



Homeownership Program Bulletin

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EXTENSION OF DELIVERY TERM FOR NEW CONSTRUCTION LOANS RESERVED THROUGH THE SINGLE LOAN (SL) PROCESS

This bulletin extends the delivery term for CalHFA residential acquisition loans for newly-constructed homes originated through the Single Loan (SL) process from the current 90 days to 180 days. No commitment fee will be charged for this longer term. There is no change to the 90-day, no-fee term on reservations for loans on resale housing. This change is proposed to better reflect the building industry's current process of constructing homes after a sales contract has been executed and the buyer/borrower has been pre-qualified for acquisition financing.

Effective immediately, CalHFA-approved Lenders may utilize the Lender Access System (LAS) to lock funds and the interest rate for a first mortgage loan (and eligible junior mortgages, as appropriate) after a sales contract has been executed between the borrower and home builder/developer. The reservation must include the name and social security number of the borrower(s), the address of the property to be financed, the name of the builder/developer and the name or tract number of the development. Failure to provide complete information will result in an invalid registration, which will, unless corrected, be cancelled by CalHFA.

Upon completion of a valid registration as evidenced by an SL manifest number, Lenders must close and fund the loan and deliver it to CalHFA no later than 180 days from the registration date. As early as possible during this period Lenders should submit a completely underwritten file for CalHFA review for Tax Act compliance. Upon completion of this review CalHFA's conditional approval will be given, authorizing the Lender to complete the loan closing and funding. Lenders will then subsequently submit the closing documents for the Agency's purchase of the eligible loan before the end of the 180-day term. CalHFA will assess a 1% late fee for delivery after 180 days and will cancel the registration 30 days after that for non-delivery.

The BLOCK program remains available for Lenders/developers to obtain 6-, 9- or 12-month forward commitments for multiple first mortgages. This alternative process is to secure pools of funds into the future without identifying specific borrowers or properties when the funds and interest rate are locked. Commitment fees for these funds are ½%, 1½%, and 2% respectively.

Questions regarding this bulletin should be directed to CalHFA, 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@calhfa.ca.gov or visit CalHFA's website at: www.calhfa.ca.gov