



# *Homeownership Program Bulletin*

**August 1, 2005**

**Program Bulletin #2005-16**

**To: CalHFA Approved Lenders**

## **Revised Interest Rates Due to the completion of the Partnership with SCHFA and the City of Los Angeles - Effective August 2, 2005**

Program Bulletin #2003-36, dated December 1, 2003, announced a special partnership between the Southern California Home Financing Authority (SCHFA) and the California Housing Finance Agency (CalHFA). Since that time, the partnership has helped over 1,250 residents of the counties of Los Angeles and Orange purchase their first home.

This partnership has been successfully completed. As of August 2, 2005, the interest rate reduction for low income families in the counties of Los Angeles and Orange applicable to the SCHFA/CalHFA partnership is terminated. This Program Bulletin supersedes all other interest rate Program Bulletins. The current interest rate schedule is incorporated in this bulletin. No other interest rates are affected by this announcement.

For questions about this bulletin, contact CalHFA Homeownership Programs by phone 916.324.8088; by fax 916.324.6589; by email at [homeownership@calhfa.ca.gov](mailto:homeownership@calhfa.ca.gov) and you can always visit CalHFA's web site at: [www.calhfa.ca.gov](http://www.calhfa.ca.gov)

Please send all loan files and documents to:  
CalHFA Homeownership Programs  
1121 L Street, 7<sup>th</sup> Floor  
Sacramento, CA 95814

<b>California Housing Finance Agency INTEREST RATE SCHEDULE<sup>1</sup> Effective August 2, 2005</b>	<b>Interest Rate<sup>2</sup></b>
<b>35 Year Fixed Mortgage Loan Program</b>	
<i>interest only PLUS<sup>SM</sup></i>	5.25%
<b>30 Year Fixed Mortgage Loan Programs</b>	
<b><i>Non High Cost Areas</i></b>	
Moderate Income	5.00%
Low Income <sup>3</sup>	4.75%
Nonprofits <sup>4</sup> & Affordable Housing Partnership Program (AHPP)	4.50%
Extra Credit Teacher Program (ECTP)	4.50%
HomeChoice Program	3.00%
Self-Help Builder Assistance Program (SHBAP) <sup>4</sup>	3.00%
<b><i>High Cost Areas<sup>5</sup></i></b>	
Moderate Income	4.75%
Low Income <sup>3</sup>	4.50%
Nonprofits <sup>4</sup> & Affordable Housing Partnership Program (AHPP)	4.25%
Extra Credit Teacher Program (ECTP)	4.25%
HomeChoice Program	3.00%
Self-Help Builder Assistance Program (SHBAP) <sup>4</sup>	3.00%
<b>DOWN PAYMENT ASSISTANCE PROGRAMS</b>	
<b><i>Term matches term of first mortgage</i></b>	
High Cost Area Home Purchase Assistance Program (HiCAP) <sup>6</sup>	7.00%
CalHFA Housing Assistance Program (CHAP)	7.00%
California Homebuyer's Downpayment Assistance Program (CHDAP)	3.00%
Homeownership In Revitalization Areas Program (HIRAP)	3.00%
Extra Credit Teacher Program (ECTP)	5.00%
HomeChoice CHAP	7.00%

<sup>1</sup> See below examples for Truth in Lending Disclosures.

<sup>2</sup> The interest rates are those in effect on the date shown. However, they are subject to change without notice. The down payment assistance loan interest rates are calculated as simple interest per annum.

<sup>3</sup> Lenders 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 interest rate for moderate income families, assuming they meet CalHFA's moderate income limits.

<sup>4</sup> Rates quoted for Nonprofit and/or SHBAP developers are offered only through the BLOCK Program. Nonprofit and/or SHBAP developers may use 180-day locks; however, the interest rate will be set at the rate available at time of lock.

<sup>5</sup> For a listing of High Cost Areas, please click on the appropriate link or refer to the CalHFA web site under Homeownership Program Eligibility Information.

<sup>6</sup> Eligible counties for the HiCAP program are Alameda, Contra Costa, San Diego, San Francisco, San Mateo, Santa Clara, Sonoma, and Ventura counties.

