

This handbook is valid for loans rate-locked 1/1/19 through 1/31/19



CALIFORNIA HOUSING FINANCE AGENCY

# CalHFA FHA Loan Program

LAST REVISED: JANUARY 1, 2019

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## Program Summary

The CalHFA FHA program is an FHA-insured loan featuring a CalHFA fixed interest rate first mortgage. This loan is fully amortized for a thirty (30) year term and can be combined with either the MyHome Assistance Program (MyHome) or School Teacher and Employee Assistance Program (School Program).

The CalHFA FHA loan is not subject to Recapture Tax.

## Eligibility

### Borrower Requirements

Each borrower must

- Be either a citizen or other National of the United States, or a “Qualified Alien” as defined at 8 U.S.C § 1641
- Meet the credit, income and loan requirements detailed in this program handbook, as well as CalHFA’s Lender Manual, Fannie Mae, the CalHFA-approved lender, the mortgage insurer and CalHFA’s master servicer’s requirements

### Eligible Homebuyers

This program is available for both first-time and non-first-time homebuyers.

### Homebuyer Education

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

- Online Homebuyer Education through [eHome™](#)
- Face-to-Face Homebuyer Education through [NeighborWorks America](#) or through one of the [HUD approved Housing Counseling Agencies](#)

### Owner Occupancy

- All borrowers must occupy the property as their primary residence within sixty (60) days of closing
- Non-occupant co-borrowers are not allowed
- Non-occupant co-signers are allowed per FHA guidelines
- Non-occupant co-signers:
  - › must not occupy the property
  - › must not be on title or have a vested interest in the property
  - › must sign all loan documents except the security instrument(s)
  - › will have their income, assets, liabilities and credit histories considered by underwriting

### Property Requirements

- Sales price of the home cannot exceed [CalHFA’s sales price limits](#) established for the county in which the property is located
- Property must be a single-family, one-unit residence, including FHA-approved condominium/PUDs. It is the responsibility of the lender and not the master servicer to meet these guidelines.

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## Eligibility (cont.)

- Manufactured homes are permitted with the following parameters:
  - › Minimum credit score: 660
  - › Maximum LTV: 96.50%
  - › Maximum CLTV: 105.00%
  - › Singlewide manufactured homes are not eligible
  - › Not available on Limited 203(k)
  - › Manual Underwriting is not permitted on manufactured homes
  - › All manufactured homes must meet FHA 4000.1, Master Servicer and CalHFA loan program requirements
- Land Trusts and Co-ops are not permitted
- Non-permitted additions/alterations must follow FHA guidelines
- Lot size cannot exceed five (5) acres maximum
- Properties must meet the requirements of FHA and the California Health and Safety Code
- Refer to the Lakeview program matrix for their Disaster Policy
  - › See [Lakeview Correspondent Lending website](#) for details
- Escrow Holdbacks will be allowed for minor outstanding repairs not completed prior to loan closing

### Additional Property Guidelines

- Accessory Dwelling Units (ADU), Guest houses, “granny” units, and “in-law” quarters are eligible
  - › Must be zoned for Single Family Occupancy
  - › Cannot be zoned for 2-4 units
  - › Must meet investor guidelines and city/county zoning ordinances
- Per investor guidelines – If rental income from the ADU is used for credit qualifying, CalHFA will also use the gross rental income for the compliance income calculation
- Leasehold Estates
  - › Must follow FHA guidelines
  - › All Leasehold Estate documentation must be submitted to CalHFA’s Master Servicer with purchase package for review and approval
- › The Property must be habitable and safe for occupancy at the time of loan closing
- › Lenders and/or closing agent will be responsible for managing and disbursing holdbacks
- › Lender must deliver loans that were originated in accordance with FHA and Fannie Mae guidelines
  - » Please see [Lakeview Loan Servicing website](#) for required documents

### Property Flipping

- Follow FHA first-mortgage underwriting guidelines

CalHFA requires a copy of all appraisals as required by FHA.

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## Eligibility (cont.)

When multiple appraisals are required, CalHFA will base the subordinate loan amount(s) on the lesser of the sales price or lowest appraised value.

