



# CalHFA Conventional

## Primary Purchase - 30 Yr Fixed Rate<sup>3</sup>

1st Lien	Property Type	Maximum LTV/CLTV <sup>2</sup>	FICO <sup>1</sup>	DTI
CalHFA	SFR/PUD/Warrantable Condo	97%/105%	700	50.00%
			680	45.00%
	Manufactured Home	95%/105%	680	45.00%
CalPLUS	SFR/PUD/Warrantable Condo	97%/105%	700	50.00%
			680	45.00%
	Manufactured Home	95%/105%	680	45.00%

•	The following MI Types are permitted:
•	Borrower Paid Monthly Premium
•	Borrower Paid Single Premium
•	Financed Mortgage insurance premium subject to High Cost loan calculations:

Loan with AMI ≤ 80%	
LTV	Coverage
95.01% - 97%	18.00%
90.01% - 95%	16.00%
85.01% - 90%	12.00%
80.01% - 85%	6.00%

Subordinate Programs <sup>3</sup>	Max Loan amount	Interest Rate	Loan Purpose	First Mortgage Options	Lien	Lender fees
MyHome Assistance (2nd)	Up to 3% of the lesser of appraised value or sales price	1.00%	Down payment and Closing cost Assistance	<b>CalHFA Conv. &amp; CalPLUS</b>	2nd	\$250.00
Zero Interest Program (ZIP)	2% or 3% of the 1st Mortgage Loan Amount	0.00%	Closing cost Assistance only	<b>CalPLUS Conv. Only</b>	2nd, 3rd	\$50.00

Loan with AMI > 80%	
LTV	Coverage
95.01% - 97%	35.00%
90.01% - 95%	30.00%
85.01% - 90%	25.00%
80.01% - 85%	12.00%

<sup>1</sup> 660 FICO eligible for Borrower/s that meet FNMA's Low Income rate < 80% AMI

<sup>2</sup> Max 95%LTV for High Balance Loan amounts.

<sup>3</sup> HFA DPA percentages and temporary buydown are subject to market conditions and may be temporarily unavailable. Please check Rate Sheets/PML daily

CalHFA Loan Limits	<a href="https://www.calhfa.ca.gov/homeownership/limits/income/income.pdf">https://www.calhfa.ca.gov/homeownership/limits/income/income.pdf</a>
FNMA AMI Lookup	<a href="https://ami-lookup-tool.fanniemae.com/amilookuptool/">https://ami-lookup-tool.fanniemae.com/amilookuptool/</a>

## Quick Reference

<p><b>2/1 Temporary Buydown</b></p>	<p>Allowed subject to the following:</p> <ul style="list-style-type: none"> <li>• Max total interest rate reduction of 2%, max increase per year of 1%</li> <li>• Maximum 3 years to reach standard note rate</li> <li>• Minimum 660 FICO</li> <li>• Owner Occupied</li> <li>• Purchase</li> <li>• Fixed rate</li> <li>• Conforming Loan Limit only. High Balance NOT eligible</li> <li>• Manufactured Homes are ineligible</li> <li>• Must qualify at the standard note rate without benefit of the buydown</li> <li>• When the source of the buydown funds is an interested party to the property sale or purchase transaction, FNMA's interested-party contribution limits apply.</li> <li>• Must meet all other applicable FNMA requirements, including but not limited to qualification, documentation of buydown, and funding of buydown.</li> </ul>
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## Quick Reference Continued

