



Single Family Lending Program Bulletin

March 16, 2022

Program Bulletin #2022-04

To: CalHFA Approved Lenders

CalHFA Announces Forgivable Equity Builder Loan

Home equity has proven to be one of the strongest ways for families to build and pass on intergenerational wealth and CalHFA is committed to improving equitable access to homeownership for all Californians. CalHFA is pleased to announce the Forgivable Equity Builder Loan, which gives first-time homebuyers a head start on this with immediate equity in their homes via a loan that is forgivable if the borrower continuously occupies the home as their primary residence for five (5) years after closing.

The Forgivable Equity Builder Loan is a forgivable down payment assistance program for first-time homebuyers to be used in conjunction with a CalHFA first mortgage for down payment and/or closing costs. This program will be available on Monday, April 4, 2022.

Program Highlights:

Allowable First Mortgages	<ul style="list-style-type: none"> • CalHFA FHA • CalHFA USDA • CalHFA VA • CalHFA Conventional
Forgivable Equity Builder Loan amount	<ul style="list-style-type: none"> • 10% of the sales price or appraised value (whichever is less)
Income Limit	<ul style="list-style-type: none"> • \leq 80% AMI using the Fannie Mae Lookup Tool
Repayment	<ul style="list-style-type: none"> • If the borrower(s) occupy the home for five (5) years, the full amount of the Forgivable Equity Builder Loan is forgiven • Any loan paid off prior to the five-year term will be forgiven on an annual pro-rated basis
Maximum CLTV	<ul style="list-style-type: none"> • 105%
Additional DPA	<ul style="list-style-type: none"> • Cannot be combined with CalPLUS/ZIP or MyHome.

The Forgivable Equity Builder Loan handbook will be available on our website on April 4, 2022 with all program details.

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.