



Homeownership Program Bulletin

July 10, 2003

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To: CalHFA Approved Lenders and Self-Help Nonprofit Developers

CalHFA Self-Help Builder Assistance Program (SHBAP) Mortgage Interest Rate Reduction

Effective immediately, the Self-Help Builder Assistance Program (SHBAP) mortgage interest rate has been reduced to 3%. Given the current interest rate environment, the Agency is able to reduce the interest rate by one percentage point. The Agency monitors market interest rates and will revisit the subject of the interest rate for this program in its annual Business Plan process.

The BLOCK Forward Commitment SHBAP permanent mortgage funds are available to nonprofit [501(c)(3)] developers that will utilize the mutual self-help housing construction concept to construct homes for qualified low-income, first-time homebuyers. Additionally, nonprofits may also apply for a development loan up to \$500,000 for site acquisition, site development, and home construction of the project. To obtain a SHBAP Application, which includes information on the Development Loan and Forward Commitment, either visit CalHFA's website at www.calhfa.ca.gov, call Homeownership Programs at the number below or send an e-mail request to homeownership@calhfa.ca.gov.

As a reminder, down payment assistance of nearly \$2 million remains available for SHBAP. This is a set aside of the California Homebuyer's Downpayment Assistance Program (CHDAP) which offers three percent (3%) down payment and closing cost assistance to first-time homebuyers as a deferred junior loan.

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