<b>General Eligibility</b>	<ul style="list-style-type: none"> <li>• California Purchase Loans Only</li> <li>• 1 unit</li> <li>• BPC Only</li> <li>• Max Broker and Lender fees cannot exceed the greater of 3% of total loan amount or \$3000. Broker to reduce compensation accordingly.</li> <li>• Standard 3rd Party fees allowed</li> </ul>
<b>AUS</b>	<p>DU Approve/Eligible Only</p> <p>HFA Preferred must be selected in the Community Lender Product field</p> <ul style="list-style-type: none"> <li>• CalHFA subordinate loans must be entered as Community Seconds</li> </ul>
<b>CalPLUS</b>	<p>FNMA HFA Preferred 1st mortgage combined with the CalHFA Conventional Zero Interest Program (ZIP) for closing cost. This loan may be combined with the MyHome Assistance Program.</p> <p>Borrower must be a First Time Home Buyer.</p>
<b>CalHFA</b>	<p>FNMA HFA Preferred 1st mortgage. This loan may be combined with the MyHome Assistance Program (MyHome).</p> <p>Borrowers do not need to be First Time Home Buyer if there will be no subordinate financing.</p>
<b>Homebuyer Education for FTHB</b>	<p>Homebuyer education and counseling is required for one occupying first-time homebuyer.</p> <p>Certificates are good for one year. Homebuyer education and counseling is not required for non-first-time homebuyer(s).</p> <ul style="list-style-type: none"> <li>• Online Homebuyer Education through eHome</li> <li>• In-Person or Virtual Live Homebuyer Education through NeighborWorks America or through one of the HUD approved Housing Counseling Agencies</li> </ul>
<b>MyHome Assistance Program</b>	<p>Must be a first-time home buyer</p> <ul style="list-style-type: none"> <li>• May be used for closing cost and/or down payment assistance</li> <li>• Cannot be used for debt payoff</li> <li>• Must be recorded in Second Lien Position</li> </ul>
<b>CalHFA Zero Interest Programs (ZIP)</b>	<ul style="list-style-type: none"> <li>• Can only be used with CalPLUS Conventional</li> <li>• Must be a first-time home buyer</li> <li>• Can only be used for closing costs</li> <li>• Cannot be used for down payment or debt payoff</li> <li>• Zero interest rate</li> <li>• Term matches the term of the first mortgage</li> <li>• Payments on the ZIP is deferred for the life of the CalPLUS Conventional first mortgage loan</li> <li>• The maximum ZIP loan amount options are based on daily rate sheet pricing                             <ul style="list-style-type: none"> <li>— Either 2.00% or 3.00% of the CalPLUS Conventional first mortgage loan amount</li> </ul> </li> <li>• ZIP must be in second position unless it is combined with the MyHome Assistance Program only</li> </ul> <p>• Repayment of the principal on the ZIP loan shall be due and payable at the earliest of the following events:</p> <ul style="list-style-type: none"> <li>— Transfer of title</li> <li>— Payoff or refinancing of the CalPLUS Conventional first mortgage</li> <li>— Formal filing and recording of a Notice of Default (unless rescinded)</li> </ul>

## Credit Requirements

<b>Age of Documents</b>	<ul style="list-style-type: none"> <li>• For new and existing construction, credit documents must be no more than 4 months old on the date the note is signed, including credit reports and employment, income and asset documents</li> <li>• 90 days Title</li> </ul> <p>All items are measured from Note Date</p>
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## Credit Requirements Continued

<b>Borrower Eligibility</b>	<p>Eligible Borrowers: Must have legal residency and valid Social Security Number</p> <ul style="list-style-type: none"> <li>• US Citizens, Permanent Residents and Non Permanent Resident Aliens</li> <li>• DACA recipients are eligible with proof of legal status, including but not limited to a valid Employment Authorization Document card.</li> <li>• Must vest as an individual</li> </ul>
	<p>Ineligible Borrowers:</p> <ul style="list-style-type: none"> <li>• Foreign Nationals</li> <li>• Limited and General Partnerships</li> <li>• Irrevocable Trusts</li> <li>• ITIN borrowers</li> </ul>
<b>Contingent Liabilities</b>	<p>Debts Paid by Others</p> <ul style="list-style-type: none"> <li>• Non-Mortgage Debt - 12months canceled checks or bank statements from the other party making the payments that document a 12 month payment history with no delinquency. The party does not have to be obligated to the non-mortgage debt.</li> </ul>
<b>Contingent Liabilities (Continued)</b>	<ul style="list-style-type: none"> <li>• Mortgage debt - may be excluded if the party making the payments is obligated on the mortgage debt, No delinquencies in the most recent 12 months and the borrower is not using rental income from the applicable property to qualify</li> </ul>
<b>Co-Signers Non-Occupant Co-Borrower Non-Purchasing Spouse</b>	<p>Not allowed Only borrowers can be on the purchase contract and title.</p>
<b>Credit Refresh / Soft Pull</b>	<p>Required within 10 calendar days of Note date. Any additional inquiries found on soft pull must be addressed by borrower.</p>
<b>Debt Paid By Borrower's Business</b>	<p>The account payment does not need to be considered as part of the borrower's DTI ratio if:</p> <ul style="list-style-type: none"> <li>• The account in question does not have a history of delinquency,</li> <li>• The business provides acceptable evidence that the obligation was paid out of company funds (such as 12 months of canceled company checks), and</li> <li>• Tax returns show that cash flow analysis of the business took payment of the obligation into consideration.</li> </ul>
<b>Derogatory Credit</b>	<p>Per DU</p>
<b>DTI</b>	<ul style="list-style-type: none"> <li>• FICO <math>\geq</math> 700: 50%</li> <li>• FICO &lt; 700: 45%</li> </ul>
<b>Federal Income Tax Installment Agreements</b>	<p>The debt may include the monthly payment amount in liabilities (in lieu of requiring payment in full) if:</p> <ul style="list-style-type: none"> <li>• There is no indication that a Notice of Federal Tax Lien has been filed against the borrower in the county in which the subject property is located.</li> <li>• The lender obtains the following documentation: <ul style="list-style-type: none"> <li>o an approved IRS installment agreement with the terms of repayment, including the monthly payment amount and total amount due; and</li> <li>o evidence the borrower is current on the payments associated with the tax installment plan. Acceptable evidence includes the most recent payment reminder from the IRS, reflecting the last payment amount and date and the next payment amount owed and due date. At least one payment must have been made prior to closing.</li> </ul> </li> </ul>
<b>Forbearance</b>	<p>Active forbearance not allowed. Must be out prior to application date following FNMA guidelines.</p>
<b>Open-End or 30 day Accounts</b>	<ul style="list-style-type: none"> <li>• Does not require to be included in the DTI. Must verify borrower funds to cover the account balance. The verified funds must be in addition to any funds required for closing costs and reserves.</li> <li>• If the borrower paid off the account balance prior to closing, provide proof of payoff in lieu of verifying funds to cover the account balance.</li> <li>• For transactions that do not require the verification of reserves, the balance of 30-day charge accounts in the Reserves Required to be Verified amount in DU will be reduced by any cash out the borrower will receive through the transaction.</li> </ul>

