

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	CalPLUS SM Conventional	CalPLUS 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
CO-SIGNERS / NON-OCCUPANT CO-BORROWERS	Not Permitted	Non-occupant co-borrowers are not allowed Non-occupant co-signers are allowed per FHA guidelines, and: <ul style="list-style-type: none"> • must not occupy the property • must not be on title or have a vested interest in the property • must sign all loan documents except the security instrument(s) • will have their income, assets, liabilities and credit histories considered by underwriting
DOWNPAYMENT ASSISTANCE AND LAYERING	Mandatory ZIP of 3.0% or 4.0% of the first mortgage amount. May be combined with MyHome	Mandatory ZIP of 3.0% of the first mortgage amount. May be combined with MyHome
ELIGIBLE COUNTIES	Available throughout all counties	
ELIGIBLE PROPERTY	1 Unit Single Family Residences and Condos Owner Occupied/Primary Residence	
ELIGIBLE STATE	CA	
EIN - EMPLOYEE IDENTIFICATION NUMBER	68-0181576 California Housing Finance Agency	



Terms	CalPLUS SM Conventional	CalPLUS SM FHA
FICO SCORE REQUIREMENTS	Minimum 640 Non-traditional credit is not accepted	Minimum 640 for AUS Approval Minimum 660 for manually underwritten loans Non-traditional credit reports may be eligible as long as the credit report has been scored and meets the minimum representative credit score
FIRST TIME HOMEBUYER	<p>CalPLUSSM mortgage programs are for first-time homebuyers only. Limitations apply as noted. MyHome Assistance Program (MyHome) is for first-time homebuyers only; unless the borrower has been affected by a California natural disaster as described below:</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 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 <p>Tax transcripts are required for all years that income is used for credit qualifying</p>	
FUNDING FEE/FLOOD	<p>\$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 2nd payable to Land Home Financial Services, Inc. (Must state "MyHome") \$50 fee on the 3rd payable to Land Home Financial Services, Inc. (Must state "Zip")</p>	
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	<p>All first-time homebuyer(s) must obtain a one-year home warranty covering at minimum:</p> <ul style="list-style-type: none"> • Water Heater(s) • Air Conditioning • Heating • Oven/Stove/Range <p><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></p>	
HOME-BUYER EDUCATION (HBE)	<p>At least one borrower must complete Homebuyer Education, either online through: eHome: http://ehomeamerica.org/calhfa OR Face-to-Face through NeighborWorks America: http://www.calhfa.ca.gov/homebuyer/calhfa_neighborworks_america.pdf OR</p> <ul style="list-style-type: none"> • Through another of HUD's Approved Housing Counseling Agencies: http://hud.gov/offices/hsg/sfh/hcc/hcs.cfm?weblistaction=summary 	
INCOME	<p>Limits determined by CalHFA: Income Limits</p> <p>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:</p> <ul style="list-style-type: none"> • Be Liable on the Mortgage • Be Vested on title; and • Live in the Residence being Financed <p>No amended tax returns 3 years full 1040 validation via 4506 transcripts</p>	
LOAN SCENARIO	CalHFA Loan Scenario Calculator	



Terms	CalPLUS SM Conventional	CalPLUS SM FHA
LTV/CLTV	Max LTV 97.00% Max CLTV 105.00%	Max LTV Follow FHA guidelines Max CLTV 105.00%
MANUAL UNDERWRITING	Manual Underwriting is <u>not</u> permitted	Manual Underwriting is allowed with the following parameters: <ul style="list-style-type: none"> • Maximum DTI ratio: 43.00% • Minimum Credit Score: 660
MAX LOAN AMOUNT	Loan amounts not to exceed \$453,100 ¹	Loan amounts not to exceed the lesser of \$453,100 (excluding UFMIP) or FHA loan limits ²
	<p>1. First Mortgages in which the total loan amount exceeds \$453,100 are considered a Conventional High Balance Loan and limited to 95% LTV and are subject to an additional fee.</p> <p>2. First Mortgages in which the total loan amount exceeds \$453,100 (excluding UFMIP) are considered a FHA High Balance Loan and are subject to an additional fee.</p> <p>All loans with a loan amount exceeding \$453,100 will be subject to an additional fee. See CalHFA rate sheet for applicable fees.</p> <p>Refer to maximum Purchase Price Limits on CalHFA website for current sales price limits</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/RatesAndGuidelines/RateFinder.aspx</p>	Upfront and Annual MIP Required
ORIGINATION/DISCOUNT POINTS	The 1 st will have the normal fees as seen on all originations. The 1 st 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%).	



