



Homeownership Program Bulletin

March 18, 2005

Program Bulletin #2005-08

To: CalHFA Approved Lenders

Reduced Mortgage Insurance Premiums

This bulletin supersedes Program Bulletin #2003-25, dated September 4, 2003 and announces that effective on all loan reservations placed on or after March 18, 2005, CalHFA has reduced the proportional amount charged to borrowers for mortgage insurance coverage on CalHFA conventional loans from 50% to 35%. This change results in a mortgage premium reduction for CalHFA conventional loans that are insured by CalHFA Mortgage Insurance Services. The new premiums are a Zero Upfront Monthly Mortgage Insurance premium payment option only (the option that requires no upfront mortgage insurance premium at closing). This change will likely lower the monthly mortgage payment for eligible homebuyers.

New premium pricing for this Zero Upfront Monthly Mortgage Insurance option is as follows:

95.01% — 100% First Loan LTV:

Coverage: 35%
Premium: .85%
Due: Monthly

90.01% — 95% First Loan LTV:

Coverage: 35%
Premium: .75%
Due: Monthly

85.01% — 90% First Loan LTV:

Coverage: 35%
Premium: .55%
Due: Monthly

80.01% — 85% First Loan LTV:

Coverage: 35%
Premium: .40%
Due: Monthly

A Master Policy was previously issued by CalHFA's Mortgage Insurance Services to participating lenders containing a separate endorsement allowing the lender to submit loans with the Zero Upfront Monthly Mortgage Insurance premium payment option.

For loans reserved prior to March 18, 2005, mortgage insurance will remain at 50% coverage at the premium that existed at the time of registration.

For questions about this bulletin, contact CalHFA Homeownership Programs by phone 916.324.8088; by fax 916.324.6589; by email at homeownership@calhfa.ca.gov and you can always visit CalHFA's web site at: www.calhfa.ca.gov

Please send all loan files and documents to:
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