**Re-reservation (Relock) Fee Policy:** CalHFA will allow re-reservation (relock) 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. Nonprofit and/or SHBAP developers using the BLOCK Program are assessed only 0.50% late delivery fee.

<b>BUILDER/DEVELOPER NEW CONSTRUCTION FORWARD COMMITMENT TERMS AND FEES</b>					
<b>Developer Type</b>	<b>180-Day Lock</b>	<b>6-Month Lock</b>	<b>9-Month Lock</b>	<b>12-Month Lock</b>	<b>18-Month Lock</b>
	<b>SL<sup>1</sup></b>	<b>BLOCK<sup>2</sup></b>	<b>BLOCK<sup>2</sup></b>	<b>BLOCK<sup>2</sup></b>	<b>BLOCK<sup>2</sup></b>
<b>For-Profit</b>	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
<b>Nonprofit<sup>3</sup></b>	No Fee	Not Offered	Not Offered	1.00% (0.50% Cash Up; .050 at Discount)	1.50% (0.75% Cash Up; 0.75% at Discount)
<b>Mutual Self-Help Nonprofit<sup>4</sup></b>	Not Offered	Not Offered	Not Offered	1.00% (0.25% Cash Up; .075 at Discount)	1.50% (0.25% Cash Up; 0.75% at Discount)

<sup>1</sup> Single Loan (SL) reservation for an individual borrower household for a new home at a specific address.

<sup>2</sup> Builder-Lock (BLOCK) – Forward Commitments (FC) for a pool of funds available through a CalHFA Approved Lender to a developer to market homes to first-time buyers in new subdivisions.

<sup>3</sup> Nonprofit 501 (c)(3) developer for low-income first-time buyers.

<sup>4</sup> Mutual Self-Help 501 (c)(3) developer utilizing the mutual self-help method of construction for low-income first-time buyers.

## TRUTH IN LENDING DISCLOSURES

### Sample Truth in Lending Disclosures for First Mortgage Loans

Loan Type	IOP	30-Yr Fixed	AHPP	ECTP	SHBAP
Loan Amt	\$300,000	\$300,000	\$250,000	\$250,000	\$250,000
Term	35yr (420 mos)	30yr (360 mos)	30yr (360 mos)	30yr (360 mos)	30yr (360 mos)
Interest Rate*	5.25%	5.00%	4.50%	4.50%	3.00%
APR*	6.1276%	5.8216%	5.2927%	5.2927%	3.6987%
<b>Estimated Monthly Pmt**</b>	<b>\$1,925.00***</b>	<b>\$2,222.96</b>	<b>\$1,777.13</b>	<b>\$1,777.13</b>	<b>\$1,176.55</b>

\*Interest rate is for comparison only. Sample APRs include typical finance charges, such as lender fees and mortgage insurance. This sample is for illustrative purposes only. It does not reflect any specific loan's terms.

\*\*The estimated payment amount includes estimated taxes, property and/or mortgage insurance. Lenders usually require these amounts to be included in the monthly payment.

\*\*\*\$2,269.11 is the estimated monthly payment for years 6 through 35. It includes principal and interest, and estimates for taxes and insurance, using current year information.

### Sample Truth in Lending Disclosures for Down Payment Assistance Loans

<b>30 Year (360 Months) Loans</b>					
Loan Type	HiCAP	CHAP	CHDAP	HIRAP	ECTP
Loan Amt	\$15,000	\$9,000	\$9,000	\$18,000	\$7,500
Interest Rate*	7.00%	7.00%	3.00%	3.00%	5.00%
APR*	3.7045%	3.7413%	2.1598%	2.1140%	3.0645%
<b>35 Year (420 Months) Loans</b>					
Loan Type	HiCAP	CHAP	CHDAP	HIRAP	ECTP
Loan Amt	\$15,000	N/A	\$9,000	\$18,000	\$7,500
Interest Rate*	7.00%	N/A	3.00%	3.00%	5.00%
APR*	3.4875%	N/A	2.0711%	2.0317%	2.9039%

\*Interest rate is for comparison only. Sample APRs include typical finance charges, such as lender fees. This sample is for illustrative purposes only. It does not reflect any specific loan's terms.