



CALIFORNIA HOUSING FINANCE AGENCY

California Homebuyer's Downpayment Assistance Program (CHDAP)

LAST REVISED: MAY 2012

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Program Summary

The California Homebuyer's Downpayment Assistance Program (CHDAP) is a deferred payment, simple interest rate junior loan. The CHDAP loans are available up to, but cannot exceed 3% of the sales price or appraised value of the property, whichever is less.

The CHDAP can be used for down payment assistance and/or closing costs with eligible CalHFA's first mortgage loans or non-CalHFA fixed rate, first mortgage loans.

In addition, CalHFA will permit qualified homebuyers to use other down payment

assistance loans or grants to help in the purchase of the home. If the homebuyer is using a CalHFA first mortgage loan, all additional programs must be CalHFA approved. (See [CalHFA approved AHPP list](#).)

Participating Lenders

This program is only available through a [CalHFA-approved lender](#).

Target Markets

This program is intended for first-time homebuyers anywhere in California.

[Funds Currently Available](#)

Eligibility

Borrower Requirements

- First-time homebuyer(s)
- Meet credit, income and loan requirements of CalHFA, the CalHFA lender and the mortgage insurer/guarantor

Homebuyer Education

- Homebuyer education is required for each borrower. CalHFA will accept a homebuyer education counseling certificate of completion via online, in-person, or by phone. Below are examples of providers:
 - › [Freddie Mac Homebuyer Counseling Counselors/Administrators Search](#)
 - › [HUD-approved Housing Counselors](#)
 - › [NeighborWorks America](#)
 - › Private Mortgage Insurers approved by Fannie Mae. Check private mortgage insurer's web site for homebuyer counseling availability

First-Time Homebuyer Definition

To qualify for the CHDAP loan program, all borrowers (including co-borrowers) must reside in the home and must meet the definition of a first-time homebuyer.

For CalHFA purposes a first-time homebuyer is defined as a borrower who has not had an ownership interest in any principal residence during the previous three years.

Owner Occupancy

- Occupy the property as their primary residence; non-occupant co-borrowers are not allowed
- Borrowers must occupy the financed residence as the principal residence within 60 days of closing
- Property must be owner-occupied for the term of the loan or until the property is sold
- Non-occupant co-borrowers are not allowed

(continued on next page)

- Non-occupant co-signors are allowed per first mortgage guidelines, but cannot occupy the property

Property Requirements

- Sales price of the home cannot exceed CalHFA's [sales price limits](#) established for the county in which the property is located
- Be a single-family, one-unit residence, including condominium/PUD
- Manufactured housing is not eligible
- Meet the requirements of the mortgage insurer/guarantor
- Leaseholds/Land Trusts and Co-ops are not allowed

- There is a five acre maximum on the size of the property
- Defects and /or repair conditions identified by the appraiser on the appraisal report must be corrected prior to purchase by CalHFA

All units must be complete with respect to construction or repairs and ready to occupy

Property Flipping

Conventional loans: Follow investor guidelines

FHA/VA/USDA loans: Follow the applicable government insured/guaranteed first mortgage underwriting guidelines

INCOME LIMITS **Attachment A**
California Homebuyer's Downpayment Assistance Program (CHDAP) &
School Facility Fee Down Payment Assistance Program (SFF) #2

Use with FHA Firsts

Effective: 8/5/2011

County/Persons	1	2	3	4	5	6	7	8
ALAMEDA	\$74,350	\$84,950	\$95,550	\$106,150	\$114,650	\$123,100	\$131,650	\$140,150
ALPINE	\$67,300	\$76,950	\$86,500	\$96,150	\$103,800	\$111,550	\$119,200	\$126,900
AMADOR	\$53,800	\$61,450	\$69,150	\$76,850	\$82,950	\$89,100	\$95,300	\$101,400
BUTTE	\$46,650	\$53,300	\$59,950	\$66,650	\$71,950	\$77,250	\$82,650	\$87,950
CALAVERAS	\$55,400	\$63,300	\$71,250	\$79,150	\$85,450	\$91,800	\$98,100	\$104,450
COLUSA	\$46,050	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,650	\$86,850
CONTRA COSTA	\$74,350	\$83,000	\$95,550	\$106,150	\$114,650	\$123,100	\$131,650	\$140,150
DEL NORTE	\$46,050	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,650	\$86,850
EL DORADO	\$60,450	\$69,100	\$77,750	\$86,350	\$93,250	\$100,150	\$107,050	\$114,000
FRESNO	\$46,050	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,650	\$86,850
GLENN	\$46,050	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,650	\$86,850
HUMBOLDT	\$46,050	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,650	\$86,850
IMPERIAL	\$46,050	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,650	\$86,850
INYO	\$52,000	\$59,450	\$66,850	\$74,300	\$80,250	\$86,200	\$92,100	\$98,050
KERN	\$46,050	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,650	\$86,850
KINGS	\$46,050	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,650	\$86,850
LAKE	\$46,050	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,650	\$86,850
LASSEN	\$49,050	\$56,100	\$63,100	\$70,100	\$75,700	\$81,300	\$86,900	\$92,500
LOS ANGELES	\$51,550	\$58,900	\$66,250	\$73,600	\$79,500	\$85,400	\$91,300	\$97,200
MADERA	\$46,050	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,650	\$86,850
MARIN	\$81,800	\$93,450	\$105,150	\$116,850	\$126,200	\$135,550	\$144,900	\$154,200
MARIPOSA	\$47,250	\$54,050	\$60,800	\$67,550	\$72,950	\$78,300	\$83,750	\$89,150
MENDOCINO	\$46,050	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,650	\$86,850
MERCED	\$46,050	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,650	\$86,850
MODOC	\$46,050	\$52,650	\$59,250	\$63,900	\$71,100	\$76,350	\$81,650	\$86,850
MONO	\$60,000	\$68,550	\$77,100	\$85,700	\$92,550	\$99,400	\$106,250	\$113,100
MONTEREY	\$54,600	\$62,400	\$70,150	\$78,000	\$84,200	\$90,450	\$96,650	\$102,950
NAPA	\$68,450	\$78,200	\$88,000	\$97,750	\$105,600	\$113,400	\$121,250	\$129,050
NEVADA	\$57,650	\$65,850	\$74,100	\$82,350	\$88,900	\$95,500	\$102,100	\$108,700
ORANGE	\$67,850	\$77,500	\$87,200	\$96,850	\$104,650	\$112,350	\$120,100	\$127,850
PLACER	\$60,450	\$69,100	\$77,750	\$86,350	\$93,250	\$100,150	\$107,050	\$114,000
PLUMAS	\$46,050	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,650	\$86,850
RIVERSIDE	\$50,350	\$57,500	\$64,700	\$71,900	\$77,650	\$83,400	\$89,150	\$94,900
SACRAMENTO	\$60,450	\$69,100	\$77,750	\$86,350	\$93,250	\$100,150	\$107,050	\$114,000
SAN BENITO	\$63,050	\$72,050	\$81,050	\$90,050	\$97,250	\$104,500	\$111,650	\$118,850
SAN BERNARDINO	\$50,350	\$57,500	\$64,700	\$71,900	\$77,650	\$83,400	\$89,150	\$94,900
SAN DIEGO	\$60,350	\$68,950	\$77,550	\$86,200	\$93,100	\$100,000	\$106,900	\$113,750
SAN FRANCISCO	\$81,800	\$93,450	\$105,150	\$116,850	\$126,200	\$135,550	\$144,900	\$154,200
SAN JOAQUIN	\$52,700	\$60,200	\$67,750	\$75,250	\$81,300	\$87,300	\$93,300	\$99,300
SAN LUIS OBISPO	\$59,900	\$68,500	\$77,050	\$85,600	\$92,450	\$99,300	\$106,150	\$113,000
SAN MATEO	\$81,800	\$93,450	\$105,150	\$116,850	\$126,200	\$135,550	\$144,900	\$154,200
SANTA BARBARA	\$58,200	\$66,550	\$74,850	\$83,150	\$89,800	\$96,500	\$103,100	\$109,750
SANTA CLARA	\$83,400	\$95,350	\$107,200	\$119,150	\$128,700	\$138,200	\$147,750	\$157,300
SANTA CRUZ	\$69,050	\$78,950	\$88,800	\$98,700	\$106,600	\$114,450	\$122,350	\$130,250
SHASTA	\$46,900	\$53,600	\$60,250	\$66,950	\$72,350	\$77,700	\$83,000	\$88,400
SIERRA	\$57,100	\$65,300	\$73,450	\$81,600	\$88,100	\$94,600	\$101,150	\$107,700
SISKIYOU	\$46,050	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,650	\$86,850
SOLANO	\$65,600	\$75,000	\$84,350	\$93,750	\$101,200	\$108,750	\$116,200	\$123,750
SONOMA	\$65,600	\$75,000	\$84,350	\$93,750	\$101,200	\$108,750	\$116,200	\$123,750
STANISLAUS	\$49,200	\$56,250	\$63,250	\$70,250	\$75,900	\$81,550	\$87,150	\$92,750
SUTTER	\$47,150	\$53,950	\$60,650	\$67,400	\$72,750	\$78,200	\$83,550	\$88,950
TEHAMA	\$46,050	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,650	\$86,850
TRINITY	\$46,050	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,650	\$86,850
TULARE	\$46,050	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,650	\$86,850
TUOLUMNE	\$52,950	\$60,550	\$68,100	\$75,700	\$81,700	\$87,800	\$93,850	\$99,900
VENTURA	\$70,950	\$81,050	\$91,200	\$101,300	\$109,400	\$117,500	\$125,600	\$133,700
YOLO	\$61,000	\$69,750	\$78,450	\$87,200	\$94,200	\$101,150	\$108,100	\$115,050
YUBA	\$47,150	\$53,950	\$60,650	\$67,400	\$72,750	\$78,200	\$83,550	\$88,950

