



California Housing Finance Agency

Conventional Loan Programs: Frequently-Asked Questions

Last Revised: February 2025

What Conventional Loan Programs does CalHFA offer?

CalHFA offers the following conventional loan programs:

CalPLUSSM Conventional

Fannie Mae HFA PreferredTM first mortgage combined with the Zero Interest Program (ZIP) for closing costs only. This loan may also be combined with MyHome Assistance Program (MyHome).

- The ZIP subordinate loan is only available with CalPLUS and is a silent second loan for either 2.00% or 3.00% of the total first mortgage loan amount. The interest rate is 0.00% and the payments is deferred for the life of the first mortgage or until the property is transferred or the first mortgage loan is refinanced.

CalPLUSSM Access Conventional

Taxable Bond financed Fannie Mae HFA PreferredTM first mortgage combined with the MyAccess Program (MyAccess) for downpayment and/or closing cost. This loan must also be combined with the MyHome Assistance Program (MyHome).

- The MyAccess subordinate loan is only available with CalPLUS Access and is for 2.50% of the first mortgage loan amount. The interest rate is 1.00% and the payments are deferred for the life of the first mortgage.

CalHFA Conventional

Fannie Mae HFA PreferredTM first mortgage. This loan may be combined with the MyHome Assistance Program (MyHome). When no CalHFA down payment and or closing cost assistance subordinate loan programs are being used with the CalHFA Conventional first mortgage loan, the first mortgage loan may be eligible for a lower interest rate.

CalReady Conventional

Taxable bond financed Fannie Mae HFA PreferredTM first mortgage. This loan may be combined with the MyHome Assistance Program (MyHome)

Dream For All Conventional

Fannie Mae HFA PreferredTM first mortgage. This loan may only be combined with the Dream For All Shared Appreciation Loan (Shared Appreciation Loan).

Who can originate CalHFA Conventional loan programs?

Lender Eligibility Requirements

To be eligible for this program lenders must be approved by:

- CalHFA
- Fannie Mae or have access to HFA Preferred through a DO sponsorship
- Lakeview Loan Servicing (LLS), CalHFA's master servicer

- To seek LLS approval contact the Counterparty Risk Management team at CRM@Lakeviewloanservicing.com

My borrower(s) owns a rental property; can they keep the property and still be eligible for CalHFA conventional loan programs?

Yes, if they meet CalHFA's first-time homebuyer definition.

My borrower is not a first-time homebuyer, is the borrower still eligible for CalHFA conventional loan programs?

The CalHFA conventional loan programs available to non-first-time homebuyer are CalHFA Conventional and CalReady Conventional. If a MyHome subordinate lien is added then the borrower must meet CalHFA's first-time homebuyer definition.

My borrower is not a first-generation homebuyer. Is the borrower still eligible for CalHFA conventional loan programs?

The CalHFA conventional loan programs available to non-first-generation homebuyers are CalPLUS Conventional, CalPLUS Access Conventional, CalHFA Conventional, and CalReady Conventional.

Do I need to make a reservation in the Mortgage Access System (MAS) before submitting a loan file to CalHFA?

Yes. The CalHFA-approved lender must make a reservation in MAS prior to loan submission.

Do CalHFA conventional loan programs allow additional subordinate financing with the conventional loan programs?

Yes. The MyHome Assistance Program and Fannie Mae approved Community Second subordinate loan programs may be layered if they will go into subordinate lien position to all CalHFA loans. In the case of conflicting guidelines, the more restrictive will apply.

What areas of California are eligible for CalHFA financing?

CalHFA conventional loan programs are state-wide programs. Properties located anywhere within the State of California may be eligible for the program.

Are there sales price limits on CalHFA conventional loan programs?

No, there are no sales price limits on CalHFA conventional loan programs.

What is the maximum loan amount for CalHFA conventional loan programs?

The maximum total loan amount cannot exceed Fannie Mae loan limits.

Fannie Mae High Balance Loan Limits

All loans with a loan amount exceeding the Fannie Mae loan limit will be subject to an additional fee. See [CalHFA rate sheet](#) for applicable fees.

Maximum LTV for Fannie Mae High Balance Loan Limits: 95.00%

All Fannie Mae High Balance Loan fees will be net funded at the time of first mortgage purchase by the master servicer.

Are condominiums eligible for CalHFA conventional loan programs?

Yes, per Fannie Mae guidelines.

Is a manufactured home eligible for CalHFA conventional loan programs?

Yes, manufactured homes are permitted per Fannie Mae MH Advantage and Fannie Mae Standard MH with the following parameters:

- Singlewide manufactured homes are not eligible
- Fannie Mae Desktop Underwriter® (DU®) Approve/Eligible findings only – no manual underwriting
- Maximum DTI: 45.00%
- Leasehold properties are not eligible
- Appraisal for MH Advantage requires picture of [MH Advantage Sticker](#)

Loan Program	Max. LTV	Max. CLTV	Desktop Underwriter® (DU®)*
Fannie Mae MH Advantage	97%	105%	Select* <i>MH Advantage</i>
Fannie Mae Standard MH	95%	105%	Select* <i>Manufactured Home or Manufactured Home: Condo/PUD/Co-op</i>

* Use with Fannie Mae HFA Preferred™ only

What automated underwriting engines do you allow for CalHFA conventional loan programs?

