



Single Family Lending Program Bulletin

February 04, 2019

Program Bulletin #2019-07

To: CalHFA Approved Lenders

CalHFA to Add a 2% ZIP Option and Eliminate the 4% ZIP Option

Effective for all reservations on or after March 1, 2019, CalHFA's CalPLUS FHA and CalPLUS Conventional Loan Programs will be offering Zero Interest Program (ZIP) closing cost assistance loans for maximum loan amounts of 2% or 3% of the total first mortgage loan amount. The ZIP 4% closing cost assistance loan will no longer be offered.

As a reminder:

- ZIP loans may be used for closing costs and/or prepaid items only.
- Cash back to the borrower from the ZIP loan is prohibited.
- Any funds due to the borrower from ZIP financing must be applied to the borrower's principal balance as a post-close principal reduction.
- ZIP funds may not be used to pay off borrower debt.

All program guidelines reflecting these changes will be published on March 1, 2019 on CalHFA's [Loan Program Handbooks](#) webpage.

All CalHFA First Mortgages with a 4% ZIP must be reserved and locked by 3 p.m. Thursday, February 28, 2019. Any reserved first mortgages with a 4% ZIP not locked by then will be cancelled by CalHFA.

CalHFA encourages lenders to use the [Loan Scenario Calculator](#) to ensure accurate loan amounts and to run example loan combinations for all CalHFA programs.

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 Division 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.