To be used behind FHA insured first mortgage loans

INCOME LIMITS **Attachment B**
California Homebuyer's Downpayment Assistance Program (CHDAP) &
School Facility Fee Down Payment Assistance Program (SFF) #2

Use with VA, USDA or Conventional Firsts

Effective: 8/5/2011

County/Persons	1	2	3	4	5	6	7	8
ALAMEDA	\$77,550	\$88,600	\$99,700	\$110,750	\$119,600	\$128,450	\$137,350	\$146,200
ALPINE	\$70,200	\$80,250	\$90,250	\$100,300	\$108,300	\$116,350	\$124,350	\$132,400
AMADOR	\$56,100	\$64,100	\$72,150	\$80,150	\$86,550	\$92,950	\$99,400	\$105,800
BUTTE	\$48,650	\$55,600	\$62,550	\$69,500	\$75,050	\$80,600	\$86,200	\$91,750
CALAVERAS	\$57,800	\$66,050	\$74,300	\$82,550	\$89,150	\$95,750	\$102,350	\$108,950
COLUSA	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,650	\$85,150	\$90,600
CONTRA COSTA	\$77,550	\$86,600	\$99,700	\$110,750	\$119,600	\$128,450	\$137,350	\$146,200
DEL NORTE	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,650	\$85,150	\$90,600
EL DORADO	\$63,050	\$72,100	\$81,100	\$90,100	\$97,300	\$104,500	\$111,700	\$118,950
FRESNO	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,650	\$85,150	\$90,600
GLENN	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,650	\$85,150	\$90,600
HUMBOLDT	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,650	\$85,150	\$90,600
IMPERIAL	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,650	\$85,150	\$90,600
INYO	\$54,250	\$62,000	\$69,750	\$77,500	\$83,700	\$89,900	\$96,100	\$102,300
KERN	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,650	\$85,150	\$90,600
KINGS	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,650	\$85,150	\$90,600
LAKE	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,650	\$85,150	\$90,600
LASSEN	\$51,150	\$58,500	\$65,800	\$73,100	\$78,950	\$84,800	\$90,650	\$96,500
LOS ANGELES	\$53,750	\$61,450	\$69,100	\$76,800	\$82,950	\$89,100	\$95,250	\$101,400
MADERA	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,650	\$85,150	\$90,600
MARIN	\$85,350	\$97,500	\$109,700	\$121,900	\$131,650	\$141,400	\$151,150	\$160,900
MARIPOSA	\$49,300	\$56,350	\$63,400	\$70,450	\$76,100	\$81,700	\$87,350	\$93,000
MENDOCINO	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,650	\$85,150	\$90,600
MERCED	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,650	\$85,150	\$90,600
MODOC	\$48,050	\$54,900	\$61,800	\$66,650	\$74,150	\$79,650	\$85,150	\$90,600
MONO	\$62,600	\$71,500	\$80,450	\$89,400	\$96,550	\$103,700	\$110,850	\$118,000
MONTEREY	\$56,950	\$65,100	\$73,200	\$81,350	\$87,850	\$94,350	\$100,850	\$107,400
NAPA	\$71,400	\$81,600	\$91,800	\$102,000	\$110,150	\$118,300	\$126,500	\$134,650
NEVADA	\$60,150	\$68,700	\$77,300	\$85,900	\$92,750	\$99,650	\$106,500	\$113,400
ORANGE	\$70,750	\$80,850	\$90,950	\$101,050	\$109,150	\$117,200	\$125,300	\$133,400
PLACER	\$63,050	\$72,100	\$81,100	\$90,100	\$97,300	\$104,500	\$111,700	\$118,950
PLUMAS	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,650	\$85,150	\$90,600
RIVERSIDE	\$52,500	\$60,000	\$67,500	\$75,000	\$81,000	\$87,000	\$93,000	\$99,000
SACRAMENTO	\$63,050	\$72,100	\$81,100	\$90,100	\$97,300	\$104,500	\$111,700	\$118,950
SAN BENITO	\$65,750	\$75,150	\$84,550	\$93,950	\$101,450	\$109,000	\$116,500	\$124,000
SAN BERNARDINO	\$52,500	\$60,000	\$67,500	\$75,000	\$81,000	\$87,000	\$93,000	\$99,000
SAN DIEGO	\$62,950	\$71,900	\$80,900	\$89,900	\$97,100	\$104,300	\$111,500	\$118,650
SAN FRANCISCO	\$85,350	\$97,500	\$109,700	\$121,900	\$131,650	\$141,400	\$151,150	\$160,900
SAN JOAQUIN	\$54,950	\$62,800	\$70,650	\$78,500	\$84,800	\$91,050	\$97,350	\$103,600
SAN LUIS OBISPO	\$62,500	\$71,450	\$80,350	\$89,300	\$96,450	\$103,600	\$110,750	\$117,900
SAN MATEO	\$85,350	\$97,500	\$109,700	\$121,900	\$131,650	\$141,400	\$151,150	\$160,900
SANTA BARBARA	\$60,700	\$69,400	\$78,100	\$86,750	\$93,700	\$100,650	\$107,550	\$114,500
SANTA CLARA	\$87,000	\$99,450	\$111,850	\$124,300	\$134,250	\$144,200	\$154,150	\$164,100
SANTA CRUZ	\$72,050	\$82,350	\$92,650	\$102,950	\$111,200	\$119,400	\$127,650	\$135,900
SHASTA	\$48,900	\$55,900	\$62,850	\$69,850	\$75,450	\$81,050	\$86,600	\$92,200
SIERRA	\$59,550	\$68,100	\$76,600	\$85,100	\$91,900	\$98,700	\$105,500	\$112,350
SISKIYOU	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,650	\$85,150	\$90,600
SOLANO	\$68,450	\$78,250	\$88,000	\$97,800	\$105,600	\$113,450	\$121,250	\$129,100
SONOMA	\$68,450	\$78,250	\$88,000	\$97,800	\$105,600	\$113,450	\$121,250	\$129,100
STANISLAUS	\$51,300	\$58,650	\$65,950	\$73,300	\$79,150	\$85,050	\$90,900	\$96,750
SUTTER	\$49,200	\$56,250	\$63,250	\$70,300	\$75,900	\$81,550	\$87,150	\$92,800
TEHAMA	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,650	\$85,150	\$90,600
TRINITY	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,650	\$85,150	\$90,600
TULARE	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,650	\$85,150	\$90,600
TUOLUMNE	\$55,250	\$63,150	\$71,050	\$78,950	\$85,250	\$91,600	\$97,900	\$104,200
VENTURA	\$74,000	\$84,550	\$95,150	\$105,700	\$114,150	\$122,600	\$131,050	\$139,500
YOLO	\$63,650	\$72,750	\$81,850	\$90,950	\$98,250	\$105,500	\$112,800	\$120,050
YUBA	\$49,200	\$56,250	\$63,250	\$70,300	\$75,900	\$81,550	\$87,150	\$92,800

