

# CalHFA Dream for All 1<sup>st</sup> Mortgage and Shared Appreciation 2<sup>nd</sup> Mortgage

## ELIGIBILITY MATRIX

Property Type <sup>1</sup>	Maximum Base Loan Amount	Minimum Credit Score <sup>4</sup>	DTI	Max LTV/CLTV
<b>Purchase Transaction</b>				
1-Unit	High Balance Loan Limits <sup>2</sup>	640	45% <sup>3</sup>	95%/105%
		700	50%	

### Footnotes:

<sup>1</sup> Primary residence only.

<sup>2</sup> 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. See [AMI lookup tool](#) to determine Loan Limits and AMI.

<sup>3</sup> Manufactured Homes max 45% DTI.

<sup>4</sup> The minimum credit score is 680 for borrowers with **income greater** than the HomeReady 80% AMI LI income limit. The minimum credit score is 660 for borrowers with **income less** than or equal to HomeReady 80% AMI LI income limit. Borrower(s) with no credit score are NOT ALLOWED. Non-traditional credit is NOT ALLOWED.

### Program Highlights

The Dream For All Shared Appreciation Loan is a down payment assistance program for first-time homebuyers to be used in conjunction with the [Dream For All Conventional first mortgage](#) for down payment and/or closing costs.

## CalHFA Dream for All Shared Appreciation Loan

- Offers up to 20% for down payment and/or closing costs, not to exceed \$150,000
- Dream For All Shared Appreciation Loan cannot be used for debt payoff
- Borrower(s) may not receive any cash back from the Dream For All Shared Appreciation Loan
- Dream For All Shared Appreciation Loan must record in second lien position
- Homebuyers must register for a voucher. A randomized drawing will select registrants who will receive the voucher. This will not be first come, first served.
- The MyHome Assistance Program may not be combined with the Shared Appreciation Loan.

## Document Needed

- California Dream for All (DFA) voucher

## Shared Appreciation

### Shared Appreciation

- For Borrowers with incomes above 80% AMI using the HomeReady® Lookup Tool and less than or equal to the [CalHFA Dream For All income limits](#), the Shared Appreciation Loan provides up to 20% down payment and shares in up to 20% of the home price appreciation.
  - (1:1) program appreciation share: Program appreciation share is equal to the Shared Appreciation Loan amount (i.e., the original principal amount) as a percentage of the home value.
- For Borrowers with incomes less than or equal to 80% AMI using the HomeReady® Lookup Tool, the Shared Appreciation loan provides up to 20% down payment and shares in up to 15% of the home price appreciation.
  - Reduced (0.75:1) program appreciation share: 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.
- The amount of shared appreciation is capped at 2.5 times the original principal amount.

### Example 1

Borrower is a moderate-income income

#### Borrower is a moderate-income homebuyer

- Dream For All provides a loan for 20% of the home purchase price.
- The homeowner pays back the original loan amount plus 20% of any appreciation in the value of the home.

### Example 2

Borrower is at 80% of AMI

#### Borrower income less than or equal to 80% AMI using the HomeReady Lookup Tool

- Reduced (0.75:1) program appreciation share
- 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

