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Housing Help for Residents in High Cost Counties
New program available in Alameda, Contra Costa and Sonoma Counties

SACRAMENTO – As skyrocketing housing prices push the dream of homeownership further from the reach of first-time homebuyers, the California Housing Finance Agency today announced expansion of a pilot program to help residents in targeted high cost counties.

Launched in September of 2001 for eligible first-time homebuyers in San Francisco, San Mateo and Santa Clara counties, the High Cost Area Program (HiCAP), will now be available to eligible homebuyers in Alameda, Contra Costa and Sonoma Counties starting July 1.

“Response has been very positive” says Homeownership Chief Jerry Smart. “It’s just nine months since the pilot program began and about 80 Bay Area families are already in the CHFA pipeline.”

CHFA Executive Director Theresa Parker says program expansion in more counties is good news. “With more than \$122 million of CHFA first loans and \$9.5 million in down payment assistance second loans for the HiCAP pilot, we estimate another 300 families may become homeowners. Clearly, there is ongoing need for resources that assist potential homebuyers and we are continuing to modify or develop new programs towards this end.”

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The HiCAP consists of a below-market interest rate CHFA first loan and a \$25,000 down payment assistance second loan. The second is a 30-year, 3% simple interest rate, deferred payment loan. Borrowers must be first-time homebuyers who do not exceed CHFA income limits. Sales price limits also apply depending on the area and whether the property is new construction or an existing home.

The moderate income limit for a family of three or more in Sonoma is \$72,910 and \$85,675 in both Alameda and Contra Costa counties. Loan amounts depend on interest rates, the homebuyer's ability to qualify and cash or other assistance available for down payment.

Established in 1975 as the state's affordable housing bank, CHFA's mission is to finance below market rate loans to create safe, decent and affordable housing for first-time homebuyers. Since its inception, CHFA has issued over \$19 billion in bonds, financed affordable homeownership opportunities for over 114,000 families and created or preserved 30,600 multi family rental units in California. In addition, the Agency through its insurance branch CaHLIF, has provided \$1.5 billion in mortgage insurance to more than 14,000 higher risk first-time home borrowers.

For additional information on CHFA's HiCAP Program, contact Denise Clark at 916-324-8088 or go to www.homeownership@chfa.ca.gov .

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