



California Housing Finance Agency

# Government Loan Programs: Frequently-Asked Questions

Last Revised: February 2025

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## What government loan programs does CalHFA offer?

CalHFA offers the following government loan programs:

<b>CalPLUS<sup>SM</sup> FHA</b>	<p>FHA first mortgage combined with the Zero Interest Program (ZIP) for closing costs. This loan may also be combined with MyHome Assistance Program (MyHome).</p> <ul style="list-style-type: none"><li>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 zero percent (0.00%) and the payments are deferred for the life of the first mortgage.</li></ul>
<b>CalPLUS<sup>SM</sup> Access FHA</b>	<p>Taxable bond financed FHA first mortgage combined with the MyAccess Program for down payment and/or closing costs. This loan must also be combined with the MyHome Assistance Program (MyHome).</p> <ul style="list-style-type: none"><li>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 one percent (1.00%) and the payments are deferred for the life of the first mortgage.</li></ul>
<b>CalHFA FHA</b>	<p>FHA first mortgage. This loan may be combined with the MyHome Assistance Program (MyHome).</p>
<b>CalReady FHA</b>	<p>Taxable bond financed FHA first mortgage. This loan may be combined with the MyHome Assistance Program (MyHome).</p>
<b>CalHFA USDA</b>	<p>USDA first mortgage. This loan may be combined with the MyHome Assistance Program (MyHome).</p>
<b>CalHFA VA</b>	<p>VA first mortgage. This loan may be combined with the MyHome Assistance Program (MyHome).</p>

## Who can originate CalHFA government loan programs?

### Lender Eligibility Requirements

To be eligible to participate in this program, lenders must be approved by:

- CalHFA
- FHA, USDA and/or VA
- Lakeview Loan Servicing (LLS), CalHFA's master servicer

To seek LLS approval contact the Counterparty Risk Management team at [CRM@lakeviewloanservicing.com](mailto:CRM@lakeviewloanservicing.com).

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

The CalHFA government loan programs available to non-first-time homebuyers are CalHFA FHA, CalReady FHA, CalHFA USDA and CalHFA VA. If a MyHome subordinate lien is added then the borrower must meet CalHFA's first-time homebuyer definition.

**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 FHA loan programs allow additional subordinate financing?**

Yes, the MyHome and FHA-approved subordinate loan programs may be layered if they are in 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 government loan programs are a state-wide program. Properties located anywhere within the State of California may be eligible for the program; however USDA Properties must be located in an USDA eligible rural area.

**Are there sales price limits on CalHFA Government loan programs?**

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

**What is the maximum loan amount for CalHFA Government loan programs?**

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| <b>FHA</b>  | The maximum total loan amount (excluding Up Front Mortgage Insurance Premium) cannot exceed FHA loan limits for the county in which the property is located. |
| <b>VA</b>   | The maximum loan amount (excluding Financed Guaranty Funding Fee) cannot exceed VA loan limits for the county in which the property is located.              |
| <b>USDA</b> | The maximum loan amount (excluding upfront Guarantee fee, if financed) cannot exceed USDA loan limits for the county in which the property is located.       |

**Are high balance loan limits allowed with CalHFA Government loan programs?**

All loans with a base loan amount exceeding current Federal Housing Finance Agency (FHFA) posted loan limits will be subject to an additional fee. See CalHFA rate sheet for applicable fees.

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

## Are condominiums eligible for CalHFA Government loan programs?

- FHA** Yes. CalHFA will allow approved condominiums that meet FHA Condominium Project requirements.
- VA** Yes. CalHFA will allow approved condominiums/PUDS that meet FHA/VA Condominium/PUD Project requirements.
- USDA** In order for a condominium/PUD to be eligible for USDA guaranteed financing the project must meet all requirements of the USDA handbook as well as standards established by HUD, Fannie Mae, Freddie Mac, or VA. It is the responsibility of the lender and not the master servicer to meet these guidelines.

## Is a manufactured home eligible for CalHFA Government loan programs?

- FHA** Manufactured homes are permitted with the following parameters:
- Minimum credit score: . . . . . 660
  - Maximum DTI: . . . . . 45.00%

Single-wide manufactured homes are not eligible.

Manual Underwriting is not permitted on manufactured homes.

All manufactured homes must meet *FHA 4000.1*, Master Servicer and CalHFA loan program requirements.

- VA** Manufactured homes are not permitted.

- USDA** Manufactured homes are permitted with the following parameters:
- Minimum credit score: . . . . . 660
  - Maximum DTI: . . . . . 45.00%
  - New Manufactured Homes (First Owner).

Single-wide manufactured homes are not eligible.

Leaseholds and Community Land Trusts are not eligible.

Unit must not have ANY alterations or additions since construction in the factory (e.g., decks, porches not allowed).

Manual Underwriting is not permitted on manufactured homes.

All manufactured homes must meet *USDA 7 CFR 3550.73*, Master Servicer and CalHFA loan program requirements.

