

## CalHFA Conventional Program

### Fixed Rate

#### Purchase

Occupancy	Number of Units	Maximum LTV/CLTV/HCLTV	FICO	DTI <sup>3</sup>
Primary Residence	1 Unit SFR	97% <sup>1, 2</sup> / 105% <sup>4</sup>	≤ 80% AMI: 660	FICO ≥ 700: 50% <sup>3</sup>
			>80% AMI: 680	FICO < 700: 45%

<sup>1</sup>The maximum LTV for loans above the FNMA Conforming Loan Amount is 95%.

<sup>2</sup>MH Advantage manufactured homes maximum LTV is 97%

<sup>3</sup>Properties with Manufactured Homes are capped at 45.00% DTI

<sup>4</sup>As per FNMA Community 2<sup>nd</sup> limit

### Loan Product

<b>Eligible Products/Terms</b>	<ul style="list-style-type: none"> <li>• 30 YR Fixed Rate only</li> <li>• Property must be located in CA</li> </ul>	
	<b>Fannie Mae HFA Preferred</b>	
	<b>First Mortgage Product</b>	<b>Eligible Second Mortgage Products</b>
	CalHFA Conv. (1 <sup>st</sup> )	CalHFA 2 <sup>nd</sup> My Home Note: This must be paired with CalHFA Conv. (1 <sup>st</sup> )
	CalPlus Conv. (1 <sup>s</sup> ) Note: must be paired with CalHFA 2 <sup>nd</sup> Zip	CalHFA 2 <sup>nd</sup> Zip Note: This must be paired with CalPlus Conv 1 <sup>st</sup> )  CalHFA 2 <sup>nd</sup> My Home Note: Zip must be in 3 <sup>rd</sup> lien position if paired with MyHome
	CalHFA Dream For All (1 <sup>st</sup> ) Note: must be paired with CalHFA Shared Appreciation 2 <sup>nd</sup>	CalHFA Shared Appreciation 2 <sup>nd</sup> Note: This must be paired with CalHFA Dream For All (1 <sup>st</sup> )
<b>Income Limits</b>	<ul style="list-style-type: none"> <li>• 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:  <a href="https://ami-lookup-tool.fanniemae.com/amilookuptool/">https://ami-lookup-tool.fanniemae.com/amilookuptool/</a></li> <li>• All borrowers must always meet CalHFA's income limits:  Standard: <a href="https://www.calhfa.ca.gov/homeownership/limits/income/income.pdf">https://www.calhfa.ca.gov/homeownership/limits/income/income.pdf</a>  Dream For All: <a href="https://www.calhfa.ca.gov/homeownership/limits/income/income-cadfa.pdf">https://www.calhfa.ca.gov/homeownership/limits/income/income-cadfa.pdf</a></li> <li>• Borrower income may not be excluded or reduced, nor shall a borrower be removed to meet CalHFA income limit requirements.</li> <li>• If the GSE requires the removal of any income or borrower to meet GSE guidelines the lender must document this in the loan file.</li> <li>• Income not used for credit qualifying as per prior bullet will not be used by CalHFA</li> </ul>	

