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CalHFA Lowers Interest Rate for Multifamily Housing Developments

SACRAMENTO, August 24, 2006 – The California Housing Finance Agency announced today it has reduced interest rates for developers of multifamily housing to create more affordable housing options for California families.

CalHFA, which earlier this year introduced new programs to encourage the construction or rehabilitation of multifamily housing, reduced the interest rate on 30-year loans for multifamily projects from 5.80 percent to 5.55 percent.

“By lowering these interest rates, CalHFA encourages builders and developers to create more affordable rental housing,” said Theresa Parker, CalHFA Executive Director. “These lower interest rates and other new programs will give affordable housing developers more financing options to meet the housing needs of Californians.”

The lower interest rates follow changes made earlier this year in the Agency’s Multifamily programs, including introduction of a new loan program that allows borrowers to pre-pay their 30-year loans after year 15. The 30/15 Permanent Financing Program provides fully amortized 30-year permanent loans for newly constructed, acquired or rehabilitated multifamily housing projects. The goal is to encourage non-profit and for-profit developers to build more affordable housing projects.

The program is one of many options the Agency’s Multifamily Division is developing to encourage growth in the number of affordable rental housing units statewide.

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“CalHFA’s Multifamily Division is committed to our mission of providing affordable rental housing,” Parker said. “The new programs and lower interest rates are just the beginning. We are looking forward to our Multifamily business continuing to grow and create more housing opportunities to families in our state.”

The California Housing Finance Agency was created in 1975 with the goal of helping more Californians live in a home they can afford. CalHFA’s Multifamily Division has invested more than \$2 billion for the construction and preservation of 36,000 affordable rental housing units to assist very low and low income Californians. For more information on Multifamily Loan Finance programs and the full complement of CalHFA programs, visit www.calhfa.ca.gov or call toll free 877.9.CalHFA (877.922.5432).

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