



Homeownership Program Bulletin

Date: December 27, 2007

Program Bulletin #2007-44

To: CalHFA Approved Lenders

CLOSING REQUIREMENTS FOR PROPERTIES NEEDING REPAIRS

California Housing Finance Agency (CalHFA) has recently seen an increase in the number of Real Estate Owned (REO) properties being sold to first-time homebuyers who are requesting financing through CalHFA. Many contracts for these types of homes state that the home is being sold "as is" without repairs being completed by the seller or where the seller will credit the buyer for some or all of the repair work that must be completed after closing.

CalHFA's policy has been and remains that the properties being sold under any CalHFA financing program must comply with all federal, state and local housing health, safety and occupancy standards and requirements and no condition may exist that affects the livability, soundness, or structural integrity of the property at the time of closing. CalHFA will not purchase any loan where the property is in disrepair or damaged at the time the loan is delivered to CalHFA for purchase.

Any property using CalHFA financing must be appraised subject to completion of any and all alterations or repairs ("as-repaired"), and the lender must obtain a final completion report from an appraiser verifying that all repairs have been completed before delivering the mortgage to CalHFA for purchase. A copy of the final completion report will be required prior to purchase.

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