



Homeownership Program Bulletin

June 5, 2007

Program Bulletin #2007-15

To: CalHFA Approved Lenders

NEW UNDERWRITING PROCEDURES FOR CHDAP AND HIRAP CALIFORNIA HOMEBUYER'S DOWNPAYMENT ASSISTANCE PROGRAM (CHDAP) AND HOMEOWNERSHIP IN REVITALIZATION AREAS PROGRAM (HIRAP)

One of CalHFA's primary goals is to help Californians succeed in the purchase of their first home. To encourage this success and protect homebuyers' interests, prudent underwriting standards are required on all CalHFA loans – first mortgages as well as downpayment assistance.

This Program Bulletin pertains only to non-CalHFA conventional first mortgage loans when combined with CHDAP or HIRAP subordinate loan programs. All program parameters as set forth in Program Bulletins #2003-03, #2003-06 and #2003-41 shall remain the same and include the following:

- All non-CalHFA first mortgage loans combined with a CHDAP or HIRAP subordinate loan must be underwritten to CalHFA Conventional Loan Underwriting Guidelines announced in Homeownership Program Bulletin #2007-13
- Full loan documentation will be required for the first mortgage loan
- A full Appraisal (URAR) with photos, sketch and map will be required; no desktop or drive-by appraisals are allowed
- Not permitted are: stated or undocumented or boarder income, senior loans which are "sub-prime" or ALT A in nature, negative amortization, prepayment penalties, option adjustable rates mortgages, graduated payments, or other similar financing
- Loan term shall not exceed forty years

The new underwriting procedures as outlined above will become effective for all reservations made on or after June 11, 2007.

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