



Homeownership Program Bulletin

November 3, 2005

Program Bulletin #2005-25

To: CalHFA Approved Lenders

REVISED INTEREST RATES Effective November 4, 2005

This bulletin is provided to serve notice of an increase of 0.25% related to the first mortgage interest rates offered by CalHFA and supersedes all other interest rate Program Bulletins. The attached interest rates are applicable to all loan reservations and forward commitment requests received by the Agency on November 4, 2005.

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:
CalHFA Homeownership Programs
1121 L Street, 7th Floor
Sacramento, CA 95814

| California Housing Finance Agency INTEREST RATE SCHEDULE¹ Effective November 4, 2005 | Interest Rate² |
|--|--------------------------------------|
| 35 Year Fixed Mortgage Loan Program | |
| <i>interest only PLUS</i> | 5.75% |
| | |
| 30 Year Fixed Mortgage Loan Programs | |
| <i>Non High Cost Areas</i> | |
| Moderate Income | 5.50% |
| Low Income ³ | 5.25% |
| Nonprofits ⁴ & Affordable Housing Partnership Program (AHPP) – <i>Low Income Only</i> | 5.00% |
| Extra Credit Teacher Program (ECTP) | 5.00% |
| HomeChoice Program | 3.00% |
| Self-Help Builder Assistance Program (SHBAP) ⁴ | 3.00% |
| | |
| <i>High Cost Areas⁵</i> | |
| Moderate Income | 5.25% |
| Low Income ³ | 5.00% |
| Nonprofits ⁴ & Affordable Housing Partnership Program (AHPP) – <i>Low Income Only</i> | 4.75% |
| Extra Credit Teacher Program (ECTP) | 4.75% |
| HomeChoice Program | 3.00% |
| Self-Help Builder Assistance Program (SHBAP) ⁴ | 3.00% |
| | |
| DOWN PAYMENT ASSISTANCE PROGRAMS | |
| <i>Term matches term of first mortgage</i> | |
| High Cost Area Home Purchase Assistance Program (HiCAP) ⁶ | 7.00% |
| CalHFA Housing Assistance Program (CHAP) | 7.00% |
| California Homebuyer's Downpayment Assistance Program (CHDAP) | 3.00% |
| Homeownership In Revitalization Areas Program (HIRAP) | 3.00% |
| Extra Credit Teacher Program (ECTP) | 5.00% |
| HomeChoice CHAP | 7.00% |

¹See below examples for Truth in Lending Disclosures.

²The interest rates are those in effect on the date shown. However, they are subject to change without notice. The down payment assistance loan interest rates are calculated as simple interest per annum.

³Lenders who obtain a reduced interest rate reservation for low income applicants who are subsequently determined to have an annual income that exceeds the low income limit will be offered the interest rate for moderate income families, assuming they meet CalHFA's moderate income limits.

⁴Rates quoted for Nonprofit and/or SHBAP developers are offered only through the BLOCK Program. Nonprofit and/or SHBAP developers may use 180-day locks; however, the interest rate will be set at the rate available at time of lock.

⁵For a listing of High Cost Areas, please click on the appropriate link or refer to the CalHFA web site under Homeownership forms.

⁶Eligible counties for the HiCAP program are Alameda, Contra Costa, San Diego, San Francisco, San Mateo, Santa Clara, Sonoma, and Ventura counties.

Re-reservation (Relock) Fee Policy: CalHFA will allow re-reservation (relock) on 90- or 180-day locks. However, canceling a previously issued reservation locked at a higher rate and then relocked at a lower current established rate will result in a 1% re-reservation fee.

