

CALHFA CONVENTIONAL LOAN PROGRAMS

CalHFA Conventional Loan Program ¹													
Max Loan Amount	Loan Type	Property Type	Credit Score	LTV CLTV	First Time Homebuyer	Homebuyer Education Required	1- Year Home Warranty Requirement	Layering Capabilities	Lien Position	Max DTI	Mortgage Insurance Requirements	AUS Requirement	Allowable Lender Fees
Conforming Loan Limits ²	HFA Preferred, Homestyle EEM	SFR and Condos	680 ³	97% / 105%	Yes	Yes	Yes	Fannie Mae Community Seconds/MyHome	1 st	45.00%	Standard MI Rates Fannie Mae Low Income (LI) borrowers are eligible for Reduced MI Rates	DU Approve/Eligible only No Manual Underwriting allowed	3% or \$3,000 whichever is greater
		Manufactured Homes - MH Advantage	680		No	No	No	Fannie Mae Community Seconds					
		Manufactured Homes - Standard MH	680	95% / 105%	Yes	Yes	Yes	Fannie Mae Community Seconds/MyHome					
					No	No	No	Fannie Mae Community Seconds					
CalPLUS SM Conventional Loan Program ¹ (Used Exclusively with ZIP)													
Conforming Loan Limits ²	HFA Preferred, Homestyle EEM	SFR and Condos	680 ³	97% / 105%	Yes	Yes	Yes	ZIP (Mandatory), Fannie Mae Community Seconds/MyHome	1 st	45.00%	Standard MI Rates Fannie Mae Low Income (LI) borrowers are eligible for Reduced MI Rates	DU Approve/Eligible only No Manual Underwriting allowed	3% or \$3,000 whichever is greater
		Manufactured Homes - MH Advantage	680										
		Manufactured Homes - Standard MH	680	95% / 105%									
Zero Interest Program (ZIP) (Used exclusively with CalPLUS SM Conventional)													
2% or 3% of the First Mortgage loan amount ⁴	N/A	N/A	N/A	N/A	Yes	Yes	Yes	CalPLUS SM Conventional (mandatory), Fannie Mae Community Seconds/MyHome	3 rd ⁵	N/A	N/A	N/A	\$50 fee

MyHome Assistance Program (MyHome)

Lessor of 3% or appraised value or sales price	N/A	N/A	N/A	N/A	Yes	Yes	N/A	Must be combined with a CalHFA first mortgage	2 nd	N/A	N/A	N/A	\$250 Fee
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1. First Mortgages in which the base loan amount exceeds \$647,200 are considered a High Balance Loan and are subject to an additional fee. See [CalHFA rate sheet](#) for pricing.
2. ZIP Must be used for closing costs and prepaid items only. Any funds due to the Borrower from ZIP financing must be applied to ZIP principal reduction.
3. If MyHome is not used in Conjunction with a CalPLUSSM then ZIP must be in 2nd position.

Forgivable Equity Builder Loan⁶

10% of the appraised value/sales price whichever is less	N/A	N/A	N/A	N/A	Yes	Yes	N/A	Must be combined with a CalHFA Conventional. Can't be combined with CalPLUS with ZIP or MyHome	2 nd	N/A	N/A	N/A	\$50 fee
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- Forgivable Equity Builder Loan is a forgivable down payment assistance program for first time homebuyers to use in conjunction with a CalHFA first mortgage for down payment and/or closing costs.
- If the Borrower(s) occupy the home for five (5) years after closing, the full amount of the Forgivable Equity Builder Loan is forgiven.
- Any loan paid off prior to the five-year term will be forgiven on an annual pro-rated basis.

- 1 **Lower** Interest rates and Mortgage Insurance Coverage Requirements are available for borrowers that meet Fannie Mae's HomeReady <80% AMI income limit.
- 2 First Mortgages in which total loan amount exceeds \$647,200 are considered a Conventional High Balance Loan and limited to 95% LTV and are subject to an additional fee. See rate sheet for pricing.
- 3 **Fannie Mae's** Low Income (LI) rate has a minimum credit score is 660.
- 4 ZIP Must be used for closing costs and prepaid items only. Any funds due to the borrower from ZIP financing must be applied to ZIP principal reduction.
- 5 If MyHome is not used in Conjunction with a CalPLUSSM then ZIP must be in 2nd position.
- 6 Only available for income that is <80% AMI per [Fannie Mae Lookup Tool](#)

NOTE: This is a tool for basic information purposes only and is subject to change. It does not replace CalHFA program descriptions, manuals, or bulletins. CalHFA Income & Sales Price limits apply.