<p><b>Guidelines</b></p>	<p>Follows FNMA HomeReady guidelines unless otherwise stated on this matrix. Guidelines on this matrix supersede those in the CalHFA Loan Program Handbook and matrices:  <a href="https://www.calhfa.ca.gov/homeownership/programs/loans-conventional.pdf">https://www.calhfa.ca.gov/homeownership/programs/loans-conventional.pdf</a>  <a href="https://www.calhfa.ca.gov/homeownership/materials/files/tool-matrix-conventional.pdf">https://www.calhfa.ca.gov/homeownership/materials/files/tool-matrix-conventional.pdf</a></p>
<p><b>Down Payment Assistance (DPA)</b></p>	<p><u>MyHome (2<sup>nd</sup> TD only)</u></p> <ul style="list-style-type: none"> <li>• Up to 3% of the lesser of sales price or appraised value</li> <li>• May be used for closing costs or down payment</li> <li>• Cannot be used for debt payoff</li> </ul> <p><u>ZIP (2<sup>nd</sup> TD only unless combined with MyHome, then 3<sup>rd</sup> TD)</u></p> <ul style="list-style-type: none"> <li>• 2% or 3% of first mortgage loan amount for closing cost only</li> </ul> <p><u>Dream For All (2<sup>nd</sup> TD only)</u></p> <ul style="list-style-type: none"> <li>• Up to \$150,000 or lesser of 20% of the sales price or appraised value</li> <li>• May not be combined with MyHome or ZIP</li> <li>• May be used for down payment and/or closing costs</li> <li>• See <a href="#">Dream For All Voucher</a> section at the end of the matrix for additional details</li> </ul> <p>Notes (Apply to all):</p> <ul style="list-style-type: none"> <li>• No cash back allowed from DPA proceeds</li> <li>• Cannot be used to pay down borrower debt</li> </ul>
<p><b>Down Payment Assistance (DPA) Repayment Terms</b></p>	<p><u>MyHome</u></p> <ul style="list-style-type: none"> <li>• 30 yr term</li> <li>• Not forgivable</li> <li>• Payments are deferred for the life of the 1st loan</li> <li>• 1% simple interest rate</li> <li>• Due and payable at the earliest of the following events:             <ul style="list-style-type: none"> <li>○ Transfer of title</li> <li>○ Sale of Property</li> <li>○ Payoff of the first loan</li> <li>○ Formal filing and recording of NOD (unless rescinded)</li> </ul> </li> </ul> <p><u>ZIP</u></p> <ul style="list-style-type: none"> <li>• 30 yr term</li> <li>• 0 interest rate</li> <li>• Payments are deferred for the life of the 1st loan</li> <li>• Due and payable at the earliest of these events:             <ul style="list-style-type: none"> <li>○ Transfer of title</li> <li>○ Payoff or refinance of the 1st</li> <li>○ Formal filing and recording of NOD (unless rescinded)</li> </ul> </li> </ul> <p><u>Dream For All</u></p> <ul style="list-style-type: none"> <li>• 30 yr term</li> <li>• 0 interest rate</li> <li>• Payments are deferred for the life of the 1st loan</li> <li>• &gt; 80% HomeReady AMI = 1:1 share of appreciation:             <ul style="list-style-type: none"> <li>○ Program appreciation share is equal to the Shared Appreciation Loan amount (i.e., the original principal amount) as a percentage of the home value.</li> </ul> </li> <li>• ≤ 80% HomeReady = .75:1 share of appreciation:             <ul style="list-style-type: none"> <li>○ Program appreciation share is equal to 0.75 times the Shared Appreciation Loan amount (i.e., the original principal amount) as a percentage of the home value.</li> </ul> </li> <li>• See <a href="#">Shared Appreciation Examples</a> section below</li> <li>• Shared appreciation capped at 2.5 times the original principal balance</li> <li>• Repayment of the loan amount and any share of appreciation on the Shared Appreciation Loan shall be due and payable at the earliest of the following events:             <ul style="list-style-type: none"> <li>○ Transfer of title</li> <li>○ Sale of the Property</li> <li>○ Payoff of the first loan</li> <li>○ Payoff of the subordinate loan principal balance</li> <li>○ Refinance of the first loan</li> <li>○ The formal filing and recording of a Notice of Default (unless rescinded)</li> </ul> </li> </ul>

