <ul style="list-style-type: none"> • Previous property must be located in an area declared as a Major Disaster and posted on the Federal Emergency Management Agency (FEMA) website • Previous property must have been the borrower's primary residence • Previous property must have been destroyed or declared uninhabitable with supporting documentation supplied from either (i) the insurance company or (ii) the local government jurisdiction • Borrowers affected by a declared Major Disaster are eligible to purchase a new home using CalHFA loan programs within three (3) years of that Major Disaster's declaration date 	
INCOME LIMITS	Follow 1 st TD guidelines and refer to CalHFA website for current income limits	

Terms	School Program	MyHome
LAYERING WITH OTHER ASSISTANCE (IN THE CASE OF CONFLICTING GUIDELINES, FOLLOW THE MORE RESTRICTIVE)	May be combined with other down payment and/or closing cost assistance programs, however MyHome and the School Program may not be combined.	
LIEN POSITION	Must be recorded in second lien position.	
LOSS PAYEE	California Housing Finance Agency It's successor or assigns Single Family Servicing – MS 980 500 Capitol Mall, Suite 400 Sacramento, CA 95814	
OCCUPANCY	Owner Occupied only with borrower(s) intent to occupy as their primary residence within 60 days of closing.	
RESERVATION AND RATE LOCK SYSTEM	Only Conditionally Approved loans will be allowed to lock with CalHFA to ensure program compliance. Lock commitments are made outside of OB and require the requestor (LO/LOA/Processor) to send an email to secondary requesting the Investor Lock confirmation.	
REPAYMENT	<p>Repayment of the principal and interest on the subordinate loan shall be due and payable at the earliest of the following events:</p> <ul style="list-style-type: none"> • Transfer of title • Sale of the property • Payoff of the first loan • Refinance of the first loan, unless subordinated <p><i>*MyHome or School Program behind an FHA first mortgage may be assumed</i></p>	
TERM	Matches the term of the first mortgage, not to exceed 30 years.	
USE	<ul style="list-style-type: none"> • Down payment • Closing costs and/or prepaid items only. 	

HELPFUL LINKS:

- [CalHFASM – Conventional Loan Program](#)
- [CalHFASM – FHA Loan Program](#)
- [CalHFASM – Tools, Affidavits, and Docs](#)
- [MyHome](#)
- [School Program](#)
- [CalHFASM Conventional & FHA Income Limits](#)
- [CalHFASM Loan Scenario Calculator](#)
- [CalHFASM FHA Submission Checklist](#)
- [CalHFASM Conventional Submission](#)
- [Tax Return Affidavit \(if applicable\)](#)
- [Borrower's Affidavit & Cert](#)



REGISTRATION OF CALHFASM MYHOME

Typically, there will be a CalHFA 1st, and MyHome 2nd. The two loans will need to have their individual fees separated for each file. Both files will need accurate LE and CD's in order for the investor to purchase. Both lien position loans will close in the name of LHFS.

For example, if the borrower is selecting the 3.5% MyHome assistance under the CalHFASM FHA program, the total assistance amount would be 3.5%. Let's assume a sales price of \$300,000 and calculate the total assistance amount:

Sales Price	\$300,000	
Base First Loan Amount	\$289,500	(Sales Price * 96.5%)
Total First Loan Amount	\$294,566	(Base Loan Amount + 1.75% UFMIP)
MyHome Amount 3.5% (2nd Lien)	\$10,500	(3.5% * Sales Price)
Total DPA Assistance	\$10,500	

As a tool to assist with calculating the various lien amounts, use the [CalHFA Loan Scenario Calculator](#).

ELIGIBLE LOAN PROGRAM CODES

The following are eligible 1st, and 2nd mortgage products that can be associated:

LHFS CalHFASM Product Codes	
1st TD Program	
Product Name	Program Code
WC30CalHFA-083	CalHFA Conventional Fixed 30
WCF30HBCalHFA-083	CalHFA Conventional High Balance Fixed 30
WGF30CalHFA-083	CalHFA FHA Fixed 30
WGF30HBCalHFA-083	CalHFA FHA High Balance Fixed 30

Notes:

- MyHome must be in 2nd position.



FEES

CalHFA Fees CalHFA 1st Mortgage with a CalHFA Subordinate Fees			
Fee Name	Amount	Included in 3%/\$3,000 Max of Total Loan Amount	Additional Information?
Origination Fee	Broker Comp cannot exceed 2.25%	Yes	LE Section A (Borrower paid compensation) Lender paid compensation not allowed.
Processing	Not allowed	N/A	
LHFS Admin Fee	\$995	Yes	
Master Servicer Funding Fee	\$250	No	LE Section B

Note: CalHFA will not allow any additional Lender fees to be charged on the CalHFA 1st.

Reminder: CalHFA is exempt from QM and ATR Points and Fees Test but is not exempt from the 5% HOEPA Points and Fees Test or HPML.

Subordinate Mortgage: MyHome or School Program Fees with CalHFA 1st	
Fee Name	Amount
Processing Fee	\$250 paid to LHFS
Recording	TBD
NO OTHER FEES NO COMP Paid to Broker on MyHome or School Program	