Terms	CalPLUS SM Conventional	CalPLUS 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</p> <p>Ineligible Properties: 2-4 Unit Properties Leaseholds/Land Trusts and Co-Ops Lot Size > 5 Acres Manufactured Housing</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 (1st guideline).	
SPECIAL FEES AND COSTS	See Fee Table	
SUBORDINATE FINANCING	These programs may be layered with MyHome Assistance Program. The CalPLUS SM must have a ZIP in second position (Third position if MyHome Assistance is being utilized).	
TRANSACTION TYPE	Purchase transactions only	



OVERVIEW OF THE DOWN PAYMENT ASSISTANCE PROGRAMS

The Zero Interest Program (ZIP) is a zero percent (0.00%) interest silent second loan with deferred payments for the life of the first mortgage or until the property is transferred or until the first mortgage loan is refinanced, unless the ZIP is subordinated. ZIP is only available with a CalPLUSSM Conventional or CalPLUSSM FHA loan and can be used for down payment and/or closing cost assistance.

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 or the CalPLUSSM option.

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	Zero Interest Program (ZIP)	MyHome
ALLOWABLE FEES	\$50 fee payable to Land Home Financial Services, Inc. (Must state "Zip") Allows for title charges and recording fee.	\$250 Lender processing fee, plus title charge, and recording fee (payable to Land Home Financial Services, Inc. - Must state "MyHome").
ASSISTANCE AMOUNT	Conventional ZIP: Maximum of either 3% or 4% of the first mortgage loan amount. FHA ZIP: Maximum of 3% of the CalHFA FHA total first mortgage loan amount, including UFMIP.	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 , 2 nd , and 3 rd 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	CalPLUS SM mortgage programs are for first-time homebuyers only. Limitations apply as noted. MyHome Assistance Program (MyHome) is 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	Zero Interest Program (ZIP)	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 options.	May be combined with other down payment and/or closing cost assistance programs.
LIEN POSITION	ZIP must be in second lien position or may be recorded in third lien position behind a MyHome Assistance Program only.	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	Repayment of the principal and interest on the subordinate loan shall be due and payable at the earliest of the following events: <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 <i>*MyHome behind an FHA first mortgage is assumable</i>	
TERM	Matches the term of the first mortgage, not to exceed 30 years.	
USE	<ul style="list-style-type: none"> • Closing costs and/or prepaid items only. • Excess funds due to the borrower from ZIP must be applied to the borrower's principal balance. 	<ul style="list-style-type: none"> • Down payment • Closing costs and/or prepaid items only.

HELPFUL LINKS:

- [CalPLUSSM – Conventional Loan Program](#)
- [CalPLUSSM – FHA Loan Program](#)
- [CalHFA – Tools, Affidavits, and Docs](#)



REGISTRATION OF CALPLUSSM MYHOME & ZIP

Typically, there will be a CalHFA 1st, MyHome 2nd, and ZIP 3rd. All three loans will need to have their individual fees separated for each file. All three files will need accurate LE and CD's in order for the investor to purchase. All three lien position loans will close in the name of LHFS.

For example, if the borrower is selecting the 3.0% ZIP assistance under the CalPLUSSM FHA program AND they also want to take advantage of the 3.5% MyHome assistance, the total assistance amount would be 6.5%. 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)
ZIP Loan Amount 3.0% (3rd Lien)	\$8,836	(3.0% * Total First Loan Amount)
Total DPA Assistance	\$19,336	

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, 2nd, and 3rd mortgage products that can be associated:

LHFS CalPLUSSM Product Codes	
1st TD Program	
Product Name	Program Code
WC30CalZIP-083	CalPLUS Conv 30 Yr Fixed 3% ZIP
WCF30HBCalZIP3-083	CalPLUS Conv 30 Yr Fixed High Balance 3% ZIP
WC30CalZIP4-083	CalPLUS Conv 30 Yr Fixed 4% ZIP
WCF30HBCalZIP4-083	CalPLUS Conv 30 Yr Fixed High Balance 4% ZIP
WGF30CalZIP3-083	CalPLUS FHA 30 Yr Fixed 3% ZIP
WGF30HBCalZIP3-083	CalPLUS FHA 30 Yr Fixed High Balance 3% ZIP

Notes:

- If not using MyHome, CHZIP must be in 2nd position.
- CHZIP in 3rd
- CHZIP, if used with MyHome, must be in 3rd position with MyHome in 2nd



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 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	

ZIP Fees	
Fee Name	Amount
Processing Fee	\$50 paid to LHFS
Recording Fee	TBD
NO OTHER FEES NO COMP Paid to Broker on ZIP	

