



Program Bulletin

September 18, 2002

Program Bulletin #2002-27

To: CHFA Approved Lenders

Revised Interest Rate for Home Purchase Assistance Program (HiCAP)

Program Bulletin #2001-21 issued September 7, 2001 announced that the interest rate for the HiCAP second loan would be 3% simple interest with payments deferred until the first loan is paid off. In order to ensure the availability of tax exempt bonds to purchase subordinated loans **the interest rate on HiCAP Second Loans will be INCREASED FROM 3% TO 5%** effective on all new loans reservations made on or after 8:00 a.m. Tuesday October 1, 2002. **AFTER THAT DATE NO HiCAP SECOND LOANS WILL BE PURCHASED UNLESS THE RATE IS 5%.**

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; by e-mail at homeownership@chfa.ca.gov or visit 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.