Late Delivery Fee: 1% penalty will be collected against loans delivered within the 30-day grace period for the 90-day lock for resale, 180-day lock on new construction, or the BLOCK Program. Nonprofit and/or SHBAP developers using the BLOCK Program are assessed only 0.50% late delivery fee.

| BUILDER/DEVELOPER NEW CONSTRUCTION FORWARD COMMITMENT TERMS AND FEES | | | | | |
|---|-----------------------|--------------------------|--|--|--|
| Developer Type | 180-Day Lock | 6-Month Lock | 9-Month Lock | 12-Month Lock | 18-Month Lock |
| | SL¹ | BLOCK² | BLOCK² | BLOCK² | BLOCK² |
| For-Profit | No Fee | 0.50% (at Discount) | 1.50% (0.75% Cash Up; 0.75% at Discount) | 2.00% (1.00% Cash Up; 1.00% at Discount) | Not Offered |
| Nonprofit³ | No Fee | Not Offered | Not Offered | 1.00% (0.50% Cash Up; 0.50% at Discount) | 1.50% (0.75% Cash Up; 0.75% at Discount) |
| Mutual Self-Help Nonprofit⁴ | Not Offered | Not Offered | Not Offered | 1.00% (0.25% Cash Up; 0.75% at Discount) | 1.50% (0.25% Cash Up; 1.25% at Discount) |

¹ Single Loan (SL) reservation for an individual borrower household for a new home at a specific address.

² Builder-Lock (BLOCK) – Forward Commitments (FC) for a pool of funds available through a CalHFA Approved Lender to a developer to market homes to first-time buyers in new subdivisions.

³ Nonprofit 501 (c)(3) developer for low-income first-time buyers.

⁴ Mutual Self-Help 501 (c)(3) developer utilizing the mutual self-help method of construction for low-income first-time buyers.

TRUTH IN LENDING DISCLOSURES

Sample Truth in Lending Disclosures for First Mortgage Loans

| Loan Type | IOP | 30-Yr Fixed | AHPP | ECTP | SHBAP |
|--------------------------------|----------------------|-------------------|-------------------|-------------------|-------------------|
| Loan Amt | \$300,000 | \$300,000 | \$250,000 | \$250,000 | \$250,000 |
| Term | 35yr (420 mos) | 30yr (360 mos) | 30yr (360 mos) | 30yr (360 mos) | 30yr (360 mos) |
| Interest Rate* | 5.75% | 5.50% | 5.00% | 5.00% | 3.00% |
| APR* | 6.6478% | 6.3460% | 5.8225% | 5.8225% | 3.1354% |
| Estimated Monthly Pmt** | \$2,050.00*** | \$2,315.87 | \$1,852.48 | \$1,852.48 | \$1,387.36 |

*Interest rate is for comparison only. Sample APRs include typical finance charges, such as lender fees and mortgage insurance. This sample is for illustrative purposes only. It does not reflect any specific loan's terms.

**The estimated payment amount includes estimated taxes, property and/or mortgage insurance. Lenders usually require these amounts to be included in the monthly payment.

***\$2,363.22 is the estimated monthly payment for years 6 through 35. It includes principal and interest, and estimates for taxes and insurance, using current year information.

Sample Truth in Lending Disclosures for Down Payment Assistance Loans

| 30 Year (360 Months) Loans | | | | | |
|-----------------------------------|----------|---------|---------|----------|---------|
| Loan Type | HiCAP | CHAP | CHDAP | HIRAP | ECTP |
| Loan Amt | \$15,000 | \$9,000 | \$9,000 | \$18,000 | \$7,500 |
| Interest Rate* | 7.00% | 7.00% | 3.00% | 3.00% | 5.00% |
| APR* | 3.8424% | 3.8805% | 2.2378% | 2.1904% | 3.1769% |

| 35 Year (420 Months) Loans | | | | | |
|-----------------------------------|----------|------|---------|----------|---------|
| Loan Type | HiCAP | CHAP | CHDAP | HIRAP | ECTP |
| Loan Amt | \$15,000 | N/A | \$9,000 | \$18,000 | \$7,500 |
| Interest Rate* | 7.00% | N/A | 3.00% | 3.00% | 5.00% |
| APR* | 3.5998% | N/A | 2.1355% | 2.0949% | 2.9959% |

*Interest rate is for comparison only. Sample APRs include typical finance charges, such as lender fees.

This sample is for illustrative purposes only. It does not reflect any specific loan's terms.