To be used behind VA, USDA or conventional first mortgage loans

HOMEOWNERSHIP PROGRAM SALES PRICE LIMITS

Effective 6/30/2011

County	NEW CONSTRUCTION		RESALE	
	Non-Targeted	Targeted	Non-Targeted	Targeted
Alameda	665,088	812,885	665,088	812,885
Alpine	498,987	None	498,987	None
Amador	404,430	None	404,430	None
Butte	364,556	445,569	364,556	445,569
Calaveras	421,518	None	421,518	None
Colusa	362,278	None	362,278	None
Contra Costa	665,088	812,885	665,088	812,885
Del Norte	283,671	None	283,671	None
El Dorado	528,607	None	528,607	None
Fresno	347,468	424,683	347,468	424,683
Glenn	262,025	None	262,025	None
Humboldt	358,860	438,607	358,860	438,607
Imperial	296,202	362,025	296,202	362,025
Inyo	398,734	None	398,734	None
Kern	336,076	410,759	336,076	410,759
Kings	296,202	362,025	296,202	362,025
Lake	365,696	446,961	365,696	446,961
Lassen	259,747	None	259,747	None
Los Angeles	665,088	812,885	665,088	812,885
Madera	387,342	473,418	387,342	473,418
Marin	665,088	None	665,088	None
Mariposa	375,949	None	375,949	None
Mendocino	467,088	570,885	467,088	570,885
Merced	430,632	526,329	430,632	526,329
Modoc	247,032	None	247,032	None
Mono	482,126	None	482,126	None
Monterey	665,088	812,885	665,088	812,885
Napa	665,088	None	665,088	None
Nevada	512,658	None	512,658	None
Orange	665,088	812,885	665,088	812,885
Placer	528,607	None	528,607	None
Plumas	373,671	None	373,671	None
Riverside	455,696	556,961	455,696	556,961
Sacramento	528,607	646,076	528,607	646,076
San Benito	665,088	None	665,088	None
San Bernardino	455,696	556,961	455,696	556,961
San Diego	635,696	776,961	635,696	776,961
San Francisco	665,088	812,885	665,088	812,885
San Joaquin	445,443	544,430	445,443	544,430
San Luis Obispo	626,582	765,823	626,582	765,823
San Mateo	665,088	None	665,088	None
Santa Barbara	665,088	812,885	665,088	812,885
Santa Clara	665,088	812,885	665,088	812,885
Santa Cruz	665,088	None	665,088	None
Shasta	386,202	472,025	386,202	472,025
Sierra	277,747	None	277,747	None
Siskiyou	267,721	327,214	267,721	327,214
Solano	508,101	None	508,101	None
Sonoma	603,797	None	603,797	None
Stanislaus	386,202	472,025	386,202	472,025
Sutter	387,342	473,418	387,342	473,418
Tehama	284,810	None	284,810	None
Trinity	247,032	301,929	247,032	301,929
Tulare	296,202	362,025	296,202	362,025
Tuolumne	398,734	None	398,734	None
Ventura	665,088	812,885	665,088	812,885
Yolo	528,607	646,076	528,607	646,076
Yuba	387,342	473,418	387,342	473,418

Counties with "None" are counties with no federally designated-qualified census tracts in them.

Underwriting & Compliance

Term

Term of the CHDAP matches the term of the first mortgage not to exceed 30 years. Payments on the junior loan are deferred for the life of the first loan. CHDAP is due and payable when certain events occur. See “Repayment of Junior Loan” section on the next page.

Maximum Loan Amount

CHDAP = 3% of the sales price or appraised value, whichever is less.
First Mortgage = Per Investor guidelines

LTV

Conventional loans: Follow investor guidelines

FHA/VA/USDA loans: Follow the applicable government insured/guaranteed first mortgage underwriting guidelines

CLTV

Conventional loans: Per investor guidelines

FHA/VA/USDA loans: Per applicable government insured/guaranteed first mortgage underwriting guidelines

Income Requirements

Lenders are required to calculate income to qualify borrower(s) for loan approval using investor guidelines; in addition, CalHFA will recalculate the borrower’s income pursuant to tax compliance.

Qualifying Income Vs. Tax Compliance Income

Qualifying income is the income used by lender to determine that the borrowers

have the ability to meet their monthly obligation. Lender will continue to adhere to the guidelines of their internal underwriting guidelines, mortgage insurer, and this program handbook. This income may differ from the income used by CalHFA for tax compliance purposes

Maximum Tax Compliance Income Limits

The income of all borrowers cannot exceed the published CalHFA CHDAP moderate income limits established for the county in which the property is located.

Underwriting

- Lenders should follow the applicable conventional, government insured/guaranteed first mortgage underwriting guidelines
- Fully amortized, maximum 30-year fixed rate
- Acceptable Automated Underwriting Systems:
 - › Fannie Mae Desktop Underwriter (DU) with an Approved/Eligible recommendation
 - › Freddie Mac Loan Prospector (LP) with an Accept results
 - › Guaranteed Underwriting System (GUS) with an Accept/Eligible Recommendation (for USDA loan only)
- No manual underwriting is allowed
- CHDAP may be combined with other down payment and/or closing cost assistance programs
- Loans submitted for approval must be fully underwritten

- Verification of employment and other supporting documentation regarding income such as paycheck stubs should be no more than 60 days old at the time of submission to the Agency for loan approval
- There is a maximum of four co-borrowers allowed

Minimum Borrower Contribution

Conventional loans: Follow investor guidelines

FHA/VA/USDA loans: Follow the applicable government insured/guaranteed first mortgage underwriting guidelines

Minimum Credit Score & DTI Ratios

First Mortgage Loan Type	LTV	Minimum Credit Score	Maximum Total DTI Ratio
CalHFA First Mortgage	Follow Insurer Guidelines	640	Per DU approved/eligible
Non-CalHFA FHA/VA/USDA First Mortgage	Follow Insurer Guidelines	640	Per DU approved/eligible
Non-CalHFA Conventional First Mortgage	≤95%	640	Per DU approved/eligible
	95.01-100%	680	≤45%
	95.01-100%	700	45.01-50%
	95.01-100%	720	50.01-55%

- Additional borrower(s) or co-borrower(s) with no credit score may be eligible as long as the borrower(s) with credit scores meet the minimum representative credit score requirement.

- When all borrowers have a credit score, they must all meet the minimum representative credit score requirement
- The middle score of the lowest scoring borrower should be used to determine eligibility

Fees

Lender Allowable Fees (Processing)
Maximum total processing fee of \$250

Additional Program Options

Effective January 1, 2005, state legislation has increased the amount of down payment assistance offered under the CHDAP; from 3% to 5% of the purchase price or the appraised value (whichever is less) for borrowers purchasing a newly constructed home in specific eligible areas.

Below is a list of government entities that have eligible areas (such as, an infill opportunity zone, transit village development district or transit-oriented development plan area) or you may contact your local city/county planning department.

PARTICIPATING GOVERNMENT ENTITIES:

Land Development Coordinating Center

Dept. of Regional Planning
County of Los Angeles
(213) 974-6411

City of Long Beach

Contact: Patrick Ure
(562) 570-5269
Eligible Area: Olive Court Development

Repayment

Repayment of the principal and interest on the junior loan shall be due and payable at the earliest of the following events:

- Transfer of title
- Sale of the property
- Payoff or refinance of the first loan
- Upon the formal filing and recording of a Notice of Default (unless rescinded)



Subordination Process For California Homebuyer's Downpayment Assistance Program (CHDAP) Loans

The California Legislature recently signed into law, two bills, AB X4 12 (Ch. 12, Stat. 2009) and SB 224 (Ch. 172, Stat. 2010). These bills will enable CalHFA to permit the subordination of existing CHDAP loans, if homeowners have demonstrated hardship and are refinancing their first mortgage to avoid foreclosure. The purpose of this legislation is to help existing homeowners to keep their homes by allowing them to take advantage of refinancing their existing first mortgage and not be forced to pay off their existing CHDAP subordinate loan.

