



Single Family Lending Program Bulletin

April 16, 2020

Program Bulletin #2020-06

To: CalHFA Approved Lenders

Updated Debt-to-Income Ratio Requirements for All Borrowers

In anticipation of the Qualified Mortgage (QM) patch expiring and the volatility in the Capital Markets, effective for all loans rate locked on or after May 1, 2020, the maximum total Debt-to-Income (DTI) ratio for all eligible borrowers for a CalHFA loan cannot exceed 43.00%, regardless of the automated underwriting decision or compensating factors.

CalHFA First Mortgage Loan Program	Maximum Debt-To-Income (DTI) Ratio
All CalHFA First Loans	43.00%

Reminder: Mortgage Credit Certificates (MCCs) may not be used for credit qualifying purposes.

Any loan in which a Notice of Commitment has been issued by CalHFA, that has not been rate locked by Thursday, April 30, 2020, at 3:00 p.m. PDT, may be subject to cancellation if the DTI ratio exceeds 43.00%. Lenders will need to re-reserve the first mortgage loan. All new reservations will be subject to the then-current guidelines.

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.