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## *Program Bulletin*

**May 31, 2001**

**Program Bulletin #2001-12**

**To: CHFA Approved Lenders**

### **California 2001-2002 Budget Revision Eliminates The School Facility Fee Down Payment Assistance Program**

The California Housing Finance Agency has been advised that, because of the expected 2001-2002 budget shortfall, funding for the School Facility Fee Down Payment Assistance Program for buyers of new constructions homes may be eliminated. The purpose of this bulletin is to advise homebuyers, builders, lenders, non-profit affordable housing developers, real estate professionals, and interested parties about the program procedures affected by the possible State General Fund elimination of the funding for this program.

It should be noted that CHFA's mortgage revenue bond loan programs are unaffected by the budget revision. The only CHFA programs affected are those that receive appropriations from State General Funds. CHFA administers the School Facility Fee Down Payment Assistance Program with appropriations from State General Funds. The proposed 2001-2002 Revised Budget eliminates the funding of this program effective June 30, 2001 and requires that all unobligated funds be returned to the general fund.

The School Facility Fee Down Payment Assistance is a grant program that provides down payment assistance to buyers of newly constructed homes. Homebuyers apply for assistance directly to the Agency with the help of builder, lenders, non-profit affordable housing developers, and real estate professionals. The down payment assistance amount is calculated by using all or a portion of the school facility fees paid by the builder to the school district at the time a building permit is issued. Full details of the program are available on the CHFA web site [www.chfa.ca.gov](http://www.chfa.ca.gov) or by calling (916) 324-7529.

Reservation/Applications for assistance must be received in the School Facility Fee Down Payment Assistance Office no later than Friday, June 29, 2001 to be eligible for reservation in the program. Applications received at the School Facility Fee Down Payment Assistance Office after 5 p.m. June 29, 2001 are not eligible for reservation and must be rejected.

Homebuyers, and those assisting them with their home purchase, are urged to confirm the status of their application from notices sent to applicants or by contacting the School Facility Fee Down Payment Assistance Office, email [assistance@chfa.ca.gov](mailto:assistance@chfa.ca.gov) phone (916) 324-7529.

CHFA understands that the sudden curtailment of these programs makes it difficult for homebuyers needing this type of assistance and recommends that lenders pursue other down payment assistance programs offered by local government housing authorities. Lenders may wish to review the program parameters of the CHFA 100% Loan Program which combines a CHFA first with a CHAP second in certain circumstances. Please see Program Bulletin 2000-22 for full details on the 100% CHAP loan.

Questions regarding this bulletin should be directed to CHFA, School Facility Fee Down Payment Assistance Program, 1121 L Street, Sacramento CA 95814; by phone (916) 324-7529 or by email [assistance@chfa.ca.gov](mailto:assistance@chfa.ca.gov)



***Lenders are encouraged to use CHFA's FHA Energy Efficient Mortgage Program (EEM) to minimize emergency usage and costs. Additional information regarding EEMs is available on CHFA's web page.***