



# Homeownership Program Bulletin

March 28, 2016

Program Bulletin #2016-08

To: CalHFA Approved Lenders

## Clarification to CalHFA's Disclosure Requirements for CalHFA Subordinate Loans

This bulletin is a clarification to [Program Bulletin 2016-03](#), Disclosure Requirements for CalHFA Subordinate loans.

Lenders are only required to submit the final TIL disclosure for all Zero Interest Program (ZIP) loans that meet the Consumer Financial Protection Bureau's (CFPB) Partial Exemption requirements.

Subordinate loans may meet the CFPB Partial Exemption if all of the following requirements are met:

- The loan is a subordinate lien
- The loan must be used for down payment, closing costs, or similar assistance
- The loan does not have any interest charged
- The loan is forgiven or has deferred payments
- The loan has closing costs at 1% or less of the loan amount, limited to recording, counseling and application fees
- The loan was disclosed to the consumer with a pre-TRID TIL disclosure

All loans that do not meet the disclosure requirements for CalHFA subordinate loans (MyHome Assistance Program, Extra Credit Teacher Home Purchase Program and ZIP) that have been funded by the lender, on or after March 14, 2016, must be corrected within thirty (30) business days of CalHFA's notification of deficiency. The only items that may be corrected are those which the CFPB allows for correction. Loans with errors past the thirty (30) business day timeframe or that cannot be corrected will not be purchased.

All other requirements reflected in [Program Bulletin 2016-03](#) still apply.

For questions about this bulletin, contact CalHFA Homeownership Programs Division by phone 916.326.8033 or by email at [SFLending@calhfa.ca.gov](mailto:SFLending@calhfa.ca.gov). Plus you can always visit CalHFA's website at: [www.calhfa.ca.gov](http://www.calhfa.ca.gov) or Single Family Lending 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.