



Homeownership Program Bulletin

September 23, 2009

Program Bulletin #2009-26

To: CalHFA Approved Lenders

Cal30SM Conventional Loan Program Reminders

On June 8, 2009, CalHFA announced its newest loan program "Cal30 Conventional." As Cal30 Conventional reservations are increasing and loan files are being submitted, CalHFA would like to remind lenders of some of the procedures to insure our timely approval.

Reservations:

- Lender must reserve funds in the LAS system *prior to* submitting a Cal30 Conventional loan for Conditional Approval--rate is floating at this time
- All reservations are for a maximum period of ninety (90) days

Interest Rates and Rate Lock:

- Interest rates are updated daily and posted on the interest rate table located on CalHFA's web site (<https://wp11.calhfa.ca.gov/rates/>)
- After CalHFA Conditional Approval, the lender may lock the interest rate
- To lock a rate, lenders must complete and submit a Rate Lock Request, via the interest rate table on CalHFA's web site (<https://wp11.calhfa.ca.gov/rates/>)
- Rate Lock Requests are accepted between 8:00 am and 4:00 pm PT, Monday through Friday, excluding State Holidays
- Interest rates will be locked for the lesser of sixty (60) days from the rate lock date or the remainder of the ninety (90) day reservation period

Credit Underwriting:

- Only the most current version of Fannie Mae's MCM[®] option in Desktop Underwriter[®] (DU[®]) with an Approve/Eligible recommendation is acceptable
- Manual underwriting is acceptable with a minimum credit score of 640 and maximum Debt-to-Income (DTI) ratio of 45%
- Loans without CalHFA subordinate financing will follow Fannie Mae's MCM Underwriting Guidelines
- Loans layered with CalHFA subordinate financing must meet CalHFA's Conventional Loan Underwriting Guidelines—for underwriting details see our web site (<http://www.calhfa.ca.gov/homeownership/insurance/underwriting.htm>)

Subordinate Financing:

- Affordable Housing Partnership Program (AHPP) financing may be used provided the program(s) are listed as “CalHFA MBS Program Eligible” on the CalHFA AHPP list (<http://www.calhfa.ca.gov/homeownership/programs/ahpp-approved.pdf>)
- CalHFA’s California Homebuyer’s Downpayment Assistance Program (CHDAP) subordinate loan may be used (see rate sheet for current rates). CalHFA purchases CHDAP loans directly from the lender

Mortgage Insurance:

- For loans >80% LTV, CalHFA will accept private mortgage insurance from any Fannie Mae *and* Bank of America, N.A., approved mortgage insurer

Fees:

- Cal30 Conventional Loans qualify for CalHFA’s discounted Loan Level Price Adjustment Fee (LLPA)
- Adverse Market Delivery Charge (AMDC) and LLPA can be paid by the lender, the borrower or the seller, and will *not* be included when calculating the lender’s allowable fees;
- Lender will receive Service Release Premium (SRP) from the master servicer at time of loan purchase

Master Servicer:

- CalHFA uses Bank of America, N.A. as the master servicer. *Complete* Cal30 Conventional Loan purchase packages must be sent directly to:

Bank of America, N.A.
Attn: Bond Department
8501 Fallbrook Avenue
West Hills, CA 91304
MS: CA9-901-03-03;

For complete details and guidelines for processing Cal30 Conventional loans, please refer to the Program Description which can be found on our web site at <http://www.calhfa.ca.gov/homeownership/programs/cal30-conv.htm>

All of us at CalHFA thank 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