

CalHFA Single Family Mortgage Refinance Program

March 2015

Borrower Benefits

Provide homeowners with higher interest rate mortgages the opportunity to:

- Lower monthly mortgage payments
- Pay off junior loans
- Eliminate mortgage insurance payments
- Improve energy efficiency

CalHFA Benefits

- Pay down HMRB bond indenture
- Generate fee income
- Recapture down payment assistance dollars
- Promote energy efficiency

Marketing Strategies

- Target existing CalHFA borrowers who have either a CalHFA mortgage (15,000) or down payment assistance loan (34,000)
- Develop communication and outreach plan to reach the CalHFA target audience that promotes refinancing

Marketing Strategies (cont.)

- Limit refinance opportunities to CalHFA Preferred Loan Officer network
- Use CalHFA underwriting guidelines to minimize risks
- Promote the use of the CalHFA Energy Efficient loan product

CalHFA Refi Loan Options

- CalHFA Conventional
- CalHFA Conventional with Zip
- CalHFA FHA Energy Efficient with Grant
- CalHFA FHA*
- CalHFA FHA with Zip*

*FHA products will be of very limited use.

General Terms

- Borrowers cannot take out cash.
- Borrowers may have limited cash out to pay upfront MI or pay off existing DPA loans
- DPA loans can be subordinated
- Zip can be used for upfront MI payment and to cover fees
- Adhere to CalHFA, US Bank, First Mortgage Corp. and GSE underwriting guidelines