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**CALHFA ANNOUNCES NEW 40-YEAR FIXED MORTGAGE  
WITH BELOW MARKET INTEREST RATES*****New Product Gives First-Time Homebuyers Three Mortgage Options at CalHFA***

SACRAMENTO, California – The California Housing Finance Agency, a state agency that offers Californians special loan programs for first-time homebuyers, announced today the introduction of a 40-Year Fixed Mortgage product. This offering is part of a continuing effort to help more Californians buy their first home with a mortgage they can afford.

The new loan joins CalHFA's successful 30-Year Fixed Mortgage and its 35-year *interest only PLUS*<sup>SM</sup> mortgage. All three products are offered at below market, fixed interest rates.

"The low fixed interest rate combined with a longer term on our new 40-Year Fixed Mortgage give comfort to first-time homebuyers," said Theresa Parker, Executive Director of CalHFA. "Life is full of surprises, but this is one thing a homebuyer can count on with our 40-year product: a mortgage payment that stays exactly the same."

Last year, CalHFA expanded its mortgage products by introducing *interest only PLUS*<sup>SM</sup>. Today, more than a third of CalHFA's loans are fixed rate interest-only loans, which give borrowers five years of interest-only payments before principal payments begin, and all 35 years stay at the same fixed rate.

"The response to our expanded product offering has been tremendous," Parker said. "While the 40-year mortgage may not be right for everyone, it does offer first-time homebuyers another way to help achieve their goal of homeownership."

The fixed rate on the 40-year mortgage will initially be 5.75 percent, about one point below average market rates for 40-year mortgages.

CalHFA also offers a discounted rate on mortgage insurance, and now, most CalHFA-insured loans have the added benefit of HomeOpeners®, a Mortgage Protection Program. With HomeOpeners, if a borrower were to lose their job, they'll have help paying their principal, interest, tax and insurance payments for up to six months – and for as much as \$2,500 per month. Best of all, HomeOpeners comes at no additional charge for the borrower.

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“Our loans with below market interest rates help people get into their first homes,” Parker said. “HomeOpeners helps keep them there in the event of job loss. It’s peace of mind for first-time homebuyers, relieving them of one worry.”

“Compared to the 30-Year Fixed Mortgage, the 40-Year Fixed Mortgage offers monthly loan payments that would be less than a 30-year mortgage on the same house,” Parker said. “Each first-time homebuyer comes to us with unique financial situations. The 40-Year Fixed Mortgage gives them one more option to consider as they try to determine the best way to finance their first home.”

“Californians face an incredibly difficult market to purchase a first home,” she said. “As the market changes and consumers look for alternative mortgages, we will continue to develop innovative loans and other products that meet those consumer needs.”

Loans from CalHFA are available to low and moderate income first-time homebuyers who meet CalHFA income limits and who are purchasing homes that fall at or below CalHFA sales price limits. In Los Angeles County, for example, homes with sales prices as high as \$701,503 may be purchased using CalHFA loans if the household income of the first-time homebuyer falls below \$91,700. The sales price and income limits vary by county.

CalHFA also offers down payment and closing cost assistance, which can be layered with a buyer’s first mortgage loan. These subordinate loans do not need to be repaid until the home is sold, refinanced, or paid in full. Borrowers can layer several CalHFA products to finance up to 106 percent of the home sales price.

Established in 1975, CalHFA has invested more than \$14 billion in non-taxpayer funds to help 135,000 California families live in a home of their own with a mortgage they can afford. For more information on CalHFA’s first-time homebuyer programs and Mortgage Insurance products, please visit [www.calhfa.ca.gov](http://www.calhfa.ca.gov) or call 877.9.CalHFA (877.922.5432).

\*“HomeOpeners” is a registered trademark of Genworth Mortgage Holdings, LLC. HomeOpeners® coverage is subject to certain restrictions and limitations.

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