PROGRAM GUIDELINES	
Characteristics	Parameters
<p>CalHFA Zero Interest Program (ZIP)</p>	<ul style="list-style-type: none"> • Can only be used for closing costs. • Cannot be used for down payment or debt payoff. <ul style="list-style-type: none"> - Any excess ZIP funds must be applied as a principal reduction. • Zero interest rate. • Term matches the term of the first mortgage. • Payments on the ZIP are deferred for the life of the CalPLUS Conv first mortgage • The maximum ZIP loan amount options are either 2.00% or 3.00% of the CalPLUS Conv first mortgage total loan amount. • ZIP must be in second position or may be in third position when combined with the MyHome Assistance Program only. • Repayment of the principal on the ZIP loan will be due and payable at the earliest of the following events: <ul style="list-style-type: none"> - Transfer of title - Payoff or Refinance of the CalPLUS Conv 1st mortgage - Formal filing and recording of a Notice of Default (unless rescinded)
PROGRAM GUIDELINES <i>(Continued)</i>	
<p>MyHome Assistance Program</p>	<ul style="list-style-type: none"> • The MyHome Assistance Program (MyHome) is a deferred payment, simple interest rate subordinate loan that may only be used with a CalHFA first mortgage. • This program is for first-time homebuyers purchasing an owner-occupied property anywhere in California. • Qualified homebuyers are allowed to layer other down payment assistance loans or grants to maximize affordability. • MyHome must be recorded in Second Lien position when layering with other programs. • The term of the MyHome cannot exceed 30 years. • Payments on MyHome are deferred for the life of the first loan. It is due and payable when certain events occur, such as transfer of title, sale of property, payoff or refinance of the first loan, etc. • MyHome may be used for down payment and/or closing costs. • MyHome cannot be used for paying off Borrower debt. • Borrower may not receive any cash back from the MyHome loan. Any excess funds must be applied as a principal reduction.

BORROWER ELIGIBILITY	
Characteristics	Parameters
Eligible Borrowers	<ul style="list-style-type: none"> • Homebuyer Education counseling is required for at least one (1) occupying first-time homebuyer. Homebuyer Education is not required for non-first-time homebuyers. <ul style="list-style-type: none"> 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 • All Borrowers must be either: <ul style="list-style-type: none"> - A citizen or other National of the United States, or - A “Qualified Alien” as defined at 8 U.S.C §1641, or - Be classified under the Deferred Action for Childhood Arrivals (DACA) program with the U.S. Citizenship & Immigration Service (USCIS) • First-time Homebuyer Status: <ul style="list-style-type: none"> - All Borrowers must be first-time homebuyers. <ul style="list-style-type: none"> ▪ The Borrower must execute the CalHFA Borrower Affidavit and Certification to certify first-time homebuyer status. - This program is available for both first-time and non-first-time homebuyers; however, when CalHFA subordinate financing is included all borrowers must be first-time homebuyers. • An ownership interest of the spouse of a Borrower in a principal residence during the three-year period prior to the execution of the mortgage loan documents may disqualify the Borrower for a CalHFA loan. • Borrowers who own or have owned rental properties may be a first-time homebuyer if they can document that they have not occupied any of the rental properties as their principal residence at any time within the past three (3) years. • Borrower(s) who own or have owned a manufactured home within the past three years may be considered a first-time homebuyer as long as they can document: <ul style="list-style-type: none"> - The manufactured home is on leased land (park) or is located on land currently or previously owned by the Borrower, and - The manufactured home has not been permanently fixed to the foundation.
Ineligible Borrowers	<ul style="list-style-type: none"> • Borrowers with no credit score are not permitted. • Non-Occupant Co-Borrowers/Non-Occupant Co-Signers are not permitted. • The non-purchasing spouse may not be on title, have any vested interest in the property, be on the purchase agreement, or be added to title after loan closing. All individuals that will be on the title must comply with all eligibility requirements.
Occupancy	<ul style="list-style-type: none"> • Borrower(s) must intend to occupy the financed property as their primary residence. • Borrower(s) must occupy the financed property within sixty (60) days of closing. • State and Federal Laws and Regulations may require that Borrower(s) occupy the property as their principal residence for the term of the loan or until the property is sold.

