



Homeownership Program Bulletin

May 29, 2009

Program Bulletin #2009-17

To: CalHFA Approved Lenders

Revised Homeownership Program Affidavits and Check List

Effective: June 8, 2009

The Borrower's Affidavit and the CalHFA Notice and Borrower Representations Affidavit have been revised. The revised documents will be required on all first-mortgage loan reservations made on or after June 8, 2009.

In addition, the CalHFA Loan Submission Check List has been updated to reflect recent program and document changes. Lenders are not required to include the CalHFA Loan Submission Check List with loan file submissions, but CalHFA requires use of this check list to ensure all necessary items are provided.

The revised documents are available on the CalHFA web site at www.calhfa.ca.gov. Electronic versions are also available via email or disk. Please contact Lender Services at 916.445.9902 to request copies.

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

Attachments

CalHFA Borrower's Affidavit
CalHFA Notice and Borrower Representations Affidavit
CalHFA Loan Submission Check List



BORROWER'S AFFIDAVIT

I, _____, and I, _____
“Applicant(s)”, have applied for a home mortgage originated by _____, pursuant
to the Mortgage Program of the California Housing Finance Agency (the “CalHFA”), do hereby represent and
warrant as follows:

1. The residence to be financed with the proceeds of the mortgage loan is located within the County of:
_____ at _____
2. The residence is reasonably suitable for occupancy by not more than one family.
3. (I/We) will occupy the residence as (my/our) principal place of residence within 60 days of the closing of the residence mortgage, and thereafter will maintain the property as (my/our) principal residence for the duration of this mortgage. (I/We) do not intend to, and have not entered into any arrangement to, rent, sell, assign or transfer the residence.
4. (I/We) will not use more than 15% of the total area of the residence or otherwise use the residence primarily in a trade or business which qualifies (me/us) to a deduction for expenses for business use of residence under Section 280A of the Internal Revenue Code, use the residence as investment property and will not receive any income from the residence or the land being purchased with the residence, or use the residence as a recreational residence.
5. All of the land being purchased with the home is required to maintain the basic livability of the residence, and (I/we) have no intention of subdividing such land or otherwise selling it apart from the residence.
6. (I/We) have not had a present ownership interest* in a principal residence, including factory made housing permanently fixed to real property, at any time during the three-year period immediately prior to the closing of the home mortgage, except that this paragraph does not apply if the home is located in a targeted area or if (I/we) (am/are) applying for a qualified rehabilitation loan. (I/we) have attached copies of (my/our) signed federal income tax returns for such 3-year period which were filed with the Internal Revenue Service. If (I/we) (was/were) not required to file such returns during one or more such preceding three years in accordance with Section 6012 of the Internal Revenue Code, (I/we) have executed the California Housing Finance Agency’s Tax Return Affidavit.
7. (I/We) have submitted to CalHFA a true and correct copy of the purchase contract together with all other agreements which (I/we) have entered into with the seller of the residence.
8. a. The Acquisition Cost** of the residence as shown in the purchase contract is \$ _____. Neither (I/we) nor anyone on (my/our) behalf has made any payment other than such amount to the seller of the residence or to any other person on behalf of the seller, nor have (I/we) cancelled any debt of the seller or any related person of the seller.
- b. (I/We) have not entered into any agreement with the seller of the home, the developer, the contractor, or any other person pursuant to which any portion of the residence has been left unfinished or any fixtures or other architectural appointments have been omitted or removed from the residence in order to reduce the Acquisition Cost, and the home as sold to (me/us) is substantially complete and contains all appropriate fixtures and other architectural appointments.

* The term “present ownership interest” includes not only outright ownership but also any of the following interests if held either directly by you or in trust for you: a joint tenancy, a tenancy in common, a tenancy by the entirety, a community property interest, the interest of a tenant-shareholder in cooperative, a life estate, or a contract pursuant to which you have possession and the benefits and burdens of ownership although legal title is not transferred until some later time and interest held in trust for you (whether or not created by you) that would be a present ownership interest if held by you.

