



Homeownership Program Bulletin

November 20, 2003

Program Bulletin #2003-35

To: CalHFA Approved Lenders

REINSTATING PURCHASE OF FHA-INSURED CONDOMINIUM LOANS

In response to HUD Mortgagee Letter 2003-14, CalHFA temporarily suspended purchase of condominium loans submitted under Section 234(c) that were closed on or after September 16, 2003. This was due to HUD's temporary suspension of general insurance and special risk insurance.

HUD has informed us that they are operating under a Continuing Resolution (CR) which grants HUD funding authorization on various programs and that HUD is insuring all condominium insurance packages they receive.

Therefore, effective immediately, CalHFA will lift the purchase suspension of condominium loans. Once again, Lenders may submit FHA-insured condominium loans, and they will be reviewed and purchased as outlined in our Program Manual. Any FHA-insured condominium loan that CalHFA has suspended per Program Bulletin 2003-28 and that would have expired during the moratorium will be reinstated and given until December 22, 2003, to be purchased without a late delivery fee.

Notwithstanding the above, Lenders remain responsible for acquiring mortgage insurance, including FHA mortgage insurance for Condominium Section 234(c) loans per our Program Manual. Failure to obtain the required insurance could result in loan repurchase by the lender.

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 email at homeownership@calhfa.ca.gov and you can always visit CalHFA's web site at: www.calhfa.ca.gov