



Homeownership Program Bulletin

December 22, 2005

Program Bulletin #2005-28

To: CalHFA Approved Lenders

CHANGES TO CalHFA FIRST MORTGAGES USED IN CONJUNCTION WITH A HiCAP SUBORDINATE LOAN Effective January 3, 2006

Effective January 3, 2006, CalHFA first loans originated in conjunction with a High Cost Area Home Purchase Assistance Program (HiCAP) second subordinate loan, will no longer have to be service-released to CalHFA.

Lenders may retain the servicing on the first loan used in conjunction with a HiCAP second subordinate loan or transfer the servicing to an approved CalHFA servicer.

EXCEPTION: if a borrower is obtaining a CalHFA first mortgage in conjunction with a HiCAP second and an Extra Credit Teacher Home Purchase Program (ECTP) third subordinate loan, then all loans must be service released to CalHFA, since all CalHFA first loans used in conjunction with an ECTP subordinate loan will continue to be service released to CalHFA.

The Mortgage Submission Voucher Part II, Purchase Submittal and Lender Certification, should reflect the option that is applicable.

HiCAP and ECTP subordinate loans already originated in conjunction with CalHFA first loans will continue to be serviced by CalHFA.

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:
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