### Lender Eligibility Requirements

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

- CalHFA
- FHA

- 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)

### Broker Eligibility Requirements

Mortgage brokers can find a list of participating CalHFA-approved wholesale lenders on [CalHFA's mortgage broker webpage](#)

## Underwriting & Compliance

### Transaction type

Purchase transactions only

### Term

Up to 30 years

### FHA's Section of the Act

CalHFA will accept the following FHA Section of the Act mortgage types, per FHA guidelines:

- 203(b) Home Mortgage Insurance
- Limited 203(k)

### LTV and CLTV

Loan-to-Value (LTV) to follow FHA first mortgage underwriting guidelines

Combined Loan-to-Value (CLTV) cannot exceed 105.00%

### Maximum Loan Amount

The maximum loan amount (excluding UFMIP) cannot exceed FHA loan limits for the county in which the property is located.

### FHA High Balance Loan Limits

All loans with a base loan amount exceeding \$484,350 will be subject to an additional fee. See [CalHFA rate sheet](#) for applicable fees.

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

### Maximum Sales Price Limits

The Sales Price of the home cannot exceed CalHFA Sales Price Limits for the county in which the property is located.

### Income & Sales Price Limits

The following reference materials disclose income and sales price limits by county:

1. [CalHFA Income Limits](#)
2. [Sales Price Limits](#)

### Income Requirements

Lenders are required to calculate income to qualify borrower(s) for loan approval

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## Underwriting & Compliance (cont.)

using FHA guidelines; in addition, CalHFA will review the borrower's income pursuant to program compliance.

### Qualifying Income vs. Program Compliance Income

Qualifying income is the income used by the lender to determine that the borrowers have the ability to meet their monthly obligation. Lender will continue to adhere to the guidelines of their internal underwriting guidelines, mortgage insurer, master servicer and this program handbook. This income may differ from the income used by CalHFA for program compliance purposes. All sources of income must be used to determine program compliance income limits.

### Maximum Program Compliance Income Limits

The income of all borrowers cannot exceed the published [CalHFA income limits](#) detailed in this program handbook established for the county in which the property is located.

CalHFA will calculate family income for CalHFA FHA loan eligibility, "Family income" is defined as the annualized gross income of a mortgagor, and any other person who is expected to:

1. be liable on the mortgage
2. be vested on title; and
3. live in the residence being financed

Due to federal regulations, CalHFA is required to compile all information regarding borrower's income.

### Family income includes:

|                            |  |
|----------------------------|--|
| Gross pay                  | Social security benefits   |
| Overtime                   | Deferred income  |
| Bonuses                    | Veterans Administration (VA) compensation  |
| Commissions                | Rental income  |
| Part-time employment       | Welfare payments   |
| Dividends                  | Unemployment compensation  |
| Interest                   | Any regularly occurring additional income  |
| Annuities                  | Income received from Trust or Business & Investments from all sources (both taxable and non-taxable) including but not limited to earnings |
| Child support payments     |  |
| Human assistance/ services |  |
| Disability payments        |  |
| Alimony/Spousal Support    |  |
| Sick pay                   |  |
| Pensions                   |  |

Verification of employment and other supporting documentation regarding income such as paycheck stubs should be no more than sixty (60) days old at the time of submission to the Agency for loan approval.

### Family income excludes:

Gifts – casual, sporadic or irregular  
Lump sum additions to household assets, such as inheritances, insurance settlement, capital gains, student financial assistance, settlements for personal or property losses

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## Underwriting & Compliance (cont.)

Education scholarships paid directly to the student

Foster child care payments, adoption assistance payments if not used to credit qualify for the loan

Income from household members not on title or the loan

Food stamps

For more detailed information see [Lender Program Manual](#)

### Qualifying Ratios

The maximum total Debt-to-Income (DTI) ratio cannot exceed 45.00% for automated underwriting or 43.00% for manual underwriting. A MCC may not be used for credit qualifying purposes.

### Minimum Credit Score

- Credit Score 640
  - › Manually Underwritten loans: 660
  - › Manufactured Housing: 660
- A borrower with no credit score may be eligible as long as an occupant borrower(s) has a credit score that meets the minimum representative credit score requirement and all manual underwriting guidelines are followed
  - › Non-traditional credit is not accepted
- When all borrowers have a credit score, they must meet the minimum representative credit score requirements. The middle score of the lowest-scoring borrower should be 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

### Automated Underwriting

Automated Underwriting: All loans must be submitted through FHA Total Scorecard through either Fannie Mae Desktop Underwriter (DU®) or Freddie Mac Loan Product Advisor (LPA®). If findings returned are refer/eligible, follow manual underwriting guidelines

Other customized automated underwriting systems are not acceptable.

