



Forgivable Equity Builder Loan Update

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Overview



BUDGET ACT OF 2021

- CalHFA allocated \$100 million from the General Fund for the purpose of providing homebuyer assistance



ALLOCATION OF FUNDS

- **\$12 million** - State Route 710 Affordable Sales Program Phase 2
- **\$88 million** - Forgivable Equity Builder Loan for low-income households



FORGIVABLE LOAN PROGRAM GOALS

- Creating more affordable housing opportunities with deeper affordability
- Offer wealth generating opportunity through accelerated home equity gains



Program Details



ELIGIBILITY

- Households earning less than 80 percent AMI



FORGIVABLE LOAN PROGRAM

- 10 percent of home purchase price/appraised value to be used for down payment and closing costs
- Forgivable over 5 years
- May be combined with other local down payment assistance programs or sources of down payment funding

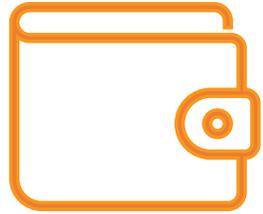


BENEFITS

- Extends home ownership assistance for lower income levels
- Accelerates home equity accumulation



Status as of November 1, 2022



1,700

Total Reservations
(1,100 Purchased; 600 Pipeline)



\$39,000

Average Forgivable Loan



50

Counties



75%

Funds Committed



\$395,000

Average Home Price



74%

Socially Disadvantaged



Next Steps

- Working with lenders and stakeholders to wind program down.
- Forgivable funding completely separate from MyHome and other CalHFA programs.
- Assisted over 2,000 low-income homebuyers to access homeownership.
- Provided a jump start to wealth creation through home equity.



Questions