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Proposition 1C Provides More First-Time Homeownership Opportunities for California Families

SACRAMENTO, November 5, 2007 – The California Housing Finance Agency (CalHFA) has received an additional \$100 million to continue funding the California Homebuyer's Downpayment Assistance Program (CHDAP). The funds are the result of the passage of Proposition 1C by California voters last fall. Previously, Proposition 46, which was passed in 2002, funded over \$145 million in these down payment assistance loans, which included about \$30 million in recycled funds and interest payments.

"That's the unique benefit of this program," says Theresa Parker, Executive Director of the California Housing Finance Agency. "The funds continue to be recycled – they come in as payments and go back out as new loans, so it's a little bit like the gift that keeps on giving."

More than 18 thousand California families were able to achieve first-time homeownership with assistance from Proposition 46-funded CHDAP loans. And through Proposition 1C, already CalHFA has utilized about \$4 million of the \$100 million available, helping 434 Californians purchase their first homes.

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“CHDAP has helped make it possible for thousands of California families to overcome one of the toughest challenges to first-time homebuyers – the down payment,” says Parker.

CHDAP provides down payment assistance to first-time homebuyers, enabling them to take advantage of 100 percent financing. Payments on this subordinate loan are deferred, meaning the borrower does not need to repay it until the home is sold, refinanced or paid in full.

In addition to the California Homebuyer’s Downpayment Assistance Program, CalHFA also offers six other down payment assistance programs and a variety of first mortgages, including 30, 35 and 40-year fixed rate mortgages to help Californians realize the dream of homeownership. CalHFA serves only the prime market for mortgages and continues to be a safe, responsible option for first-time homebuyers.

Along with the first-time homebuyer requirement, CalHFA has a limit on the sales price of the home being purchased and a cap on the income the borrower can earn. These limits vary according to county and can be quite generous in most areas.

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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