California Housing Finance Agency

Refinance Loan Programs Handbook

Last Revised: February 2026

Table of Contents

I. CalHFA Refinance Loan Programs 1

CalHFA FHA Refinance . . . . . .

CalHFA Conventional Refinance

Dream For All Conventional Refinance

II. Eligibility 1

Borrower Requirements

Owner Occupancy

Property Requirements

III. Underwriting & Compliance 3

Transaction Type

Term

Loan Program Type

LTV and CLTV

Maximum Loan Amount

Income Limits

Income Requirements

Qualifying Ratios

Minimum Credit Score

Automated Underwriting

Miscellaneous Lakeview Loan Servicing (LLS) Underwriting Guidelines

Mortgage Insurance

Impounds

IV. Fees. 6

Lender Allowable Fees (Origination & Processing)

Master Servicer Fees

V. Resubordination. 6

Dream For All (DFA) resubordination policy

CalHFA Refinance Loan Programs

CalHFA FHA Refinance

FHA first mortgage rate and term refinance

CalHFA Conventional Refinance

Fannie Mae HFA Preferred™ limited cash out first mortgage refinance. Must refinance a current CalHFA Conventional loan.

Dream For All Conventional Refinance

Fannie Mae HFA Preferred™ limited cash out first mortgage refinance with resubordination of Dream For All Shared Appreciation Loan (Shared Appreciation Loan).

Eligibility

Borrower Requirements

Each borrower must:

1. Be either a citizen or other national of the United States, or a "Qualified Alien" as defined at 8 U.S.C. § 1641
2. Meet the credit, income, property, borrower and loan requirements detailed in this program handbook, as well as CalHFA's Lender Manual, and requirements set forth by Fannie Mae or FHA, the CalHFA-approved lender, the mortgage insurer (if applicable), and CalHFA's master servicer.

Owner Occupancy

- All borrowers must currently occupy the property and continue to occupy the property as their primary residence.
- Non-occupant co-borrowers are not allowed
- Non-occupant co-signers are not allowed

Property Requirements

Eligible property types:

- **Single-family, one-unit residence**
  - Accessory Dwelling Units (ADU), guest houses, "granny" units, and "in-law" quarters are eligible within the following parameters:
    1. The property must be defined as a one-unit property
    2. Multiple accessory units are not permitted
    3. Must meet investor guidelines and city/county zoning ordinances
    4. 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

Eligibility *continues from previous page*

- **Condominium/PUDs** which are GSE eligible and meet CalHFA's master servicer, Lakeview Loan Servicing's (LLS), guidelines
- **Manufactured homes** are permitted per GSE guidelines with the following parameters:
  - Single-wide manufactured homes are not eligible
  - Maximum DTI: 45.00%
  - Manual underwriting not permitted
  - Minimum credit score is 660 on FHA
  - Fannie Mae Limited Cash Out Refinance only available on MH Advantage
- **Leasehold Estates**
  - Not permitted with manufactured homes
  - All Leasehold Estate documentation must be submitted to CalHFA's master servicer with purchase package for review and approval
- **Community Land Trust (CLT)**
  - CLT loans will only be accepted from a California Community Land Trust Network (CA CLTN) approved lender
  - All CLT documentation must be submitted to CalHFA's master servicer with purchase package for review and approval
  - Must be Fannie Mae-approved
  - CLTs are not allowed with Dream For All Conventional Refinance
  - CLTs are allowed on CalHFA Conventional Refinance only

Other Requirements

- Properties must meet the requirements of the California Health and Safety Code
- Refer to the Lakeview program matrix for their Disaster Policy. See www.LakeviewCorrespondent.com for details
- Escrow Holdbacks will be allowed for minor outstanding repairs not completed prior to loan closing
  - 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

Underwriting & Compliance

Transaction Type

Refinance transactions only

Term

30 years

Loan Program Type

- Conventional Limited Cash Out Refinance
- FHA rate and term refinance
- FHA simple refinance
- FHA Streamline refinance

LTV and CLTV

- Follow Fannie Mae or FHA guidelines

Maximum Loan Amount

The maximum first mortgage loan amount cannot exceed the current conforming loan limit.

- All loans with a loan amount exceeding the current Fannie Mae-conforming loan limit will be subject to an additional fee that is net-funded at the time of purchase by CalHFA's master servicer. See CalHFA rate sheet for applicable fees
- Maximum LTV for a High Balance Loan cannot exceed 95.00% on Conventional

Income Limits

Income cannot exceed CalHFA Income Limits.