<b>Ineligible Product Types</b>	Homestyle Renovation, Homestyle Energy
<b>Maximum Loan Amount</b>	Maximum loan amount cannot exceed Fannie Mae Conventional loan limits by county
<b>Loan Purpose</b>	Purchase
<b>Loan Limits</b>	Per FHFA County Limits
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>• Primary residence, owner occupied only</li> <li>• Borrowers and spouses must reside in the U.S and occupy the property as their primary residence within 60 days of closing</li> <li>• No non-occupying co-borrowers or co-signers</li> </ul>
<b>Temporary Buydowns</b>	<ul style="list-style-type: none"> <li>• 2/1, 1/1 and 1/0 Permitted</li> <li>• Allowable Buydown Contributors: Builder/ Seller; Lender; or Other Interested 3rd Party (as permitted per FNMA)</li> <li>• Borrower Funded Buydowns are not permitted</li> <li>• Buydown Agreement required to be in the file</li> <li>• Qualify at Note Rate</li> <li>• Refer to Fannie Mae Selling Guide for all other eligibility requirements</li> <li>• Not permitted on Dream for All</li> </ul>
<b>Eligibility</b>	
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li>• Acceptable Residency statuses: <ul style="list-style-type: none"> <li>○ US Citizen(s)</li> <li>○ Non-US Citizen(s) who are lawfully present in the United States. This includes both Permanent Qualified Resident Aliens and Non-Permanent Qualified Aliens defined in the <a href="#">CalHFA Residency and Eligibility Guide</a></li> <li>○ <a href="#">DACA Borrowers</a> are permitted subject to requirements outlined in the Residency and Eligibility Guide</li> </ul> </li> <li>• Loans to Limited Liability Corporations are not permitted</li> <li>• Must vest as an individual(s) per CalHFA guidelines</li> </ul>
<b>First Time Homebuyer</b>	<ul style="list-style-type: none"> <li>• All borrowers must be FTHB unless applying for a standalone CalHFA first mortgage</li> <li>• Must not have owned a principal residence (a home in which they lived) or resided in a home owned by a spouse in the previous 3 years prior to execution of loan documents.</li> <li>• Borrowers who have owned rental properties in the past three years must document that they have not occupied any of them as a principal residence in past 3 years</li> <li>• Borrowers who own or have owned a manufactured home within the past three years may be considered a FTHB so long as: <ul style="list-style-type: none"> <li>○ The manufactured home is on leased land (park), or</li> <li>○ On land owned by the borrower AND the manufactured home was never permanently affixed</li> </ul> </li> <li>• <a href="#">CalHFA Borrower Affidavit and Certification</a> required for any borrower qualifying as First Time Homebuyer</li> <li>• In community property states, a borrower cannot be considered a First Time Homebuyer if their spouse has had an ownership interest in a principal residence during the three year period prior to the execution of loan documents</li> <li>• First Time Homebuyers must obtain a Home Warranty protection policy (see Home Warranty section below)</li> <li>• If the borrower(s) is on a mortgage or on title to a property that is not their primary residence, A Letter of Explanation (LOE) and additional documentation to determine the borrower is a first-time homebuyer are required. Acceptable documentation would include: <ul style="list-style-type: none"> <li>○ 36 months of cancelled rent checks, OR</li> <li>○ A Verification of Rent (VOR) from a property management company, or</li> <li>○ Alternative documentation that is proof of the borrower's residence at another location (e.g. utility bills, cable bills, trash bills showing the property address of service).</li> </ul> </li> </ul>

