



# Homeownership Program Bulletin

June 2, 2008

Program Bulletin #2008-23

To: CalHFA Approved Lenders

## PROGRAM REQUIREMENTS REMINDER

CalHFA is issuing this Program Bulletin as a reminder to lenders of some recently updated program requirements.

Check List Revised:

- CalHFA has revised the document check list to assist lenders in submitting loans to CalHFA for approval. All loan submissions, including CHDAP Stand Alone loan submissions, may use this revised check list. The check list is now available on our web site at [www.calhfa.ca.gov/homeownership](http://www.calhfa.ca.gov/homeownership)

Underwriting Procedures:

The following changes outlined in Program Bulletin #2008-21 are effective on reservations made on or after May 24, 2008:

- All first mortgage loans combined with CalHFA subordinate financing must meet CalHFA Conventional Loan Underwriting Guidelines and be reviewed by CalHFA's credit underwriters prior to issuance of Conditional Loan Approval. These loans include:
  1. Government insured/guaranteed first mortgage loans (FHA, VA, USDA)
  2. All Conventional loans
  3. All CHDAP loans regardless of the first mortgage insurer
- All conventional loans with or without subordinate financing must be reviewed for credit worthiness by CalHFA's credit underwriters
- For loan-to-values (LTVs) greater than 95%, the required minimum credit score is 680. For LTVs less than or equal to 95%, the required minimum credit score is 620
- On FHA, VA, and USDA/RHS loans, lenders must include the UFMIP, Funding fee and/or financed Guarantee fee in the loan amount when calculating the LTV and CLTV.
- The combined loan-to-value (CLTV) on any loan cannot exceed 102%

#### Assumptions Discontinued:

The following changes outlined in Program Bulletin #2008-20 are effective on reservations made on or after May 12, 2008:

- CalHFA no longer allows assumptions on conventional CalHFA loans

#### Promissory Note Revisions:

The following changes outlined in Program Bulletin #2008-19 are effective for all reservations made on or after April 22, 2008:

- New versions of the CHDAP Promissory Note and the ECTP Promissory Note are required and available on our web site.

#### Revisions to Subordinate Financing:

The following changes outlined in Program Bulletin #2008-10 are effective for all reservations made on or after March 25, 2008:

- New Requirements for HiCAP, CHAP and CHDAP
- HiCAP and CHAP loans cannot be combined
- CHAP may only be used with CalHFA first mortgages (government insured/guaranteed or conventional) and only in CHAP-designated areas
- HiCAP may only be used with CalHFA conventional first mortgages and only in HiCAP designated areas
- Maximum HiCAP amount is 4% of sales price or appraised value, whichever is less
- Maximum CHAP amount is 2% of sales price or appraised value, whichever is less
- CLTV on CHDAP "stand alone" loans cannot exceed 102%. Note: The CLTV for government insured/guaranteed loans must include FHA UFMIP/VA Funding Fee/USDA Guarantee Fee, as applicable.

#### Revisions to Program Documents:

The following changes outlined in Program Bulletin #2008-07 are effective for all reservations made on or after May 1, 2008:

- Homeownership Program documents for all CalHFA subordinate loan programs have been revised and are located on our web site.

Closing Requirements:

The following closing requirements for properties needing repairs are outlined in Program Bulletin #2007-44:

- All properties using CalHFA financing must be appraised subject to completion of any and all alterations or repairs (“as repaired”). 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. CalHFA will not accept “as is” appraisals, including REO appraisals, with repairs or work recommended in the body of the appraisal.

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)

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