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## **CalHFA Continues on a Path Forward Following State's Successful Bond Sales**

**SACRAMENTO, May 4, 2009** - The California Housing Finance Agency announced today the continuation of programs that offer down payment assistance to first-time homebuyers and support to local communities to promote affordable housing.

Several programs are resuming following the state's successful issuance of bonds last week and Governor Arnold Schwarzenegger's announcement that all projects funded with general obligation bonds could continue after their temporary suspension.

The programs that will be reinstated are:

- The California Homebuyer's Downpayment Assistance Program, which can provide loans of up to three percent of a home's value to assist with down payments and closing costs. The agency will begin accepting applications for the program late this month.
- The School Facility Fee Down Payment Assistance Program, which provides conditional grants to buyers of newly constructed homes. The program is now available.

And, CalHFA will honor all commitments to the Residential Development Loan Program, which provides local communities with funds to promote infill development for affordable, owner-occupied housing.

"We are eager to once again use these programs to help meet the housing needs of California families," said Steve Spears, Acting Executive Director of CalHFA. "We look forward to being able to resume additional programs, including a fixed rate, 30-year mortgage product, in the near future."

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“While the financial market turmoil continues and California faces unique challenges economically, there is perhaps no more important time for our Agency to work on behalf of California families,” Mr. Spears said.

All three programs were funded by voter-approved bond measures. They were suspended in December 2008.

The California Homebuyer’s Downpayment Assistance Program provides first-time homebuyers with a deferred loan equal to three percent of a home’s value. Under the program, homeowners do not have to repay the loan until the home is sold, refinanced or paid in full. This program has funded more than 25,000 loans for over \$195 million.

CalHFA initiated the Residential Development Loan Program to provide local agencies low interest loans for site acquisition, predevelopment and construction costs for infill developments of single family homes.

With the passage of Proposition 1C in November 2006, the program received an additional \$100 million in funding. Funds are available to California cities, counties, housing authorities, redevelopment agencies, and community development commissions.

The School Facility Fee Down Payment Assistance Program is designed to provide qualified homebuyers with assistance to purchase their newly constructed home. Eligible applicants receive a conditional grant—not a loan—based on either a partial or full rebate of the school facility fees paid by the builder. In some designated distressed areas, purchasers of new homes do not need to be first-time homebuyers.

The assistance can be used for down payment, closing costs, or any costs associated with the buyer’s first mortgage loan, subject to acceptance by the mortgage lender and the mortgage insurer. If the home is owner-occupied less than five years, a portion of the grant must be repaid. If the buyer occupies their home for five years or more, the grant does not need to be repaid. The School Facility Fee Down Payment Assistance Program has funded more than 7,800 grants for over \$32 million.

“Each of these programs can make the critical difference for California families trying to achieve homeownership,” Mr. Spears said.

CalHFA has been playing a key role in helping Californians purchase their first homes since it was created by the legislature in 1975 to offer safe, fixed rate financing for first-time homebuyers. The agency has invested more than \$18 billion in non-taxpayer funds to help more than 150,000 California families live in a home of their own with mortgages they can afford. For more information, please visit [www.calhfa.ca.gov](http://www.calhfa.ca.gov)

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