



Single Family Lending Program Bulletin

July 13, 2023

Program Bulletin #2023-08

To: CalHFA Approved Lenders

Updated ZIP Interest Rate Acknowledgment Form

CalHFA will require lenders to use the newest version of the Zero Interest Program (ZIP) Interest Rate Acknowledgment form. The updated form clarifies that excess ZIP funds need to be applied as a principal reduction to the ZIP loan only. CalHFA does not allow excess ZIP funds to be applied as a principal reduction to the 1st mortgage. CalHFA encourages lenders to use the updated form immediately and the new form will be required for all reservations starting August 1, 2023. Loans with reservation dates on or after August 1, 2023 submitted to CalHFA with the old form will be subject to suspension.

Word versions of this document are also available via email at lendertraining@calhfa.ca.gov.

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

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 only. ZIP funds may not be used to pay off borrower debt. Any excess ZIP funds must be applied as a principal reduction to the ZIP loan. Cash back to the borrower from the ZIP loan is prohibited.
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 and acknowledge that you have been advised about and understand the features of the ZIP loan.

Date:

Name:

(Typed Or Printed)

Borrower's Signature _____

Name:

(Typed Or Printed)

Borrower's Signature _____