

# **Single Family Lending Discussion**

**Agency to Permit Non-First-Time  
Homebuyer Loans**

**May 13, 2014**

## Non-First-Time Homebuyers

- CalHFA statutes permit lending to non-first-time homebuyers (FTHB)
- TBA market does not have an FTHB requirement
  - Mortgage revenue bonds require FTHBs
- HFAs have removed their FTHB requirements:
  - Washington State, Illinois, Massachusetts, Virginia, Minnesota, Alabama, Ohio and Idaho

## Benefits

- Aligns with CalHFA's Mission – To create and finance progressive housing solutions so more Californians have a place to call home.
- Target borrowers:
  - Renters paying more in rent than the cost of owning a home
  - Move up borrowers in low and moderate income areas (CalHFA target markets)
  - Distressed homeowners who lost their home within the last three years
  - Opportunity in out-lining job growth areas (Los Angeles, Orange Co., East Bay Area, etc.)
    - New conventional loan programs offer income limits up to 140% of Area Median Income (AMI)
- Additional Agency revenue



# Homebuyer Requirements

- Low and moderate income homebuyers
- Cannot have ownership interest in any other property at the time of loan closing (per Fannie Mae guidelines)
- Must meet all existing CalHFA and partner underwriting guidelines along with income and sales price limits
- Meet FHA and Fannie Mae \$417,000 loan limit

# Target Market Housing Inventory

Location / County	All Residential Properties for Sale	# of Months Inventory	# of Residential properties for sale under \$417,000	Total # of owner occupied units
Fresno	1,900	3.0	1,634	113,014
Kern	2,017	3.1	1,786	107,549
Los Angeles	15,365	2.5	5,609	1,149,121
Riverside	10,716	4.0	6,896	347,316
Sacramento	2,197	1.5	1,638	224,732
San Bernardino	6,581	3.7	5,022	284,116
San Joaquin	784	1.4	555	96,422
Tulare	1,894	8.8	1,013	54,166
<b>Total</b>	<b>41,454</b>		<b>24,153</b>	<b>2,376,436</b>



# CalHFA's Existing Program Menu for First-Time Homebuyers

Product	Funding Source	Subordinate Financing options
CalPLUS FHA	TBA	ZIP, CHDAP or ECTP, MCC
CalHFA FHA	TBA	CHDAP or ECTP, MCC
CalHFA EEM + Grant	TBA	CHDAP or ECTP, MCC
CalPLUS Conv.	TBA	ZIP, CHDAP or ECTP, MCC
CalHFA Conv.	TBA	CHDAP or ECTP, MCC



# CalHFA's Proposed Program Menu for Non-First-Time Homebuyers

Product	Funding Source	Subordinate Financing options
CalPLUS FHA	TBA	ZIP
CalHFA FHA	TBA	
CalHFA EEM + Grant	TBA	
CalPLUS Conv.	TBA	ZIP
CalHFA Conv.	TBA	