To be eligible, all of the following minimum requirements must be met:

- The borrower has a demonstrated hardship
- Subordination is the only method to avoid foreclosure
- The new loan must meet Agency underwriting requirements

Subordination Requirements

The borrower must meet CalHFA's new first mortgage loan, hardship and foreclosure avoidance requirements and property eligibility criteria listed below.

New First Mortgage Loan Requirements:

- The loan must be underwritten and approved by the originating lender in accordance with loan programs that refinance the unpaid principal balance of the existing first mortgage loan (no-cash-out refinance).
- The new first loan must lower the borrower's mortgage payment or replace the existing first loan with a more stable product.

CalHFA Hardship Requirements:

- The financial hardship must be explained and documented by the borrower. Examples of financial hardship include, but are not limited to:
 - Temporary unemployment has caused a significant delinquency or new employment has resulted in less monthly income.
 - Employer reduced borrower's pay (Overtime eliminated, regular hours or base pay reduced).

- One of the borrower's or wage earner's incomes has been reduced or eliminated due to involuntary job loss, death, incarceration, divorce or separation.
- One of the borrower's or wage earner's incomes has been eliminated or reduced as a result of suffering a permanent or short-term disability or serious illness.
- Self-employed borrower has suffered a documented decline in business earnings.
- An increased monthly payment on an existing first loan is beyond that which the borrower can reasonably afford.

Examples of acceptable documentation include, but are not limited to: Current pay stubs, two years of W-2's, two years of Federal tax returns, unemployment notices, EDD Benefits Letter, letter from employer, legal divorce or separation papers, etc.

Foreclosure Avoidance Requirements

Borrower(s) must meet one or more of the following requirements:

- Using one of the following first mortgage refinance programs designed to avoid foreclosure: Fannie Mae's Refi Plus, FNMA DU Refi Plus or Freddie Mac's Relief Refinance Mortgage.
- 1st Mortgage currently delinquent more than 60 days.
- Insufficient funds to payoff existing CHDAP loan balance and still maintain sufficient reserves in savings accounts (Two months of PITI).
- Lower payment to a more sustainable housing debt-to-income ratio of between 31– 36%.

Property Eligibility Criteria

- The property must be the borrower's principal residence.

Submission Documentation

Requests for subordination of existing CHDAP junior loan must be submitted to CalHFA's Subordinate Loan Administrator (see address below) in the following stacking order: (see attached CHDAP Subordination Submission Checklist)

- Request for Subordination of CalHFA junior loans (See attached Application for CHDAP Subordination).
- Borrower's written and signed hardship and foreclosure avoidance explanation and supporting documentation.
- Copy of credit report.
- Two months of current bank statements (all pages).
- Borrower's most recent mortgage account statement and a copy of the existing 1st mortgage promissory note.

- Uniform Underwriting and Transmittal Summary (1008), or FHA Loan Underwriting and Transmittal Summary (HUD 92900-LT) as applicable for the new loan.
- Final lender's current manual or automated underwriting approval.
- Final Uniform Residential Loan Application (1003) complete with borrower financial information. (Signed by borrower(s))
- Copy of preliminary title report.
- Copy of recorded CHDAP Deed of Trust.

CalHFA reserves the right to request additional documentation as deemed appropriate.

Lenders requesting subordination along with required documentation should submit these documents to:

Regular Mail:

CalHFA
 Loan Administration – Special Programs
 P.O. Box 4034
 Sacramento, CA 95812-4034

Overnight/Courier:

CalHFA
 Loan Administration – Special Programs
 500 Capitol Mall, Ste 400
 Sacramento, CA 95814

Special Programs Phone #:

916.326.8062

Upon receipt of a completed package, CalHFA will:

- Review for compliance with CalHFA Loan Subordination Underwriting Guidelines.
- Send final decision to lender listed on application form.
- Send an original executed and notarized Subordination Agreement and Escrow Instructions to the Title Company if application is approved. This document will be sent regular mail unless a self-addressed/prepaid overnight courier service label is provided in application package.



SUBMIT ENTIRE SUBORDINATION FILE TO:
 CalHFA Homeownership Division
 Loan Administration-Special Programs (MS-920)
Regular Mail: P. O. Box 4034 • Sacramento • CA • 95812-4034
Overnight/Courier: 500 Capitol Mall, Suite 400 • Sacramento • 95814
 Phone (916)326-8062 • Fax (916) 327-8452

APPLICATION FOR CHDAP SUBORDINATION
Please complete all sections of this form

CalHFA CHDAP LOAN # _____	
BORROWER NAME(S): _____ _____	PROPERTY ADDRESS: _____ _____
LENDER NAME _____	TITLE COMPANY _____
LENDER ADDRESS _____ _____	ADDRESS _____ _____
City _____ State _____ ZIP _____	City _____ State _____ ZIP _____
CONTACT NAME _____	ESCROW OFFICER _____ ESCROW # _____
PHONE NUMBER () _____	PHONE NUMBER () _____
FAX NUMBER () _____	FAX NUMBER () _____
EMAIL ADDRESS _____	EMAIL ADDRESS _____

LEGAL STATEMENT

Lender acknowledges that this application and documents submitted to CalHFA Homeownership Loan Administration Special Programs represents and/or warrants the correctness and completeness of all statements and information contained in such documents.

Signature of lender's authorized representative:

Signature _____	() _____ Telephone Number
-----------------	-------------------------------

Print name _____	() _____ Fax Number
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CHDAP Subordination Submission Checklist

SUBMIT COPIES ONLY – PLEASE SUBMIT IN THIS STACKING ORDER

FILE ORDER

Left Side	Right Side
<input type="checkbox"/> Application for CHDAP Subordination	<input type="checkbox"/> Uniform Underwriting and Transmittal Summary (1008) or FHA Loan Underwriting and Transmittal Summary (HUD 92900-LT) as applicable for the new loan
<input type="checkbox"/> Self Addressed/Prepaid overnight courier service label/envelope If application is approved, Subordination Agreement and Escrow Instructions will be sent by regular mail to the Title Company if overnight courier service label/envelope is not provided in package.	<input type="checkbox"/> Lender's Final Underwriting approval (DU/LP Findings, Manual Underwriting)
	<input type="checkbox"/> Final Uniform Residential Loan Application (1003) complete with borrower financial information (Signed by borrower(s))
	<input type="checkbox"/> Borrower's written signed and dated hardship letter and foreclosure avoidance explanation with supporting documentation to verify hardship. Documentation supporting hardship must not be more than 90 days old as of the date of program eligibility.*
	<input type="checkbox"/> Credit Report
	<input type="checkbox"/> Two months of current Bank Statements (all pages)
	<input type="checkbox"/> Copy of the existing 1 st mortgage promissory note
	<input type="checkbox"/> Copy of recorded CHDAP Deed of Trust
	<input type="checkbox"/> Borrower's most recent mortgage account statement for existing loan
	<input type="checkbox"/> Preliminary Title Report

* Examples of acceptable documentation include but are not limited to: Current pay stubs, two years of W-2's, two years of Federal tax returns, unemployment notices, EDD Benefits Letter, letter from employer, legal divorce or separation papers, etc.

Subordination requests will be reviewed for final approval upon receipt of a completed package, which contains all the required documents. Delivery of incomplete and/or fraudulent information may result in processing delays.

Note: This check list represents the minimum documents required for CalHFA approval. Other documents may be required by underwriter/reviewer.



