



# Single Family Lending Program Bulletin

January 29, 2015

Program Bulletin #2015-01

To: CalHFA Approved Lenders

## Streamlined Subordination Process For All CalHFA Junior Loans

CalHFA is pleased to announce a streamlined subordination process for all CalHFA junior loans. This streamlined subordination process will allow homeowners the opportunity to refinance their first mortgage loans, in order to take advantage of low interest rates and recently reduced FHA mortgage insurance premiums, without being forced to pay off their existing CalHFA junior loan(s) or declare a hardship.

New Minimum Requirements:

- New first loan must lower borrower's monthly mortgage payment or replace an existing loan with a more stable product,
- Borrower must have insufficient funds to pay off existing CalHFA junior loan(s), and
- Property must continue to be the borrower's principal residence

Eligible CalHFA junior loans include the following:

- California Homebuyer's Downpayment Assistance Program (CHDAP)
- CalHFA Housing Assistance Program (CHAP)
- High Cost Area Home Purchase Assistance Program (HiCAP)
- Extra Credit Teacher Program (ECTP)
- Homeownership in Revitalization Area Program (HIRAP)
- Zero Interest Program (ZIP) & (ZIP Extra)

Complete subordination process requirements, procedures and forms can be found on our website at [www.calhfa.ca.gov/homeownership/programs/subordination.pdf](http://www.calhfa.ca.gov/homeownership/programs/subordination.pdf)

Homeowners with a Keep Your Home California (KYHC) junior loan should contact KYHC directly at 888.954.5337 or go to [www.KeepYourHomeCalifornia.org/payoff.htm](http://www.KeepYourHomeCalifornia.org/payoff.htm) for complete subordination requirements.

For questions about this bulletin, contact CalHFA Single Family Lending by phone 916.326.8033; fax 916.324.6424; or email at [sflending@calhfa.ca.gov](mailto:sflending@calhfa.ca.gov). In addition, you can always visit CalHFA's website 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).