



California Housing Finance Agency

1121 "L" Street, 7th Floor Sacramento, CA 95814

Program Bulletin

July 22, 1999

Program Bulletin #99-13

To: CHFA Approved Lenders

REVISED INTEREST RATE AND INCOME POLICY

This bulletin is provided to serve notice of a change related to the effective mortgage interest rates offered by CHFA and supersedes all other interest rate Program Bulletins. **The rates shown on the following page are for new construction and resale housing. The rates are effective for both the CHFA Single Loan (SL) reservation process for 90-day reservations and the CHFA Builder-Lock (BLOCK) Program.** The changes are effective for all loan reservations and forward commitment requests received by the Agency after 8:00 a.m., July 23, 1999. (Income limits remain the same as Bulletin #99-10 which was distributed on June 14, 1999.)

The 90-day reservations, and the forward commitments through the BLOCK Program, are both available to lenders through the Lender Access System (LAS). CHFA reserves the right to change the mortgage interest rates and terms offered for future loan reservations and forward commitments.

Re-reservation (Relock) Fee Policy: CHFA will allow re-reservations (relocks) on 90-day reservations. However, relocking at a lower rate, if the previous reservation was locked in at a higher interest rate, will result in a 1% re-reservation fee.

For additional information or questions regarding this Bulletin, you may write the California Housing Finance Agency, Single Family Programs, 1121 L Street, 7th Floor, Sacramento, CA 95814; call (916) 324-8088; or fax to (916) 324-6589.

Attachments

Effective 7-23-99
INTEREST RATE SCHEDULE

AREA/ INCOME LEVEL		NEW CONSTRUCTION HOUSING				EXISTING RESALE HOUSING	
		STANDARD	AHPP	SHBAP ²	NONPROFIT ²	STANDARD	AHPP
STATE- WIDE AREAS	MODERATE INCOME	7.25%	N/A	N/A	N/A	7.25%	N/A
	LOW INCOME ¹	6.75%	6.50%	5.00%	6.50%	6.75%	6.50%
HIGH- COST AREAS ³	MODERATE INCOME	7.00%	N/A	N/A	N/A	7.00%	N/A
	LOW INCOME ¹	6.50%	6.25%	5.00%	6.25%	6.50%	6.25%

Note: The interest rates are those in effect on the date shown. However, they are subject to change without notice. Current interest rates can be obtained from a CHFA lender, or from the CHFA website at www.chfa.ca.gov or by calling (800) 789-CHFA.

¹Applicants who obtain a reduced interest rate reservation as a low-income applicant who are subsequently determined to have an annual income that exceeds the low-income limit will be offered the Standard interest rate for moderate income families.

²Rates quoted for SHBAP/Nonprofit developers are offered only through the BLOCK Program. SHBAP/Nonprofit developers may use 90-day locks; however, the interest rate will be set at the Standard new construction interest rate.

³Refer to Program Manual, Exhibit "C" for a list of High Cost Areas.

NEW CONSTRUCTION TERMS AND FEES					
DEVELOPER TYPE	90-DAY LOCK	6 MONTH LOCK	9 MONTH LOCK	12 MONTH LOCK	18 MONTH LOCK
FOR-PROFIT	Available @ No Fee	0.50% (at Discount)	1.50% (0.75% Cash Up; 0.75% at Discount)	2.00% (1.00% Cash Up; 1.00% at Discount)	NOT OFFERED
NONPROFIT	Available @ No Fee	NOT OFFERED	NOT OFFERED	1.00% (0.50% Cash Up; 0.50% at Discount)	1.50% (0.75% Cash Up; 0.75% at Discount)
SELF-HELP/ NONPROFIT	Available @ No Fee	NOT OFFERED	NOT OFFERED	1.00% (0.25% Cash Up; 0.75% at Discount)	1.50% (0.25% Cash Up; 1.25% at Discount)

Re-reservation (Relock) Fee Policy: CHFA will allow re-reservation (relocks) on 90-day locks. However, cancelling a previously issued reservation locked at a higher rate and relocked at a lower rate will result in a 1% re-reservation fee.

Late Delivery Fee: 1% penalty will be collected against loans delivered within the 30-day grace period for either the 90-day lock or the BLOCK Program. Self-Help/Nonprofit developers using the BLOCK Program are assessed only .50% late delivery fee.