



Frequently Asked Questions About CalHFA Government Loan Programs

What government loan programs does CalHFA offer?

CalHFA offers the following government loan programs:

- CalPLUSSM FHA** Fully amortized 30-year fixed interest rate FHA-insured first mortgage. This loan is combined with the CalHFA FHA Zero Interest Program (ZIP) for closing costs and/or prepaid items only.
- The FHA ZIP second loan is only available with CalPLUS and is a silent second loan for either 2.00% or 3.00% of the first mortgage loan amount. The interest rate is zero percent (0.00%) and the payment(s) are deferred for the life of the first mortgage or until the property is transferred or the first mortgage loan is refinanced.
 - This CalPLUS loan may be combined with the MyHome Assistance Program (MyHome).
- CalHFA FHA** FHA-insured loan featuring a CalHFA fixed interest rate first mortgage. This loan is fully amortized for a thirty (30) year term and can be combined with the MyHome Assistance Program (MyHome).
- CalHFA VA** VA-guaranteed loan featuring a CalHFA fixed interest rate first mortgage. This loan is fully amortized for a thirty (30) year term and can be combined with the MyHome Assistance Program (MyHome).
- CalHFA USDA** USDA-guaranteed first mortgage loan program featuring a CalHFA fixed interest rate. This loan is fully amortized for a thirty (30) year term and can be combined with the MyHome Assistance Program (MyHome).

Who can originate CalHFA government loan programs?

Lender Eligibility Requirements

To be eligible to participate in this program, lenders must be approved by:

- CalHFA
- FHA, USDA and/or VA
- Lakeview Loan Servicing (LLS), CalHFA's master servicer

To seek LLS approval contact the Counterparty Risk Management team at CRM@lakeviewloanservicing.com.

My borrower(s) owns a rental property; can they keep the property and still be eligible for the CalHFA Government loan programs?

Yes, if they meet CalHFA's first-time homebuyer definition.

My borrower is not a first-time homebuyer, is the borrower still eligible for the CalHFA Government loan programs?

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|--------------------|--|
| CalPLUS FHA | No, all borrowers must be first-time homebuyers. Please see section 203(h) for exceptions. |
| CalHFA FHA | 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* |
| CalHFA VA | 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* |
| CalHFA USDA | 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* |

*Exceptions may apply, please see program handbook for full details

Do I need to make a reservation in the Mortgage Access System (MAS) before submitting a loan file to CalHFA?

Yes. The CalHFA-approved lender must make a reservation in MAS prior to loan submission.

Does CalPLUS FHA allow additional subordinate financing?

Yes, the MyHome Assistance Program (MyHome) and FHA-approved subordinate loan programs may be layered if they are in subordinate lien position to all CalHFA loans. In the case of conflicting guidelines, the more restrictive will apply.

What areas of California are eligible for CalHFA Financing?

CalHFA government loan programs are a state-wide program. Properties located anywhere within the State of California may be eligible for the program; however USDA Properties must be located in an USDA eligible rural area.

Are there sales price limits on CalHFA Government loan programs?

No, there are no sales price limits on CalHFA government loan programs.

What is the maximum loan amount for CalHFA Government loan programs?

- CalPLUS FHA** The maximum total loan amount (excluding Up Front Mortgage Insurance Premium) cannot exceed FHA loan limits for the county in which the property is located.
- CalHFA FHA** The maximum total loan amount (excluding Up Front Mortgage Insurance Premium) cannot exceed FHA loan limits for the county in which the property is located.
- CalHFA VA** The maximum loan amount (excluding Financed Guaranty Funding Fee) cannot exceed VA loan limits for the county in which the property is located.
- CalHFA USDA** The maximum loan amount (excluding upfront Guarantee fee, if financed) cannot exceed USDA loan limits for the county in which the property is located.

Are high balance loan limits allowed with CalHFA Government loan programs?

All loans with a base loan amount exceeding current Federal Housing Finance Agency (FHFA) posted loan limits will be subject to an additional fee. See [CalHFA rate sheet](#) for applicable fees.

All High Balance loan fees will be net funded at the time of first mortgage purchase by the master servicer.

Are condominiums eligible for CalHFA Government loan programs?