CALHFA Loan Submission Checklist
First Mortgage and CHDAP Stand Alone
Submit Copies Only

*Not Required on CHDAP stand alone

LEFT SIDE

- * **Borrower's Affidavit** – all fields completed. Borrower(s) and Lender to sign and date
- * **Seller's Affidavit** – all fields completed. Seller(s) to sign and date
- * **CalHFA Notice and Borrower Representations Affidavit** – Borrower(s) to sign and date
- * **Statement of Citizenship, Alienage, and Immigration Status for State Public Benefits** – Each borrower to complete applicable Section A, B or C. Each borrower must complete and sign a separate form
- * **Lender Verification of Citizenship/Qualified Alien Status** - Lender to fully complete, sign and date
- Military Service Questionnaire** – Borrower(s) to complete, sign and date
- Borrower(s) Certificate of Completion of Homebuyers Education Counseling** – for all borrowers and from acceptable source

RIGHT SIDE

- Private Mortgage Insurance (MI) Commitment/Certificate of Insurance** at highest insurable rate possible from Fannie Mae approved mortgage insurer (conventional loans only)
- FINAL Transmittal Summary (1008)/FHA 92900-LT (LT/MCAW)/VA Loan Analysis (VALA)** – must be approved at highest insurable rate possible and signed by lender's underwriter
- Current version of Fannie Mae Desktop Underwriter (DU) with an Approved/Eligible recommendation** - Must match the signed Final 1008/LT/VALA
 - FHA use FHA Total Scorecard Option
 - Conventional use MyCommunityMortgage (MCM) Option
 - VA use Government/VA Option
 - USDA use automated underwriting through Guaranteed Underwriting System (GUS) with an Accept/Eligible recommendation
- Lender's FINAL In-House Underwriting Approval** with list of conditions. All loan information and terms must match the signed FINAL 1008/LT/VALA
- FINAL Typed Loan Application (1003)** for Borrowers(s) (and co-signer(s), as applicable)

RIGHT SIDE (Continued)

- Initial Loan Application (1003)** signed by Borrower(s) (and co-signer(s), as applicable)
- Credit Report** must match FINAL automated findings report. Social Security number(s) must match documentation in file
- All Signed Explanation Letters**, as applicable
- Verification of Employment** – written or verbal (must verify start date)
- Pay Stub(s) Covering a 30-Day Period** – no more than 60 days old
- W-2(s)** – most current year and from all sources
- Signed YTD Profit & Loss** on any Federal Schedule C or E Income, as applicable
- Federal Income Tax Returns (1040s)** - Complete copies from the last 3 years
- CalHFA Tax Return Affidavit** – ONLY for borrower(s) not required to file 1040s
- IRS Form 4506T** (Item #5 to be left blank) signed by Borrower(s)
- Verification of Funds to Close** (e.g., bank statements, gift letter, funds. etc.)
- Purchase Contract or Escrow Instructions** – full copy. Sales price must match signed 1008/LT/VALA
- Appraisal (URAR)** with photos, sketch, map and appraiser's signature – no more than 120 days old
- "Life of Loan" Standard Flood Hazard Determination**
- Lender's Warranty for Condominium/Attached PUD** (see Fannie Mae Announcement)
- Preliminary Title Report** with map and address supplement –no more than 120 days old
- * **Subordinate Financing** – Provide samples of all non-CalHFA DPA subordinate loan documents, as applicable. Must be CalHFA, Master Servicer and/or Fannie Mae approved, as applicable
- * **Resale Controls/BMR/Inclusionary Housing Locality Liens, etc.** - Provide copy of all documents recorded or to be recorded, as applicable. Must be CalHFA, Master Servicer, and/or Fannie Mae approved, as applicable
- VA Certificate of Eligibility** – form 1880
- * **VA Form DD214**, as applicable

Note: This check list represents the minimum documents required for CalHFA approval. Other documents may be required by underwriter/reviewer.



TAX RETURN AFFIDAVIT

I, _____, and I, _____, as applicants for a home mortgage loan originated by: _____, pursuant to the Mortgage Bond Program of the California Housing Finance Agency, do hereby represent and warrant that (I/we) were not required to file a federal income tax return for the calendar year(s) _____ in accordance with section 6012 of the Internal Revenue Code.

(I/We) declare under penalty of perjury that the foregoing is true and correct. Executed on the date or dates shown below.

Date

Signature of Borrower

Date

Signature of Borrower



Military Service Questionnaire

(For Informational Purposes Only)

CalHFA Manifest Number: _____

Property Address _____

Borrower Name: _____

Co-Borrower (1) Name: _____

Co-Borrower (2) Name: _____

Co-Borrower (3) Name: _____

Military Service: Is this person now serving, or has this person ever served on active duty in the U.S. Armed Forces, Military Reserves, or National Guard?

Borrower:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Decline to Report
Co-Borrower (1):	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Decline to Report
Co-Borrower (2):	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Decline to Report
Co-Borrower (3):	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Decline to Report

Signature of Borrower Date

Signature of Co-Borrower (1) Date

Signature of Co-Borrower (2) Date

Signature of Co-Borrower (3) Date

Post-Closing Loan Delivery and Purchase

Purchase Procedures:

TO CALHFA

CalHFA CHDAP subordinate closed loan documents are to be sent to:

CalHFA
500 Capitol Mall, MS 400
Sacramento, CA 95814

PROMISSORY NOTE
(California Homebuyer's Downpayment Assistance Program)

NOTICE TO BORROWER
THIS DOCUMENT CONTAINS PROVISIONS
PROHIBITING UNAUTHORIZED TRANSFERS SECURED BY A
DEED OF TRUST ON RESIDENTIAL PROPERTY

Property Address: _____

\$ _____, _____

FOR VALUE RECEIVED, the undersigned, _____, (the "Borrower") hereby promises to pay to the order of California Housing Finance Agency, a public instrumentality and a political subdivision of the State of California, or holder, (the "Lender") as further provided herein, a principal amount equal to _____ Dollars, (\$ _____) with simple interest at the rate of _____ percent (_____ %) per annum on the unpaid principal balance from the date of this Note, until paid. The obligation of the Borrower with respect to this Promissory Note (the "Note") is secured by that certain deed of trust entitled "Permanent Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing, (California Homebuyer's Downpayment Assistance Program)" (the "Deed of Trust"), and executed by the Borrower contemporaneously herewith.

1. *The Borrower's Obligation.* This Note evidences the obligation of the Borrower to the Lender for the repayment of funds loaned to finance the purchase of that certain real property (the "Property") described in the Deed of Trust.

2. *Loan Not Assumable, Prohibition on Transfer of Interests.* The Borrower shall not make any sale of the Property in any form, or any part thereof or interest therein, without the prior written consent of the Lender. The Lender may decline to give such consent at the Lender's sole discretion.

3. *Owner Occupancy Representation.* At the time of the making of this Note, Borrower represents and warrants that he/she intends to occupy the property as his/her primary residence.

4. *Repayment of Loan Principal and Interest.* This is a deferred payment obligation. The Borrower shall repay to the Lender the principal, interest and any other amounts due under this Note on the earliest of the following occurrences:

- (1) The First note and deed of trust on the Property is paid in full or reaches its maturity date, whichever occurs first;
- (2) The First note and deed of trust on the Property is refinanced;
- (3) The First note and deed of trust on the Property is assumed;
- (4) Title to the Property is transferred; or
- (5) The First note and deed of trust on the Property becomes due and payable for any reason.

5. *Acceleration of Payment.* The principal amount of this Note, together with any then outstanding accrued interest thereon, shall at the election of CalHFA become immediately due and payable upon the occurrence of any of the following events:

- (1) In the event of a default under the terms of this Note or the Deed of Trust securing this Note;
- (2) In the event of a default under the terms of any superior note or deed of trust on the Property.

6. *Place and Manner of Payment.* All amounts due and payable under this Note are payable at such place or places as the Lender may designate to the Borrower in writing from time to time.

7. *Application of Payments.* All payments received on account of this Note shall be first applied to accrued interest, and the remainder shall be applied to the reduction of principal.

8. *Attorney's Fees.* The Borrower hereby agrees to pay all costs and expenses, including reasonable attorney's fees, which may be incurred by the Lender in the enforcement of this Note.

9. *Default and Acceleration.* All covenants, conditions and agreements contained in the Deed of Trust are hereby made a part of this Note, and the Borrower agrees that the unpaid balance of the then principal amount of the Note, together with all accrued interest thereon and charges owing, at the option of the Lender, or if so provided in this Note or the Deed of Trust, shall automatically become immediately due and payable, and thereafter until paid bear interest at the rate of ten percent (10%) per annum, upon the failure of the Borrower to make any payment hereunder as and when due; upon the failure of the Borrower to perform or observe any other term or provision of this Note, or upon the occurrence of any event (whether termed default, event of default or similar term) which, under the terms of the Deed of Trust, shall entitle the Lender to exercise rights or remedies thereunder.

10. *Notices.* Except as may be otherwise specifically provided herein, any approval, notice, direction, consent, request or other action by the Lender shall be in writing and may be communicated to the Borrower at the address of the Property, or at such other place or places as the Borrower shall designate to the Lender in writing, from time to time, for the receipt of communications from Lender.

11. *No Prohibition Against Prepayment.* The Borrower may prepay this Note at any time without penalty.

