

**FOR IMMEDIATE RELEASE**

Contact: Melissa Flores

Phone: 916.326.8607

Fax: 916.322.2345

[mflores@calhfa.ca.gov](mailto:mflores@calhfa.ca.gov)[www.calhfa.ca.gov](http://www.calhfa.ca.gov)**CalHFA Partners with U.S. Treasury & HUD to Provide Dramatically Lower Rates  
to Multifamily Developers**

**SACRAMENTO**, August 17, 2015 – The California Housing Finance Agency (CalHFA) today announced its participation in a new federal initiative in which the U.S. Treasury and the Department of Housing and Urban Development (HUD) will partner with creditworthy Housing Finance Agencies (HFAs) to provide significantly lower interest rates to preserve and increase affordable housing.

As a result of this partnership, CalHFA will be able to provide capital at reduced rates otherwise unavailable in the current market. Under the new program, the U.S. Treasury will use the Federal Financing Bank (FFB) to participate in multifamily loans insured under the Federal Housing Administration's (FHA) HFA Risk-Sharing Program. Loans are underwritten by CalHFA based on pre-approved underwriting standards and cannot be used with tax credits or tax exempt bonds.

The program will provide permanent financing at a very competitive, fixed rate of interest – at 2% to 2.75% over the 10-year Treasury rate - for a term of up to 40 years with a minimum debt coverage ratio of 1.15x. For-profit, non-profit and public agencies can use this program to refinance affordable housing developments to preserve long-term affordability, complete minor rehabilitation, and have the option to take out equity in cash, subject to restrictions. By using the new [Refinance Loan Program](#), CalHFA expects to preserve more than 700 units and potentially increase the availability of affordable housing over the next year.

The California Housing Finance Agency was created in 1975 with the goal of helping more Californians find a place to call home. CalHFA is a self-supported state agency that does not rely on taxpayer dollars. For more information on CalHFA programs, and how we are creating progressive financing solutions for affordable housing in California, visit [www.calhfa.ca.gov](http://www.calhfa.ca.gov) or call toll free 877.9.CalHFA (877.922.5432).

###