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CalHFA Makes Homeownership More Accessible to California's Veterans

SACRAMENTO, October 1, 2007– When Navy SEAL Joe Franco returned from his tour of duty in Iraq in April, he knew he wanted to buy a home but didn't think he would be able to afford one in San Diego. He qualified for a VA loan, but needed an extra boost.

Then a friend told him about the California Housing Finance Agency's (CalHFA) new benefit specifically designed to help create homeownership opportunities for California's Veterans.

CalHFA's low-interest rate loans and down payment assistance programs are usually only available to first time home buyers and Mr. Franco had owned a home in the past.

Fortunately, new federal legislation makes CalHFA loans available to veterans throughout California. But, the legislation does have a time limit and these loans to veterans must be completed or reserved by April 30, 2008.

Traditionally, in order to qualify for a CalHFA mortgage, borrowers must either be first-time homebuyers or have not owned a home in the past three years. Under this new provision, CalHFA will purchase first mortgages even if the borrower owned a home during the past three years, as long as one or more of the borrowers is a veteran.

Thanks to the federal legislation and CalHFA, Mr. Franco now owns a condo in Rancho Bernardo – and he's paying less for his monthly mortgage than he was when he was renting.

“One of CalHFA's primary goals is to make the dream of homeownership possible for more California families,” said Theresa Parker, Executive Director of CalHFA. “We are very excited to extend this much deserved opportunity to our veterans.”

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CalHFA's lineup of specialized loans is designed to help first-time homebuyers achieve the dream of homeownership. In addition to a 30-year fixed rate mortgage, the agency offers a 35-year *interest only* PLUSSM and a 40-year fixed rate loan. Unlike other "interest only" loan programs that have rates that can balloon after the interest-only period, *interest only* PLUSSM comes with a guaranteed fixed interest rate for the entire 35-year term.

The loan for non-first-time buyer veterans may be combined with two of CalHFA's down payment assistance programs – the High Cost Area Home Purchase Assistance Program (HiCAP) and the CalHFA Housing Assistance Program (CHAP). The veteran must qualify as a first-time buyer to use CalHFA's other assistance programs.

"Californians face an incredibly difficult market to purchase a first home," Parker said. "This exemption, coupled with our unique loan programs, will make the dream of homeownership more accessible for veterans and their families in California."

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 146,000 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).

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