** The term “Acquisition Cost” means the cost of acquiring a residence from the seller as a completed unit. The term does not include usual and reasonable settlement or financing costs. It does include the amount of any lien or assessment to which the home is subject.

BORROWER'S AFFIDAVIT

9. (I/We) will not use any part of the loan proceeds to acquire or replace an existing mortgage or loan which (I/we) have on the residence.
10. (I/We) will not allow the property to be transferred during the term of the loan without the approval of the California Housing Finance Agency, or other holder of the loan.
11. (I/We) have not previously been the borrower(s) of a CalHFA financed loan (not applicable if this is an assumption of a CalHFA/FHA loan).
12. (I/We) understand that the CalHFA approved sales price limits for existing houses are, in some counties of California, less than the CalHFA approved sales price limits for new construction. THIS COULD RESULT IN A LOWER SALES PRICE LIMIT UPON THE TRANSFER OF THE HOME MORTGAGE THAN WAS ORIGINALLY PAID FOR THE RESIDENCE. At the date of this Affidavit the CalHFA approved sales price for an **EXISTING** house in _____ County is \$_____.
13. (I/We) certify that (my/our) annualized gross income for the last calendar year is _____.
14. (I/We) certify that the total number of members of (my/our) family, including (me/us), who will reside permanently in the residence is _____, and that the Applicant(s), and only the Applicant(s), (is/are) acquiring a present ownership interest in the residence.
15. (I/We) certify that (I/we) are citizens or other nationals of the United States or a qualified alien as defined in the Citizenship and Alien Verification regulations of the California Housing Finance Agency set forth in Title 25 of the California Code of Regulations, Division Z, Chapter 3 (Sections 12001, *et. seq.*) which implement federal legislations known as Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Pub. L. No. 104-193, 8 U.S.C. Sections 1601, *et. seq.*).

16. (I/We) Certify that (my/our) Social Security Numbers are:

_____	Social Security Number _____
Name of Borrower #1	
_____	Social Security Number _____
Name of Borrower #2	
_____	Social Security Number _____
Name of Borrower #3	
_____	Social Security Number _____
Name of Borrower #4	

BORROWER'S AFFIDAVIT

16. The following information is requested by the federal government. California law requires that such information, when collected, be broken down into more specific categories as described below. You are not required to furnish this information, but are encouraged to do so. The law provides that a lender may not discriminate on the basis of this information, or on whether you choose to furnish it.

BORROWER #1	BORROWER #2	BORROWER #3	BORROWER #4
I do not wish to furnish this information <input type="checkbox"/>	I do not wish to furnish this information <input type="checkbox"/>	I do not wish to furnish this information <input type="checkbox"/>	I do not wish to furnish this information <input type="checkbox"/>
Male <input type="checkbox"/> Female <input type="checkbox"/>			
Race or National Origin			
<input type="checkbox"/> American Indian or Alaskan Native			
<input type="checkbox"/> Chinese	<input type="checkbox"/> Chinese	<input type="checkbox"/> Chinese	<input type="checkbox"/> Chinese
<input type="checkbox"/> Japanese	<input type="checkbox"/> Japanese	<input type="checkbox"/> Japanese	<input type="checkbox"/> Japanese
<input type="checkbox"/> Filipino	<input type="checkbox"/> Filipino	<input type="checkbox"/> Filipino	<input type="checkbox"/> Filipino
<input type="checkbox"/> Korean	<input type="checkbox"/> Korean	<input type="checkbox"/> Korean	<input type="checkbox"/> Korean
<input type="checkbox"/> Vietnamese	<input type="checkbox"/> Vietnamese	<input type="checkbox"/> Vietnamese	<input type="checkbox"/> Vietnamese
<input type="checkbox"/> Asian Indian			
<input type="checkbox"/> Laotian	<input type="checkbox"/> Laotian	<input type="checkbox"/> Laotian	<input type="checkbox"/> Laotian
<input type="checkbox"/> Cambodian	<input type="checkbox"/> Cambodian	<input type="checkbox"/> Cambodian	<input type="checkbox"/> Cambodian
<input type="checkbox"/> Hawaiian	<input type="checkbox"/> Hawaiian	<input type="checkbox"/> Hawaiian	<input type="checkbox"/> Hawaiian
<input type="checkbox"/> Guamanian	<input type="checkbox"/> Guamanian	<input type="checkbox"/> Guamanian	<input type="checkbox"/> Guamanian
<input type="checkbox"/> Samoan	<input type="checkbox"/> Samoan	<input type="checkbox"/> Samoan	<input type="checkbox"/> Samoan
<input type="checkbox"/> Black or African American			
<input type="checkbox"/> Hispanic or Latino			
<input type="checkbox"/> White	<input type="checkbox"/> White	<input type="checkbox"/> White	<input type="checkbox"/> White
<input type="checkbox"/> Other _____			

