



Single Family Lending Program Bulletin

February 04, 2019

Program Bulletin #2019-06

To: CalHFA Approved Lenders

CalHFA to Offer Lower Interest Rates on Conventional First Mortgages for Certain Eligible Borrowers

Effective for all reservations on or after March 1, 2019, CalHFA will begin offering a lower interest rate on its conventional loan products for borrowers purchasing homes that meet Fannie Mae's geographical census tract requirements as defined by the Federal Information Processing Standards (FIPS) code. Each FIPS code will identify the income requirement for the subject property.

- Use [Fannie Mae's HomeReady® Lookup](#) tool for the subject property's eligibility
 - If there is no income limit, the borrower is eligible for the lower rate.
 - If there is an income limit, the borrower's income must be less than the FIPS posted income limit to be eligible for the lower rate.
 - All borrowers must still meet CalHFA's income limits.
 - Borrowers whose income exceeds FIPS posted income limits and meet the CalHFA income limits, are eligible with a higher interest rate.

Lenders will be required to enter the property's FIPS number in [MAS](#) during conventional loan reservations.

Caution: To avoid a post-close interest rate differential penalty, lenders should confirm the accuracy of the FIPS code and ensure the borrower's final income meets FIPS posted income limits at all times. CalHFA's master servicer will audit 100% of all loans that are receiving the lower interest rate. If the master servicer determines that a loan does not meet the geographical census tract requirements, it will be subject to interest rate differential penalties.

New rates will be available on [CalHFA's interest rate page](#) starting March 1, 2019,

For questions about this bulletin, contact CalHFA Single Family Lending Division by phone 916.326.8033 or by email at SFLending@calhfa.ca.gov. Plus you can always visit CalHFA's website 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 affordable housing loan needs.