Manual Underwriting is allowed with the following parameters:

- Maximum DTI ratio: 43.00%
- Minimum Credit Score: 660
- Must meet FHA requirements
- Not permitted on Manufactured Homes

### Sales Concessions/Contributions

Concessions/contributions as per FHA guidelines except for the following:

- Payment of condominium fees
- Personal property
- Down payment assistance

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## Underwriting & Compliance (cont.)

- See [Lakeview Correspondent Lending website](#) for additional requirements
- Non-arm's length transactions must be fully disclosed

### Miscellaneous Lakeview Loan Servicing Underwriting Guidelines

- Credit Underwriting is the responsibility of the originating lender
- Underwriters must consider the income, assets, liabilities and credit histories of co-signers
- Underwriters should:
  - › Make sound credit decisions
  - › Assure data integrity
  - › Include all necessary documents in support of the underwriting decision
- Tax transcripts are required for all years that income is used for credit qualifying
- Appraiser must meet all master servicer guidelines, see [Lakeview Correspondent Lending website](#) for details
- 2-1 or 1-1 temporary buydowns are permitted as per FHA guidelines
  - › Loan must be credit qualified at Note rate

In the case of conflicting guidelines, the lender must follow the more restrictive to meet the credit, income limits, total debt-to-income ratio and loan and property requirements of CalHFA, FHA, the lender or the master servicer.

All loans are subject to audit by both CalHFA and Lakeview Loan Servicing.

## Subordinate Financing

### CalHFA Subordinate Financing

This program may be layered with the following down payment and/or closing cost assistance options, for first-time homebuyers only; unless the borrower has been affected by a California natural disaster as described below

- MyHome Assistance Program
  - › May be used for closing cost and/or down payment assistance
  - › In the case of conflicting guidelines, the lender must follow the more restrictive
- › Must be recorded in Second Lien Position
- › For full MyHome underwriting guidelines and details see the [MyHome Program Handbook](#)
- School Teacher and Employee Assistance Program (School Program)
  - › May be used for down payment assistance and/or closing cost
  - › In the case of conflicting guidelines, the lender must follow the more restrictive

*(continued on next page)*

## Subordinate Financing (cont.)

- › Must be recorded in Second Lien Position
- › For full School Program underwriting guidelines and details see the [School Program Handbook](#)

MyHome and School Program may not be combined.

### Borrowers affected by natural disasters in California

To be eligible for CalHFA Financing:

- Previous property must be located in an area declared as a Major Disaster and posted on the Federal Emergency Management Agency (FEMA) website
- Previous property must have been the borrower's primary residence
- Previous property must have been destroyed or declared uninhabitable with supporting documentation supplied from either (i) the insurance company or (ii) the local government jurisdiction
- Borrowers affected by a declared Major Disaster are eligible to purchase a new home using CalHFA loan programs within three (3) years of that Major Disaster's declaration date

### Non-CalHFA Subordinate

This program may be layered with locality programs to be used for closing costs and/or down payment assistance as per individual requirements.

- The locality subordinate loan must meet FHA underwriting guidelines
- The maximum CLTV must meet CalHFA requirements
- In the case of conflicting guidelines, the lender must follow the more restrictive
- Must be recorded in subordinate lien position to CalHFA Subordinate Financing

### Other Programs and Assistance

This program may be layered with CalHFA Mortgage Credit Certificate Tax Credit Program (MCC Tax Credit Program) or other Mortgage Credit Certificate (MCC) programs for first-time homebuyers only.

- The MCC credit may not be used for credit qualifying purposes
- In the case of conflicting guidelines, the lender must follow the more restrictive
- For full CalHFA MCC Tax Credit Program underwriting guidelines and details see [MCC Tax Credit Program Handbook](#), or log onto the MCC Administrator's web site at [www.ehousingplus.com](http://www.ehousingplus.com)

## CalHFA Loan Process (Submission, Approval & Purchase)

The lender must upload to CalHFA's [MAS](#) a fully approved loan package per CalHFA's [Loan Submission Checklist](#) for program policy, compliance review and desktop underwriting validation.

