



# *Program Bulletin*

**April 30, 2002**

**Program Bulletin #2002-15**

**To: CHFA Approved Lenders**

## **Recapture Notices Now Include All CHFA Loans Including CHFA Subordinated Debt**

Current IRS tax law requires that all loans, utilizing funds generated from tax-exempt sources, must be included in the Recapture Notice. In the past CHFA has only required Recapture Notices on CHFA first loans. However, in view of the fact that tax-exempt sources may now be used to finance CHFA subordinated debt, Recapture Notices have been amended to include maximum recapture amounts when a combination of the CHFA first loan and any other CHFA loan is secured by the property.

Recapture Notices reflecting the new recapture amounts will be issued for all CHFA loan approvals issued on or after May 15, 2002. Should any CHFA subordinated debt purchases be subsequently funded, using other than tax exempt sources, a revised Recapture Notice reflecting a reduced recapture amount will then be sent to the borrower.

Questions regarding this bulletin should be directed to CHFA, Homeownership Programs at 1121 L Street, 7<sup>th</sup> Floor, Sacramento, CA 95814; by phone (916) 324-8088; by fax (916) 324-6589; by e-mail at [homeownership@chfa.ca.gov](mailto:homeownership@chfa.ca.gov) or visit CHFA's website at: [www.chfa.ca.gov](http://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.***