



Homeownership Program Bulletin

September 4, 2003

Program Bulletin #2003-25

To: Participating Lenders

Zero Upfront Monthly Mortgage Insurance Payment Option

This bulletin is to announce a new Zero Upfront Monthly Mortgage Insurance premium payment option for the CalHFA conventional mortgage program. This option replaces the existing annual payment option. The Zero Upfront Monthly Mortgage Insurance premium payment option will require no upfront mortgage insurance premium at closing. This will lower the cash to close required from the homebuyer from 12 months impounds to zero (0) months.

Premium pricing for this Zero Upfront Monthly Mortgage Insurance option is as follows:

95.01% — 97% First Loan LTV:

Coverage: 50%

Cost: 99 bps

Due: Monthly

80.01% — 90% First Loan LTV:

Coverage: 50%

Cost: 59 bps

Due: Monthly

90.01% — 95% First Loan LTV:

Coverage: 50%

Cost: 69 bps

Due: Monthly

80% or less First Loan LTV:

Coverage: 50%

Cost: No cost to borrower; premium paid by CalHFA

A Master Policy has been issued by CalHFA's Mortgage Insurance Services Division to participating lenders containing a separate endorsement allowing the lender to submit loans with the Zero Upfront Monthly Mortgage Insurance premium payment option.

This Zero Upfront Monthly Mortgage Insurance payment option is available immediately.

The existing annual mortgage insurance premium payment option will discontinue for loans registered with CalHFA after December 31, 2003.

Questions regarding this bulletin should be directed to CalHFA, Mortgage Insurance Services, at 1121 L Street, Suite 204, Sacramento, CA 95814; by phone (916) 322-8936; by fax (916) 322-8697 and you can always visit CalHFA's website at: www.calhfa.ca.gov