



Program Bulletin

March 25, 2002

Program Bulletin #2002-10

To: CHFA Approved Lenders

REVISED INTEREST RATES AND PROGRAM REVISION TO 100% LOAN PROGRAM (CHAP)

This Program Bulletin is provided to serve as notice of a change related to the effective mortgage interest rates offered by CHFA for all **CHAP subordinate loans**. It is also a revision to CHFA Program Bulletin #2001-17, dated July 31, 2001, "Revision to CHFA 100% Loan Program (CHAP)". These new rates and revisions will be effective for all new loan reservations made on or after **8:00 a.m. Wednesday, March 27, 2002**.

The interest rate for the CHAP subordinate loans will be **increased from 3% to 5%** per annum on the unpaid principal balance. This change does not affect the current interest rates on CHFA first mortgage loans. Please note CHFA will not entertain any requests after the effective date to register CHAP subordinate loans at the previous 3% rate.

The CHFA 100% Loan Program (CHAP second mortgages) was initially designed to assist the Agency in achieving its goals of an equitable distribution of its resources statewide, and to implement its high-cost-area strategy. Consistent with these policies, the Agency periodically reviews its loan production in relation to population, and modifies the program eligibility accordingly. Based on the most recent data, eligibility for the CHAP program will now be available for both low- and moderate- income borrowers for:

- New Construction loans statewide
- Resale loans in the following under-served counties only
- Newly-eligible counties are in **bold type** below:

Alameda	Lake	Nevada	Shasta
Alpine	Lassen	Placer	Sierra
Amador	Madera	Plumas	Solano
Butte	Marin	Sacramento	Sonoma
Calaveras	Mariposa	San Benito	Stanislaus
Contra Costa	Mendocino	San Diego	Tehama
Del Norte	Merced	San Francisco	Trinity
El Dorado	Modoc	San Joaquin	Tuolumne
Glenn	Mono	San Mateo	Yolo
Humboldt	Monterey	Santa Clara	
Inyo	Napa	Santa Cruz	

The following counties are **NOT ELIGIBLE** for CHAP seconds on **RESALE** loans. All newly ineligible counties are identified in **bold type** below:

Colusa	Kings	San Bernardino	Sutter
Fresno	Los Angeles	San Luis Obispo	Tulare
Imperial	Orange	Santa Barbara	Ventura
Kern	Riverside	Siskiyou	Yuba

All other program terms and eligibility requirements, except as noted above, will remain unchanged as described in CHFA Program Bulletin #2001-17, dated July 31, 2001.

Questions regarding this bulletin should be directed to CHFA, Homeownership Programs at 1121 L Street, 7th Floor, Sacramento, CA 95814; by phone (916) 324-8088; by fax (916) 324-6589 or by e-mail at homeownership@chfa.ca.gov. The new rates will be posted on CHFA's website at: www.chfa.ca.gov



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