CalHFA will review loan files on a first-come, first-served basis. CalHFA reviewers will notify lenders of each conditional loan approval, suspension and/or rejection via MAS.

Suspended loan files will not be reviewed until **all** suspense items are uploaded to MAS.

Upon receipt of the Notice of Commitment, the lender is authorized to close the

loan(s). After closing, the lender will upload a closed first mortgage purchase package to CalHFA's master servicer [Lakeview Loan Servicing](#) and any CalHFA subordinate loan (i.e. ZIP, MyHome or School Program) purchase package(s) to CalHFA for purchase.

Lenders must submit applicable ZIP, MyHome or School Program purchase packages to CalHFA at the same time the first mortgage is submitted to the master servicer to ensure that the purchase of all loans meet the rate lock expiration.

All loans must meet the rate lock expiration date.

### Fees

#### Service Release Premium (SRP)

- Lenders will earn a 1.00% Service Release Premium to release servicing to Lakeview Loan Servicing (LLS) at time of purchase
- LLS will purchase loans directly from lender on a daily basis.

#### Lender Allowable Fees (Origination & Processing)

- Customary lender origination fees not to exceed the greater of 3% of the loan amount or \$3,000
- Other customary third party fees such as credit report fee, appraisal fee, insurance fee or similar settlement or financing cost
- In all cases the lender must meet federal and California lending laws regarding fees and charges

#### Master Servicer Fees

- LLS funding fee is \$250 per loan
- Tax Service fee to LLS is \$75 per loan
- Life of Loan Flood Certificate fee to LLS is \$10 per loan
- Funding fees paid by the borrower or seller must be disclosed and documented on the final Closing Disclosure
- Other customary master servicer fees may apply
- LLS will not purchase High Cost Loans
- Lenders should refer to their legal/compliance department on how to disclose fees

This handbook is valid for loans rate-locked 1/1/19 through 1/31/19

## Reservations, Rate Locks & Extensions

Interest rates are available on the CalHFA [Interest Rate page](#). Interest rates are subject to change at any time without notice.

### Reservations and Rate Locks

- Reservations with a floating rate will be accepted from 6:00 a.m. to 11:59 p.m. Pacific Time, seven days a week
- Rate locks will only be accepted between the hours of 8:00 a.m. to 3:00 p.m. Pacific Time, Monday through Friday, excluding state-recognized holiday, and days that the U.S. financial markets are closed for business. Only lenders with full MAS access may lock the interest rate
- Lenders will have the option to float (90 days for existing/resale properties or 120 days for new construction properties) or lock the interest rate for sixty (60) days for both existing/resale properties and new construction properties
- All CalHFA subordinate loan(s) will receive the same reservation, lock and purchase periods as the CalHFA first mortgage
- Lender should factor in its own processing/underwriting time frames, as well as CalHFA compliance review, and master servicer review for purchase time frames when locking interest rates and submitting loan files

- Lenders may not lock a loan in MAS with an interest rate that is higher than the interest rate reflected on the CalHFA Notice of Commitment.
  - › If the current rate is higher than the rate on the CalHFA Notice of Commitment, please resubmit all updated loan documents at the higher rate including Approved/Eligible DU<sup>®</sup> findings, lender-signed HUD 92900-LT, and final underwriting approval for CalHFA re-approval

### Delivery Timeframes and Extensions:

- Files should be received by the master servicer by the 45th day or earlier, to ensure time to clear conditions and purchase prior to rate lock expiration
- CalHFA offers rate lock extensions in 15 day increments up to a maximum of 120 days from the original expiration date
- Under no circumstances will CalHFA extend a rate lock period longer than 120 days for both existing or new construction properties from the original expiration date

Please see the [Rates & Reservation](#) page for full details and FAQs.