All loans must be submitted through Fannie Mae's Desktop Underwriter® (DU®) and receive an "Approve/Eligible" with the HFA Preferred™ option. Manual Underwriting is not allowed.

What is the maximum Debt-to-Income ratio allowed on CalHFA conventional loans?

The maximum total Debt-to-Income (DTI) ratio cannot exceed:

- 50.00%, for borrowers with credit scores equal to or greater than 700
- 45.00%, for borrowers with credit scores between 680 – 699
- 45.00%, for manufactured home properties

MCC may not be used for credit qualifying purposes.

What are the minimum credit score requirements for CalHFA conventional loan programs?

- The minimum credit score is 680 for borrowers with income greater than the HomeReady 80% Area Median Income (AMI) LI income limit
- The minimum credit score is 660 for borrowers with income less than or equal to [HomeReady 80% AMI LI](#) income limit.

Does CalHFA use the lowest credit score to determine the minimum representative credit score?

No. The middle score of the lowest scoring borrower is used to determine eligibility.

- If a tri-merged credit report is used, use the middle score
- If a merged credit report only returns two scores, use the lower score
- If a merged credit report only returns one score, that score must be used

My borrower only has one credit score. Is that okay for CalHFA conventional loan programs?

Yes, one credit score is acceptable with DU Approve/Eligible findings.

Do all borrowers need to meet the minimum credit score requirement for CalHFA conventional loan programs?

Yes, all borrowers must meet the minimum credit score requirement.

Can I use Non-Traditional credit?

No, non-traditional credit is not eligible.

Is manual underwriting permitted on CalHFA conventional loan programs?

No. Manual underwriting is not permitted.

What is the maximum age of credit documents on CalHFA conventional loan programs?

CalHFA will follow Fannie Mae guidelines for the age of the credit documents.

What is the maximum LTV/CLTV on CalHFA conventional loan programs?

The maximum LTV is 97.00%. The maximum CLTV is 105%.

- Maximum LTV for Fannie Mae High Balance Loan Limits: 95.00%
- Combined Loan-to-Value (CLTV) must be between 95.00% and 105.00% for Dream For All Conventional only

Can I use the ZIP for down payment?

No. The ZIP second loan is only available with CalPLUS and may be used for closing cost and/or prepaid items only. ZIP may not be used for down payment or debt payoff.

Can I use MyAccess for down payment?

Yes, the MyAccess subordinate loan is only available with CalPLUS Access Conventional and may be used for down payment and/or closing cost. MyAccess may not be used for debt payoff.

What fees and related charges are allowed for CalHFA conventional loan programs?

CalHFA allows:

- Customary lender fees not to exceed the greater of 3% of the loan amount or \$3,000
- Other customary third-party fees such as the credit report fee, appraisal fee, insurance fee or similar settlement or financing cost. No additional fees are allowed for ZIP.
- \$50 processing fee for ZIP
- \$250 processing fee for MyAccess
- \$250 funding fee (payable to CalHFA's master servicer)
- \$75 tax Service Fee (payable to CalHFA's master servicer)
- \$10 Life of Loan Flood Certification Fee (payable to CalHFA's master servicer)
- In all cases the lender must meet federal and California lending laws regarding fees and charges

Does Federal Recapture Tax apply on CalHFA conventional loan programs?

No. Federal Recapture Tax does not apply.

Is homebuyer education required on CalHFA conventional loan programs?

Yes. Homebuyer Education and Counseling is required for one occupying first-time homebuyer. Homebuyer Education and Counseling is not required for non-first-time homebuyer(s).

- Online Homebuyer Education through [eHome](#)™

- In Person or Virtual Live through [NeighborWorks America](#) or through one of the [HUD approved Housing Counseling Agencies](#)
- Additionally, under the Dream For All Conventional, Borrowers are required to complete CalHFA homebuyer education specifically for Shared Appreciation loans.

Is a temporary buydown available on CalHFA conventional loan programs?

Yes. 2-1; 1-1; and 1-0 buydowns are permitted per Fannie Mae and master servicer guidelines

- Loan must be credit qualified at Note rate
- Temporary buydowns are not processed through CalHFA's Secondary Marketing Unit
- Lender must enter buydown option in MAS
- Borrower paid Temporary Buydowns are not allowed
- Temporary buydown must be disclosed on the Final CD
- Buydown Agreement must be forwarded to Lakeview prior to loan purchase
- Buydown funds will be net funded by Lakeview at time of first mortgage purchase

Are permanent buydowns available on CalHFA conventional loan programs?

Permanent buydowns are done on a case-by-case basis

All requests for permanent buydown must be emailed to Ratelocks@calhfa.ca.gov

- Buy downs are only allowed on our first mortgage loan programs
- On a CalHFA rate locked loan, you must provide the CalHFA loan ID
- If the loan has NOT been locked with CalHFA:
 - Provide the CalHFA first mortgage program they will be using
 - When Conventional - standard or LI pricing
 - Quote provided is good until 3 p.m. same day unless there is a mid-day rate change

Are non-occupant co-signers or non-occupant co-borrowers allowed on CalHFA conventional loan programs?

No, non-occupant co-signers and non-occupant co-borrowers are not permitted.

Are impounds required on CalHFA conventional loan programs?

Yes impounds are required regardless of LTV including property taxes and hazard insurance and possibly flood insurance or earthquake insurance if applicable.

Are appraisal waivers allowed on CalHFA conventional loan programs?

No, appraisal waivers are not allowed regardless of AUS findings.