



Homeownership Program Bulletin

January 12, 2004

Program Bulletin #2004-01

To: CalHFA Approved Lenders

REVISED INTEREST RATES

This bulletin is provided to serve notice of a change related to the effective mortgage interest rates offered by CalHFA and supersedes all other interest rate Program Bulletins. The rates shown on the attached page are for new construction and resale housing. *The rates are effective for both the CalHFA Single Loan (SL) 90-day reservations for resale homes and 180-day reservations on new construction homes and the CalHFA Builder-Lock (BLOCK) Program.* The changes are effective for all loan reservations and forward commitment requests received by the Agency after 8:00 a.m. on January 13, 2004.

The 90- or 180-day reservations, and forward commitments through the BLOCK Program, are both available to Lenders through the Lender Access System (LAS). CalHFA reserves the right to change the mortgage interest rates and terms offered for future loan reservations and forward commitments.

Re-reservation Fee Policy: CalHFA will allow re-reservations on 90-day reservations for resale and 180-day reservations on new construction at the current established rates. However, if and when CalHFA reduces rates, re-reserving at a lower rate will result in a 1% re-reservation fee if the previous reservation was reserved at a higher rate.

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; or email at homeownership@calhfa.ca.gov. The revised interest rates will be posted on CalHFA's web site at the following address: www.calhfa.ca.gov

Attachment

Effective 01/13/04
INTEREST RATE SCHEDULE

First Mortgage Loan Programs									
AREA/ INCOME LEVEL		NEW CONSTRUCTION HOUSING					EXISTING RESALE HOUSING		
		STANDARD	AHPP	ECTP⁴	SHBAP²	NONPROFIT²	STANDARD	AHPP	ECTP⁴
STATE- WIDE AREAS	MODERATE INCOME	5.25%	N/A	4.50%	N/A	N/A	5.25%	N/A	4.50%
	LOW INCOME¹	4.75%	4.50%	4.50%	3.00%	4.50%	4.75%	4.50%	4.50%
	Lancaster/Palmdale⁵ Low Income Only	4.50%	N/A	N/A	N/A	N/A	4.50%	N/A	N/A
HIGH- COST AREAS³	MODERATE INCOME	5.00%	N/A	4.25%	N/A	N/A	5.00%	N/A	4.25%
	LOW INCOME¹	4.50%	4.25%	4.25%	3.00%	4.25%	4.50%	4.25%	4.25%
	LA and Orange⁵ Low Income Only	4.25%	N/A	N/A	N/A	N/A	4.25%	N/A	N/A

Note: The interest rates are those in effect on the date shown. However, they are subject to change without notice. Current interest rates can be obtained from a CalHFA Lender, or from the CalHFA web site at www.calhfa.ca.gov or by calling 1-800-789-2432.

¹Lenders who obtain a reduced interest rate reservation for low-income applicants who are subsequently determined to have an annual income that exceeds the low-income limit will be offered the Standard interest rate for moderate income families, assuming they meet CalHFA's moderate income limits

²Rates quoted for SHBAP/Nonprofit developers are offered only through the BLOCK Program. SHBAP/Nonprofit developers may use 180-day locks; however, the interest rate will be set at the Standard new construction interest rate.

³For a listing of High-Cost Areas please click on the appropriate link or refer to the CalHFA web site under Homeownership forms.

⁴Extra Credit Teacher Program Rates

⁵SCHFA/CalHFA Partnership Program in Los Angeles and Orange Counties for Low Income Borrowers

SUBORDINATE DOWN PAYMENT ASSISTANCE LOANS*					
Program	CHAP	HiCAP	CHDAP	HIRAP	ECTP
Rate	5.00%	5.00%	3.00%	3.00%	5.00%

**Note: The Subordinate Loan interest rates are calculated as simple interest per annum.*

Re-reservation (Relock) Fee Policy: CalHFA will allow re-reservation (relocks) on 90- or 180- day locks. However, canceling a previously issued reservation locked at a higher rate and then relocked at a lower current established rate will result in a 1% re-reservation fee.

Late Delivery Fee: 1% penalty will be collected against loans delivered within the 30-day grace period for the 90-day lock for resale, 180-day lock on new construction, or the BLOCK Program. Self-Help/Nonprofit developers using the BLOCK Program are assessed only .50% late delivery fee.

NEW CONSTRUCTION TERMS AND FEES*					
DEVELOPER TYPE	180-Day Lock	6-Month Lock	9-Month Lock	12-Month Lock	18-Month Lock
FOR-PROFIT	Available @ No Fee	0.50% (at discount)	1.50% (0.75% Cash Up; 0.75% at discount)	2.00% (1.00% Cash Up; 1.00% at discount)	Not Offered
NONPROFIT	Available @ No Fee	Not Offered	Not Offered	1.00% (0.50% Cash Up; 0.50% at discount)	1.50% (0.75% Cash Up; 0.75% at discount)
SELF-HELP/ NONPROFIT	Available @ No Fee	Not Offered	Not Offered	1.00% (0.25% Cash Up; 0.75% at discount)	1.50% (0.25% Cash Up; 1.25% at discount)

*New Construction (BLOCK Program) – Available through CalHFA approved Lenders.

Re-reservation (Relock) Fee Policy: CalHFA will allow re-reservation (relocks) on 90- or 180- day locks. However, canceling a previously issued reservation locked at a higher rate and then relocked at a lower current established rate will result in a 1% re-reservation fee.

Late Delivery Fee: 1% penalty will be collected against loans delivered within the 30-day grace period for the 90-day lock for resale, 180-day lock on new construction, or the BLOCK Program. Self-Help/Nonprofit developers using the BLOCK Program are assessed only .50% late delivery fee.