IF YOU CHOOSE NOT TO FURNISH THE ABOVE INFORMATION AND YOU HAVE MADE THIS APPLICATION IN PERSON, UNDER FEDERAL REGULATIONS THE LENDER IS REQUIRED TO NOTE YOUR RACE OR NATIONAL ORIGIN AND SEX ON THE BASIS OF VISUAL OBSERVATION OR SURNAME.

BORROWER'S AFFIDAVIT

(I/We) have read the Promissory Note and Deed of Trust, and (I/we) understand that the loan may be accelerated upon the occurrence of certain events specified therein.

(I/We) understand that, if (I/we) have made any material misstatements in the foregoing representation or omitted to state any of the information requested, the following may occur:

1. The office of the district attorney will be contacted for investigation regarding misrepresentation and fraud.
2. The outstanding principal balance of the loan will be immediately due and payable together with accrued interest and foreclosure costs (if foreclosure is necessary because payment in full or the outstanding principal balance and accrued interest thereon is not made immediately).
3. The rate of interest on the loan from the date of discovery will, at the option of the holder, increase to the maximum amount permitted by law and the monthly payment amount will be increased to amortize the loan over the term of the original note.

(I/We) declare under penalty of perjury that the foregoing warranties and representations are true and correct. Executed on the date or dates shown below.

Date and City	Signature – Borrower #1
Date and City	Signature – Borrower #2
Date and City	Signature – Borrower #3
Date and City	Signature – Borrower #4

-LENDER STATEMENT-

I have explained the contents of this affidavit to each of the Borrowers whose signature appears above, and I have no reason to believe that those individuals made any misstatements in the warranties and representations required to be made herein or omitted to state any of the information requested. If Borrower(s) chose not to furnish the following information, under Federal regulations Lender is required to note race and sex on the basis of visual observation or surname.

BORROWER #1	BORROWER #2	BORROWER #3	BORROWER #4
Male <input type="checkbox"/> Female <input type="checkbox"/>			
Race or National Origin: _____			

Date and City	Signature of Officer or Lender
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CalHFA NOTICE AND BORROWER REPRESENTATIONS AFFIDAVIT

Borrower understands that the interest rate on this loan may be a below market interest rate because the lender may transfer the loan to the California Housing Finance Agency, a public instrumentality and political subdivision of the State of California ("Agency"). The Agency might finance the acquisition of this loan with funds from the sale of tax-exempt municipal bonds. If it does finance the loan in that manner, upon transfer of this loan to the Agency, this loan and the property will become subject to the Agency requirements and Section 143 of the Internal Revenue Code of 1986, as amended (the "Tax Law"), whichever is applicable, and as amended from time to time.

Borrower further understands that the Agency and Tax Law require that borrowers of loans funded by the sale of tax-exempt municipal bonds, and the property securing the loans, meet certain specific eligibility criteria. Borrower acknowledges that the lender has explained the requirements of the Tax Law and the requirements of the Agency and that Borrower has made certain representations regarding Borrower's and the property's compliance therewith. Borrower understands that the lender and the Agency have relied on the truth and accuracy of those representations by Borrower in making this loan. UPON DISCOVERY BY THE LENDER OR THE AGENCY OF ANY MISSTATEMENT MADE BY BORROWER PURSUANT TO THOSE REPRESENTATIONS, AGENCY MAY ACCELERATE THE LOAN BALANCE AND FORECLOSE ON THE PROPERTY AS PROVIDED IN THE PROMISSORY NOTE AND DEED OF TRUST SECURING BORROWER'S OBLIGATION TO REPAY THIS LOAN.