## Basic Home Protection Coverage

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### Mandatory Home Warranty Insurance Coverage

- CalHFA requires that all first-time homebuyer(s) obtain a one-year home warranty protection policy
  - › Non-first-time homebuyers are not required to obtain a home warranty protection
- The insurance must cover the following items at a minimum:
  - › Water Heater(s)
  - › Air Conditioning
  - › Heating
  - › Oven/Stove/Range
- Home Warranty to be paid through close of escrow
- Home Warranty must be disclosed on Final Closing Disclosure or copy of insurance declaration page required
- Exception to Home Warranty:
  - › If borrower is purchasing a new construction property from a builder and the builder is providing the home warranty
  - › Borrower is not a First Time Homebuyer

## Pre-Closing Loan Submission

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### Loan Submission Process

A lender makes reservations through [CalHFA's Mortgage Access System \(MAS\)](#). Refer to the [Loan Submission Checklist](#) for minimum documentation requirements.

CalHFA FHA loan submission packages are to be sent electronically through [MAS](#).

### Forms

The following forms will be needed when submitting a CalHFA FHA loan to CalHFA:

1. [CalHFA Borrower Affidavit](#)
2. [Tax Return Affidavit](#)

## Post-Closing Loan Delivery & Purchase

### All CalHFA First Loans:

- Use the master servicer Loan Purchase Checklist located on the [Lakeview Correspondent Lending website](#) to ensure you are submitting a complete and accurate package.
- Notes are to be endorsed to Lakeview Loan Servicing, LLC
- Deeds of Trust are to be assigned to Lakeview Loan Servicing, LLC
  - › All loans must be registered with Mortgage Electronic Registration Systems (MERS) at the time of delivery to Lakeview Loan Servicing, LLC, and MERS transfer of beneficial rights of servicing rights must be initiated by the Lender, to Lakeview Loan Servicing, LLC within 24 hours of loan purchase
  - › Register via MERS:
    - » Investor: 1010298 Lakeview Loan Servicing
    - » Servicer: 1010298 Lakeview Loan Servicing
    - » Subservicer: 1000723 LoanCare LLC
- CalHFA FHA closed loan files are to be sent electronically to the master servicer via the [Lakeview Correspondent Lending website](#) within ten (10) business days
- Logon link will be in the top right section of the website
- Loss Payee Clause:

**LoanCare, LLC**  
ISAOA/ATIMA

PO Box 202049  
Florence, SC 29502-2049

- All loan deficiencies will be posted on the client facing website which is accessible 24 hours a day
- All loans must be program approved and deficiency free before they can be purchased

### All CalHFA Subordinate Loan(s):

- All CalHFA subordinate loans must be funded, delivered and purchased by CalHFA concurrently with the first mortgage
- CalHFA subordinate loan purchase packages are to be sent electronically through [MAS](#)
  - › Use the [Loan Purchase Checklist](#) to ensure you are submitting a complete and accurate package.
- Subordinate loan documents are to be drawn in the Lender's name
  - › Note to be endorsed to CalHFA
  - › MERS Deed of Trust must be assigned to CalHFA
    - » Loans are to be transferred via Mortgage Electronic Registration Systems (MERS)
    - » Register via MERS:
      - Investor: 1000645 California Housing Finance Agency
      - Servicer: 1000645 California Housing Finance Agency

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## Post-Closing Loan Delivery & Purchase (cont.)

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- Loss Payee Clause:

**California Housing Finance Agency**

Its successor and/or assigns  
 Single Family Servicing – MS 980  
 500 Capitol Mall, Suite 400  
 Sacramento, CA 95814

**CalHFA MCC Tax Credit Closing  
 Package(s):**

- All final Closing Packages for the MCC application and documents should be submitted to the MCC Program Administrator at:

**eHousingPlus**

3050 Universal Blvd. Ste. 190  
 Weston, FL 33331  
 954.217.0817

**Forms**

Lender must use the following forms:

1. Most current version of standard FHA Fixed Rate Note
2. Most current version of standard FHA Deed of Trust
3. Lender must also use other applicable documents (e.g., PUD Rider, etc.)
4. [Subordinate Mortgage Submission Voucher Part II](#)



## Frequently Asked Questions

### What is the CalPLUS FHA Loan Program?

The CalHFA FHA loan program is a fully amortized 30-year fixed interest rate FHA-insured first mortgage.

### Who can originate CalHFA FHA?

#### Lender Eligibility Requirements

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

- CalHFA
- FHA
- Lakeview Loan Servicing (LLS), CalHFA's master servicer
- To see 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 FHA?

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

### My borrower is not a first-time homebuyer. How many years' tax returns do I need to submit for the CalHFA FHA?

One (1) year tax return is required for a non-first-time homebuyer.

