



Program Bulletin

September 13, 2001

Program Bulletin #2001-23

To: CHFA Approved Lenders

REVISION TO EXTRA CREDIT TEACHER HOME PURCHASE ASSISTANCE PROGRAM (EXTRA CREDIT TEACHER PROGRAM)

The purpose of this Program Bulletin is to revise CHFA Program Bulletin #2001-13, dated July 2, 2001 by making certain clarifications and modifications as shown below. It is effective for all prior and new reservations issued.

- **Interest Rates** - CHFA interest rates on the Extra Credit Teacher Program first mortgage loans now appear on the CHFA web site, on the "Current Interest Rates" page, under the column headed "ECTP" and apply to teachers and principals within either low **or moderate** income levels. Currently rates are 5.25% in designated "high cost" areas and 5.50% elsewhere.
- **Notice of Default** – As CHFA will service both the first and second loans, a Notice of Default on the first loan is not required to be obtained or submitted to CHFA with loan purchase documents.
- **Service Release Premium** – Lenders will be required to service release the first loans to CHFA and will receive a service release fee. Currently, CHFA pays service release fees on first mortgage loans only of 75 basis points for VA loans, and 90 basis points for FHA and Conventional loans. The second loans will be serviced directly by CHFA due to the deferred payment structure, minimal servicing requirements and no servicing fee.

Questions regarding this bulletin should be directed to CHFA, Homeownership Programs, 1121 L Street, 7th Floor, Sacramento CA 95814; by phone (916) 324-8088; by fax (916) 324-6589; or visit CHFA's website at: www.chfa.ca.gov



Lenders are encouraged to use CHFA's FHA Energy Efficient Mortgage Program (EEM) to minimize emergency usage and costs. Additional information regarding EEMs is available on CHFA's web page.