

**IMMEDIATE RELEASE**

Contact: Ken Giebel  
Phone: 916.323-1921  
Fax: 916.322-2345  
kgiebel@calhfa.ca.gov  
www.calhfa.ca.gov

## **Jumbo Strides for Potential Homebuyers in 15 High Cost California Counties**

**SACRAMENTO, November 10, 2003** – The opportunity to purchase a home in the State's highest cost counties may be a giant step closer for middle income individuals and families. Approved today, a new pilot – the Cal Jumbo Loan Program – offers the high loan-to-value benefits of conventional Jumbo financing with more flexible underwriting standards associated with affordable lending programs. Eligible borrowers may qualify for up to 105% combination first and second loan financing.

A unique collaboration between industry partners, the Cal Jumbo Loan blends the resources from three recognized entities: The California Housing Finance Agency (CalHFA), the State's affordable housing bank, Countrywide Home Loans, Inc., a national leader in residential finance and National Homebuyers Fund (NHF), a California-based nonprofit that provides innovative mortgage loan financing to qualified homebuyers nationwide.

"This breaks new ground in the mortgage lending industry where 100% financing for Jumbo loans, conventional or otherwise, is virtually non-existent" says CalHFA Executive Director Theresa A. Parker. "By providing extremely generous loan thresholds to middle income earners - \$550,000 on new construction or \$500,000 for existing homes – this resourceful program can help counteract the growing spread between family income and median home prices in high cost areas."

Income limits, home sales price ceilings and loan amounts vary by county. In Alameda County, for example, the income limit for qualified potential homebuyers is \$122,560 and the sales price

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cap for a new construction home is \$538,750. If the first mortgage is a 97% loan-to-value (LTV), borrowers may qualify for up to \$522,587; with a 100% LTV the amount is up to \$400,000. CalHFA will insure the first loans through its Mortgage Insurance Division, NHF will provide downpayment and closing cost assistance loans and Countrywide will service the loans and administer the program through its correspondent lenders throughout the state.

“This partnership allows us to better serve the needs of prospective homebuyers in higher cost counties,” says Dottie Sheppick, Countrywide’s Senior Vice President of Product Development. “Working families deserve a foothold in the dream of homeownership and the ability to live closer to their jobs. Through our correspondent lenders, potential homebuyers can get out of the rent rut and build equity for themselves.”

Available in the 15 high cost counties of Alameda, Contra Costa, Los Angeles, Napa, Marin, Monterey, Orange, San Benito, San Diego, San Francisco, San Mateo, Santa Clara, Santa Cruz, Sonoma and Ventura, the Cal Jumbo loan may be used for owner occupied one unit single family, PUD or condominium residences.

NHF will provide 20-year, fully amortizing second mortgage loans, for up to 8% of the sales price, the proceeds of which can be used to fund the homebuyer's equity and closing costs. For homes purchased in the counties of Alameda, Marin, San Francisco, San Mateo, Santa Clara and Santa Cruz, NHF will offer a 25-year second mortgage loan, for which there are no interest or principal payments due for the first 5 years, after which the second mortgage loan will begin to amortize over the remaining 20-year term. "Cal Jumbo is an example of what partnerships can create by combining a variety of resources into a single innovative program", says Brent Harrington, NHF's President.

The State’s affordable housing bank, CalHFA was chartered in 1975 to meet the housing needs of low to moderate income Californians and has helped more than 100,000 families purchase their first home. More information on the Cal Jumbo loan or the full complement of CalHFA programs is available at 1.800.789.2432 or [www.calhfa.ca.gov](http://www.calhfa.ca.gov).

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