## Credit Requirements Continued

<b>Student Loan Calculation</b>	<ul style="list-style-type: none"> <li>• If the credit report does not provide a monthly payment for the student loan, or if the credit report shows \$0 as the monthly payment, determine the qualifying monthly payment using one of the options below.</li> <li>• If the borrower is on an income-driven payment plan, obtain student loan documentation to verify the actual monthly payment is \$0 to qualify the borrower with a \$0 payment.</li> <li>• For deferred loans or loans in forbearance, the lender may calculate             <ul style="list-style-type: none"> <li>o a payment equal to 1% of the outstanding student loan balance (even if this amount is lower than the actual fully amortizing payment), or</li> <li>o a fully amortizing payment using the documented loan repayment terms.</li> </ul> </li> </ul>
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## Income / Assets

<b>Amended Tax Returns Overlay</b>	<ul style="list-style-type: none"> <li>• Amended tax return must be filed before loan application date. An income increase of 20% or more from the original return will not be allowed or subject to management approval. When amended tax returns have been filed, transcripts are required and must support the amended income</li> </ul>
<b>Assets</b>	Per DU. Source any single large deposits that exceeds 50% of the total monthly qualifying income for Purchase transactions.
<b>Reserves</b>	<ul style="list-style-type: none"> <li>• Per AUS</li> </ul>
<b>Tax Transcripts</b>	<ul style="list-style-type: none"> <li>• All loans require a signed 4506-C form. Additional 4506-C form is required to be signed by Borrower's LLC, S-Corp or Corporation Name and EIN</li> <li>• Tax Transcripts are required for:             <ul style="list-style-type: none"> <li>o Self-employed borrowers</li> <li>o Borrower employed by family member</li> <li>o Using rental income to qualify per tax returns</li> <li>o Relationship between the parties</li> <li>o Other Income Sources (i.e. Dividend/Interest, Capital Gains, Alimony, etc.)</li> </ul> </li> <li>• Note: If the current tax return has been filed but the corresponding tax transcript is not yet available due to IRS lag times, the prior year's transcripts are required (depending on AUS requirement), in addition to the current tax return and current year transcript request returned as a "No Record Found". The current year tax returns must be reviewed to validate the stability of income/business and determine the reasonableness of any positive trends for the purpose of considering as qualifying income. Additional documents, (i.e. copies of cancelled checks for IRS Payment or IRS refund, or electronic filing receipt from the IRS indicating the SID and AGI that matches the return) may be required on a case-by-case basis.</li> <li>• In FEMA declared disaster areas, the IRS may grant tax filing extensions to citizens of specific Counties and Parishes. If a tax payer takes advantage of these extensions, a copy of the extension, the "No Record" result and the prior year's transcripts are required (based on AUS finding).</li> </ul>