12. *Governing Law.* This Note shall be construed in accordance with and be governed by the laws of the State of California.

13. *Severability.* If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

14. *Time.* Time is of the essence in this Note.

15. *No Waiver by the Lender.* No waiver of any breach, default or failure of condition under the terms of this Note or the Deed of Trust shall be implied from any failure of the Lender to take, or any delay by the Lender in taking action with respect to such breach, default or failure or from any previous waiver of any similar or unrelated breach, default or failure; and a waiver of any term of this Note, the Deed of Trust, or any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

16. *Successors and Assigns.* The promises and agreements herein contained shall bind and inure to the benefit of, as applicable, the respective heirs, executors, administrators, successors and assigns of the parties.

_____	_____
Borrower	Borrower
_____	_____
Borrower	Borrower
_____	_____
Borrower	Borrower

FREE RECORDING REQUESTED PURSUANT TO
GOVERNMENT CODE SECTION 27383

(For Recorder's Use Only)

RECORDING REQUESTED BY AND WHEN
RECORDED RETURN TO:

California Housing Finance Agency
Homeownership Programs
Subordinate Loan Processing Unit
P.O. Box 4034
Sacramento, CA 95812-4034

**PERMANENT DEED OF TRUST WITH ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING
(California Homebuyer's Downpayment Assistance Program)**

**NOTICE TO BORROWER
THIS DEED OF TRUST CONTAINS
PROVISIONS RESTRICTING ASSUMPTIONS**

This Deed of Trust is made on _____, 2 _____, by _____, (the "Borrower") to the California Housing Finance Agency, a public instrumentality and a political subdivision of the State of California, (the "Trustee") in favor of the California Housing Finance Agency, a public instrumentality and a political subdivision of the State of California, as beneficiary, (the "Lender"), and any successor or assigns.

1. BORROWER, IN CONSIDERATION OF THE INDEBTEDNESS HEREIN RECITED AND THE TRUST HEREIN CREATED HEREBY IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee in trust, with power of sale and right of entry and possession, all of Borrower's right, title and interest now held or hereafter acquired in and to the following: (a) all of that certain real property (the "Property") located in the County of _____, State of California, described below as,

which property address is _____ which is incorporated herein by this reference; and (b) all buildings, improvements and fixtures now or hereafter erected thereon, and all appurtenances, easements, and articles of property now or hereafter affixed to, placed upon or used in connection with the Property, together with all additions to, substitutions for, changes in or replacements of the whole or any part of said articles of property (all of which real and personal property are sometimes referred to as the "Property"); all of which are hereby pledged and assigned, transferred, and set over onto Trustee, and for purposes of this Deed of Trust declared to be part of the realty; provided, however, that furniture and other personal property of Borrower now or hereafter situated on said real property are not intended to be included as part of the Property.

2. BORROWER HEREBY ABSOLUTELY, UNCONDITIONALLY AND IRREVOCABLY ASSIGNS to Lender all rents, royalties, issues, accounts and profits of or relating to the Property. This assignment is absolute, primary and direct and is not intended to be a separate or secondary pledge, or other form of additional security, and no further act or step is or shall be required of Lender to perfect this assignment. This assignment shall not impose upon Lender any duty to cause the Property to produce rents nor shall Lender be deemed to be a mortgagee in possession by reason thereof for any purpose.

3. THE ABOVE GRANT, TRANSFER, AND ASSIGNMENTS ARE FOR THE PURPOSE OF SECURING:

Payment of the indebtedness evidenced by that certain promissory note of Borrower of even date herewith and titled "Promissory Note (*California Homebuyer's Downpayment Assistance Program*)" (the "Note") of Borrower in the face amount of _____ Dollars, (\$ _____), together with interest on such indebtedness according to the terms of the Note, and any and all amendments, modifications, extensions or renewals of the Note.

4. TO PROTECT THE SECURITY OF THIS DEED OF TRUST, BORROWER AGREES:

4.1 *Maintenance of the Property.* (a) To keep the Property in a decent, safe, sanitary, tenantable condition and repair and permit no waste thereof; (b) not to commit or suffer to be done or exist on or about the Property any condition causing the Property to become less valuable; (c) not to remove, demolish or structurally alter any buildings and improvements now or hereinafter located on the Property; (d) to repair, restore or rebuild promptly any buildings or improvements on the Property that may become damaged or be destroyed while subject to the lien of this Deed of Trust; (e) to comply with all applicable laws, ordinances and governmental regulations affecting the Property or requiring any alteration or improvement thereof, and not to suffer or permit any violations of any such law, ordinance or governmental regulation, nor of any covenant, condition or restriction affecting the Property; (f) not to initiate or acquiesce in any change in any zoning or other land use or legal classification which affects any of the Property without Lender's written consent; and (g) not to alter the use of all or any part of the Property without the prior written consent of Lender.

4.2 *Insurance.* To keep the Property insured, with loss payable to Lender, against loss or damage by fire and such other hazards, casualties and contingencies and by such companies, on such forms and in the amount of the replacement cost of the buildings or improvements on the Property, and to deliver the original of all such policies to Lender, together with receipts satisfactory to Lender evidencing payment of the premiums. All such policies shall provide that Lender shall be given thirty (30) days advance written notice of the cancellation, expiration or termination of any such policy or any material change in the coverage afforded by it. Renewal policies and any replacement policies, together with premium receipts satisfactory to Lender, shall be delivered to Lender at least thirty (30) days prior to the expiration of existing policies. Neither Trustee nor Lender shall by reason of accepting, rejecting, approving or obtaining insurance incur any liability for the existence, nonexistence, form or legal sufficiency of such insurance, or solvency of any insurer for payment of losses.

4.3 *Payment of Taxes and Utility Charges.* To pay, at least ten (10) days prior to delinquency, all taxes and assessments, both general and special, fines, penalties, levies and charges of every type or nature levied upon or assessed against any part of the Property.

4.4 *Payment and Discharge of Liens.* Borrower shall pay, when due, all claims of every kind and nature which might or could become a lien on the Property or any part thereof and will not at any time create or allow to exist any lien on the Property or any part thereof of any kind or nature other than this Deed of Trust; provided, however, that the following are excepted from this prohibition: (a) liens for taxes and assessments which are not delinquent although by law are given the status of a lien, and (b) such of the above claims as are, and only during the time they are, being contested by Borrower in good faith and by appropriate legal proceedings, and (c) such deeds of trust as are approved by Lender in writing. Borrower shall post security for the payment of these contested claims as may be requested by Lender. Borrower shall not default in the payment or performance of any obligation secured by a lien, mortgage or deed of trust which is superior to this Deed of Trust.

5. IT IS MUTUALLY AGREED THAT:

5.1 *Awards and Damages.* All judgments, awards of damages, settlements and compensation made in connection with or in lieu of (a) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (b) any damage to or destruction of the Property or any part thereof by insured casualty, and (c) any other injury or damage to all or any part of the Property, are hereby assigned to and shall be paid to Lender. Lender is authorized and empowered (but not required) to collect and receive any such sums and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as Lender shall

determine at its option. Lender shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by Lender may be released to Borrower upon such conditions as Lender may impose for its disposition. Application of all or any part of the amounts collected and received by Lender or the release thereof shall not cure or waive any default under this Deed of Trust. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sum secured by this Deed of Trust.

5.2 *Prohibition on Transfer of Interests.* Borrower shall not make any sale, lease, conveyance of the Property in any form, or any part thereof or interest therein, without the prior written consent of Lender. Lender may decline to give such consent in its sole discretion.

5.3 *Repayment of loan.* The indebtedness secured by this deed of trust is a deferred payment obligation. The borrower shall repay to the Lender the principal, interest and any other amounts due under this Note on the earliest of the following occurrences:

- (1) The First note and deed of trust on the Property is paid in full or reaches its maturity date, whichever occurs first;
- (2) The First note and deed of trust on the Property is refinanced;
- (3) The First note and deed of trust on the Property is assumed; or
- (4) Title to the Property is transferred; or
- (5) The First note and deed of trust on the Property becomes due and payable for any reason.

5.4 *Sale or Forbearance.* No sale of the Property, forbearances on the part of Lender or extension of the time for payment of the indebtedness hereby secured shall operate to release, discharge, waive, modify, change or affect the liability of Borrower either in whole or in part.

