



# Homeownership Program Bulletin

September 11, 2006

Program Bulletin #2006-19

To: CalHFA Approved Lenders

## REVISED INTEREST RATES Effective September 12, 2006

This bulletin is provided to serve notice of a decrease in interest rates on some of the first mortgage loan products offered by CalHFA, and supersedes all other interest rate Program Bulletins. The attached interest rates are applicable to all loan reservations and forward commitment requests received by the Agency after 12:01 a.m. on September 12, 2006.

The Agency has reduced rates for the *interest only* PLUS<sup>SM</sup>, the 40-Year Fixed Mortgage, and the low-income rates for the 30-Year Fixed Mortgage. In addition, the interest rates offered for the Affordable Housing Partnership Program (AHPP) and The Extra Credit Teacher Program (ECTP), in non high-cost areas, have been reduced to reflect the same interest rate on a statewide basis for these programs.

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<br/>INTEREST RATE SCHEDULE<sup>1</sup><br/>Effective September 12, 2006</b> | <b>Interest<br/>Rate<sup>2</sup></b> |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| <b>FIRST MORTGAGE FIXED RATE LOAN PROGRAMS</b>                                                                   |                                      |
| <i>interest only PLUS<sup>SM</sup> (35-Year Fixed Mortgage)</i>                                                  | 6.000%                               |
| 40-Year Fixed Mortgage                                                                                           | 6.000%                               |
| 30-Year Fixed Mortgage                                                                                           |                                      |
| <b><i>Non High Cost Areas</i></b>                                                                                |                                      |
| Moderate Income                                                                                                  | 6.000%                               |
| Low Income <sup>3</sup>                                                                                          | 5.500%                               |
| Nonprofits <sup>4</sup> & Affordable Housing Partnership Program (AHPP) – <i>Low Income Only</i>                 | 5.250%                               |
| Extra Credit Teacher Program (ECTP)                                                                              | 5.250%                               |
| HomeChoice Program                                                                                               | 3.000%                               |
| <b><i>High Cost Areas<sup>5</sup></i></b>                                                                        |                                      |
| Moderate Income                                                                                                  | 5.750%                               |
| Low Income <sup>3</sup>                                                                                          | 5.250%                               |
| Nonprofits <sup>4</sup> & Affordable Housing Partnership Program (AHPP) – <i>Low Income Only</i>                 | 5.250%                               |
| Extra Credit Teacher Program (ECTP)                                                                              | 5.250%                               |
| HomeChoice Program                                                                                               | 3.000%                               |
| <b>Self-Help Builder Assistance Program (SHBAP)<sup>4</sup></b>                                                  |                                      |
| 30-Year Fixed Mortgage                                                                                           | 3.000%                               |
| 40-Year Fixed Mortgage                                                                                           | 3.250%                               |
| <b>DOWN PAYMENT ASSISTANCE PROGRAMS</b>                                                                          |                                      |
| <b><i>Term matches term of first mortgage (30, 35 or 40 year terms)</i></b>                                      |                                      |
| High Cost Area Home Purchase Assistance Program (HiCAP) <sup>6</sup>                                             | 7.000%                               |
| CalHFA Housing Assistance Program (CHAP)                                                                         | 7.000%                               |
| California Homebuyer's Downpayment Assistance Program (CHDAP)                                                    | 3.000%                               |
| Homeownership In Revitalization Areas Program (HIRAP)                                                            | 3.000%                               |
| Extra Credit Teacher Program (ECTP)                                                                              | 5.000%                               |
| HomeChoice CHAP                                                                                                  | 7.000%                               |

<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. The down payment assistance loan interest rates are calculated as simple interest per annum. However, all of the rates shown are subject to change without notice. CalHFA does not lend money directly to consumers. CalHFA works through and uses approved private lenders to qualify consumers and to make all mortgage loans. The fees consumers pay could be different depending on the lender and the program.

<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 forms.

<sup>6</sup>Eligible counties for the HiCAP program are Alameda, Contra Costa, Los Angeles (except Palmdale/Lancaster areas), Marin, Monterey, Napa, Orange, San Benito, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, and Ventura.

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<br/>NEW CONSTRUCTION FORWARD COMMITMENT<br/>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; 0.50% 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; 0.75% at Discount) | 1.50% (0.25% Cash Up; 1.25% 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                      | <i>interest only PLUS<sup>SM</sup></i> | 40-Yr Fixed Mortgage | 30-Yr Fixed Mortgage | ECTP              | SHBAP 30-Year     | SHBAP 40-Year     |
|--------------------------------|----------------------------------------|----------------------|----------------------|-------------------|-------------------|-------------------|
| Loan Amt                       | \$300,000                              | \$300,000            | \$300,000            | \$300,000         | \$150,000         | \$150,000         |
| Term                           | 35 year (420 mos)                      | 40 year (480 mos)    | 30 year (360 mos)    | 30 year (360 mos) | 30 year (360 mos) | 40 year (480 mos) |
| Interest Rate*                 | 6.000%                                 | 6.000%               | 6.000%               | 5.250%            | 3.000%            | 3.250%            |
| APR*                           | 6.9077%                                | 6.9247%              | 6.8747%              | 6.0827%           | 3.1471%           | 3.3694%           |
| <b>Estimated Monthly Pmt**</b> | <b>\$2,112.50***</b>                   | <b>\$2,263.15</b>    | <b>\$2,411.16</b>    | <b>\$2,269.12</b> | <b>\$965.75</b>   | <b>\$892.16</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. APRs quoted by approved CalHFA private lenders may vary.

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

\*\*\*\$2,411.16 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                          | \$12,500 | \$9,000 | \$9,000 | \$18,000 | \$7,500 |
| Interest Rate*                    | 7.000%   | 7.000%  | 3.000%  | 3.000%   | 5.000%  |
| APR*                              | 3.8539%  | 3.8805% | 2.2378% | 2.1904%  | 3.1769% |
| <b>35 Year (420 Months) Loans</b> |          |         |         |          |         |
| Loan Type                         | HiCAP    | CHAP    | CHDAP   | HIRAP    | ECTP    |
| Loan Amt                          | \$12,500 | N/A     | \$9,000 | \$18,000 | \$7,500 |
| Interest Rate*                    | 7.000%   | N/A     | 3.000%  | 3.000%   | 5.000%  |
| APR*                              | 3.6097%  | N/A     | 2.1355% | 2.0949%  | 2.9959% |
| <b>40 Year (480 Months) Loans</b> |          |         |         |          |         |
| Loan Type                         | HiCAP    | CHAP    | CHDAP   | HIRAP    | ECTP    |
| Loan Amt                          | \$12,500 | N/A     | \$9,000 | \$18,000 | \$7,500 |
| Interest Rate*                    | 7.000%   | N/A     | 3.000%  | 3.000%   | 5.000%  |
| APR*                              | 3.4005%  | N/A     | 2.0454% | 2.0099%  | 2.8394% |

\*Interest rate is for comparison only. Sample APRs include typical finance charges, such as lender fees. APRs quoted by approved CalHFA private lenders may vary.

This sample is for illustrative purposes only. It does not reflect any specific loan's terms.