## Property

<b>Accessory Dwelling Units (ADU) are eligible within the following parameters:</b>	<ul style="list-style-type: none"> <li>• The property must be defined as a one-unit property</li> <li>• Multiple accessory units are not permitted</li> <li>• Must meet city/county zoning ordinances</li> <li>• 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</li> </ul>
<b>Appraisal Requirements</b>	<ul style="list-style-type: none"> <li>• Transferred Appraisal Accepted</li> <li>• FNMA SSR score on Appraisal must be 4.9 or below. A FNMA SSR score of 5 is not acceptable.</li> </ul>
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>• Hybrid appraisals and the Property Data Report (PDR) are not permitted</li> <li>• Determined by AUS findings</li> <li>• Appraisal Condition rating of C5/C6 or Quality rating of Q6 is not permitted</li> </ul>

**Property Continued**

<b>Escrow Accounts / Impounds</b>	Required on First Mortgage Loans regardless of LTV		
<b>Escrow Holdbacks</b>	Not Allowed		
<b>Eligible Property Types</b>	<ul style="list-style-type: none"> <li>• 1- unit SFR</li> <li>• Townhomes</li> <li>• PUDs</li> <li>• Condominiums</li> <li>• Manufactured homes subject to the following requirements:                             <ul style="list-style-type: none"> <li>o Double wide or greater</li> <li>o Leaseholds not eligible</li> <li>o MH Advantage must have the sticker</li> </ul> </li> </ul>		
<b>Ineligible Properties</b>	<ul style="list-style-type: none"> <li>• Cooperatives</li> <li>• Group Homes</li> <li>• 2 or more units</li> <li>• No Land Trusts, Indian Leased Land, Vacant land</li> <li>• Property Condition rating C6 and/or Quality condition Q6</li> <li>• Non-Warrantable Condo, Condo-tels, Co-Ops, Manufactured Condos</li> <li>• Commercial Property, Boarding houses, Bed and Breakfast</li> <li>• Working Farms</li> <li>• One Time Close Construction to Perm Loans</li> <li>• Property that is subject to repairs</li> <li>• Land trusts where the beneficiary is an individual</li> <li>• Properties encumbered by Property Assessed Clean Energy (PACE) liens (that are not being paid off utilizing the Homestyle Energy program) at time of closing See FNMA Selling Guide for complete list</li> </ul>		
<b>Limited Condo Review Eligibility</b>	<b>Maximum LTV/CLTV Ratios Eligible for Limited Review. Full Condo Review Required for LTV over the maximum listed below.</b>		
	Occupancy Type	Projects Not located in Florida	Projects located in Florida
	Primary Residence	90%	75/90
<b>Manufactured Homes</b>	<ul style="list-style-type: none"> <li>• Primary Residence</li> <li>• Fixed Rate, Fee Simple Only</li> <li>• Property must not be located in a deed restricted area including restrictions for age and income</li> <li>• HUD Data Plates (Paper Certification located on the interior of the property) or IBTS Verification</li> <li>• Built on or after June 15, 1976</li> <li>• Built on a permanent chassis in compliance with the applicable Manufactured Homes (HUD Codes) in effect as of the date the Manufactured Home was constructed.</li> <li>• Must be at least 12 feet wide (single-wide not allowed) and have a minimum of 600 square feet of gross living area.</li> <li>• Must be legally classified as real property; it must be a 1-unit dwelling that is permanently affixed to a permanent foundation</li> <li>• Manufactured Condos not allowed</li> <li>• Flood insurance required for properties in flood zone</li> <li>• Manufactured home must be on original site, relocated homes are not permitted</li> <li>• HUD Certification Labels (metal plates attached) or IBTS Verification if not attached to the property</li> <li>• New Construction will require a Structural Engineer's report to show that the property is designed to be used as a dwelling with permanent foundation and meets HUD requirements</li> <li>• Additions to the property are not permitted if the addition was to add GLA or if there were structural changes to the home (additions such as decks and green rooms without structural changes to the property may be accepted)</li> <li>• Borrower must own the land on which the home is located</li> <li>• Affidavit of Affixture (or its equivalent) to evidence property is classified and taxed as real property</li> </ul>		

## Property Continued

<b>Mandatory Home Warranty Coverage</b>	CalHFA requires that all first-time homebuyers obtain a one-year home warranty protection policy. Exception to Home Warranty: <ul style="list-style-type: none"><li>• Borrower(s) purchasing a new construction property</li><li>• Borrower(s) are not first-time homebuyers and are not using MyHome</li></ul>
<b>Mandatory Home Warranty Coverage (Continued)</b>	The Home Warranty must cover the following items: <ul style="list-style-type: none"><li>• Water Heater(s)</li><li>• Air Conditioning</li><li>• Heating</li><li>• Oven/Stove/Range</li></ul> Home Warranty must be disclosed on Final Closing Disclosure or a copy of warranty coverage will be required.
<b>State Restrictions</b>	Please see our approved License States

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