<p><b>First Time Homebuyer (continued)</b></p>	<ul style="list-style-type: none"> <li>• Definition of ownership interest, directly or indirectly in a residential dwelling, includes, but is not limited to the following interests: <ul style="list-style-type: none"> <li>• Fee simple • Community property • Life estate • Owner, borrower or co-borrower • Settlor or a vested beneficiary of a trust with the home as an asset • Interest in business entity with the home as an asset • Inherited properties</li> </ul> </li> </ul>
<p><b>First-Generation Homebuyer</b></p>	<p><u>Only Required for Dream For All</u></p> <ul style="list-style-type: none"> <li>• At least one borrower must be a First-Generation Homebuyer: <ul style="list-style-type: none"> <li>○ A first-generation homebuyer is defined as a homebuyer who has not been on title, held an ownership interest or has been named on a mortgage to a home (on permanent foundation and owned land) in the United States in the last 7 years, and;</li> <li>○ To the best of the homebuyer’s knowledge whose parents (biological or adoptive) do not have any present ownership interest in a home in the United States or if deceased whose parents did not have any ownership interest at the time of death in a home in the United States, or;</li> <li>○ An individual who has at any time been placed in foster care or institutional care (type of out of home residential care for large groups of children by non-related caregivers).</li> </ul> </li> </ul>
<p><b>Homebuyer Education Requirements</b></p>	<p><u>All Programs</u></p> <ul style="list-style-type: none"> <li>• Homebuyer Education is required for one occupying first-time homebuyer: <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> <li>○ Certificates expire one year from issuance</li> </ul> </li> <li>• Homebuyer Education is not required for non-first-time homebuyer(s)</li> </ul> <p><u>Dream For All (in addition to above)</u></p> <ul style="list-style-type: none"> <li>• At least one borrower is required to complete the one hour, free Dream For All Homebuyer Appreciation Education and Counseling:</li> </ul> <p><a href="#">Dream For All Homebuyer Education</a></p>
<p><b>Co-Signers/Non-Occupant Co-Borrower’s/Non-Purchasing Spouse</b></p>	<ul style="list-style-type: none"> <li>• Non-occupant Co-Signers and Non-occupant Co-Borrowers are not permitted</li> <li>• Non-Purchasing Spouse may not be on title, the purchase agreement, have any vested interest in property or be added to title after closing</li> </ul>
<p><b>Non-Arm’s Length Transactions</b></p>	<p>Refer to <a href="#">Fannie Mae Selling Guide</a></p>
<p><b>Credit</b></p>	
<p><b>Underwriting</b></p>	<ul style="list-style-type: none"> <li>• Fannie Mae DU Approve/Eligible is required.</li> <li>• HFA Preferred must be selected in the Community Lender product field in AUS</li> <li>• CalFHA subordinate loans must be entered as Community Seconds</li> <li>• Freddie Mac Loan Prospect Advisor (LPA) and other customized automated underwriting systems are not permitted</li> <li>• Manual underwriting is not permitted</li> </ul>
<p><b>CalHFA Approval</b></p>	<ul style="list-style-type: none"> <li>• Loan will be submitted to and approved by CalFHA prior to underwriter issuing CTC once loan is ready for CTC</li> <li>• Find current CalHFA turn times here: <a href="#">CalHFA Turn Times</a></li> </ul>

<p><b>FICO Requirements</b></p>	<ul style="list-style-type: none"> <li>• All borrowers must have a credit score to be eligible for a CalHFA loan.</li> <li>• Loans with income ≤ 80% AMI: 660</li> <li>• Loans with income &gt; 80% AMI: 680</li> <li>• Loans with DTI &gt; 50%: 700 (Max 45% for Manufactured Homes)</li> <li>• Borrowers with no credit score not permitted</li> <li>• Use middle score of lowest scoring borrower in tri-merge report (use lower of 2 scores if tri-merge only returns 2 scores or 1 score if only 1 score returned)</li> </ul>
<p><b>Non-Traditional Credit</b></p>	<p>Not permitted</p>
<p><b>Significant Derogatory Credit</b></p>	<p>Refer to <a href="#">Fannie Mae Selling Guide</a></p>
<p><b>DTI</b></p>	<ul style="list-style-type: none"> <li>• FICO ≥ 700: 50% (Max 45% for Manufactured Home)</li> <li>• FICO &lt; 700: 45%</li> </ul>
<p><b>Employment/Income</b></p>	
<p><b>Employment/Income Verification</b></p>	<p>Employment and income documentation must comply with the requirements of the AUS Findings and the <a href="#">Fannie Mae Selling Guide</a>. Approved third party suppliers and distributors that generate employment and income verification reports are permitted for the purpose of verifying income and/or employment.</p> <ul style="list-style-type: none"> <li>• All sources of qualifying income must be legal in accordance with all applicable federal, state and local laws, rules and regulation, without conflict.</li> <li>• A 4506-C form is required to be signed at closing for all transactions.</li> <li>• MCC income not permitted</li> <li>• Transcript Requirements:             <ul style="list-style-type: none"> <li>○ W-2/1099 transcripts will not be required for a borrower when all income for that borrower is derived from W-2 wage earner and/or 1099 fixed income sources.</li> <li>○ Tax transcripts are required in the following circumstances:                 <ul style="list-style-type: none"> <li>▪ When tax returns are used to qualify a borrower. The number of years provided must be based on the AUS findings. Income verified via tax returns includes but is not limited to the examples listed below:                     <ul style="list-style-type: none"> <li>• Self-employment income</li> <li>• Other income sources (i.e. Dividend Interest, Capital Gains, Alimony, etc.)                             <ul style="list-style-type: none"> <li>▪ When a written VOE form 1005 is used as standalone income verification.</li> <li>▪ Employment by family members</li> <li>▪ When amended tax returns have been filed, transcripts are required and must support the amended income</li> </ul> </li> </ul> </li> </ul> </li> </ul> <p><b>Note:</b> Typically, tax returns are not available from the IRS until two to three weeks after a Consumer e-files their tax returns and six to eight weeks after filing by mail. 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. <i>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.</i></p> <p>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).</p> </li></ul>

