



# Homeownership Program Bulletin

January 04, 2018

Program Bulletin #2018-03

To: CalHFA Approved Lenders

## CalHFA to Offer Limited 203(k) Option on its FHA Loan Programs

Effective for all new reservations accepted on or after February 1, 2018, all CalHFA FHA loan programs will now offer a Limited 203(k) option.

General Guidelines:

- 96.5% LTV / 105.0% CLTV
- Total rehabilitation cost not to exceed \$35,000
- May be used for minor remodeling and non-structural repairs only
  - Work completed must be on HUD's Limited 203(k) Eligible Improvement/Repair list
  - Repairs cannot prevent the borrower from occupying the property for more than 15 days during the rehabilitation period
- All improvements to existing structures must comply with HUD's Minimum Property Requirements and meet or exceed local building codes
- Does not require the use of a 203(k) consultant, but a consultant may be used
- Not allowed on manufactured housing
- Time frame for completion of repairs not to exceed six (6) months
- Lender is responsible for managing and disbursing the escrow funds and must provide all required pre- and post-closing documentation to Lakeview Loan Servicing
- Follow FHA Handbook 4000.1 Limited 203(k) guidelines regarding reason, type of improvements, time to complete, quality, disbursements and post-closing documentation

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.