

# *Homeownership Program Bulletin*

**October 07, 2011**

**Program Bulletin #2011-23**

**To: CalHFA Approved Lenders**

## **Changes to CalHFA FHA Purchasing, Reservation, Rate Lock and Extension Policies**

### CalHFA FHA Purchase Deadlines

In late 2009, the U. S. Treasury created the New Issue Bond Program (NIBP) to assist state and local housing finance agencies around the country by lowering their bond financing costs. The NIBP currently is the primary funding source for CalHFA first mortgage loan programs. CalHFA and other HFAs have discussed with Treasury the possibility of an extension of the NIBP but, as it stands now, the program is scheduled to end December 31, 2011.

However, on October 3, 2011 an announcement from Bank of America, our master servicer, indicates they are closing their channel and “Loans must be purchased on or before December 15, 2011.” Due to this announcement, all CalHFA FHA first mortgage loans must adhere to the CalHFA FHA Reservation, Rate Lock and Extension Policy, and Purchase Deadline Dates below.

Please note that CalHFA FHA loans on residences located in “federally designated targeted areas,” are excluded from these purchase deadlines.

Each lender has different policies, so CalHFA cannot give a date by which loans must be delivered to the master servicer.

CalHFA will continue to accept reservations for its down payment assistance programs (CHDAP and SFF). We appreciate your understanding as we continue to work through the challenging housing and capital markets.

## CalHFA FHA Reservation, Rate Lock and Extension Policy, and Purchase Deadline Dates

- CalHFA FHA loan reservations and rate locks received prior to or on October 3, 2011 must be funded, delivered and purchased by CalHFA's master servicer, Bank of America N.A. by December 30, 2011 (except loans in targeted areas). Additionally, all loans currently in the CalHFA FHA pipeline with a rate lock that expires on or after December 1, 2011 will not be eligible for the automatic 30-day extension. If you have questions regarding extensions, contact CalHFA's Secondary Marketing Unit at 916.326.8059.
- CalHFA FHA loan reservations and rate locks received on and after October 4, 2011 must be funded, delivered, and purchased by December 15, 2011 (except loans in targeted areas).
- In both cases reservations and rate locks will expire on the lesser of 90 days or designated purchase date. There will be no extensions past the referenced purchase date. (Targeted area loans delivery and purchase procedures will be detailed in a future program bulletin.)

For questions about this bulletin, contact CalHFA Homeownership Programs division by phone 916.326.8033; by fax 916.324.6589; by email at [homeownership@calhfa.ca.gov](mailto:homeownership@calhfa.ca.gov). Plus you can always visit CalHFA's web site at: [www.calhfa.ca.gov](http://www.calhfa.ca.gov) or Homeownership Programs division directly at [www.calhfa.ca.gov/homeownership](http://www.calhfa.ca.gov/homeownership).

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