



Zero Interest Program (ZIP) Interest Rate Acknowledgment

You have many financing options when deciding to buy a home. Your lender will discuss different home financing alternatives with you.

If you choose to use the CalHFA Zero Interest Program (ZIP), please be aware of the following features:

1. ZIP is a 0% interest subordinate loan that may be used for closing costs/prepaid items only. ZIP funds may not be used to pay off borrower debt. Any excess ZIP funds must be applied as a principal reduction to the ZIP loan. Cash back to the borrower from the ZIP loan is prohibited.
2. Choosing to use the ZIP loan will result in you paying a higher interest rate on your first mortgage.
3. No monthly payments on the ZIP loan are required, but the ZIP is a loan that must be repaid.

By signing below, you certify and acknowledge that you have been advised about and understand the features of the ZIP loan.

Date:

Name:

(Typed Or Printed)

Borrower's Signature _____

Name:

(Typed Or Printed)

Borrower's Signature _____