- CalPLUS FHA** Yes. CalHFA will allow approved condominiums that meet FHA Condominium Project requirements.
- CalHFA FHA** Yes. CalHFA will allow approved condominiums that meet FHA Condominium Project requirements.
- CalHFA VA** Yes. CalHFA will allow approved condominiums/PUDS that meet FHA/VA Condominium/PUD Project requirements.
- CalHFA USDA** In order for a condominium/PUD to be eligible for USDA guaranteed financing the project must meet all requirements of the USDA handbook as well as standards established by HUD, Fannie Mae, Freddie Mac, or VA. It is the responsibility of the lender and not the master servicer to meet these guidelines.

Is a manufactured home eligible for CalHFA Government loan programs?

CalPLUS FHA & CalHFA FHA

Manufactured homes are permitted with the following parameters:

- Single-wide manufactured homes are not eligible.
- Manual Underwriting is not permitted on manufactured homes.
- Minimum credit score: 660
- Maximum DTI: 45.00%
- All manufactured homes must meet *FHA 4000.1*, Master Servicer and CalHFA loan program requirements.

CalHFA VA

Manufactured homes are not permitted.

CalHFA USDA

Manufactured homes are permitted with the following parameters:

- Minimum credit score: 660
- Maximum DTI: 45.00%
- New Manufactured Homes (First Owner).
- Single-wide manufactured homes are not eligible.
- Leaseholds and Community Land Trusts are not eligible.
- Unit must not have ANY alterations or additions since construction in the factory (e.g., decks, porches not allowed).
- Manual Underwriting is not permitted on manufactured homes.
- All manufactured homes must meet *USDA 7 CFR 3550.73*, Master Servicer and CalHFA loan program requirements.

Are automated underwriting engines allowed for CalHFA Government loan programs?

CalPLUS FHA

All loans must be submitted through Fannie Mae's Desktop Underwriter® (DU®) and receive an "Approve/Eligible", or Freddie Mac's Loan Prospect Advisor (LPA) and receive an "Accept" recommendation or be downgraded to manual underwriting. The FHA Scorecard option must be used.

CalHFA FHA

All loans must be submitted through Fannie Mae's Desktop Underwriter® (DU®) and receive an "Approve/Eligible", or Freddie Mac's Loan Prospect Advisor (LPA) and receive an "Accept" recommendation or be downgraded to manual underwriting. The FHA Scorecard option must be used.

CalHFA VA

All loans must be submitted through Fannie Mae Desktop Underwriter (DU®) and receive an "Approve/Eligible", Freddie Mac Loan Product Advisor (LPA®) and receive an "Accept" recommendation.

CalHFA USDA

All loans must be submitted through Guaranteed Underwriting System (GUS). GUS Underwriting Recommendation of Accept/Eligible only.

Is Manual Underwriting permitted on CalHFA Government loan programs?

CalPLUSSM FHA Manual Underwriting is allowed with the following parameters:

- Maximum DTI ratio: 43.00%
- Minimum credit score: 660
- Borrowers without a credit score are not permitted.
- Must meet FHA requirements.
- Not permitted on Manufactured Homes.
- Non-traditional credit is not allowed.

CalHFA FHA Manual Underwriting is allowed with the following parameters:

- Maximum DTI ratio: 43.00%
- Minimum credit score: 660
- Borrowers without a credit score are not permitted.
- Must meet FHA requirements.
- Not permitted on Manufactured Homes.
- Non-traditional credit is not allowed.

Manual Underwriting is required for Section 184 Indian Home Loan Program:

- Maximum DTI ratio: Per HUD approval based on compensating factors.
- Must meet Section 184 requirements.
- All loans must be approved by HUD prior to submission to CalHFA.

FHA 184 Manual Underwriting is required.

FHA 203(h) Manual Underwriting or downgrades are not allowed.

CalHFA VA Manual Underwriting is not allowed.

CalHFA USDA Manual Underwriting is not allowed.

What is the maximum DTI for CalHFA Government Loans?

