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CalHFA Announces Launch of New 30-Year Mortgage
*CalHFA Provides New, Low-Interest Opportunities
for First-Time Homebuyers*

SACRAMENTO, September 7, 2010 – The California Housing Finance Agency announced today the launch of a new fixed rate, 30-year FHA-insured mortgage to help low and moderate income California families purchase their first home.

This new CalHFA mortgage, done in partnership with the Federal Housing Administration, provides low and moderate income, first-time homebuyers access to mortgages with below market interest rates, affordable down payments and other benefits.

“This new program will help open the door to first-time homeownership for many California families,” said Steven Spears, Executive Director of CalHFA. “With this program, CalHFA will return to being a significant provider of financing for first-time homebuyers and build on our 35-year track record on behalf of more than 155,000 California families.”

Mr. Spears said that while California real estate prices today are attractive for first-time homebuyers, many cannot meet the loan requirements that conventional lenders are imposing.

“Housing finance agencies around the country have historically played an important role in each state’s housing market,” Mr. Spears said. “With the disruption in the credit markets over the last two years, we have been limited in our ability to help finance home purchases. This new program offers California families another way to purchase their first home with reliable, fixed rate financing.”

Under federal law, first-time homebuyers are defined as not having owned and occupied a home for the past three years. In addition to first-time homebuyers, qualified veterans under the Heroes Earnings Assistance and Relief Tax Act are also eligible.

The CalHFA FHA program includes upfront mortgage insurance. Borrowers are eligible to use the recently improved California Homebuyer’s Downpayment Assistance Program, which can provide up to three percent of the purchase price of the home for down payment or closing cost assistance.

Borrowers must meet a number of eligibility requirements to qualify for this CalHFA program including:

- CalHFA's income limits, which vary by county and family size. For a family of four in Los Angeles County, for example, income must be less than \$111,020 per year.
- Purchasing homes that are within FHA's loan limits and CalHFA's sales price limits. Mortgage loans are limited to \$417,000 under FHA guidelines. CalHFA's sales price limits vary by county.
- Meeting the minimum credit score requirements with maximum debt-to-income ratios.
- Completion of a HUD-approved homebuyer education program.

"California's real estate market remains fragile as our state faces high unemployment and a continued disruption in housing prices," Spears said. "This new, 30-year fixed rate FHA mortgage is one piece of a broader effort to address California's housing needs."

Californians who are interested in obtaining CalHFA financing can do so through a CalHFA-approved lender who can determine whether they are eligible for the program. A list of these lenders can be found on CalHFA's web site.

For more information and a complete description of CalHFA's homeownership programs, visit www.calhfa.ca.gov or call toll free 877.9.CalHFA (877.922.5432).

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