CalHFA California Housing Finance Agency
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Homeownership
Program Bulletin

October 11, 2016   **Program Bulletin #2016-21**

To: CalHFA Approved Lenders

New
Zero Interest Program
Interest Rate Disclosure

CalHFA will require the attached Zero Interest Program (ZIP) Interest Rate Disclosure on all CalPLUS with ZIP first mortgage loan reservations made on or after November 1, 2016. Files received on or after this date without the ZIP Disclosure will be suspended.

The ZIP Interest Rate Disclosure will provide the borrowers with more knowledge of financing options when they decide to buy a home.

1.   Choosing to use the ZIP product will result in paying a higher interest rate on the first mortgage.

2.   ZIP is a 0% interest subordinate loan that may be used for closing costs, prepaid items, and principal reduction.

3.   The ZIP is a loan that must be repaid, although no monthly payments on the ZIP loan are required.

For questions about this bulletin, contact CalHFA Single Family Lending by phone 916.326.8033 or by email at SFLending@calhfa.ca.gov. In addition, you can always visit CalHFA's website at: www.calhfa.ca.gov or Single Family Lending 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.

Attachment

Zero Interest Program (ZIP)
INTEREST RATE DISCLOSURE

You have many financing options when deciding to buy a home. Your lender will discuss different home financing alternatives with you.

If you choose to use the CalHFA Zero Interest Program (ZIP), please be aware of the following features:

1. ZIP is a 0% interest subordinate loan that may be used for closing costs, prepaid items, and principal reduction.
2. Choosing to use the ZIP loan will result in you paying a higher interest rate on your first mortgage.
3. No monthly payments on the ZIP loan are required, but the ZIP is a loan that must be repaid.

By signing below, you certify that you have been advised about the features of the ZIP loan.

Date: _____

_____
Name (Typed or Printed)

_____
Borrower's Signature

_____
Name (Typed or Printed)

_____
Borrower's Signature