



Homeownership Program Bulletin

September 25, 2007

Program Bulletin #2007-33

To: CalHFA Approved Lenders

REFORMATION OF PERMANENT DEED OF TRUST SUSPENSION

CalHFA is committed to simplifying the origination process of our loans by adopting industry standards whenever possible. Since Fannie Mae's procedure for correcting documents that have been recorded with errors is generally known and accepted throughout the mortgage industry, CalHFA is implementing Fannie Mae's procedure.

Therefore, effective for all loans closed on or after October 15, 2007, CalHFA will adopt Fannie Mae's procedure of re-recording the deed of trust or of recording a modification of deed of trust. CalHFA will no longer accept the Reformation of Permanent Deed of Trust as a means for correcting any errors to a recorded deed of trust. Lenders may also implement this new procedure immediately.

To expedite the purchase process, CalHFA will purchase loans needing correction and re-recording, provided the lender certifies that the corrections will be made in a timely manner. The attached Addendum to Mortgage Submission Voucher Part II is the certification form Lenders should use when submitting loans for purchase that have been corrected by re-recording or by modification. Lenders must also submit a County Recorder's "Accommodation Copy" of the re-recorded deed of trust or modification prior to CalHFA's approval of the loan for purchase. This Addendum to Mortgage Submission Voucher Part II should only be submitted on files that require re-recording or modification of the deed of trust. This new form can be found on the CalHFA website at <http://www.calhfa.ca.gov/homeownership/forms>.

As noted in the Lender's Certification portion of the Addendum Form, an Alta Lenders' Title Insurance Policy must be obtained with coverage extending through the recording of the modification or the re-recording of the deed of trust, as applicable, and this policy must be forwarded to the loan servicer as soon as possible after recording.

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

Attachment



**ADDENDUM TO MORTGAGE SUBMISSION VOUCHER PART II
PURCHASE SUBMITTAL AND LENDER CERTIFICATION**

CalHFA MANIFEST NO.: _____ LENDER LOAN NO.: _____

LENDER NAME: _____

LENDER ADDRESS: _____

SHIPPER CONTACT: _____ PHONE: _____ FAX: _____

BORROWER: _____ CO-BORROWER: _____

NEW PROPERTY ADDRESS: _____

ADDITIONAL LENDER'S CLOSING CERTIFICATIONS

The Lender has originated the above referenced CalHFA loan(s). The Deed(s) of Trust were recorded containing errors that require correction and re-recording.

The Lender certifies that:

- The appropriate corrections were made to the Deed(s) of Trust
- All signatures and acknowledgements required to validate the changes were obtained
- The Deed(s) of Trust was (were) re-recorded in the appropriate County to validate the corrections
- An 'Accommodation Copy' of the re-recorded deed of trust or modification showing acceptance by the county recorder" is attached
- Alta Lenders' Title Insurance Policy reflecting CalHFA as insured with endorsements 100, 116, 116.2, 115 (if applicable) and 104.1 (if required) will be obtained with insurance effective through the re-recording date of the Deed(s) of Trust
- All prior Lender's Closing Certifications as shown on the original Mortgage Submission Voucher Part II remain valid and enforceable

The Lender hereby agrees that it will immediately forward to the Servicer of the first mortgage or to CalHFA for any CalHFA subordinate loan, as applicable, the re-recorded Deed(s) of Trust and the updated Alta Title Insurance Policy.

The Lender hereby acknowledges that its failure to comply with the CalHFA requirements or the certifications made in this statement or any prior statement will result in remedial action by CalHFA as prescribed in the Program Manual and the CalHFA Mortgage Purchase and Servicing Agreement (or Mortgage Purchase Agreement).

(Signature of Authorized Representative)

(Date)

(Typed Name and Title of Authorized Representative)

(Phone)