

Homeownership Program Bulletin

September 2, 2005

Program Bulletin #2005-23

To: CalHFA Approved Lenders

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS UNIVERSITY GLEN, VENTURA COUNTY

The California Housing Finance Agency (CalHFA) has agreed to finance homes located on the California State University, Channel Islands (University Glen Subdivision) located in Ventura County. Lenders may commence making loan reservations immediately.

The following are guidelines and information for lenders processing loans within this subdivision:

1. The developer code for this project is 2162.
2. A blank copy of the ground sublease must be enclosed in each loan file submitted to CalHFA for conditional approval. Copies can be obtained from the Site Authority Agent.
3. Borrowers must meet all CalHFA's programmatic, Tax Act compliance and underwriting/property guidelines.
4. All loans in this project will be service-released to CalHFA.
5. A signed copy of the ground sublease must be submitted with the purchase package documents.
6. Borrowers in Categories 1, 2 and 3, as designated by the Site Authority, are eligible for a special negotiated program structure on conventional loans. Attached is a copy of the Eligibility Certificate, listing all categories. It will be completed by the Site Authority Agent and signed by the borrower. A copy must be attached to the sales contract and be submitted to CalHFA with the loan package.
7. Low income borrowers, as defined by CalHFA, may be eligible for the Affordable Housing Partnership Program interest rate if they are receiving the Housing Cost Subsidy sponsored by the Site Authority. A blank copy of the Addendum to Home Purchase Contract and Escrow Instructions Re: Housing Cost Subsidy (copy attached) must be enclosed in the loan file sent to CalHFA. The Housing Cost Subsidy will be added to the borrower's annual income for Tax Act eligibility.

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

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

Attachments



Eligibility Certification for Mortgage Finance Premium Waiver for CalHFA Borrower

The undersigned as Borrower/Homebuyer, and University of California Channel Islands Site Authority as Home Seller, hereby certify that Borrowers in Priority Categories 1, 2 or 3, are eligible for the mortgage insurance premium waiver. Borrowers in Categories 4, 5, 6 and 7 are not eligible for the mortgage insurance premium waiver.

		YES	NO
Category 1:	CSU employees commencing service during the summer or fall of 2002 selected by the CSUCI President to be a priority purchaser, or the CSUCI President for the purpose of assigning the Purchase Contract to CSUCI employees who are hired after the sales program commences for service at CSUCI commencing in the summer or fall of 2002.	<input type="checkbox"/>	<input type="checkbox"/>
Category 2:	Tenured and Tenure-Track Faculty and CSUCI Management Level III Personnel or Management Level IV Personnel.	<input type="checkbox"/>	<input type="checkbox"/>
Category 3:	Full-Time Staff of CSUCI.	<input type="checkbox"/>	<input type="checkbox"/>
Category 4:	Employees of Educational Allies, Educational Partners, and officers of Military Partners, who are covered by an agreement between such entities and CSUCI.	<input type="checkbox"/>	<input type="checkbox"/>
Category 5:	Tenured and Tenure-Track Faculty and Full-Time Staff of any other CSU campus.	<input type="checkbox"/>	<input type="checkbox"/>
Category 6:	Graduates from any CSU campus.	<input type="checkbox"/>	<input type="checkbox"/>
Category 7:	Members of the General Public.	<input type="checkbox"/>	<input type="checkbox"/>

Date: _____

Borrower/Buyer: _____
Signature

Print Name

Borrower/Buyer: _____
Signature

Print Name

Property Address: _____

Lot Number: _____

UNIVERSITY OF CALIFORNIA CHANNEL ISLANDS SITE AUTHORITY

By University Glen Corporation,
Its Authorized Agent

By: _____
Its: _____

Lot: _____
Phase: _____
Escrow No.: _____
Model: _____
Project: _____

**ADDENDUM TO HOME PURCHASE
CONTRACT AND ESCROW INSTRUCTIONS
RE: HOUSING COST SUBSIDY**

The terms of the Home Purchase Contract and Escrow Instructions (the "Contract") shall govern except as expressly modified herein. The Contract is modified as follows:

1. Buyer represents that he or she is either (a) entitled to priority in purchasing the Property as a category 1, 2 or 3 Buyer as described in Section 2.11 of the Buyer Disclosure Statement, or (b) a "First Time Home Buyer." For this purpose a First Time Home Buyer means a Buyer who has not owned an interest in his or her principal residence for a period of three (3) years.

