

Hometown Equity Mortgage – CalHFA Matrix

FHA 203 (b)

CalHFA:

Transaction	FICO	DTI	Number of Units	Maximum LTV/CLTV
Primary Residence – Purchase				
Approve / Eligible	640	45%	1	96.50% / 105%
	700	50%		
Manual Underwrite	660	43%		
Manufactured Home (A/E Only)	660	45%		

CalPLUS: First Time Homebuyer Only

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Primary Residence – Purchase				
Approve / Eligible	640	45%	1	96.50% / 105%
	700	50%		
Manual Underwrite	660	43%		
Manufactured Home (A/E Only)	660	45%		

CalHFA Second

Transaction	FTHB	HB Education	1 year warranty	Notes
Zero Interest Program (ZIP)*	Yes	Yes	Yes	CalPLUS & CC only**
MyHome Assistance Program	Yes	Yes	Yes	Must be combined with a CalHFA first mortgage
Forgivable Equity Builder	Yes	Yes	N/A	< 80% AMI, No ZIP

* ZIP Must be used for closing costs and prepaid items only. Any funds due to the borrower from ZIP financing must be applied to ZIP principal reduction.

** If MyHome is used in Conjunction with a CalPLUSSM 1st then ZIP must be in 3rd position

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Upfront Mortgage Insurance Premium (UFMIP)			
All Mortgages: 175 Basis Points (bps) (1.75%) of the Base Loan Amount.			
Mortgage Term of More Than 15 Years			
Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$726,200	≤ 90.00%	50	11 years
	> 90.00% but ≤ 95.00%	50	Mortgage term
	> 95.00%	55	Mortgage term
Greater than \$726,200	≤ 90.00%	70	11 years
	> 90.00% but ≤ 95.00%	70	Mortgage term
	> 95.00%	75	Mortgage term
Mortgage Term of Less than or Equal to 15 Years			
Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$726,200	≤ 90.00%	15	11 years
	> 90.00%	40	Mortgage term
Greater than \$726,200	≤ 78.00%	15	11 years
	> 78.00% but ≤ 90.00%	40	11 years
	> 90.00%	65	Mortgage term

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Topic	Guideline
Guidelines	HUD 4000.1 Guidelines: https://www.hud.gov/program_offices/housing/sfh/handbook_4000-1
Loan Limits	FHA Mortgage Limits <ul style="list-style-type: none"> • https://entp.hud.gov/idapp/html/hicostlook.cfm
Homebuyer Education	Homebuyer education and counseling is required for at least one of the homebuyer. <ul style="list-style-type: none"> • Certificates are good for one-year. 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
Maximum Loan Amount	<ul style="list-style-type: none"> • Per FHA County Limits
4506 Transcripts	<ul style="list-style-type: none"> • Transcripts are required per income documentation type included in the loan file.
AUS System	<ul style="list-style-type: none"> • DU or LPA
Bankruptcy	<ul style="list-style-type: none"> • Per FHA Guidelines
Borrower Eligibility	Each borrower must: <ul style="list-style-type: none"> • Be either a citizen or other National of the United States, or a “Qualified Alien” as defined at 8 U.S.C. § 1641. • Meet the credit, income, property and loan requirements detailed in the CalHFA program handbook, as well as CalHFA’s Lender Manual, the first mortgage investor, the CalHFA-approved lender, the mortgage insurer or guarantor and CalHFA’s master servicer’s requirements. • Be a first-time homebuyer.
Building on Own Land	<ul style="list-style-type: none"> • Not Allowed
Compliance	<ul style="list-style-type: none"> • The loan file must contain a clear compliance cert on both the 1st and 2nd mortgages
Condominium	<ul style="list-style-type: none"> • Must be in an FHA HRAP approved project • Manufactured homes located in Condominium projects – Not Allowed
Credit Score	<ul style="list-style-type: none"> • Minimum credit score of 640 • Each borrower must have a minimum of one credit score.
DACA Borrowers	<ul style="list-style-type: none"> • Allowed
Deed Restrictions	<ul style="list-style-type: none"> • Age related restrictions only. All other deed restrictions are ineligible.
MyHome DPA	DPA Amount: <ul style="list-style-type: none"> • Up to 3.5% of the Sales Price or Appraised Value (lesser of). • Proceeds may be used for down payment and/or closing costs • 1% simple interest • No cash back to borrower • Payments deferred • FTHB only
DTI	<ul style="list-style-type: none"> • Per the AUS
Escrow / Impounds	<ul style="list-style-type: none"> • Required: Waivers are not allowed.
Escrow Holdbacks / Repair Escrows	<ul style="list-style-type: none"> • Not Allowed
Fees	<ul style="list-style-type: none"> • 3% maximum origination fees
Gift Funds	<ul style="list-style-type: none"> • Cash on hand is not an acceptable source of donor gift funds.
Geographic Restrictions	<ul style="list-style-type: none"> • California Only
Home Warranty	<ul style="list-style-type: none"> • 1 year required for FTHBs
Identity-of-Interest Transactions	An Identity-of-Interest transaction is a sale between parties with an existing business relationship or between family members. <ul style="list-style-type: none"> • The maximum LTV percentage for Identity-of-Interest transactions on purchase transactions is limited to 85%. • The maximum LTV percentage for a transaction where a tenant-landlord relationship exists at the time of sales contract execution is restricted to 85%.

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	<p>The 85% LTV restriction may be exceeded if the borrower purchases as their principal residence:</p> <ul style="list-style-type: none"> • The principal residence of another family member; or • A property owned by a family member where the borrower has been a tenant for at least six months immediately predating the sales contract. • An employee of a builder who is not a family member purchases one of the builder's new houses or models as a principal residence; or • The current tenant purchases the property where the tenant has rented the property for at least six months immediately predating the sales contract.
Income Limits	<ul style="list-style-type: none"> • https://www.calhfa.ca.gov/homeownership/limits/income/income.pdf
Ineligible Programs	<p>The following programs are not eligible:</p> <ul style="list-style-type: none"> • 203(h) Disaster Victims • 203(k) Rehabilitation Program • 235 Refinance of Borrowers in Negative Equity Positions • 247 Hawaiian Homelands • 248 Indian Lands • Energy Efficient Mortgage Program (EEM) • FHA Assumption Program • Good Neighbor/Officer Next Door • Graduated Payment Program • Growing Equity Mortgages • Housing Authority Subsidies • Loans to Non-Profit Organizations • Short Refinances
Ineligible Properties	<p>The following property types are not eligible:</p> <ul style="list-style-type: none"> • Assisted Living Properties • Bed and Breakfast Establishments • Boarding Houses • Commercial Properties • Condotels, Motels or Hotels • Co-ops • Fraternity or Sorority Houses • Hawaii Properties in Lava Zones 1 and 2 • Houseboats • