

# Homeownership Program Bulletin

**October 05, 2016**

**Program Bulletin #2016-18**

**To: CalHFA Approved Lenders**

## **Updates to CalHFA Subordinate Loan Programs**

The following changes are effective for all loans reserved and rate locked on or after November 1, 2016, as part of CalHFA's ongoing effort to streamline our programs for consistency and ease of use.

All changes apply to subordinate loans when combined with either a CalHFA FHA or Conventional first mortgage.

### MyHome Assistance Program

- The maximum loan amount may be up to 3.5% of the sales price or appraised value, whichever is less.

### Extra Credit Teacher Home Purchase Program (ECTP)

- Non-High Cost Areas: The maximum loan amount may not exceed the greater of \$7,500 or 3.5% of the sales price or appraised value, whichever is less.
- High Cost Areas: The maximum loan amount may not exceed the greater of \$15,000 or 3.5% of the sales price or appraised value, whichever is less.

### Zero Interest Program (ZIP)

- The maximum loan amount may be up to 3% or 4% of the total first mortgage loan amount.
- ZIP may be used for closing costs and/or prepaid items only.
- Any funds due to the borrower from ZIP financing must be applied to the borrower's principal balance.
- Any funds that were refunded to the borrower will be net funded at time of loan purchase.
- The ZIP loan combined with a CalPLUS first mortgage is available for first-time homebuyers only.

### Rates and Reservations

- All loans must be reserved and rate locked by 3 p.m. PT on October 31, 2016 to meet the existing guidelines.
- All loans reserved but not rate locked as of October 31, 2016 will be subject to the new guidelines stated above.

Use the [Loan Scenario Calculator](#) to ensure accurate loan amounts and to run example loan combinations for the ZIP, MyHome and ECTP assistance.

For questions about this bulletin, contact CalHFA Single Family Lending Division by phone 916.326.8033 or by email at [SFLending@calhfa.ca.gov](mailto:SFLending@calhfa.ca.gov). Plus you can always visit CalHFA's website at: [www.calhfa.ca.gov](http://www.calhfa.ca.gov) or Single Family Lending Division directly at [www.calhfa.ca.gov/homeownership](http://www.calhfa.ca.gov/homeownership).

CalHFA thanks you for your business and we look forward to continuing to support your affordable housing loan needs.