Credit Qualification	<ul style="list-style-type: none"> • Non-traditional credit is not accepted. • Borrowers must be able to qualify under the prudent underwriting credit standards of the Lender, GSEs, Master Servicer and CalHFA. • CalHFA Conv or CalPLUS Conv must have a minimum credit score of 660 for: <ul style="list-style-type: none"> - Manufactured Housing • The middle score of the lowest scoring Borrower must be used to determine eligibility: <ul style="list-style-type: none"> - 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. • Borrowers must have sufficient funds to meet the required down payment, closing costs, necessary reserves and the monthly mortgage payments, as determined by the Lender, GSE, Master Servicer and CalHFA. • Though this program may be layered with a Mortgage Credit Certificate (MCC), the MCC credit may not be used for credit qualifying purposes.
Gift Funds	<p>Gift funds for down payment are permissible and are subject to the Master Servicer and GSE underwriting guidelines, and requirements outlined in the Program Handbook.</p>
Income Requirements	<ul style="list-style-type: none"> • The income of all Borrowers cannot exceed the published CalHFA income limits established for the county in which the property is located. • Lenders must calculate income to qualify Borrower(s) for loan approval using GSE and Master Servicer guidelines. <ul style="list-style-type: none"> - 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. • Per Investor guidelines - If rental income from an ADU is used for credit qualifying, CalHFA will also use the gross rental income for the compliance income calculation.
PROPERTY ELIGIBILITY	
Characteristics	Parameters
Eligible Properties	<p>Properties must meet all of the following minimum standards or requirements to be eligible for a CalHFA loan.</p> <ul style="list-style-type: none"> • Newly constructed and existing resale properties are eligible single-family properties. (Condominium conversions and rehabilitated units are considered resale properties because the units were previously occupied.) • Only homes, including manufactured homes that are taxed as “real estate” and have permanent foundations, are acceptable. • Each unit must meet the minimum eligibility requirements of the applicable mortgage insurer/guarantor. • The property must be intended for single family residential use only. • The following additional eligibility criteria apply to Accessory Dwelling Units (ADU), Guest houses, “granny” units and “in-law” quarters: <ul style="list-style-type: none"> - Property must be defined as a one-unit property. - Per Investor and Master Servicer guidelines, multiple accessory units are not permitted. - Property must meet all other investor guidelines and city/county zoning ordinances. • Lot size cannot exceed five (5) acres maximum.

	<ul style="list-style-type: none"> All units must be completed with respect to construction or repairs, be ready to occupy, meet health and safety standards of the locality, and meet all of the requirements of the mortgage insurer/guarantor. Condominium/PUDs must meet all investor and CalHFA's master servicer Leasehold/Land Trusts: <ul style="list-style-type: none"> 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.
Ineligible Properties	<ul style="list-style-type: none"> Cooperatives Group Homes 2 or more units Property that is subject to repairs (all repairs must be complete and escrow holdbacks released prior to purchase with the exception of those noted in the Escrow Holdback section of this product matrix. Land trusts where the beneficiary is an individual Properties encumbered by Property Assessed Clean Energy (PACE) liens (that are not being paid off utilizing the Homestyle Energy program) at time of closing
Manufactured Housing	<ul style="list-style-type: none"> Manufactured homes subject to the following requirements: <ul style="list-style-type: none"> Double wide or greater Leaseholds not eligible MH Advantage requires a MH Advantage sticker applied by the home's manufacturer pursuant to an agreement with Fannie Mae. See Fannie Mae Selling Guide for additional requirements Minimum credit score: 660
Escrow Holdbacks	<ul style="list-style-type: none"> 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.
Flood Determination	A "Life of Loan" standard Flood Hazard Determination Certificate is required on all properties.
Appraisal/Appraiser Requirements	<ul style="list-style-type: none"> Lenders must follow the appraisal requirement of the applicable Master Servicer and GSE. Appraisal Condition rating of C5/C6 or Quality rating of Q6 is not permitted Lenders must use qualified appraisers that meet the licensing requirement of the State of California. CalHFA requires an appraisal for each property on all loans, prepared by a qualified appraiser with a location map, photos, and a floor plan at the time the loan is submitted to CalHFA for Notice of Commitment. If there are multiple appraisal reports for one property, each appraisal must be submitted to CalHFA.