2. Buyer acknowledges having reviewed Section 2.16 of the Buyer Disclosure Statement showing the median Gross Household Income for all households in Ventura County (the "Ventura County Median Income") and, by executing this Addendum, represents to Seller that he or she believes that the Anticipated Gross Household Income (as defined below) of the household in which he or she is a member during the next twelve (12) months will be eighty percent (80%) or less than the Ventura County Median Income for households of the same size as that of Buyer.

3. Within ten (10) calendar days, Buyer agrees to supply Seller with written verification satisfactory to Seller, in its sole discretion, as to the Gross Household Income of Buyer for the twelve (12)-month period immediately preceding the effective date, including, but not limited to, the last two (2) years' federal tax returns, income verifications from employers, bank deposit statements, and other information requested by Seller, as well as information regarding any anticipated changes to Buyer's Gross Household Income that will affect the determination of Anticipated Gross Household Income. After receipt, Seller will determine Buyer's Anticipated Gross Household Income, and notify Buyer of the result.

4. If Buyer's Anticipated Gross Household Income is determined by Seller to be eighty percent (80%) or less of the Ventura County Median Income, then Buyer shall be entitled to a Housing Cost Subsidy.

5. The Housing Cost Subsidy for each of the three (3) years after close of escrow shall be equal to the amount by which Anticipated Housing Costs (as defined below) exceed one-third (1/3rd) of Buyer's Anticipated Gross Household Income for the next twelve (12) months. The Housing Cost Subsidy in year 4 after closing shall be equal to 2/5^{ths} of the amount payable in years 1 – 3 and the subsidy in year 5 after closing shall be equal to 1/5th of the amount payable in years 1 – 3 subject to adjustment under Paragraph 9 below.

6. The Housing Cost Subsidy shall be paid out by Seller monthly, first as a credit toward the Buyer's Maintenance Rent due under the Ground Sublease, with any excess entitlement being paid by Seller direct to Buyer in two (2) equal installments on April 1 and December 1 of each year, and shall be used by Buyer to pay taxes and assessments on the Unit when due, pursuant to Section 7.1 of the Ground Sublease.

7. "Anticipated Housing Costs" means the total of (i) the payments of principal on the principal balance (not to exceed four (4) times Anticipated Gross Household Income) and interest (not to exceed eight percent (8%) per annum) on Buyer's home loan; (ii) the anticipated cost for taxes and insurance for the next year for a home costing no more than four (4) times Buyer's Anticipated Gross Household Income, regardless of the actual cost of the Property; and (iii) anticipated Maintenance Rent on the Property for the next twelve (12) months.

8. Anticipated Gross Household Income shall mean the Gross Income for the twelve (12) months following the date of the calculation determined and calculated pursuant to Section 6914 of Title 25 of the California Administrative Code, a copy of which is attached hereto as Exhibit 1.

9. The actual amount of the subsidy payable for the 4th and 5th years after close of escrow will be determined within thirty (30) days after receipt from Buyer of proof (such as tax returns, income verification, or other documentation acceptable to the Seller) of Anticipated Gross Household Income and/or Housing Costs for the next year over that initially used to establish the subsidy amount. No subsidy payments shall be made during the 4th or 5th years after close of escrow until such proof is provided by Buyer and a determination is made as to Buyer's continued entitlement to the subsidy. In no event shall the subsidy be increased; however, based on the income and cost certification, such subsidy may be decreased.

The undersigned hereby agree to the modification(s) of the Contract as stated above.

BUYER(S):

Signature

Print

Signature

Print

Signature

Print

Date

SELLER:

CALIFORNIA STATE UNIVERSITY
CHANNEL ISLANDS SITE AUTHORITY, an
authority of the State of California

By: University Glen Corporation, a California
non-profit corporation, its authorized agent

Signature

Title

Date