### 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.

### Does CalHFA FHA allow additional subordinate financing?

Yes. The MyHome Assistance Program (MyHome) or School Teacher and Employee Assistance Program (School Program) and FHA-approved subordinate loan programs may be layered with CalHFA FHA. In the case of conflicting guidelines, the more restrictive will apply.

### What areas of California are eligible for CalHFA FHA?

CalHFA FHA is a state-wide program. Properties located anywhere within the State of California may be eligible for the program.

### Are there sales price limits on CalHFA FHA?

Yes. The sales price of the property must be within CalHFA's published [sales price limits](#). These sales price limits can be found on the CalHFA web site.

### What is the maximum loan amount for CalHFA FHA?

The maximum base loan amount (excluding Upfront Mortgage Insurance Premium) cannot exceed FHA loan limits for the county in which the property is located.

All loans with a base loan amount exceeding \$484,350 will be subject to an additional fee. See [CalHFA rate sheet](#) for applicable fees.

### Are condominiums eligible for CalHFA FHA?

Yes. CalHFA will allow approved condominiums that meet FHA Condominium Project requirements.

*(continued on next page)*



## FAQ's (cont.)

### Is a manufactured home eligible for CalHFA FHA?

Yes, manufactured homes are permitted with the following parameters:

- Minimum credit score: 660
- Maximum LTV: 96.50%
- Maximum CLTV: 105.00%
- Singlewide 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

### What automated underwriting engines do you allow for the CalHFA FHA loan?

CalHFA will accept the most recent version of Fannie Mae's Desktop Underwriter® (DU®) or Freddie Mac's Loan Product Advisor (LPA®) with the FHA Scorecard option.

### What is the minimum credit score requirement for CalHFA FHA?

CalHFA's minimum credit score is 640 except under the following circumstances:

- Manually Underwritten loans: 660
- Manufactured Housing: 660

### Does CalHFA use the lowest credit score to determine the minimum representative credit score of 660 for the CalHFA FHA loan?

No. The middle score of the lowest scoring borrower should be 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 FHA?

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

### Do all of my borrowers need to meet the minimum credit score requirement for CalHFA FHA?

Yes. A minimum representative credit score is required for all borrowers that have a credit score. A borrower with no credit score may be eligible as long as another occupant borrower(s) has a credit score that meets the minimum representative credit score and all manual underwriting guidelines are followed.

### Can I use a Non-Traditional credit report for the CalHFA FHA loan?

No. Non-traditional credit reports are not eligible for the CalHFA FHA.

### Is manual underwriting permitted for the CalHFA FHA loan?

Yes, manual underwriting is allowed with the following parameters:

- Maximum DTI ratio: 43.00%
- Minimum Credit Score: 660
- Manufactured Homes are not permitted

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## FAQ's (cont.)

### What is the maximum age of credit documents for the CalHFA FHA loan?

CalHFA will follow FHA guidelines for the age of the credit documents; except all income documents must be sixty (60) days or less at the time of submission to CalHFA.

### What is the maximum LTV/CLTV for CalHFA FHA?

The maximum LTV is per FHA guidelines. The maximum CLTV is 105%.

### Does the borrower have to have a cash down payment for CalHFA FHA?

No, CalHFA does not require a minimum borrower investment from the borrower. Please follow FHA guidelines.

### What fees and related charges are allowed for the CalHFA FHA loan?

CalHFA allows:

- Customary origination fees not to exceed the greater of 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
- \$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 CalHFA FHA program require the borrower to be a first-time homebuyer?

No. This program is open to both first-time and non-first-time homebuyers.

### Does the Federal Recapture Tax apply to CalHFA FHA?

No. The Federal Recapture Tax does not apply to this program.

### Is homebuyer education required for CalHFA FHA?

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

- Online Homebuyer Education through [eHome™](#)
- Face-to-Face Homebuyer Education through [NeighborWorks America](#) or through one of the [HUD approved Housing Counseling Agencies](#)

### Is a temporary buydown available for the CalHFA FHA loan?

Yes. 2-1 or 1-1 temporary buydowns are allowed on CalHFA FHA.

