



Homeownership Program Bulletin

September 22, 2008

Program Bulletin #2008-31

To: CalHFA Approved Lenders

CalHFA Program and Interest Rate Changes Effective September 23, 2008

Effective immediately and until the financial markets stabilize, the following CalHFA first mortgage products are temporarily unavailable:

- 35-Year Fixed Rate Mortgage - *interest only* PLUSSM
- 40-Year Fixed Rate Mortgage
- HomeChoice Program
- New BLOCK Forward Commitments will not be issued, including forward commitments for the Self-Help Builder Assistance Program (SHBAP)

Additionally the following subordinate loan programs are also temporarily unavailable:

- High Cost Area Home Purchase Assistance Program (HiCAP)
- CalHFA Housing Assistance Program (CHAP)

Effective September 23, 2008, the interest rate on all 30-Year Fixed Mortgages will be 6.750%.

This situation is being monitored daily and these rates and loan products are under continual review. When conditions warrant, programs will be reinstated, announced by Program Bulletin and posted on CalHFA's website.

The attached interest rates are applicable to all loan reservations received by the Agency after 12:01 a.m. on September 23, 2008.

CalHFA's Homeownership Division thanks you for your business and we look forward to continuing to support your affordable housing loan needs. 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

California Housing Finance Agency INTEREST RATE SCHEDULE Effective September 23, 2008	Conventional Interest Rate¹	Government Interest Rate¹
FIRST MORTGAGE FIXED RATE LOAN PROGRAMS		
35-Year Fixed Mortgage		
<i>interest only</i> PLUS SM (loan amounts of \$450,000 or less)	Temporarily Unavailable	n/a
<i>interest only</i> PLUS SM (loan amounts in excess of \$450,000)	Temporarily Unavailable	n/a
40-Year Fixed Mortgage		
Self Help Builder Assistance Program (SHBAP) ³ – <i>Low Income Only</i>	Temporarily Unavailable	n/a
30-Year Fixed Mortgage		
Moderate Income	6.750%	6.750%
Low Income ²	6.750%	6.750%
Nonprofits ³ & Affordable Housing Partnership Program (AHPP) – <i>Low Income Only</i>	6.750%	6.750%
Extra Credit Teacher Program (ECTP)	6.750%	6.750%
HomeChoice Program	Temporarily Unavailable	n/a
Self Help Builder Assistance Program (SHBAP) ³ – <i>Low Income Only</i>	Temporarily Unavailable	n/a
DOWN PAYMENT ASSISTANCE PROGRAMS		
<i>Term matches term of first mortgage (30, 35 or 40 year terms)</i>		
High Cost Area Home Purchase Assistance Program (HiCAP) ⁴	Temporarily Unavailable	
CalHFA Housing Assistance Program (CHAP) ⁵	Temporarily Unavailable	
California Homebuyer's Downpayment Assistance Program (CHDAP)	3.250%	
Extra Credit Teacher Program (ECTP)	5.250%	

¹The 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.

²Lenders 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.

³Rates 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.

⁴Eligible 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.

⁵Eligible counties for the CHAP program are Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Palmdale/Lancaster Areas of Los Angeles, Madera, Mariposa, Mendocino, Merced, Modoc, Mono, Nevada, Placer, Plumas, Riverside, Sacramento, San Bernardino, San

Diego, San Joaquin, Santa Clara, Shasta, Sierra, Siskiyou, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo, and Yuba.

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.

BUILDER/DEVELOPER NEW CONSTRUCTION FORWARD COMMITMENT TERMS AND FEES					
Developer Type	180-Day Lock	6-Month Lock	9-Month Lock	12-Month Lock	18-Month Lock
	SL¹	BLOCK²	BLOCK²	BLOCK²	BLOCK²
For-Profit	No Fee	0.50% (at	1.50% (0.75% Cash Up;	2.00% (1.00% Cash Up;	Not Offered
Nonprofit³	No F	Temporarily Unavailable Effective 09/23/2008			1.50% (0.75% Cash Up; 0.75% at Discount)
Mutual Self-Help Nonprofit⁴	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)

¹ Single Loan (SL) reservation for an individual borrower household for a new home at a specific address.

² 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.

³ Nonprofit 501 (c)(3) developer for low-income first-time buyers.

⁴ Mutual Self-Help 501 (c)(3) developer utilizing the mutual self-help method of construction for low-income first-time buyers.