



Homeownership Program Bulletin

January 12, 2011

Program Bulletin #2011- 02

To: CalHFA Approved Lenders

Builder Lock (BLOCK) Forward Commitments Available For 501(c)(3) Nonprofit Developers/Builders

Effective immediately, CalHFA is pleased to re-introduce the Builder Lock (BLOCK) program for single family new construction homes. Builders/Developers may purchase forward commitments through CalHFA-approved lenders, to lock a pool of CalHFA funds and interest rate for 9,10,or 11 months forward for the subsequent submission of CalHFA first mortgage loans. This program has limited funds allocated at \$50 million and is exclusively for nonprofit developers/builders who are classified as 501(c)(3) organizations. Funds are available for single family new home developments throughout the state.

Program Allocation:

Through the support of the Federal government, CalHFA has allocated \$50 million for the BLOCK program. All commitments to purchase loans under the BLOCK program will end on 12/31/2011, with no extensions.

Available Loan Program:

BLOCK forward commitments are available for the CalHFA FHA loan program. For program details see the [CalHFA FHA loan program description](#) on our web site.

Current Interest Rate:

- CalHFA FHA Loan 5.250%

BLOCK interest rate locks are for first mortgage products only.

Commitment Term/Fees:

Term Periods	9, 10, or 11 months
Fees	1% total (1% Cash upfront; 0% at Discount at purchase) for any term period

The final date for purchase of a 9 month commitment is *March 31, 2011*.
The final date for purchase of a 10 month commitment is *February 28, 2011*.
The final date for purchase of an 11 month commitment is *January 31, 2011*.

Under the BLOCK program, the nonprofit developer must pay the fees associated with the transaction. Once a lender has requested a forward commitment, the up front fee is due to CalHFA within 10 business days. This fee must be payable from the lender to California Housing Finance Agency. This fee cannot be passed on to the borrower or anyone else.

Developer Allocation Caps:

The Agency reserves the right to restrict nonprofit developers who have previously been assigned a CalHFA allocation to a maximum request per forward commitment of \$5 million per developer.

Nonprofit developers who currently do not have assigned CalHFA allocation must submit the following to the CalHFA Forward Commitment Unit:

- evidence of their nonprofit tax status
- previous business history
- evidence of an active California business entity as a condition of commitment confirmation and will initially only be eligible for an assigned minimum allocation of \$1 million.

Developers may request forward commitments from one or more lenders, up to each developer's allocation cap.

For questions about this bulletin, contact CalHFA Homeownership Programs Division by phone 916.326.8030; by fax 916.324.6589; by email at homeownership@calhfa.ca.gov. Plus you can always visit CalHFA's web site at: www.calhfa.ca.gov or Homeownership Programs Division directly at www.calhfa.ca.gov/homeownership.

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