- Follow the master servicer guidelines
- The borrower must qualify at the Note rate

### Will co-signers be allowed for CalHFA FHA?

Yes, per FHA guidelines. The lender will consider the co-signer's income, assets, liabilities and credit history in determining creditworthiness.

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## FAQ's (cont.)

### Will non-occupying co-borrowers be allowed for CalHFA?

No. Non-occupying co-borrowers are not permitted.

### Is there a re-lock fee for the CalHFA FHA loan?

There is no re-lock fee. If the rate lock expires or the loan is cancelled, it can only be re-reserved and locked after a sixty (60) day waiting period, subject to guidelines in effect at that time.

### I had to cancel a CalHFA FHA loan reservation after the Notice of Commitment was issued. The sixty (60) days have now passed and I have re-reserved the loan. Do I need to submit a new file to CalHFA?

Yes. The lender must submit a new file to CalHFA with current documentation. Every file that has a new reservation number must have its own file and go through the approval process.

### When will I be able to lock my interest rate for CalHFA FHA?

CalHFA FHA has two locking options. The rate can be locked at reservation or at any time during the reservation period if the float-to-lock option is chosen. All lenders must have full MAS access to lock the interest rate.

### I have chosen the float option for CalHFA FHA, and my loan has already been conditionally approved by CalHFA, but the rate has increased since approval. Do I need to have my loan re-underwritten?

Yes. Lenders may not lock a loan in MAS with an interest rate that is higher than the interest rate reflected on the CalHFA Notice of Commitment.

### What is the rate lock period for CalHFA FHA?

Lenders may lock the interest rate for sixty (60) days for both existing/resale properties and new construction properties.

### I cannot close my loan in time. Can I get a rate lock extension?

All rate lock extensions must be requested through CalHFA's Secondary Marketing Unit via email ([ratelocks@calhfa.ca.gov](mailto:ratelocks@calhfa.ca.gov)) prior to the expiration of the current rate lock. Rate lock extension fees are posted on the [Rates & Reservation](#) page of the CalHFA website.

### Can my borrower pay for the cost of the rate lock extension of the CalHFA FHA?

Yes. The borrower(s) or seller(s) may be charged with the cost of the extension fee for the first mortgage, however you must follow TRID fee requirements. At the time of purchase by CalHFA's master servicer, the rate lock extension fee(s) are to be net funded from the lender's proceeds. Late fees on subordinate loans may not be charged to the borrower(s) and will be net funded at the time of purchase by CalHFA.

### What if the borrower changes properties? Can I cancel the existing reservation and re-reserve the CalHFA FHA?

Yes, reservations are borrower, property and lender specific. If the borrower changes properties, the existing reservation must be cancelled before a new reservation is made. The underwriting and program guidelines in effect at the time of the re-reservation will apply.

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## FAQ's (cont.)

### **My borrower had a loan reservation with another lender, but now they want to go through me. Can I reserve for CalHFA FHA?**

If the rate was not locked on the other lender's reservation, the new lender may re-reserve the loan once the previous reservation is cancelled by the original lender. If the rate was locked by CalHFA, the new lender may reserve the loan after the sixty (60) day wait period from the original rate lock expiration.

### **Does a CalHFA FHA loan simply need to be delivered to the master servicer by the rate expiration date?**

No. The loan must be delivered and purchased by the master servicer prior to the rate lock expiration date. CalHFA suggests loan delivery by the 45th day for sixty (60) day rate locks or the 75th day for ninety (90) day rate locks, or earlier to ensure time to clear conditions and purchase prior to expiration date.

### **How often does the master servicer purchase for CalHFA FHA?**

The master servicer will purchase approved loans on a daily basis.

## **Sale Tools And Marketing Materials**

1. [Government Program Matrix](#)
2. [Scenario Calculator](#)
3. [Loan Submission, Review and Purchase Flow Chart for Government](#)
4. [Lending Heroes Flyer](#)
5. [Lending Heroes Fillable Flyer](#)
6. [Lending Heroes Spanish Flyer](#)
7. [Lending Heroes Spanish Fillable Flyer](#)
8. [Lending Heroes Korean Flyer](#)
9. [5 Easy Steps to Buying Your First Home Flyer](#)
10. [5 Easy Steps to Buying Your First Home Spanish Flyer](#)
11. [CalHFA and Listing Agents: a Great Team! Flyer](#)