Income Requirements

Lenders are required to calculate income to qualify borrower(s) for loan approval using Fannie Mae or FHA guidelines. CalHFA will use the lender's credit-qualifying income to determine if the loan exceeds the maximum program income limit. Income not used by the lender for credit-qualifying will not be used by CalHFA.

- On CalHFA Conventional Refinance or CalHFA Dream For All Conventional Refinance use Fannie Mae's HomeReady® Lookup tool to determine if the borrower's income is less than or equal to the HomeReady 80% Area Median Income (AMI) Lower Income (LI) limit to be eligible for CalHFA's LI interest rate
- All borrowers must still meet CalHFA's income limits

Underwriting & Compliance *continues from previous page*

Qualifying Ratios

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

- 50.00%, for borrowers with credit scores greater than or equal to 700
- 45.00%, for borrowers with credit scores less than 700
  - Also applies to lending on properties with Manufactured Homes
- 43.00% for manual underwrite for FHA only

MCC may not be used for credit qualifying purposes.

Minimum Credit Score

- CalHFA Conventional Refinance and CalHFA Dream For All Conventional Refinance the minimum credit score is 680 for borrowers with income greater than the HomeReady 80% AMI LI income limit
- CalHFA Conventional Refinance and CalHFA Dream For All Conventional Refinance the minimum credit score is 660 for borrowers with income less than or equal to HomeReady 80% AMI LI income limit
- CalHFA FHA Refinance the minimum credit score is 640
- CalHFA FHA Refinance the minimum credit score is 660 for manual underwriting
- Borrower(s) with no credit score are not permitted
- Non-traditional credit is not accepted
- All borrowers must meet the minimum representative credit score requirement. 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

Acceptable Automated Underwriting System (AUS):

- CalHFA Conventional Refinance and CalHFA Dream For All Conventional Refinance requires a Fannie Mae Desktop Underwriter (DU®) with an Approve/Eligible recommendation
  - *HFA Preferred* must be selected in the *Community Lender Product* field
- CalHFA FHA Refinance requires a Fannie Mae Desktop Underwriter (DU®) with an Approve/Eligible recommendation or Freddie Mac Loan Prospector (LP®) with Accept recommendation
  - Manual Underwriting is allowed on CalHFA FHA Refinance only

Underwriting & Compliance *continues from previous page*

Miscellaneous Lakeview Loan Servicing (LLS) Underwriting Guidelines

- Credit and property underwriting are the responsibility of the CalHFA approved lender
- LLS will not purchase High Cost Loans
- Underwriters should:
  - Make sound credit decisions
  - Assure data integrity
  - Include all necessary documents in support of the underwriting decision
- Non-arm's-length transactions must be fully disclosed
- Appraiser must meet all master servicer guidelines. For details, see LakeviewCorrespondent.com
- UCDP-submission Summary Reports from both Fannie Mae and Freddie Mac are required. LLS will not purchase any loan including the recently added proprietary messages indicating 100% of the loans submitted with appraisals from an identified appraiser will be reviewed or Fannie Mae will not accept appraisals from an identified appraiser
- All loans are subject to audit by both CalHFA and LLS

Mortgage Insurance

- Mortgage insurance is required for all Conventional loans that are 80.01% LTV or higher
- Mortgage insurance must be ordered through a Mortgage Insurance Company approved by Fannie Mae
- Per DU Findings, Borrowers with income less than or equal to the HomeReady 80% AMI LI income limit are eligible for HFA Preferred Charter MI-discounted coverage and MI rates
- Borrower-paid monthly, split-premium, or single-premium mortgage insurance is acceptable
- Financed mortgage insurance premiums must be included in the LTV and CLTV on Conventional loans.

Impounds

CalHFA requires that all first mortgage loans have impounds regardless of loan-to-value (LTV)

Fees

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

Lender Allowable Fees

- Customary lender fees are 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

Lakeview Loan Servicing Fees	Per Loan
Funding Fee	$250
Tax Service fee	$85

- 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
- Lenders should refer to their legal/compliance department on how to disclose fees

Resubordination

CalHFA Subordinate Loans Cannot Be Resubordinated

CalHFA requires all subordinate loans to be paid in full if the first mortgage is refinanced.

For Exception to the resubordination policy please use the links below:

- Dream For All Shared Appreciation Loan