



Single Family Lending Program Bulletin

November 29, 2012

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To: CalHFA Approved Lenders

Subordination Process Expanded To Include Additional CalHFA Junior Loans

CalHFA is pleased to announce that recent legislation has permitted the subordination of additional existing CalHFA junior loans if homeowners meet certain eligibility requirements. This legislation will help existing homeowners keep their homes by allowing them to refinance their existing first mortgage and not be forced to pay off their existing CalHFA junior loan(s). To be eligible, all of the following minimum requirements must be met:

- The borrower has a demonstrated hardship,
- Subordination is required to avoid foreclosure, and
- The new first mortgage loan meets Agency underwriting requirements

Eligible CalHFA junior loans now 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 Areas Program (HIRAP)

Subordination Process requirements, procedures and forms can be found on our web site at www.calhfa.ca.gov/homeownership/programs/subordination.pdf

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

For questions about this bulletin, contact Single Family Lending division by phone 916.326.8000, fax 916.327.8452, or email sflending@calhfa.ca.gov. In addition, you can always visit CalHFA's web site at www.calhfa.ca.gov or Single Family Lending directly at www.calhfa.ca.gov/homeownership.

CalHFA thanks you for your business and we look forward to continuing to support your housing loan needs.