



# Single Family Lending Program Bulletin

September 29, 2014

Program Bulletin #2014-16

To: CalHFA Approved Lenders

## **New CalPLUS Conventional with ZIP Extra: Additional Assistance for CalHFA First-Time Homebuyers**

CalHFA is pleased to announce additional assistance for first-time homebuyers using CalHFA's CalPLUS Conventional Loan. Effective October 06, 2014, CalHFA will add \$6,500 in additional assistance to its CalPLUS Conventional program.

The CalPLUS Conventional with ZIP Extra adds \$6,500 assistance on top of the 3.0% down payment already included in the loan; both at 0% interest. It is the perfect solution for borrowers who have limited funds for down payment, single premium mortgage insurance payment or closing costs, but have the financial means to maintain monthly mortgage payments.

### **Special Features of CalPLUS Conventional with ZIP Extra:**

- Maximum Borrower CLTV up to 105%
- ZIP Extra loan amount = 3% of the first mortgage loan amount plus an extra \$6,500
- 0% interest rate for ZIP Extra
- Can be used for either down payment, single premium mortgage insurance payment and/or closing costs
- Payments are deferred for life of the first mortgage loan
- Only available for first-time homebuyers
- Maximum total DTI up to 45.00%

The CalPLUS Conventional with ZIP Extra can also be combined with CalHFA's other assistance programs such as CHDAP or ECTP and the MCC program.

Even though non-first-time homebuyers are not eligible for the ZIP Extra feature, they may continue to benefit from CalHFA's CalPLUS Conventional Loan with ZIP.

A sample comparison, showing the benefits of the new CalPLUS Conventional with ZIP Extra vs. a non-CalHFA conventional loan is attached.

For questions about this bulletin, contact the CalHFA Single Family Lending division by phone 916.326.8000, fax 916.327.8452, or email [sflending@calhfa.ca.gov](mailto:sflending@calhfa.ca.gov). In addition, you can always visit CalHFA's web site at [www.calhfa.ca.gov](http://www.calhfa.ca.gov) or Single Family Lending directly at [www.calhfa.ca.gov/homeownership](http://www.calhfa.ca.gov/homeownership).

Attachment



<b>CalPLUS Conventional with ZIP Extra Loan Comparison Chart</b>			
	<b>CalPLUS ZIP Extra Conventional</b>	<b>CalPLUS ZIP Extra Conventional</b>	<b>Non-CalHFA Conventional</b>
	Monthly Pay Mortgage Insurance	Single Premium Mortgage Insurance <sup>1</sup>	Monthly Mortgage Insurance
Sales Price	\$300,000	\$300,000	\$300,000
First Loan Amount	\$287,864	\$290,777	\$285,000
Loan-to-Value	95.95%	96.93%	95.00%
Interest Rate	4.50%	4.50%	4.50%
PITI Payment	\$1,859	\$1,873	\$1,844
Sales Price	\$300,000	\$300,000	\$300,000
Est. Closing Costs (4%)	\$12,000	\$12,000	\$12,000
Single Premium MI <sup>2</sup>	\$0	\$8,287	\$0
Total Funds Needed	\$312,000	\$320,287	\$312,000
First Loan Amount	\$287,864	\$290,777	\$285,000
ZIP Extra (3.0% of loan plus \$6,500)	\$15,136	\$15,223	
Sale of Premium Rate Mortgage (3%)			\$8,550
CHDAP (3% of Sales Price)	\$9,000	\$9,000	\$9,000
Total Funds Available	\$312,000	\$315,000	\$302,550
<b>Borrower Funds Needed to Close</b>	<b>\$0</b>	<b>\$5,287</b>	<b>\$9,450</b>
	<b>CalPLUS ZIP Extra Conventional</b>	<b>CalPLUS ZIP Extra Conventional</b>	<b>Non-CalHFA Conventional</b>
	Monthly Pay Mortgage Insurance	Single Premium Mortgage Insurance <sup>1</sup>	Monthly Mortgage Insurance
PITI	\$1,859	\$1,873	\$1,844
Monthly MI <sup>2</sup>	\$192	\$0	\$159
Total Monthly Payment	\$2,050	\$1,873	\$2,003
LTV	95.95%	96.93%	95.00%
CLTV	104.00%	105.00%	100.85%

<sup>1</sup> Zip Extra covers the single premium MI, eliminating the monthly MI premium

<sup>2</sup> Borrower is assumed to have a FICO score between 680 - 719