**Assets/Reserves**

<b>Asset Documentation</b>	<ul style="list-style-type: none"> <li>Asset documentation must comply with the requirements of AUS findings and the <a href="#">Fannie Mae Seller Guide</a></li> <li>Approved third party suppliers and distributors that generate asset verification reports are permitted for the purpose of verifying assets</li> </ul>
<b>Financing Concessions</b>	<ul style="list-style-type: none"> <li>Refer to <a href="#">Fannie Mae Selling Guide</a> except for the following. Seller/Builder cannot pay for:             <ul style="list-style-type: none"> <li>Payment of condominium fees</li> <li>Personal Property</li> <li>Down Payment Assistance</li> </ul> </li> </ul>
<b>Borrower Contribution</b>	<ul style="list-style-type: none"> <li>CalHFA MyHome may be used for entire downpayment (provided loan is eligible for 97% LTV).</li> </ul>

**Subordinate Financing**

<b>Subordinate Financing/Down Payment Assistance</b>	<ul style="list-style-type: none"> <li>105% max CLTV</li> <li>Other forms of Fannie Mae-approved Community Seconds are allowed with a standalone CalHFA 1<sup>st</sup></li> </ul>
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**Property/Appraisal**

<b>Eligible Property Types</b>	<ul style="list-style-type: none"> <li>1- unit SFR             <ul style="list-style-type: none"> <li>SFR with accessory unit's subject to CalHFA restrictions. Refer to <a href="#">ADU</a> section for additional requirements.</li> </ul> </li> <li>Townhomes</li> <li>PUDs</li> <li>Condominiums</li> <li>Leaseholds</li> <li>Manufactured homes subject to the following requirements:             <ul style="list-style-type: none"> <li>Double wide or greater</li> <li>Leaseholds not eligible</li> <li>MH Advantage requires a MH Advantage sticker applied by the home's manufacturer pursuant to an agreement with Fannie Mae. See <a href="#">Fannie Mae Selling Guide</a> for additional requirements.</li> </ul> </li> </ul>
<b>Ineligible Features/Property Types</b>	<ul style="list-style-type: none"> <li>Cooperatives</li> <li>Community Land Trusts</li> <li>Group Homes</li> <li>2 or more units</li> <li>Property that is subject to repairs (all repairs must be complete)</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</li> <li>Single wide manufactured homes</li> <li>Loans with multiple ADUs</li> <li>Community Land Trusts that are not from a California Community Land Trust Network approved lender and not Fannie Mae Approved (never allowed for Dream For All)</li> <li>Properties that do not meet requirements of the CA Health and Safety Code</li> <li>MCCs</li> <li>Leasehold Manufactured Homes</li> <li>Escrow holdbacks</li> <li>Homestyle Energy</li> <li>Properties having energy retrofit upgrades encumbered by property tax assessed liens, including Property Assessed Clean Energy (PACE) liens, are not eligible for CalHFA first mortgage and/or down payment and closing cost assistance programs</li> </ul>

