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**CalHFA GIVES TRIPLE BOOST TO AFFORDABLE HOUSING MARKET**

**SACRAMENTO, March 9, 2004** – The California Housing Finance Agency announced today

three new revisions that will take its first-time homeownership program to a whole new level.

A record increase in income limits, newly revised sales price limits and a mortgage interest rate reduction, all add up to a multitude of affordable housing opportunities for California's first-time buyers.

Raising the income limits means elevating the amount a borrower can earn and still qualify for most of CalHFA's low interest rate financing. For instance, under the former guidelines, a moderate income family of one or two living in Sacramento County could earn no more than \$60,300 per year to qualify for CalHFA financing. Now, that same family can earn \$76,920 per year and still qualify for a low rate CalHFA loan. Some of the highest increases – nearly \$22,000 per year – were in San Diego and San Francisco Counties, where a one or two person family can earn \$82,200 and \$113,100, respectively. The income limits for families of three or more typically increase in every county by about 15 percent.

The recent revisions to CalHFA's sales price limits are the highest allowable by federal law and vary depending on where in the State the home is located. The new sales price schedule

– more –

shows an increase over the 2003 standards for most of the State's 58 counties; price limits in some areas increased as much as 66 percent.

To make first-time homeownership even easier, CalHFA also reduced its already low mortgage interest rates by a ¼ point, making them one of the lowest cost mortgage programs in the State. This reduction will save CalHFA borrowers thousands of dollars over the course of their 30-year loan.

"We're thrilled to be able to triple the advantages for many first-time homebuyers in our State with our revised income and sales limits and interest rate reduction," says California Housing Finance Agency Executive Director, Theresa A. Parker. "Homeownership continues to be one of the most solid and durable investments a California family can make. And our recent revisions give even more strength and versatility to our homeownership programs."

Established in 1975, the California Housing Finance Agency is the State's affordable housing bank and it offers below market rate loans through the sale of tax exempt bonds. As a completely self-supporting State agency, bonds are repaid by revenues generated through mortgage loans, not taxpayer dollars.

More information on the increased income and sales limits, interest rate reduction, and the full complement of CalHFA homeownership programs is available at 1.800.789.2432 or [www.calhfa.ca.gov](http://www.calhfa.ca.gov).

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