Borrower further understands that, during the term of the loan, the property is transferable only with the written consent of the Agency, or other holder of the loan, but in no case may the property be transferred to a person who is not eligible under certain Agency and Tax Law criteria. "Transfer" means any sale, assignment or transfer, voluntary or involuntary, or by operation of Law, of any interest in the property, including but not limited to a fee simple interest, a joint tenancy interest, a life estate, a leasehold interest, or an interest evidenced by a land contract by which possession of the property is transferred and the Borrower retains title. Borrower understands that, during the term of the loan, the property must not be transferred without the written approval of the Agency, or other holder of the loan. In no case will a transfer of the property be approved unless the Borrower's transferee meets all of the following conditions:

- (a) the transferee must intend to occupy the property as his/her principal place of residence within sixty (60) days after the date of the transfer and intend to continue to so occupy the property until the loan is repaid or the transferee transfers the property to another eligible person;
- (b) the transferee must not have had a present ownership interest in a principal residence at any time during the three (3) years preceding the date of the transfer unless the property is located in a "Targeted Area" as defined in the Tax Law;
- (c) if a purchase transfer is involved, the purchase price of the property must not be greater than the purchase price limits established by the Agency at the time of transfer;
- (d) the transferee must have a household income which is not greater than the income limits established by the Agency at the time of transfer;
- (e) the transferee meets the conditions of the Agency's citizenship and alien verification regulations as set forth in Title 25 of the California Code of Regulations, Division Z, Chapter 3 (Sections 12001, *et. seq.*), which implement federal legislation known as Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Pub. L. No. 104-193, 8 U.S.C. Section 1601, *et. seq.*); and
- (f) the transferee must meet all of the other eligibility requirements of the Agency in effect at the time of the transfer, including but not limited to, the Agency's mortgage insurance and loan underwriting.

UPON DISCOVERY BY THE LENDER OR THE AGENCY OF ANY INELIGIBLE TRANSFER OF THE PROPERTY, THE AGENCY MAY ACCELERATE THE LOAN BALANCE AND FORECLOSE ON THE PROPERTY AS PROVIDED IN THE PROMISSORY NOTE AND DEED OF TRUST SECURING BORROWER'S OBLIGATION TO REPAY THIS LOAN.

Borrower further understands that he/she must occupy the property at his/her principal residence within sixty (60) days after the date of the transfer and continue to so occupy the property until the loan is paid in full or Borrower transfers the property to an eligible transferee. UPON DISCOVERY BY LENDER OR THE AGENCY OF THE FAILURE OF BORROWER TO OWNER OCCUPY THE PROPERTY, THE AGENCY MAY ACCELERATE THE LOAN BALANCE AND INSTITUTE FORECLOSURE PROCEEDINGS ON THE PROPERTY AS PROVIDED IN THE PROMISSORY NOTE AND DEED OF TRUST SECURING BORROWER'S OBLIGATION TO REPAY THIS LOAN.

If this loan is FHA insured, Borrower understands that if the Agency, or other holder of the loan takes the home through foreclosure of the Deed of Trust because of an ineligible transfer, failure to occupy as primary residence, or Borrower has committed fraud or intentionally misrepresented himself when Borrower applied for the loan, HUD will not be able to help Borrower. Furthermore, if the money received from the foreclosure sale is not enough to pay the remaining amount of money Borrower owes on the loan, Borrower may be subject to, pursuant to applicable law, a deficiency judgment (a court ruling that Borrower must pay whatever money is still owed on the loan after the foreclosure sale).

The borrower will be required to make monthly payments into an impound account held by the Lender to pay for property taxes, hazard insurance and mortgage insurance.

