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California Housing Finance Agency Offers New 30-Year Fixed Loan for First-Time Homebuyers

SACRAMENTO, June 8, 2009 – The California Housing Finance Agency (CalHFA), the state’s provider of affordable loans for first-time homebuyers, today announced that it will offer a new mortgage option called Cal30, a fixed rate, 30-year loan beginning on June 8.

Cal30 combines the predictability of a fixed interest rate with the affordability of up to 95 percent financing. This new loan program is available for eligible first-time homebuyers across the entire state. Cal30 offers fixed mortgage payments for the life of the loan – with no changes in the monthly payment and no surprises for borrowers.

“We are eager to use Cal30 and our other assistance programs to help meet the housing needs of California families,” said Steve Spears, Acting Executive Director of CalHFA. “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 families statewide.”

In addition to the fixed rate mortgage, CalHFA offers special programs to assist individuals looking to purchase their first home. They include:

- 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 **School Facility Fee Down Payment Assistance Program**, which provides conditional grants to buyers of newly constructed homes for down payments, closing costs, upgrades, or other costs associated with the first mortgage loan.

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- The **Affordable Housing Partnership Program**, which is a joint effort between CalHFA and over 300 cities, counties, redevelopment agencies, housing authorities and nonprofit housing organizations to assist with down payments and closing costs.

“Because of the decline in real estate prices, the number of Californians who can now afford a home is twice what it was at this same time last year,” Spears said. “CalHFA is pleased to be able to introduce this new program as we begin to mark National Homeownership Month and recognize that homeownership enhances entire communities.”

To use CalHFA’s programs, homebuyers must meet certain income and sales price guidelines for low and moderate income families. The guidelines are set according to county. For example, a family of four or more in Los Angeles County could qualify for Cal30 if the household income is \$74,500 or less and the home being purchased is \$637,645 or less.

“Cal30 is a positive step forward for CalHFA to be able to again offer a safe, 30-year mortgage to the market,” Spears said. “As the financial markets improve, we will continue to identify additional opportunities to assist first-time homebuyers.”

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 on CalHFA and its products, please visit www.calhfa.ca.gov.

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