



Homeownership Program Bulletin

December 19, 2008

Program Bulletin #2008-38

To: CalHFA Approved Lenders

CalHFA Conventional Loan Underwriting Guidelines: Updated

This bulletin amends Program Bulletin #2008-36 dated November 18, 2008 in the "Borrower Minimum Cash Contribution" section of the CalHFA Conventional Loan Underwriting Guidelines. The intent of this update is to provide more clarification to this part of the guidelines. The updated section detailed below is reflected on the CalHFA web site.

Borrower Minimum Cash Contribution

Unless otherwise stated in specific Program Descriptions, the minimum borrower cash contribution from the borrower's own funds toward down payment is 3% of the sales price or appraised value, whichever is less. The source of those funds must be documented, and may be from such sources as his or her checking or savings accounts, or other liquid assets including stocks, bonds, mutual funds, certificates of deposit, individual retirement accounts, 401(k), and cash deposits in escrow toward the purchase price.

Once the borrower minimum cash contribution requirement has been met, additional down payment and/or funds for closing costs or prepaid items may be obtained from:

- CalHFA approved subordinate loans
- Individual Development Account (IDA)
- Gifts from a relative, domestic partner, fiancé, or fiancée
- Gifts or grants from public agencies provided no repayment or lien on the property is required

Questions regarding this bulletin should be directed to CalHFA Mortgage Insurance Services Department by phone (916) 322-8936; by fax (916) 322-8697 or by visiting CalHFA's web site at www.calhfa.ca.gov.

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