<b>Appraisal Requirements</b>	<ul style="list-style-type: none"> <li>• Determined by AUS findings</li> <li>• Appraisal Condition rating of C5/C6 or Quality rating of Q6 is not permitted</li> <li>• Successful UCDP Submission Summary Reports (SSRs) from Fannie Mae and Freddie Mac required. Loans that include the proprietary messages that indicate 100% of the loans submitted with appraisals from the identified appraiser or supervisory appraiser will be reviewed, or that Fannie Mae or Freddie Mac will not accept appraisals from the identified appraiser or supervisory appraiser as applicable are not eligible.</li> </ul>																								
<b>Appraisal Transfers</b>	Appraisal transfers are permitted in accordance with the <a href="#">Fannie Mae Selling Guide</a>																								
<b>Appraisal Re-use</b>	The re-use of an appraisal is permitted in accordance with the Fannie Mae Selling Guide																								
<b>Construction Conversion Transactions</b>	Refer to <a href="#">Fannie Mae Selling Guide</a> as applicable																								
<b>ADUs</b>	<ul style="list-style-type: none"> <li>• Accessory Dwelling Units (ADU), Guest houses, “granny” units and “in-law” quarters must meet these eligibility criteria: <ul style="list-style-type: none"> <li>○ Property is defined as a one-unit property</li> <li>○ Multiple accessory units are not permitted</li> <li>○ Property meets all other FNMA guidelines and city/county zoning ordinances</li> </ul> </li> </ul>																								
<b>Disaster Area Requirements</b>	<ul style="list-style-type: none"> <li>• Follow Agency and Lender Disaster Area policy</li> </ul>																								
<b>Escrow Holdbacks</b>	<ul style="list-style-type: none"> <li>• Ineligible</li> </ul>																								
<b>Geographic Restrictions</b>	Property must be within the state of California																								
<b>Condominiums</b>	Must be Fannie Mae Eligible																								
<b>Special Restrictions</b>																									
<b>High Cost Loans</b>	Not allowed																								
<b>Higher Priced Mortgage Loans (HPML)</b>	HPML allowed in accordance with Fannie Mae guidelines																								
<b>Insurance</b>																									
<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>• Required for LTV &gt; 80%</li> <li>• The following MI types are permitted: <ul style="list-style-type: none"> <li>○ Borrower Paid Monthly Premium</li> <li>○ Borrower Paid Single Premium</li> <li>○ Split Premium MI</li> </ul> </li> <li>• Financed mortgage insurance premium must be included in the LTV and CLTV and are subject to High Cost loan calculations:</li> </ul> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Loans with HomeReady AMI ≤ 80%:</td> <td style="width: 50%; text-align: center;">Loans with HomeReady AMI &gt; 80%:</td> </tr> <tr> <td style="text-align: center;"> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">LTV</th> <th style="width: 50%;">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> </td> <td style="text-align: center;"> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">LTV</th> <th style="width: 50%;">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> </td> </tr> </table>	Loans with HomeReady AMI ≤ 80%:	Loans with HomeReady AMI > 80%:	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">LTV</th> <th style="width: 50%;">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>	LTV	Coverage	95.01 – 97%	18%	90.01 – 95%	16%	85.01 – 90%	12%	80.01 – 85%	6%	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">LTV</th> <th style="width: 50%;">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%	35%	90.01 – 95%	30%	85.01 – 90%	25%	80.01 – 85%	12%
