

Homeownership Program Bulletin

March 01, 2012

Program Bulletin #2012- 02 (Corrected*)

*Correction in red below

To: CalHFA Approved Lenders

California Homebuyer's Downpayment Assistance Program (CHDAP) Revisions Effective March 01, 2012

As part of CalHFA's continuing commitment to help qualified low and moderate income first-time homebuyers achieve the dream of homeownership, CalHFA has made recent program changes to the California Homebuyer's Downpayment Assistance Program (CHDAP). These improvements will streamline CalHFA's loan review process, and will allow CHDAP guidelines to be more reflective of FHA, Conventional, VA and USDA underwriting guidelines. The changes detailed below will be effective for all CHDAP loans in the pipeline and for all new reservations made on or after March 01, 2012.

Changes to CHDAP Guidelines

- **Minimum borrower contribution**
 - The current requirement of 1% or \$1,000 minimum borrower contribution has been removed. CalHFA no longer requires a minimum borrower contribution.
 - Follow the applicable conventional, government insured/guaranteed first mortgage underwriting guidelines.
- **Automated Underwriting Systems**
 - CalHFA will now accept Freddie Mac Loan Prospector® as an additional eligible Automated Underwriting System
 - CalHFA loans must be underwritten using either:
 1. Fannie Mae Desktop Underwriter® (DU®) with an Approve/Eligible recommendation;
 2. Freddie Mac Loan Prospector® (LP®) with an Accept recommendation, or
 3. Guaranteed Underwriting System (GUS) with an Accept/Eligible recommendation for USDA loans

- **Property Flipping**
 - CalHFA will no longer overlay additional flipping guidelines. Follow the applicable conventional, government insured/guaranteed first mortgage underwriting guidelines.

- **Maximum Loan Amount of First Mortgage**
 - CalHFA's current maximum first mortgage limit of \$417,000 has been removed.
 - Follow the applicable conventional, government insured/guaranteed first mortgage underwriting guidelines.

CHDAP provides down payment or closing cost assistance in the form of a deferred payment junior loan of an amount up to the lesser of three percent (3%) of the purchase price or appraised value. Interest is calculated at 3.25% per annum simple interest. CHDAP may be combined with a CalHFA first mortgage loan or any non-CalHFA conventional or government fixed-rate, first mortgage loan.

Borrower(s) must be first-time homebuyers and meet other eligibility requirements. For complete program details and requirements of a CHDAP subordinate loan, please refer to the [CHDAP Program Handbook](#) located on our web site.

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. 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.