



Single Family Lending Program Bulletin

February 1, 2021

Program Bulletin #2021-02

To: CalHFA Approved Lenders

CalHFA to offer the Section 203(h) program for California Disaster Victims

Effective for all new reservations accepted on or after March 1, 2021, the Section 203(h) program will be allowed on loans through the CalHFA FHA program.

The Section 203(h) program allows the Federal Housing Administration (FHA) to insure mortgages made by qualified lenders to victims of a major disaster who have lost their homes and are in the process of buying another home. This program is authorized under Section 203, National Housing Act (12 U.S.C. 1709, 1715(b)).

General Guidelines:

- 100% LTV / 105% CLTV
- Borrower must be victim within the past year of a Presidentially declared major disaster in California
- Must have zero 30-day late mortgage payments in 12 months prior to disaster
- Maximum DTI is 45.00%
 - Current mortgage work-out payments must be included in DTI
- Purchase of undamaged homes only
 - Reconstruction properties are not permitted
 - 203(K) is not permitted
 - Manufactured homes are not permitted
- Manual underwriting or downgrades are not permitted
- Can be combined with MyHome
 - First-time homebuyer requirement is waived
- Not available with CalPLUS FHA with ZIP

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.