MISCELLANEOUS	
Characteristics	Parameters
Flood Insurance	<ul style="list-style-type: none"> • Flood insurance is required for any property that has any of its improvements located in a Special Flood Hazard Area (“SFHA”), as delineated on flood maps issued by the Federal Emergency Management Agency (“FEMA”). • The minimum amount of flood insurance required is the lower of: <ul style="list-style-type: none"> – The replacement value of the structure improvements established by the insurer, or – The maximum insurance available under the National Flood Insurance Program, or – The unpaid principal balance (“UPB”) of the loan. • In no event can the coverage be less than 80% of the replacement cost of the structure. • The maximum allowable deductible for coverage on a single-family property is \$10,000. • Flood insurance premiums are to be paid through an impound account maintained by the Master Servicer on behalf of the Borrower.
Hazard Insurance	<ul style="list-style-type: none"> • Hazard insurance is required for the life of the loan. • Each Borrower will be required to maintain hazard insurance, including fire and extended coverage, of the type that provides for claims to be settled on a replacement cost basis. • All policies must contain a loss payable endorsement to the Lender, CalHFA, and/or CalHFA’s Master Servicer as their interest may appear, in an amount equal to the replacement value of the structure improvements established by the property insurer as selected by the Borrower, with coverage endorsements for code upgrades. • The selected hazard insurer must be licensed to do business in the State of California and have a current rating in Best’s Insurance Guide of BV1 or better. • Minimum deductible allowable is as per Master Servicer’s guidelines. • Condominium or Planned Unit Developments (“PUD”) insurance must be in the form of a “master” or “blanket” policy for the entire project. • Hazard insurance premiums are to be paid through an impound account maintained by the Master Servicer on behalf of the Borrower.
Home Warranty Insurance	<ul style="list-style-type: none"> • All first-time homebuyers must obtain a home warranty protection policy. • Exceptions: <ul style="list-style-type: none"> – Borrower(s) purchasing a new construction property. – Borrower(s) are not first-time homebuyers and are not using MyHome. • Home Warranty must cover: <ul style="list-style-type: none"> – Water Heater(s) – Air Conditioning – Heating – Over/Stove/Range • Home Warranty must be disclosed on Final Closing Disclosure or copy of warranty coverage will be required.
Loan Assumption	<ul style="list-style-type: none"> • CalHFA loans are assumable by eligible homebuyers subject to the guidelines and approval of the Master Servicer, the GSE and CalHFA. • MyHome loans behind an FHA first mortgage may be assumed when the first mortgage is assumed.

<p>Loss Payee</p>	<p>The loss payee for all subordinate loans is: California Housing Finance Agency Its successor and/or assigns Single Family Servicing – MS 980 500 Capitol Mall, Ste. 400 Sacramento, CA 95814</p>																				
<p>Mortgage Insurance</p>	<ul style="list-style-type: none"> The following MI types are permitted: Borrower Paid Monthly Premium o Borrower Paid Single Premium Split Premium MI Financed mortgage insurance premium must be included in the LTV and CLTV and are subject to High Cost loan calculations: <p>Loans with AMI ≤ 80%:</p> <table border="1" data-bbox="459 643 849 870"> <thead> <tr> <th>LTV</th> <th>Coverage</th> </tr> </thead> <tbody> <tr> <td>95.01 – 97%</td> <td>18%</td> </tr> <tr> <td>90.01 – 95%</td> <td>16%</td> </tr> <tr> <td>85.01 – 90%</td> <td>12%</td> </tr> <tr> <td>80.01 – 85%</td> <td>6%</td> </tr> </tbody> </table> <p>Loans with AMI > 80%:</p> <table border="1" data-bbox="459 914 849 1141"> <thead> <tr> <th>LTV</th> <th>Coverage</th> </tr> </thead> <tbody> <tr> <td>95.01 – 97%</td> <td>35%</td> </tr> <tr> <td>90.01 – 95%</td> <td>30%</td> </tr> <tr> <td>85.01 – 90%</td> <td>25%</td> </tr> <tr> <td>80.01 – 85%</td> <td>12%</td> </tr> </tbody> </table>	LTV	Coverage	95.01 – 97%	18%	90.01 – 95%	16%	85.01 – 90%	12%	80.01 – 85%	6%	LTV	Coverage	95.01 – 97%	35%	90.01 – 95%	30%	85.01 – 90%	25%	80.01 – 85%	12%
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<p>Power of Attorney</p>	<p>All loans must follow the more restrictive requirement of CalHFA’s Master Servicer or GSE guidelines for the proper use of power of attorney.</p>																				
<p>Prepayment Penalty</p>	<p>CalHFA does not charge a prepayment penalty.</p>																				
<p>Sales Price Limits</p>	<p>None</p>																				
<p>Subordinate Financing</p>	<ul style="list-style-type: none"> The MyHome Assistance Program (MyHome) and FHA-approved subordinate loan programs may be layered if they go into subordinate lien position. 																				

	<ul style="list-style-type: none"> • In the case of conflicting guidelines, the more restrictive will apply. • This program may be layered with non-CalHFA down payment and/or closing costs assistance subordinate loans per individual first mortgage guidelines. <ul style="list-style-type: none"> - 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
Title Insurance Policy	<ul style="list-style-type: none"> • The outstanding principal balance of each first mortgage loan must be covered by an ALTA Lender’s Policy of Title Insurance naming the Lender and its successors and assigns as insureds. Taxes and assessments must be paid current. • No title insurance will be required on CalHFA’s subordinate loans.
Transaction Type	<ul style="list-style-type: none"> • Purchase transactions only. • Non-arm’s length transactions must be fully disclosed.
Vesting – Deed of Trust	<ul style="list-style-type: none"> • All Deeds of Trust must include the name for all Borrowers who are on the loan, and on title. CalHFA does not require vesting on subordinate loans. • A non-purchasing spouse may not be on the vesting or the deed of trust.