



Program Bulletin

October 17, 2000

Program Bulletin #2000-18

To: CHFA Approved Lenders

CONDOMINIUMS

CONDOMINIUMS UNDER HUD SECTION 234(c)

In CHFA Program Bulletin #2000-15 the Agency indicated that it would continue to reserve CHFA funds and allow lenders to submit loans for conditional approval for condominiums under HUD Section 234(c). However, the purchase of these loans by the Agency was suspended, due to HUD Mortgagee Letter 00-23, until Congress and the President enacted legislation restoring the credit subsidy which makes these loans insurable by FHA.

On October 5, 2000 HUD issued Mortgagee Letter 00-36 lifting all restrictions to insuring all single family mortgages under the GI or SRI Funds with the exception of Section 221(d) (2). As a result CHFA will now accept for purchase condominium loans under HUD Section 234(c). Any HUD Section 234(c) condominium loans suspended due to HUD Mortgagee Letter 00-23 will be reinstated by CHFA free of any late delivery fees upon receipt of a current Mortgage Submission Voucher Part II and a current payment history.

NEW CHFA CONDOMINIUM POLICY

Effective immediately, CHFA will accept reservations for condominiums and attached Planned Unit Developments (PUD) on a statewide basis. In addition, CHFA will accept condominium and attached PUD units with less than one bedroom.

CHFA had previously restricted condominiums and PUDs to CHFA designated high cost areas. This policy is now rescinded.

CHFA's policy regarding earthquake insurance will remain in effect. Please refer to CHFA's Program Manual, Chapter 2, page 4, for information on hazard and earthquake insurance requirements.

Questions regarding this bulletin should be directed to "CHFA, Single Family Programs", 1121 L Street, 7th Floor, Sacramento, CA 95814; or by phone (916) 324-8088; or by fax (916) 324-6589. CHFA's Program Manual is now accessible on the Agency's web site at the following address: www.chfa.ca.gov