



# *Homeownership Program Bulletin*

**August 8, 2007**

**Program Bulletin #2007-24**

**To: CalHFA Approved Lenders**

## **REVISED INTEREST RATES Effective August 9, 2007**

This bulletin is provided to serve notice of a change in the interest rates offered by CalHFA on the *interest only* PLUS<sup>SM</sup> loan products, and supersedes all other interest rate Program Bulletins. Both the *interest only* PLUS<sup>SM</sup> Conforming IOP and the *interest only* PLUS<sup>SM</sup> Non-Conforming IOP rates will decrease by 0.125%. The attached interest rates are applicable to all loan reservations and forward commitment requests received by the Agency after 12:01 a.m. on August 9, 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](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<br/>Effective August 9, 2007</b> | <b>Interest<br/>Rate<sup>1</sup></b> |
|--------------------------------------------------------------------------------------------------|--------------------------------------|
| <b>FIRST MORTGAGE FIXED RATE LOAN PROGRAMS</b>                                                   |                                      |
| <i>interest only PLUS<sup>SM</sup></i> (35-Year Fixed Mortgage) Conforming IOP Loan              | 6.625%                               |
| <i>interest only PLUS<sup>SM</sup></i> (35-Year Fixed Mortgage) Non-Conforming IOP Loan          | 6.625%                               |
| 40-Year Fixed Mortgage                                                                           |                                      |
| Self Help Builder Assistance Program (SHBAP) <sup>3</sup> – <i>Low Income Only</i>               | 3.250%                               |
| 30-Year Fixed Mortgage                                                                           |                                      |
| Moderate Income                                                                                  | 6.625%                               |
| Low Income <sup>2</sup>                                                                          | 6.250%                               |
| Nonprofits <sup>3</sup> & Affordable Housing Partnership Program (AHPP) – <i>Low Income Only</i> | 6.250%                               |
| Extra Credit Teacher Program (ECTP)                                                              | 6.250%                               |
| HomeChoice Program                                                                               | 4.000%                               |
| Self Help Builder Assistance Program (SHBAP) <sup>3</sup> – <i>Low Income Only</i>               | 3.000%                               |
| <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>4</sup>                             | 6.750%                               |
| CalHFA Housing Assistance Program (CHAP)                                                         | 6.750%                               |
| California Homebuyer's Downpayment Assistance Program (CHDAP)                                    | 3.000%                               |
| Homeownership In Revitalization Areas Program (HIRAP)                                            | 3.000%                               |
| Extra Credit Teacher Program (ECTP)                                                              | 5.000%                               |

<sup>1</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>2</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>3</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>4</sup>Eligible counties for the HiCAP program are Alameda, Contra Costa, Los Angeles (except Palmdale/Lancaster areas), Marin, Monterey, Napa, Orange, San Benito, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Cruz, Solano, 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<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. BLOCK Forward Commitments cannot be used to reserve an IOP Loan.

<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.