

Dream for All Shared Appreciation Loan Program Resubordination Policy

CalHFA will allow a one-time resubordination of an existing Dream for All Shared Appreciation Loan if ALL of the following criteria are met:

- Resubordination requests must be submitted by a CalHFA approved lender
- Only one resubordination may be granted for the life of loan
- Refinanced loans must follow Fannie Mae guidelines for Limited cash-out refinances
- Refinanced loans must have a fixed rate
- The maximum combined loan to value ("CLTV") may not exceed 105%
- The property must be owner occupied by at least one (1) borrower on the deed
- The maturity date of the first mortgage to be refinanced must be at least ten (10) years in the future
- Borrower must have made a minimum of consecutive 12 monthly payments on the first mortgage with no late payments
- The refinanced loans must have an interest rate at least 0.50% lower than the original first mortgage loan
- The refinanced loans must have a monthly mortgage payment (PITI) at least \$50 less than the original first mortgage loan
- No additional liens may be taken out (HELOC etc.)
- PACE or HERO loans must be paid off and removed from title
- Insurance must name CalHFA as Loss Payee
- Subordination agreement must be executed with 90 days of the issuance of the agreement
- Non-refundable resubordination fee of \$400 must be paid upfront