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

| 50.00% | 45.00% | 43.00% |
|--|--|---|
| <ul style="list-style-type: none"> ▪ Credit Score > 700 ▪ No Manual Underwriting or Manual downgrades allowed | <ul style="list-style-type: none"> ▪ Credit Score 640-699 ▪ No Manual Underwriting or Manual downgrades allowed ▪ Loans on Manufactured Homes | <ul style="list-style-type: none"> ▪ Manual underwrite or Manual downgrade allowed |

MCC may not be used for credit qualifying purposes.

What is the minimum credit score requirement for CalHFA Government loan programs?

CalHFA's minimum credit score is 640 for all Government loan programs.

CalHFA FHA or CalPLUS FHA must have a minimum credit score of 660 under the following scenarios:

- Manually underwritten loans
- Manufactured housing

Does CalHFA use the lowest credit score to determine the minimum representative credit score?

No. The middle score of the lowest scoring borrower is 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.

My borrower only has one credit score, is that okay for CalHFA Government loan programs?

Yes, one credit score is acceptable with DU Approve/Eligible findings.

Do all of my borrowers need to meet the minimum credit score requirement for CalHFA Government loan programs?

Yes, a minimum representative credit score is required for all borrowers. Borrowers with no credit score are not allowed.

Can I use Non-traditional credit for CalHFA Government loan programs?

No. Non-traditional credit is not eligible.

What is the maximum age of credit documents for CalHFA Government loan programs?

CalHFA will follow FHA, VA or USDA guidelines for the age of the credit documents.

What is the maximum LTV/CLTV for CalHFA Government loan programs?

- The maximum LTV is per FHA, VA or USDA guidelines.
- The maximum CLTV is 105%.

Can I use ZIP for down payment?

No, the FHA ZIP second loan is only available with CalPLUS FHA and may be used for closing cost and/or prepaid items only. ZIP may not be used for down payment or debt payoff.

The ZIP is for either 2.0% or 3.0% of the total first loan amount. Does the total loan amount include UFMIP?

Yes. The ZIP second loan is only available with the CalPLUS FHA and loan amount is calculated on the loan amount of the first mortgage + UFMIP.

What fees and related charges are allowed for CalHFA Government loan programs?

CalHFA allows:

- Customary origination fees not to exceed the greater of either 3% of the loan amount, or \$3,000.
- Other customary fees such as credit report fee, appraisal fee, insurance fee or similar settlement or financing cost.
- \$250 funding fee (payable to CalHFA's master servicer).
- \$75 tax service fee (payable to CalHFA's master servicer).
- \$10 Life of Loan Flood Certificate fee (payable to CalHFA's master servicer).

In all cases the lender must meet federal and California lending laws regarding fees and charges.

Does the Federal Recapture Tax apply to CalHFA Government loan programs?

No. Federal Recapture Tax does not apply.

Is homebuyer education required on CalHFA Government loan programs?

Yes. Homebuyer Education and Counseling is required for one occupying first-time homebuyer.

Homebuyer Education and Counseling is not required for non-first-time homebuyer(s).

- 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](#).

Is a temporary buydown available on CalHFA Government loan programs?

Yes. 2-1; 1-1; and 1-0 buydowns are permitted as per Investor and Master Servicer guidelines.

- Loan must be credit qualified at Note rate.
- Temporary buydowns are not processed through CalHFA's Secondary Marketing Unit
- Lender must enter buydown option in MAS
- Temporary buydowns must be disclosed on the Final CD.
- Buydown Agreement must be forwarded to Lakeview prior to loan purchase.
- Buydown funds will be net funded by Lakeview at time of first mortgage purchase.

Are permanent buydowns available on CalHFA Government loan programs?

Permanent buydowns are done on a case-by-case basis.

- All requests for permanent buydown must be emailed to ratelocks@calhfa.ca.gov.
- Buy downs are only allowed on our first mortgage loan programs.
- On a CalHFA rate locked loan, you must provide the CalHFA loan ID.
- If the loan has NOT been locked with CalHFA:
 - Provide the CalHFA first mortgage program they will be using.
 - Quote provided is good until 3 p.m. same day unless there is a mid-day rate change.

Will non-occupant co-signers or non-occupant co-borrowers be allowed for CalHFA Government loan programs?

No, non-occupant co-signers and non-occupant co-borrowers are not permitted.