## CalHFA Dream for All 1<sup>st</sup> Mortgage and Shared Appreciation 2<sup>nd</sup> Mortgage

		<ul style="list-style-type: none"> <li>Dream For All provides a loan for 20% of the home purchase price.</li> <li>The homeowner pays back the original loan amount plus 15% of any appreciation in the value of the home</li> </ul>
	<b>Maximum Shared Appreciation Loan Amount</b>	
	<b>First Mortgage</b>	<b>Maximum Shared Appreciation Loan Amount</b>
	Dream for All Conventional	Up to \$150,000 or 20% of the sales price or appraised value, whichever is less
	CalHFA Conventional, CalPLUS Conventional,	Not Allowed
<b>FNMA Only</b>	<ul style="list-style-type: none"> <li>Any guide published on this matrix DOES NOT supersede the FNMA seller guide.</li> <li>Fannie Mae Desktop Underwriter (DU®) with an Approve/Eligible recommendation. <ul style="list-style-type: none"> <li>HFA Preferred must be selected in the <i>Community Lender Product</i> field</li> <li>CalHFA subordinate loans must be entered as <i>Community Seconds</i></li> </ul> </li> <li><b>Freddie Mac Loan Prospector (LP®) and other customized automated underwriting systems are NOT ALLOWED.</b></li> <li>Manual Underwriting is NOT ALLOWED.</li> </ul>	
<b>Assumability</b>	<ul style="list-style-type: none"> <li>Not Assumable</li> </ul>	
<b>FICO Score/DTI</b>	<ul style="list-style-type: none"> <li>Follow Dream For All Conventional first mortgage guidelines for minimum credit score requirements.</li> <li>Follow Dream For All Conventional first mortgage guidelines for maximum total Debt-to-Income ratio requirements.</li> </ul>	
<b>Fees</b>	<ul style="list-style-type: none"> <li>Dream For All Conventional 1<sup>st</sup> Mortgage- Customary lender fees are not to exceed the greater of 3% of the loan amount or \$3,000.</li> <li>All other normal customary third-party fees are allowed.</li> <li>Shared Appreciation 2<sup>nd</sup> Mortgage- Lender may charge a maximum total processing fee of \$500.</li> <li>In all cases, the loan(s) must meet federal and California lending laws regarding fees and charges</li> <li>High-Cost Loans NOT ALLOWED.</li> <li>Impounds are required for the first mortgage, regardless of the loan-to-value (LTV)</li> </ul>	
<b>Mandatory Home Warranty Coverage</b>	<ul style="list-style-type: none"> <li>All FTHB must obtain a one-year home warranty protection policy. If new construction, home warranty can come from builder.</li> <li>Home Warranty must cover the following items: Water heater(s), Air Conditioning, Heating, Oven/stove/range.</li> <li>Home Warranty must be disclosed on Final CD, or a copy of the warranty coverage will be required.</li> </ul>	
<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>Mortgage insurance is required for all loans that are 80.01% LTV or higher</li> <li>Mortgage insurance must be ordered through a Mortgage Insurance Company approved by Fannie Mae</li> <li>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</li> <li>Borrower-paid monthly, split-premium, or single-premium mortgage insurance is acceptable</li> <li>Financed mortgage insurance premiums must be included in the LTV and CLTV.</li> </ul>	
<b>Homebuyer Education</b>	<ul style="list-style-type: none"> <li>Homebuyer Course Certificate is required through an eligible homebuyer counseling organization AND</li> <li>CalHFA Homebuyer Education specifically for <a href="#">Shared Appreciation Loans</a>.</li> </ul>	
<b>Borrower Requirements</b>	<ul style="list-style-type: none"> <li>Be a first-time homebuyer.</li> <li>Be either a citizen or other National of the United States, or a "Qualified Alien" as defined at 8 U.S.C § 1641.</li> <li>Meet credit, income and loan requirements of CalHFA's first mortgage loan program, the CalHFA-approved lender, CalHFA's Master Servicer, Lakeview Loan Servicing and the mortgage insurer, as applicable.</li> <li>At least one borrower must: <ul style="list-style-type: none"> <li>be a first-generation homebuyer.</li> <li>be a current California resident</li> </ul> </li> </ul>	
<b>Eligibility</b>	<ul style="list-style-type: none"> <li><b>One borrower</b> must be a <a href="#">first-generation homebuyer</a>.</li> <li><b>One borrower</b> must be current resident of California.</li> <li><b>All borrowers</b> must be <a href="#">first-time homebuyers</a>.</li> <li>Income must meet <a href="#">CalHFA Income Limits</a> for the county you are purchasing in.</li> </ul>	



## CalHFA Dream for All 1<sup>st</sup> Mortgage and Shared Appreciation 2<sup>nd</sup> Mortgage

<b>Non-Occupant Co-borrower</b>	<ul style="list-style-type: none"> <li>• NOT ALLOWED</li> <li>• All borrowers must occupy the property as their primary residence within sixty (60) days of closing.</li> </ul>	
<b>Property Types</b>	<b>Eligible</b>	<b>Ineligible</b>
	<ul style="list-style-type: none"> <li>• SFR/PUD (detached/attached)</li> <li>• Agency Approved Condo (low/high rise)</li> <li>• Multi-wide Manufactured Homes</li> </ul>	<ul style="list-style-type: none"> <li>• 2-4 units</li> <li>• Co-op Properties</li> <li>• Agricultural with income producing properties</li> <li>• Condotel</li> <li>• Single-wide Manufactured Homes</li> </ul>
<b>Non-Arm's Length Transaction</b>	<ul style="list-style-type: none"> <li>• Non-arm's-length transactions must be fully disclosed on purchase contract and appraisal.</li> </ul>	
<b>Temporary Buydown</b>	<ul style="list-style-type: none"> <li>• 2-1; 1-1; and 1-0 temporary buydowns are permitted as per Fannie Mae guidelines</li> <li>• Loan must be credit-qualified at Note rate</li> <li>• Temporary buydowns must be disclosed on the Final CD</li> </ul>	
<b>Repayment</b>	<ul style="list-style-type: none"> <li>• Upon sale or transfer of the home, the homebuyer repays the original down payment loan, plus a share of the appreciation in the value of the home</li> </ul>	