Date

Borrower #1 Signature

Date

Borrower #2 Signature

Date

Borrower #3 Signature

Date

Borrower #4 Signature



CALHFA Loan Submission Check List First Mortgage and CHDAP Stand Alone

Submit Copies Only

* Not Required on CHDAP stand alone

LEFT SIDE

- * **Borrower's Affidavit** – all fields completed. Borrower(s) and Lender to sign and date
- * **Seller's Affidavit** – all fields completed. Seller(s) to sign and date
- * **CalHFA Notice and Borrower Representations Affidavit** – Borrower(s) to sign and date
- * **Statement of Citizenship, Alienage, and Immigration Status for State Public Benefits** – Each borrower to complete applicable Section A, B or C. Each borrower must complete and sign a separate form
- * **Lender Verification of Citizenship/Qualified Alien Status** - Lender to fully complete, sign and date
- Military Service Questionnaire** – Borrower(s) to complete, sign and date
- * **Legal Owner – Seller/Servicer Certification (CSHLP only)** – Legal owner or seller/servicer to fully complete, sign, and date
- Borrower(s) Certificate of Completion of Homebuyers Education Counseling** – for all borrowers and from acceptable source

RIGHT SIDE

- * **CalHFA Mortgage Insurance Application** – (CSHLP or SMART, as applicable)
- Private Mortgage Insurance (MI) Commitment/Certificate of Insurance** at highest insurable rate possible from Fannie Mae and Master Servicer, approved mortgage insurer (conventional loans only)
- FINAL Transmittal Summary (1008)/FHA 92900-LT (MCAW)/VA Loan Analysis (VALA)** – must be approved at highest insurable rate possible and signed by lender's underwriter
- Fannie Mae Comprehensive Risk Assessment Worksheet** – for manually underwritten conventional loans only (see Fannie Mae Announcement)
- Lender's FINAL In-House Underwriting Approval** with list of conditions. All loan information and terms must match the signed FINAL 1008/MCAW/VALA
- FINAL Automated Underwriting Findings Report**, as applicable. All loan information and terms must match the signed FINAL 1008/MCAW/VALA
- FINAL Typed Loan Application (1003)** for Borrowers(s) (and co-signer(s), as applicable)

RIGHT SIDE (Continued)

- Initial Loan Application (1003)** signed by Borrower(s) (and co-signer(s), as applicable)
- Credit Report (CR)** must match FINAL automated findings report. Social Security number(s) must match documentation in file
- All Signed Explanation Letters**, as applicable
- Verification of Employment** – written or verbal (must verify start date)
- Pay Stub(s) Covering a 30-Day Period** – no more than 60 days old
- W-2(s)** – most current year and from all sources
- Signed YTD Profit & Loss** on any Federal Schedule C or E Income, as applicable
- Federal Income Tax Returns (1040s)** - Complete copies from the last 3 years
- CalHFA Tax Return Affidavit** – ONLY for borrower(s) not required to file 1040s
- IRS Form 4506** (Item #5 to be left blank) signed by Borrower(s)
- Verification of Funds to Close** (e.g., bank statements, gift letter, funds. etc.)
- Verification of Required Cash Reserves** (e.g., bank statements, etc.)
- Purchase Contract or Escrow Instructions** – full copy. Sales price must match signed 1008/MCAW/VALA
- Appraisal (URAR)** with photos, sketch, map and appraiser's signature – no more than 120 days old
- "Life of Loan" Standard Flood Hazard Determination**
- Lender's Warranty for Condominium/Attached PUD** (see Fannie Mae Announcement)
- Preliminary Title Report** with map and address supplement –no more than 120 days old
- * **Subordinate Financing** – Provide samples of all non-CalHFA DPA subordinate loan documents, as applicable. Must be CalHFA, Master Servicer and/or Fannie Mae approved, as applicable
- * **Resale Controls/BMR/Inclusionary Housing Locality Liens, etc.** - Provide copy of all documents recorded or to be recorded, as applicable. Must be CalHFA, Master Servicer, and/or Fannie Mae approved, as applicable
- VA Certificate of Eligibility** – form 1880
- * **VA Form DD214**, as applicable

Note: This check list represents the minimum documents required for CalHFA approval. Other documents may be required by underwriter/reviewer.