

Homeownership Program Bulletin

October 11, 2016

Program Bulletin #2016-22

To: CalHFA Approved Lenders

Updates to CalHFA's Disclosure Requirements for CalHFA Subordinate Loans and the Zero Interest Program (ZIP)

This bulletin is a clarification to Program Bulletin 2016-08.

CalHFA requires all Lenders to submit the appropriate disclosure forms for every CalHFA subordinate loan. Lenders must follow their own company's compliance and legal guidelines for the TILA-RESPA Integrated Disclosure rule (TRID) and the Real Estate Settlement Procedures Act (RESPA).

Effective November 1, CalHFA will accept TRID and RESPA disclosures provided by Lenders that follow their company's guidelines. If any loan is not compliant with TRID and/or RESPA, it will be subject to repurchase requirements in accordance with our Mortgage, Purchase, and Servicing Agreement (MP&SA). Lender continues to have the responsibility to defend and hold CalHFA harmless from any claims or expenses that CalHFA may incur as a result of any failure or violation of the TRID and RESPA rules by Lender.

CalHFA has provided disclosure examples as a courtesy to our Lenders to use at Lender's own discretion. CalHFA makes no representation nor assumes any liability regarding the accuracy or compliance of these forms with any regulatory requirements. This guideline applies to any subordinate loans closed after November 1, 2016.

Effective November 1, 2016, CalHFA will allow lenders to charge an optional fifty-dollar (\$50.00) processing fee on ZIP loans. Lenders are advised that charging fees on a ZIP loan including the optional \$50.00 processing fee, a MERS fee, or Notary fees will disqualify the ZIP loan from the partial exemption and require the TRID disclosures.

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