



Subordination Process for CalHFA Junior Loans

CalHFA will permit the subordination of existing CalHFA junior loans if homeowners meet certain eligibility requirements. By permitting subordinations, CalHFA will allow existing homeowners the opportunity to take advantage of refinancing their existing first mortgage, without being forced to pay off their existing CalHFA junior loan(s).

Eligible CalHFA junior loans include the following:

- California Homebuyer's Downpayment Assistance Program (CHDAP)
- CalHFA Housing Assistance Program (CHAP)
- High Cost Area Home Purchase Assistance Program (HiCAP)
- Extra Credit Teacher Program (ECTP)
- Homeownership in Revitalization Area Program (HIRAP)
- Zero Interest Program (ZIP) & (ZIP Extra)
- MyHome Assistance Program (MyHome)

Homeowners with a Keep Your Home California (KYHC) junior loan should contact KYHC directly at 888.954.5337 or go to www.keepyourhomecalifornia.org/payoff.htm for complete subordination requirements.

Subordination Requirements

The borrower must meet CalHFA's subordination requirements as listed below.

New First Mortgage Loan Requirements:

- The loan must be underwritten and approved by the new 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.

Borrower Requirements:

- Insufficient funds to pay off existing CalHFA junior loan balance and still have sufficient reserves in savings accounts (Two months of PITI).

Property Eligibility Criteria:

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

Submission Documentation

Requests for subordination of existing junior loan(s) must be submitted to CalHFA in the following stacking order: (see attached Subordination Submission Checklist)

- Request for Subordination of CalHFA junior loans (See attached Application for Subordination).
- Uniform Underwriting and Transmittal Summary (1008), FHA Loan Underwriting and Transmittal Summary (HUD 92900-LT) or VA Loan Analysis as applicable for the new loan (Must be signed by underwriter and include CHUMS # for FHA)
- Uniform Residential Loan Application (1003) complete with borrower financial information. (Signed by borrower(s))
- Two months of current bank statements (all accounts & all pages).
- Borrower's most recent mortgage account statement
- Copy of the existing 1st mortgage promissory note.
- Copy of recorded Junior Loan Deed of Trust.
- Copy of preliminary title report.

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

Submit application and required documents to:

Regular Mail:

CalHFA
Single Family Special Programs – MS 920
P.O. Box 4034
Sacramento, CA 95812-4034

Overnight/Courier:

CalHFA
Single Family Special Programs – MS 920
500 Capitol Mall, Ste. 400
Sacramento, CA 95814

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 Escrow 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.

Questions:

Please contact Single Family Special Programs at 916.326.8681



**SUBMIT ENTIRE SUBORDINATION FILE
BY OVERNIGHT COURIER OR MAIL TO:**

CalHFA Single Family Lending – Special Programs – MS 320
Regular Mail: P. O. Box 4034 • Sacramento • CA • 95812-4034
Overnight/Courier: 500 Capitol Mall, Ste. 400 • Sacramento • 95814
Phone (916) 326-8033 • Fax: (916) 326-6425

APPLICATION FOR SUBORDINATION
Please complete all sections of this form

CalHFA JUNIOR LOAN # (s) _____	
BORROWER NAME(S): _____ _____	PROPERTY ADDRESS: _____ _____ City _____ State _____ ZIP _____
LENDER NAME <small>LENDER NAME AS IT IS TO APPEAR ON SUBORDINATION AGREEMENT</small> _____	ESCROW CO. _____
LENDER ADDRESS _____ _____ City _____ State _____ ZIP _____	ADDRESS _____ _____ 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 Single Family Lending 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 Date

() _____
Telephone Number

Print name

() _____
Fax Number



Subordination Submission Checklist

SUBMIT COPIES ONLY – PLEASE SUBMIT IN THIS STACKING ORDER

FILE ORDER

Left Side	Right Side
<input type="checkbox"/> Application for Subordination Only one application is required when applying for subordination of one or more CalHFA junior loans. List all CalHFA junior loan #s on application.	<input type="checkbox"/> Uniform Underwriting and Transmittal Summary (1008), FHA Loan Underwriting and Transmittal Summary (HUD 92900-LT) or VA Loan Analysis as applicable for the new loan (Must be signed by underwriter and include CHUMS # for FHA Loans)
<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"/> Uniform Residential Loan Application (1003) [Signed by borrower(s)]
	<input type="checkbox"/> Two months of current Bank Statements (all accounts, all pages)
	<input type="checkbox"/> Copy of the existing 1 st mortgage promissory note(s)
	<input type="checkbox"/> Copy of recorded Junior Loan Deed of Trust(s)
	<input type="checkbox"/> Borrower's most recent mortgage account statement for existing loan
	<input type="checkbox"/> Preliminary Title Report

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.