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RECORD LOW INTEREST RATES FOR CalHFA LOANS

SACRAMENTO, May 20, 2003 – The California Housing Finance Agency (CalHFA) announces today a ¼ point drop in interest rates for its first mortgage program – down to 4 ¼ percent – the best financing rates the Agency has ever offered in its 27 years of existence.

The ¼ point drop means substantial savings for CalHFA financed borrowers. For instance on a \$250,000 home, lowering the interest rate from 4 ½ percent to 4 ¼ percent reduces the overall loan by approximately \$13,500. CalHFA also offers rates as low as 4 percent for special targeted programs, such as the Self-Help Builder Assistance Program, Extra Credit Teacher Program and the Affordable Housing Partnership Program.

“These are absolutely the best terms CalHFA has ever offered,” says CalHFA Executive Director, Theresa Parker. “The ¼ point drop creates a window of opportunity that has never been more attractive for California’s first-time homebuyers.”

CalHFA tailors its homeownership programs to lend assistance to borrowers who need it the most. Just a few of these special programs include below market-rate loans to teachers who serve in low-performing schools, to low income residents who live in high cost counties, and to borrowers who are disabled. Couple one of these first loans with a deferred second loan at 3 to 5 percent interest, and qualified borrowers can often purchase their first home with virtually no cash up front.

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CalHFA – the State’s affordable housing bank – was chartered 27 years ago to assist Californians to achieve the dream of safe, affordable and decent housing. Additional information on the full complement of CalHFA programs can be obtained by calling 1.800.789.2432 or visiting the web site at www.calhfa.ca.gov.

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