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Other Considerations	
<b>Age of Documents</b>	<ul style="list-style-type: none"> <li>All credit documents must be dated within 120 days of the note date</li> <li>Preliminary title policies must be no more than 180 days old on the date the note is signed</li> </ul>
<b>Escrow Waivers</b>	<ul style="list-style-type: none"> <li>Not permitted.</li> <li>Tax, insurance and all applicable HOA fees must be escrowed per CalHFA guidelines,</li> </ul>
<b>Forbearance</b>	<ul style="list-style-type: none"> <li>Loans where the borrower is actively seeking a forbearance or any loan that is in an "active" forbearance status are ineligible</li> </ul>
<b>Home Warranty</b>	<ul style="list-style-type: none"> <li>Must be disclosed in Final CD when required</li> <li>Required for all First Time Homebuyers unless:               <ul style="list-style-type: none"> <li>Purchasing new construction</li> </ul> </li> <li>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> </li> </ul>
<b>Fees</b>	<sup>1st</sup> <ul style="list-style-type: none"> <li>Customary lender origination fees not to exceed the greater of 3% or \$3000</li> <li>Other customary third-party fees such as credit report, appraisal, insurance or similar settlement fee or financing cost</li> </ul> In addition to standard costs: <ul style="list-style-type: none"> <li>\$250 Funding Fee</li> <li>\$10 Flood Cert</li> <li>\$75 Tax Cert</li> </ul> <u>MyHome</u> <ul style="list-style-type: none"> <li>Max \$250 lender fees</li> </ul> <u>Zip</u> <ul style="list-style-type: none"> <li>Maximum \$50 lender processing fee on a Zip loan</li> </ul> <u>Dream for All</u> <ul style="list-style-type: none"> <li>Max \$500 processing fee</li> <li>All other normal customary 3<sup>rd</sup> party fees allowed</li> </ul>
<b>CalHFA Reservation</b>	<ul style="list-style-type: none"> <li>Reserved at rate lock by Secondary</li> <li>Reserved by Processing after Underwriting Approval</li> <li>Once a reservation has been made, CalHFA does not permit substitutions for different properties, borrowers or lenders</li> <li>A fully executed sales contract by buyer and seller is required prior to reservation</li> </ul>
<b>Re-subordination Policy</b>	<u>MyHome and ZIP</u> Not allowed, must be paid off in the event of a refinance of the first mortgage  <u>Dream For All</u> One time re-subordination allowed in the event of a first mortgage refinance: <u>CalHFA Re-Subordinations</u>
<b>Dream For All Voucher</b>	<ul style="list-style-type: none"> <li>To be eligible for Dream For All, borrowers must apply for a Dream for All Voucher.</li> <li>Vouchers will be issued via random drawing.</li> <li>Use the Dream For All Eligibility Worksheet to determine if the borrower is eligible for a Voucher</li> <li>If eligible, complete the <a href="#">Dream For All Worksheet</a> Pre-Approval Letter and send it to your borrower. This is required for their Voucher application.</li> <li>In addition, borrower will need the following information for their Voucher application:               <ul style="list-style-type: none"> <li>Proof of current address: Government ID, utility bill, cell phone bill, insurance bill, voter registration bill or car registration</li> <li>Foster care documentation (if applicable): Foster Care Verification Form/Letter or court documents</li> <li>Information regarding their parents: names, dates of birth, current address, date of</li> </ul> </li> </ul>



