

CHFA Board Meeting

California Homebuyer's Downpayment Assistance Program

**Clarion Hotel
Millbrae CA**

October 12, 2000



11-11-11



**California Homebuyer's
Downpayment Assistance
Program
(CHDAP)**

Legislative Findings

- **AB 2865 (Chapter 81, Statutes 2000)
Signed into Law July 7, 2000**
- **Continuing and Urgent Need for
Affordable Mortgage Financing**
- **Affordable Housing Enhances the
Quality of Life of Californians**
- **Housing Fuels the California Economy**
- **Provides California Families with a
Safe, Stable Home Environment**

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Legislative Findings

- **The Number of Californian's Owning Their Own Home is Declining**
- **Make Existing Financing Affordable to Homebuyers**

Program Highlights

- **\$50 Million General Fund Allocation**
 - Part of Governor Gray Davis' \$570 M Housing Program
- **Administered By CHFA**
- **Estimated to Start October 2000**



Program Highlights

- **Newly Constructed & Resale Homes**
- **Statewide**
- **First Time Homebuyer**
- **HCD Low & Moderate-Income**
- **Sales Price Limits (Proposed)**

Program Highlights

- **Can Be Used With CHFA & Non-CHFA First Loans**
- **Combine with other Downpayment Assistance Programs**
- **Junior Loan - Second, Third, Etc.**
- **3% Per Annum Simple Interest Rate, Deferred Payment**
 - **Not to Exceed the Term of the First Mortgage**
- **Maximum Loan Amount 3% of Sales Price**



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 2. The second part of the document
 3. The third part of the document

Program Highlights

- **Average Junior Loan \$5,000 (Estimated)**
 - 10,000 Loans (Estimated)
 - Lowers Cash Requirement
 - Lowers First Loan & Monthly Payment
- **Deferred Payment (No Monthly Payments)**
- **Low Interest Rate (3%)**

Examples of Combined Financing

| | 1 | 2 | 3 |
|---------------------|------------------|------------------|------------------|
| Sales Price | \$130,000 | \$150,000 | \$160,000 |
| First Loan | \$117,000 | \$135,000 | \$155,200 |
| City Second | \$5,200 | \$0 | \$0 |
| CHDAP Loan | \$3,900 | \$4,500 | \$4,800 |
| Down Payment | \$3,900 | \$10,500 | \$0 |

1. 1.90% Conventional First with Other DAP and CHDAP

2. 2.90% Conventional First with CHDAP

3. FHA First with CHDAP



Program Administration

- **CHFA Loan Documents**
- **CHFA-Approved Lenders use Lender Access System (LAS) for Loan Reservations**
- **CHFA Compliance Review**
 - **First-Time Homebuyers**
 - **Income**
 - **Sales Price**
- **CHFA Purchases Loans**
- **CHFA Loan Servicing**

School Facility Fee Down Payment Assistance Program



**School Facility Fee
Down Payment Assistance Program
Three Programs**

**■ Homebuyer Can Choose One of
Three Programs**

- Program 1 -- Economically
Distressed Areas

Or

- Program 2 -- Sales Price Maximum
\$130,000 Program

Or

- Program 3 -- First-Time Low &
Moderate Income Program

**School Facility Fee
Down Payment Assistance Program
How It Works**

■ Amount of Assistance

- Based On Fees Paid by the Builder/Developer

■ Single Family New Construction

- Building Permit Issued After 1/1/99

■ Assistance Amount Paid into Escrow

- Homebuyer's Account

**■ Can be used with other Down Payment
Assistance Programs**

■ Homebuyer may choose any lender, any loan



School Facility Fee Down Payment Assistance Program Benefits

- Assistance is a Grant
 - No Interest
 - No Payments
 - Forgiven After 5-Years Owner-Occupancy
 - No Federal Recapture

Application Package

- Program Descriptions
 - *~~Three~~ Programs
- Tables:
 - *Income
 - County
- Application
 - Checklist
 - 4506
 - Builder Acknowledgement

**DOWN PAYMENT
ASSISTANCE
FOR
BUYERS
OF
NEW
HOMES
IN
CALIFORNIA**
Application Package





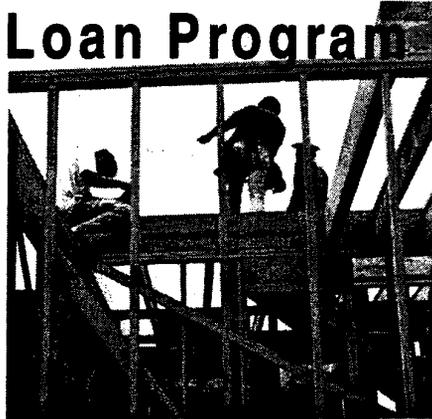
CHFA 100% Loan Program (CHAP)

CHFA 100% Loan Program

- **CHFA 97% First**
 - 30 Year Fixed Rate
- **CHFA 3% CHAP Second Mortgage**
 - Down Payment Assistance
 - 30 Year Deferred Payment
 - 3% Per Annum Simple Interest
 - Simple Documentation
- **First-Time Homebuyer**



CHFA 100% Loan Program



New Construction

- CHFA Low Income & Moderate Income Statewide

CHFA 100% Loan Program



Resale Homes

- CHFA Low Income Statewide
- CHFA Low & Moderate Income - Underserved Counties



Program Administration

- CHFA Approved Lenders & Correspondent Lenders/Brokers
- Lender Access System
 - Single Loan Reservation System
 - Builder Locks (BLOCK)

Example Using CHFA Layered Financing:

| | |
|--------------------------------------|-----------|
| ■ Sales Price | \$280,000 |
| ■ CHFA 1st | \$258,280 |
| ■ CHAP 2nd | \$8,400 |
| ■ CHDAP 3rd | \$8,400 |
| ● School Fee Grant(New Construction) | \$4,920 |
| ■ Required Down Payment | \$0 |

