



Homeownership Program Bulletin

September 6, 2007

Program Bulletin #2007-29

To: CalHFA Approved Lenders

Acceptance of Fannie Mae's Short Form Deed of Trust

In July, 2007, Fannie Mae announced the availability of uniform Master Form and Short Form security instruments for first mortgage loans to promote their continuing efforts to lower the costs of homeownership and gain greater efficiencies in the residential lending industry.

CalHFA embraces Fannie Mae's commitment to help reduce of the cost of homeownership for our California homebuyers, and is pleased to announce our acceptance of the Fannie Mae/Freddie Mac Short Form documents on conforming first mortgage loans. Lenders must comply with all of Fannie Mae requirements regarding their security instruments including any applicable instructions relating to MERS in Fannie Mae's Announcement 07-13. As with the Fannie Mae/Freddie Mac Long Form Deed of Trust, the new CalHFA Financing Rider is also required to be signed by the borrowers and attached to both the Promissory Note and the Short Form Deed of Trust. The CalHFA Financing Rider can be found at <http://www.calhfa.ca.gov/homeownership/forms/doc-riders/>.

As stated in CalHFA Program Bulletin #2007-23, *Program Requirements Reminder*, Lenders should be using Fannie Mae/Freddie Mac uniform documents for all conventional loans to be purchased by CalHFA. CalHFA will allow Lenders the option of using the new Fannie Mae/Freddie Mac Short Form Deed of Trust or the Fannie Mae/Freddie Mac Long Form document; however, when using either instrument, Lenders must follow CalHFA's requirement that the above referenced CalHFA Financing Rider be attached to both the Promissory Note and the Deed of Trust.

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

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