<p><b>Dream For All Voucher (Continued)</b></p>	<p>death if they've passed</p> <ul style="list-style-type: none"> <li>• From 4/3 to 4/29, borrower will have the opportunity to apply for a <a href="#">Dream For All Voucher</a></li> <li>• Once the application period has ended on 4/29, CalHFA will start to issue vouchers to randomly drawn applicants</li> <li>• After customer has received their voucher, a Pre-Approval request may be sent in, though not required</li> <li>• Pre-Approvals for Dream For All will not be reviewed without a Voucher</li> <li>• Voucher recipients will have 90 days to execute a purchase contract</li> </ul>																																																																																						
<p><b>Dream For All Shared Appreciation Examples</b></p>	<div style="background-color: #e0f2f1; padding: 10px; margin-bottom: 10px;"> <p><b>Example 1:</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 150px;">\$100,000</td> <td>A) Original Shared Appreciation Loan</td> </tr> <tr> <td style="text-align: center;">x 2.5</td> <td></td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>\$250,000</td> <td>B) Original loan amount times 2.5</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>\$350,000</td> <td>Loan plus modifier (A + B): This is the maximum amount due at time of payoff – maximum appreciation plus original loan amount.</td> </tr> </table> </div> <p><b>Formula for determining shared appreciation</b></p> <ul style="list-style-type: none"> <li>• Current value of the home as determined by CalHFA.</li> <li>• Minus the lesser of the original sales price or original appraised value of the property equals net appreciation.</li> <li>• Multiplied by the shared appreciation percentage equals shared appreciation amount owed. See <i>Examples 2 and 3</i>.</li> </ul> <div style="background-color: #e0f2f1; padding: 10px; margin-bottom: 10px;"> <p><b>Example 2:</b> <b>20% Shared Appreciation Loan</b></p> <p><b>Scenario:</b> Borrower AMI is above 80% AMI and up to CalHFA Income Limits</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 150px;">\$500,000</td> <td>(A) Original sales price or original appraisal, whichever is less</td> </tr> <tr> <td style="text-align: center;">x 0.20</td> <td>20% of the sales price</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>\$100,000</td> <td>(B) Shared Appreciation Loan</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td colspan="2"><b>At time of sale, refinance or other transfer new value is \$700,000</b></td> </tr> <tr> <td>\$700,000</td> <td>(C) New Value</td> </tr> <tr> <td>\$200,000</td> <td>Appreciation (C - A)</td> </tr> <tr> <td style="text-align: center;">x 0.20</td> <td>20% of the Appreciation</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>= \$40,000</td> <td>(D)</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td colspan="2"><b>Borrower owes:</b></td> </tr> <tr> <td>\$100,000</td> <td>Original Shared Appreciation loan (B)</td> </tr> <tr> <td>+ \$40,000</td> <td>Program Share of Appreciation (D)</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>\$140,000</td> <td>Total (B + D)</td> </tr> </table> </div> <div style="background-color: #e0f2f1; padding: 10px;"> <p><b>Example 3:</b> <b>20% Shared Appreciation Loan</b></p> <p><b>Criteria:</b> Borrower AMI is under and up to 80% AMI</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 150px;">\$400,000</td> <td>(A) Original sales price or original appraisal, whichever is less</td> </tr> <tr> <td style="text-align: center;">x 0.20</td> <td>20% of the sales price</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>= \$80,000</td> <td>(B) Shared Appreciation Loan</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td colspan="2"><b>At time of sale, refinance or other transfer, new value is \$600,000</b></td> </tr> <tr> <td>\$600,000</td> <td>(C) New Value</td> </tr> <tr> <td>\$200,000</td> <td>Appreciation (C - A)</td> </tr> <tr> <td style="text-align: center;">x 0.20</td> <td>20% of the sales price</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>= \$40,000</td> <td>(D)</td> </tr> <tr> <td style="text-align: center;">x 0.75</td> <td>Factor for program share of appreciation</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>= \$30,000</td> <td>(E) Program Share Of Appreciation</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td colspan="2"><b>Borrower owes:</b></td> </tr> <tr> <td>\$80,000</td> <td>Original loan (B)</td> </tr> <tr> <td>+ \$30,000</td> <td>Program Share of Appreciation (E)</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>= \$110,000</td> <td>Total owed to program on sale</td> </tr> </table> </div>	\$100,000	A) Original Shared Appreciation Loan	x 2.5		<hr/>		\$250,000	B) Original loan amount times 2.5	<hr/>		\$350,000	Loan plus modifier (A + B): This is the maximum amount due at time of payoff – maximum appreciation plus original loan amount.	\$500,000	(A) Original sales price or original appraisal, whichever is less	x 0.20	20% of the sales price	<hr/>		\$100,000	(B) Shared Appreciation Loan	<hr/>		<b>At time of sale, refinance or other transfer new value is \$700,000</b>		\$700,000	(C) New Value	\$200,000	Appreciation (C - A)	x 0.20	20% of the Appreciation	<hr/>		= \$40,000	(D)	<hr/>		<b>Borrower owes:</b>		\$100,000	Original Shared Appreciation loan (B)	+ \$40,000	Program Share of Appreciation (D)	<hr/>		\$140,000	Total (B + D)	\$400,000	(A) Original sales price or original appraisal, whichever is less	x 0.20	20% of the sales price	<hr/>		= \$80,000	(B) Shared Appreciation Loan	<hr/>		<b>At time of sale, refinance or other transfer, new value is \$600,000</b>		\$600,000	(C) New Value	\$200,000	Appreciation (C - A)	x 0.20	20% of the sales price	<hr/>		= \$40,000	(D)	x 0.75	Factor for program share of appreciation	<hr/>		= \$30,000	(E) Program Share Of Appreciation	<hr/>		<b>Borrower owes:</b>		\$80,000	Original loan (B)	+ \$30,000	Program Share of Appreciation (E)	<hr/>		= \$110,000	Total owed to program on sale
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