## Are automated underwriting engines allowed for CalHFA Government loan programs?

- FHA** All loans must be submitted through Fannie Mae’s Desktop Underwriter® (DU®) and receive an “Approve/Eligible”, or Freddie Mac’s Loan Prospect Advisor (LPA) and receive an “Accept” recommendation or be downgraded to manual underwriting. The FHA Scorecard option must be used.
- VA** All loans must be submitted through Fannie Mae Desktop Underwriter (DU®) and receive an “Approve/Eligible”, Freddie Mac Loan Product Advisor (LPA®) and receive an “Accept” recommendation.
- USDA** All loans must be submitted through Guaranteed Underwriting System (GUS). GUS Underwriting Recommendation of Accept/Eligible only.

## Is Manual Underwriting permitted on CalHFA Government loan programs?

- FHA** Manual Underwriting is allowed with the following parameters:
- Maximum DTI ratio: . . . . . 43.00%
  - Minimum credit score: . . . . . 660
  - Borrowers without a credit score are not permitted.
  - Must meet FHA requirements.
- Not permitted on Manufactured Homes.  
Non-traditional credit is not allowed.
- HUD 184** Manual Underwriting is required.
- Maximum DTI ratio: Per HUD approval based on compensating factors.
  - Must meet Section 184 requirements.
  - All loans must be approved by HUD prior to submission to CalHFA.
- FHA 203(h)** Manual Underwriting or downgrades are not allowed.
- CalHFA VA** Manual Underwriting is not allowed.
- CalHFA USDA** Manual Underwriting is not allowed.

### **What is the maximum DTI for CalHFA Government Loans?**

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

<b>50.00%</b>	<b>45.00%</b>	<b>43.00%</b>
<ul style="list-style-type: none"><li>▪ Credit Score &gt; 700</li><li>▪ No Manual Underwriting or Manual downgrades allowed</li></ul>	<ul style="list-style-type: none"><li>▪ Credit Score 640-699</li><li>▪ No Manual Underwriting or Manual downgrades allowed</li><li>▪ Loans on Manufactured Homes</li></ul>	<ul style="list-style-type: none"><li>▪ Manual Underwrite or Manual downgrade allowed</li></ul>

MCC may not be used for credit qualifying purposes.

### **What is the minimum credit score requirement for CalHFA Government loan programs?**

CalHFA's minimum credit score is 640 for all Government loan programs.

FHA loan program borrowers must have a minimum credit score of 660 under the following scenarios:

- Manually underwritten loans
- Manufactured housing

### **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 Government loan programs?**

Yes, one credit score is acceptable.

### **Do all of my borrowers need to meet the minimum credit score requirement for CalHFA Government loan programs?**

Yes, a minimum representative credit score is required for all borrowers. Borrowers with no credit score are not allowed.

### **Can I use non-traditional credit for CalHFA Government loan programs?**

No. Non-traditional credit is not eligible.

### **What is the maximum age of credit documents for CalHFA Government loan programs?**

CalHFA will follow FHA, VA or USDA guidelines for the age of the credit documents.

### **What is the maximum LTV/CLTV for CalHFA Government loan programs?**

- The maximum LTV is per FHA, VA or USDA guidelines.
- The maximum CLTV is 105%.

### **Can I use ZIP for down payment?**

No, the FHA ZIP subordinate loan is only available with CalPLUS FHA 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 FHA and may be used for down payment and/or closing cost. MyAccess may not be used for debt payoff.

### **The ZIP is for either 2.0% or 3.0% of the total first loan amount. Does the total loan amount include UFMIP?**

Yes. The ZIP subordinate loan is only available with the CalPLUS FHA and loan amount is calculated on the total loan amount.

### **The MyAccess is for 2.5% of the total first loan amount. Does the total loan amount include UFMIP?**

Yes. The MyAccess subordinate loan is only available with the CalPLUS Access FHA and loan amount is calculated on the total loan amount.

### **What fees and related charges are allowed for CalHFA Government loan programs?**

CalHFA allows:

- Customary fees not to exceed the greater of either 3% of the loan amount, or \$3,000.
- Other customary fees such as credit report fee, appraisal fee, insurance fee or similar settlement or financing cost.
- \$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 Certificate fee (payable to CalHFA's master servicer).

In all cases the lender must meet federal and California lending laws regarding fees and charges.

### **Does the Federal Recapture Tax apply to CalHFA Government loan programs?**

No. Federal Recapture Tax does not apply.

### **Is homebuyer education required on CalHFA Government 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 Homebuyer Education through [NeighborWorks America](#) or through one of the [HUD-approved Housing Counseling Agencies](#).

### **Is a temporary buydown available on CalHFA Government loan programs?**

Yes. 2-1; 1-1; and 1-0 buydowns are permitted as per Investor 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
- Temporary buydowns 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 Government 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](mailto: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.
  - Quote provided is good until 3 p.m. same day unless there is a mid-day rate change.

### **Will non-occupant co-signers or non-occupant co-borrowers be allowed for CalHFA Government loan programs?**

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

### **Are impounds required on CalHFA Government 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 Government loan programs?**

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