



# Homeownership Program Bulletin

April 25, 2016

Program Bulletin #2016-09

To: CalHFA Approved Lenders

## CalHFA Announces Additional Master Servicer

CalHFA is pleased to announce the addition of a new master servicer for our first mortgage loan programs. Lakeview Loan Servicing (LLS) will begin accepting new reservations on May 16, 2016.

### Lender Approvals

Current CalHFA-approved lenders must be approved with LLS by May 16, 2016 in order to start reserving loans. Additionally, non-LLS-approved lenders will need LLS approval to avoid any reserved and/or rate locked loans from being cancelled as described below.

CalHFA lenders not currently LLS-approved are encouraged to immediately start the process by contacting Lakeview Loan Servicing's Counterparty Risk Management at [CRM@Lakeviewloanservicing.com](mailto:CRM@Lakeviewloanservicing.com).

### Third Party Originated Loans

CalHFA approved lenders wanting to accept Third Party Originated loans (TPO) will be required to obtain TPO approval from LLS when applying for initial approval by contacting Lakeview Loan Servicing's Counterparty Risk Management at [CRM@Lakeviewloanservicing.com](mailto:CRM@Lakeviewloanservicing.com).

- Upon LLS approval, lenders must email these items to CalHFA at [lendertraining@calhfa.ca.gov](mailto:lendertraining@calhfa.ca.gov)
  - LLS TPO approval
  - Lender's TPO/Broker Policies and Procedures
  - Lender's broker contact information for publication on the CalHFA website
- Lender is responsible for sponsorship in Desktop Originator® (DO®)

### Program Updates

The following updates will be incorporated into CalHFA's [program handbooks](#) for all loans reserved on or after May 16, 2016

- FHA loans
  - Minimum Credit Score of 640 on all FHA loan programs
  - All ZIP loans used in combination with the CalPLUS FHA first mortgage must use the entire 3.5% assistance available (based on the total first mortgage loan amount)Manual Underwriting will be permitted with a:
  - Minimum credit score of 660
  - Maximum DTI of 43.00%

- Manufactured Homes will be permitted with a:
  - Minimum credit score of 700
  - Maximum LTV/CLTV 90.00%
  - Maximum loan term 240 months
  - Manual underwriting is not permitted
  - Maximum age of property is 25 years
- High Balance Loan fees will be net funded at the time of loan purchase
- Conventional loans
  - Minimum credit score 640 up to 97% LTV
  - Non-traditional credit is not allowed
  - Maximum LTV for condos is 97.00%
  - Loans with LTV of 95.01-97.00% will not require Master Servicer underwriting approval
- Master Servicer Fees
  - Funding fee \$250 per loan
  - Tax Service Fee \$75 per loan
  - Life of Loan Flood Certification fee \$15 per loan
- Master Servicer to provide a 1% Service Release Premium (SRP) to lenders at purchase

Please reference the [CalHFA program handbooks](#) on or after May 16, 2016 for all updates

### **Reservations and Rate Locks**

- All loans which are reserved and rate locked prior to May 16, 2016 will continue to be closed and purchased through our current master servicer, U.S. Bank, N.A.
- Any loan which has been reserved, but not rate locked as of May 16, 2016 will be closed and purchased through LLS if the lender is approved with the new master servicer
- Any loan which has been reserved but not rate locked as of May 16, 2016 will be cancelled if the lender is not approved with the new master servicer
- Any existing rate-locked loan that has been subsequently cancelled may not be re-reserved and rate locked until 60 days past the most current expiration date; there will be no exceptions to the 60-day relock policy.

To avoid the cancellation of loans reserved by those lenders not currently LLS-approved, lenders are strongly encouraged to immediately start the approval process with LLS by contacting Lakeview Loan Servicing's Counterparty Risk Management at [CRM@lakeviewloanservicing.com](mailto:CRM@lakeviewloanservicing.com).

Updated loan [program handbooks](#) will be published on CalHFA's website on May 16, 2016.

For questions about this bulletin, contact CalHFA Single Family Lending 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.