5.5 *Lender's Rights to Release.* Without affecting the liability of any person for payment of any indebtedness hereby secured (other than any person released pursuant hereto), including without limitation any one or more endorsers or guarantors, and without affecting the lien hereof upon any of the Property not released pursuant hereto, at any time and from time to time without notice: (a) Lender may, at its sole discretion, (i) release any person now or hereafter liable for payment of any or all such indebtedness, (ii) extend the time for or agree to alter the terms of payment of any or all of such indebtedness, and (iii) release or accept additional security for such indebtedness, or subordinate the lien or charge hereof; and (b) Trustee, acting pursuant to the written request of Lender, may reconvey all or any part of the Property, consent to the making of any map or plat thereof, join in granting any easement thereon, or join in any such agreement of extension or subordination.

5.6 *Reconveyance.* Upon written request of Lender stating that all sums and obligations secured hereby have been discharged, or otherwise as requested in writing by Lender, and upon surrender of this Deed of Trust and the Note and any additional loan notes to Trustee for cancellation, and upon payment to Trustee of its fees and expenses, Trustee shall reconvey, without warranty, the Property or that part thereof then held hereunder. The recitals in any reconveyance shall be conclusive proof of their truthfulness and the grantee in any such reconveyance may be described "as the person or persons legally entitled thereto." When the Property has been fully reconveyed, the last such reconveyance shall operate as a reassignment of all of the rents, royalties, issues, accounts and profits of the Property to the person or persons legally entitled thereto unless such reconveyance expressly provides to the contrary.

6. EVENTS OF DEFAULT

6.1 *Events of Default.* Any one or more of the following events shall constitute a default under this Deed of Trust: (a) failure of Borrower to pay the indebtedness secured hereby or any installment thereof, whether principal, interest or otherwise, when and as the same become due and payable, whether at maturity or by acceleration or otherwise; or (b) failure of Borrower to observe or to perform any covenant, condition or agreement to be observed or performed by Borrower pursuant to the Note or this Deed of Trust; or (c) the occurrence of any event which, under the terms of the Note, shall entitle Lender to exercise the rights or remedies thereunder; or (d) the occurrence of any event of default under the terms of any superior note or deed of trust on the Property.

6.2 *Acceleration and Sale.*

(a) *Acceleration.* In the event of any default Lender, without demand on Borrower, may declare all sums hereby secured immediately due and payable by notice thereof to Borrower or by executing and recording or by causing Trustee to execute and record a notice of default and election to cause the Property to be sold to satisfy the

obligations secured hereby or by the commencement of an appropriate action to foreclose this Deed of Trust or by any other appropriate manner;

(b) *Sale.* After delivery to Trustee of a notice of default and demand for sale and after the expiration of such time and the giving of such notice of default and sale as may then be required by law, and without demand on Borrower, Trustee shall sell the Property at the time and place of sale fixed by it in said notice of sale, at public auction to the highest bidder for cash in lawful money of the United States of America, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Any person, including Borrower, Trustee or Lender, may purchase at such sale. Upon such sale by Trustee it shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty expressed or implied.

The recitals in such deed of any matters or facts shall be conclusive proof of their truthfulness. Upon sale by Trustee, and after deducting all costs, expenses and fees of Trustee and of this Deed of Trust, Trustee shall apply the proceeds of sale to the payment of the principal indebtedness hereby secured, whether evidenced by the Note or otherwise, or representing advances made or costs or expenses paid or incurred by Lender under this Deed of Trust, or any other instrument evidencing or securing any indebtedness hereby secured and to the payment of all other sums then secured hereby, including interest as provided in this Deed of Trust, or any other instrument evidencing or securing any indebtedness hereby secured, in such order as Lender shall direct; and then the remainder, if any, shall be paid to the person or persons legally entitled thereto.

6.3 *Attorney's Fees.* If Trustee or Lender shall be made parties to or shall intervene in any action or proceeding affecting the Property or the title thereto or the interest of Trustee or Lender under this Deed of Trust, or if Lender employs an attorney to collect any or all of the indebtedness hereby secured or to foreclose this Deed of Trust, or authorizes Trustee to conduct trustee's sale proceedings hereunder, then Trustee and Lender shall be reimbursed by Borrower, immediately and without demand, for all reasonable costs, charges and attorney's fees incurred by them or either of them in any such case whether or not suit be commenced, and the same, together with interest thereon from the date of payment at the rate of ten percent (10%) per annum.

6.4 *Exercise of Remedies; Delay.* No exercise of any right or remedy by Lender or Trustee hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law, and no delay by Lender or Trustee in exercising any such right or remedy hereunder shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder.

6.5 *Trustee Substitution.* The irrevocable power to appoint a substitute trustee or trustees hereunder is hereby expressly granted to Lender, to be exercised at any time hereafter, without specifying any reason therefor by filing for record in the office where this Deed of Trust is recorded a deed of appointment, and said power of appointment of successor trustee or trustees may be exercised as often as and whenever Lender deems advisable. The exercise of said power of appointment, no matter how often, shall not be deemed an exhaustion thereof, and upon recording of such deed or deeds of appointment, trustee or trustees so appointed shall thereupon, without further act or deed of conveyance, succeed to and become fully vested with identically the same title and estate in and to the Property hereby conveyed and with all the rights, powers, trusts and duties of the predecessor in the trust hereunder, with the like effect as if originally named as trustee or as one of the trustees.

6.6 *Remedies Cumulative.* No remedy herein contained or conferred upon Lender or Trustee is intended to be exclusive of any other remedy or remedies afforded by law or by the terms hereof to Lender or Trustee but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

7. MISCELLANEOUS PROVISIONS

7.1 *Successors, Assigns, Gender, Number.* The covenants and agreements herein contained shall bind, and the benefit and advantages shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties. Wherever used, the singular number shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.

7.2 *Headings.* The headings are inserted only for convenience of reference and in no way define, limit, or describe the scope or intent of this Deed of Trust, or of any particular provision thereof, or the proper construction thereof.

7.3 *Actions on Behalf of Lender.* Except as be otherwise specifically provided herein, whenever any approval, notice, direction, consent, request or other action by Lender is required or permitted under this Deed of Trust, such action shall be in writing.

7.4 *Terms.* The word "Lender" means the present Lender, or any future owner or holder, including pledgee, of the indebtedness secured hereby.

7.5 *Obligations of Borrower.* If more than one person has executed this Deed of Trust as "Borrower", the obligations of all such persons hereunder shall be joint and several.

7.6 *Severability.* If any provision of this Deed of Trust shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

7.7 *Indemnification.* Borrower shall indemnify and hold Lender, its officers and agents harmless against any and all losses, claims, demands, penalties and liabilities which Lender, its officers or agents may sustain or suffer by reason of anything done or omitted in good faith pursuant to or in connection with this Deed of Trust and not assert any claim against Lender, its officers or agents by reason of any action so taken or omitted. Borrower shall, at Borrower's expense, defend, indemnify, save and hold Lender, its officers and agents harmless from any and all claims, demands, losses, expenses, damages (general, punitive or otherwise), causes of action (whether legal or equitable in nature) asserted by any person, firm, corporation or other entity arising out of this Deed of Trust and Borrower shall pay Lender upon demand all claims, judgments, damages, losses or expenses (including reasonable legal expense) incurred by Lender as a result of any legal action arising out of this Deed of Trust.

7.8 *HUD Insurance.* Notwithstanding any provision in this Deed of Trust to the contrary, in the event a purchase money deed of trust is insured by HUD, the provisions of said HUD deed of trust shall control to the extent that its provisions conflict with the provisions of this Deed of Trust.

7.9 *Subordination.* This Deed of Trust is subordinate to a Deed of Trust in a superior lien position securing the permanent financing of the property and recorded concurrently herewith.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust on the day and year set forth above.

_____	_____
Borrower	Borrower
_____	_____
Borrower	Borrower
_____	_____
Borrower	Borrower

State of California

County of _____

On _____ before me, _____,

Date

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person (s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing is true and correct.

WITNESS my hand and official seal.

_____[Seal]
Signature of Notary Public

NOW THEREFORE, in consideration of the foregoing, the parties hereto do hereby modify said Deed of Trust as follows:

IT IS FURTHER AGREED, by and between the parties hereto, that in all other respects not inconsistent herewith, the terms of said Deed of Trust which are incorporated herein by referenced thereto shall remain in full force and effect and be binding hereon. Said Deed of Trust as herein modified shall constitute one Deed of Trust.

