



Single Family Lending Program Bulletin

June 18, 2018

Program Bulletin #2018-13

To: CalHFA Approved Lenders

CalHFA Eliminates Business Income Overlay

Effective immediately, CalHFA has eliminated the following restriction:

- Any residential unit where more than 15% of the total area of a residence will be used for a trade or business and which qualified the borrower for a tax deduction for business expenses for business use of the residence under Section 280A of the IRS code is not eligible.

Lenders are to follow the first mortgage loan's investor, insurer, guarantor and/or master servicer guidelines. Please see the [CalHFA Overlay Chart](#) for summary of all existing overlays.

CalHFA thanks you for your business and looks forward to continuing to support your affordable housing loan needs.

For questions about this bulletin, contact CalHFA Single Family Lending by phone 916.326.8033 or by email at SFLending@calhfa.ca.gov. In addition, you can always visit CalHFA's website at: www.calhfa.ca.gov or Single Family Lending directly at www.calhfa.ca.gov/homeownership.



CalHFA and Lakeview* Overlays on all CalHFA Single Family Lending Loan Products

As of 6-11-2018

OVERLAY	WHOSE OVERLAY?		RESOURCE
	CALHFA	LAKEVIEW	
CalHFA calculates income differently for CalHFA program income eligibility (compliance income) vs. the lender's underwriting income used for borrower's ability to repay (credit Income)	✓		Calculating CalHFA Income
There are sales price and income limits	✓		Sales Price & Income Limits
MCC cannot be used for credit qualifying on a CalHFA 1st Mortgage	✓		MCC Program Handbook
One borrower must complete Homebuyer Education & Counseling course	✓		List of Edu & Counseling Courses
Must be a first time homebuyer when using CalHFA subordinate financing, unless borrower was affected by a Major Disaster as defined by FEMA	✓		Program Bulletin 2018-10
45.00% debt-to-Income (DTI) maximum	✓		Loan Program Handbooks
640 Minimum credit score	✓		
A one (1)-year Home Warranty Protection Plan required on property	✓		
Maximum lender fees not to exceed the greater of 3% of the loan amount or \$3,000	✓		
Property restricted to a maximum of five (5) acres	✓		
No manual underwriting on a Conventional or VA loan		✓	
FHA manual underwriting: 1) 660 minimum credit score; 2) 43.00% Debt-to-Income (DTI) maximum		✓	
Manufactured homes: 1) No manual underwriting; 2) 660 minimum credit score; 3) No VA		✓	

* Lakeview is CalHFA's Master Servicer