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Contact: Evan Gerberding
Phone: 916.322.0249
Fax: 916.322.2345
egerberding@calhfa.ca.gov
www.calhfa.ca.gov

CalHFA Celebrates National Homeownership Month

SACRAMENTO, June 1, 2006 – A home is more than a roof and four walls. It is a house to call your own; a place to raise your children, build your family and enhance your community; a way to provide financial security for the future. A home is a source of pride.

Homeownership is the cornerstone of the American Dream.

As America celebrates National Homeownership Month this month, the California Housing Finance Agency (CalHFA), the state's affordable housing bank, is helping Californians fulfill that dream by expanding its portfolio of products to make first-time homeownership more accessible than ever.

"We continue to seek out new, responsible options for first-time homebuyers," said Theresa Parker, Executive Director of CalHFA. "The challenge today for people trying to buy their first home is very significant. As we celebrate Homeownership Month, we encourage people to examine all the opportunities available to make the homeownership dream a reality."

Earlier this year, CalHFA introduced a 40-year, fixed-rate loan product. The below market interest rate combined with the longer term give first-time buyers a realistic chance of buying their first homes.

Just weeks after the launch of the 40-Year Fixed Mortgage, nearly \$17 million in loans are in process to help California families who once might have thought buying a home would be impossible.

The 40-Year Fixed Mortgage is the latest in CalHFA's growing portfolio of products. Last year, CalHFA added *interest only PLUS*SM, which reduces mortgage payments by hundreds of dollars per month by allowing borrowers to pay interest only in the first five years of a 35-year, fixed rate mortgage loan.

Unlike other "interest only" loan programs that have rates that can balloon after the interest only period, this loan comes with a guaranteed low fixed interest rate for the entire 35-year term.

Another new benefit is HomeOpeners[®], a Mortgage Protection Program. The program provides a benefit for borrowers who use CalHFA's mortgage insurance – on *interest only* PLUS and all other CalHFA conventional first mortgage loans.

With HomeOpeners, borrowers have their monthly mortgage payments covered for up to six months if they lose their job. The payment protection is automatically included with most CalHFA-insured loans and does not add cost to the borrower's mortgage insurance.

"These exciting new programs are going to open doors for thousands of California families who may have thought buying their first home was impossible," Parker said.

In addition to these innovative loans, CalHFA enhances affordability and homeownership opportunities through traditional 30-year fixed rate loans at below market rates.

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 \$97,020. 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 107 percent of the home sales price.

National Homeownership Month was initiated in 1997 as an effort to increase the number of homeowners throughout the United States.

Created in 1975 as the state's affordable housing bank, the California Housing Finance Agency has invested over \$14 billion in non-taxpayer funds to help more than 135,000 California families live in a home of their own with a mortgage they can afford. For more information and a complete description of CalHFA's Homeownership, Multifamily, and Mortgage Insurance programs, visit www.calhfa.ca.gov or call toll free 877.9.CalHFA (877.922.5432).

* "HomeOpeners" is a registered trademark of Genworth Mortgage Holdings, LLC.

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