This agreement shall inure to the benefit of and be binding upon the heirs, devisees, successors and assigns of the parties hereto.

By signing below, the parties accept and agree to the terms and covenants contained in this Modification Agreement.

TRUSTOR:

BENEFICIARY:

By: _____

(All signatures must be notarized)



**SUBORDINATE
MORTGAGE SUBMISSION VOUCHER PART II
PURCHASE SUBMITTAL AND LENDER CERTIFICATION**

LENDER NAME: _____ LENDER LOAN NO. _____

SHIPPER CONTACT: _____ PHONE: _____ FAX: _____

SHIPPING OFFICE ADDRESS: _____

CalHFA MANIFEST NUMBER: _____ CalHFA SUBORD. LOAN NUMBER: _____

BORROWER: _____ CO-BORROWER: _____
(Last) (First) (Initial) (Last) (First) (Initial)

NEW PROPERTY ADDRESS: _____

BORROWER'S MAILING ADDRESS: _____
(if different from property address, i.e. P.O. Box, route, etc.)

LIEN POSITION OF THIS LOAN: _____ (2ND) _____ (3RD) _____ (4TH) _____ (5TH)

PROGRAM NAME: _____ RATE: _____ TERM: _____

PRINCIPAL LOAN AMOUNT: \$ _____ CURRENT UNPAID BALANCE: \$ _____

SETTLEMENT DATE: _____

REQUIRED DOCUMENTS FOR PURCHASE (Submission Package File Order)

1. Subordinate MSV Part II: Purchase Submittal and Lender Certification (This form)
2. Original and full copy of CalHFA Subordinate Promissory Note showing California Housing Finance Agency, a public instrumentality and a political subdivision of the State of California as Lender/Beneficiary which has been executed by the borrowers (any co-signor required to sign the first Promissory Note must also sign all CalHFA Subordinate Notes)
3. Lender or title company certified copy of the Deed of Trust showing California Housing Finance Agency, a public instrumentality and political subdivision of the State of California as Lender/Beneficiary and Trustee
4. HUD final Settlement Statement
5. Copy of the Final Truth-in-Lending Disclosure Statement signed by the borrower(s), if changes to the initial Truth-in-Lending Disclosure were required

LENDER'S CERTIFICATIONS

The Lender has originated the CalHFA subordinate loan and hereby certifies:

Lender has issued and delivered to borrower(s) in the appropriate time period, all required Disclosure Statements, including, but not limited to, the Initial Truth-In-Lending Disclosure Statement, Good Faith Estimate and Fair Lending Notice and Final Truth-In-Lending Disclosure Statement if changes to the initial Truth-In-Lending Disclosure were required.

Borrower Name: _____ Manifest #: _____
Lender Loan #: _____

That the subordinate loan above referenced was recorded in the proper lien position as stated in CalHFA's Conditional Loan Approval and that the Deed of Trust reflects California Housing Finance Agency, a public instrumentality and a political subdivision of the State of California as lender/beneficiary and trustee.

Based on reasonable investigation, the Lender has no reason to believe that either the Borrowers or the Sellers of the home have made any negligent or fraudulent material misstatements in connection with the loan.

That the Borrower(s) did not pay more than a \$250 application/processing fee.

That the Borrower has obtained the required hazard insurance policies (hazard/flood, as applicable) with respect to the home and the Lender will ensure that the policies are kept in force for the term of the loan.

That the Lender has completed and/or satisfied all of the CalHFA conditions of the first and/or subordinate loan approvals and other CalHFA requirements.

The Lender hereby agrees that it will immediately forward to CalHFA all information which it or any of its successors may receive during the life of the mortgage which tends to indicate that the Borrower(s) may have made a misrepresentation in applying for a loan, or that may affect the Borrower's eligibility for a loan. The Lender hereby acknowledges that its failure to comply with the CalHFA requirements or the certifications made in this statement will result in remedial action by CalHFA as prescribed in the Program Manual and the CalHFA Mortgage Purchase and Servicing Agreement (or Mortgage Purchase Agreement).

Wiring Instructions:

Bank Name: _____ **Account Number funds are to be wired to:** _____
Bank Address: _____
_____ **Attn:** _____
ABA# _____ **Phone:** _____

(Signature of Authorized Representative) (Date)

(Type Name and Title of Authorized Representative) (Phone)

*Note: All blanks must be completed in order for the form to be valid.



**SILENT SECOND AND LEASE PURCHASE LOAN PROGRAMS
SUBORDINATE
MORTGAGE SUBMISSION VOUCHER PART II
PURCHASE SUBMITTAL AND LENDER CERTIFICATION**

LENDER NAME: _____ LENDER LOAN NO. _____

SHIPPER CONTACT: _____ PHONE: _____ FAX: _____

SHIPPING OFFICE ADDRESS: _____

CalHFA MANIFEST NUMBER: _____ CalHFA SUBORD. LOAN NUMBER: _____

BORROWER: _____ CO-BORROWER: _____
(Last) (First) (Initial) (Last) (First) (Initial)

TENANT NAME (S): _____ MI CERT#: _____

NEW PROPERTY ADDRESS: _____

BORROWER'S MAILING ADDRESS: _____
(if different from property address, i.e. P.O. Box, route, etc.)

LIEN POSITION OF THIS LOAN: _____ (2ND) _____ (3RD) _____ (4TH) _____ (5TH)

PROGRAM NAME: _____ RATE: _____ TERM: _____

PRINCIPAL LOAN AMOUNT: \$ _____ CURRENT UNPAID BALANCE: \$ _____

SETTLEMENT DATE: _____

REQUIRED DOCUMENTS FOR PURCHASE (Submission Package File Order)

1. Subordinate MSV Part II: Purchase Submittal and Lender Certification (This form)
2. Original and full copy of CalHFA Silent Second or Lease Purchase Promissory Note as applicable, endorsed to the California Housing Finance Agency.
3. Lender or title company certified copy of the Deed of Trust
4. Lender or title company certified copy of the Corporation Assignment
5. HUD final Settlement Statement

LENDER'S CERTIFICATIONS

The Lender has originated the CalHFA subordinate loan and hereby certifies:

Lender has issued and delivered to borrower(s) in the appropriate time period, all required Disclosure Statements, including, but not limited to, the Initial Truth-In-Lending Disclosure Statement, Good Faith Estimate and Fair Lending Notice and Final Truth-In-Lending Disclosure Statement if changes to the initial Truth-In-Lending Disclosure were required.

Borrower Name: _____ Manifest #: _____
Lender Loan #: _____

That the subordinate loan above referenced was recorded in the proper lien position.

Based on reasonable investigation, the Lender has no reason to believe that either the Borrowers or the Sellers of the home have made any negligent or fraudulent material misstatements in connection with the loan.

That the Borrower has obtained the required hazard insurance policies (hazard/flood, as applicable) with respect to the home and the Lender will ensure that the policies are kept in force for the term of the loan.

That the Lender has completed and/or satisfied all of the CalHFA conditions of the first and/or subordinate loan approvals and other CalHFA requirements.

The Lender hereby agrees that it will immediately forward to CalHFA all information which it or any of its successors may receive during the life of the mortgage which tends to indicate that the Borrower(s) may have made a misrepresentation in applying for a loan, or that may affect the Borrower's eligibility for a loan. The Lender hereby acknowledges that its failure to comply with the CalHFA requirements or the certifications made in this statement will result in remedial action by CalHFA as prescribed in the Program Manual and the CalHFA Mortgage Purchase and Servicing Agreement (or Mortgage Purchase Agreement).

Wiring Instructions:

Bank Name: _____ **Account Number funds are to be wired to:** _____
Bank Address: _____

Attn: _____
ABA# _____ **Phone:** _____

(Signature of Authorized Representative) (Date)

(Type Name and Title of Authorized Representative) (Phone)

*Note: All blanks must be completed in order for the form to be valid.

Questions

Questions regarding the California Homebuyer's Downpayment Assistance Program should be directed to CalHFA-[approved lenders](#) or CalHFA's Single Family Lending Division at:

CalHFA Single Family Lending – MS 140

P.O. Box 4034

Sacramento, CA 95812-4034

Phone: 877.9.CalHFA

Email: sflending@calhfa.ca.gov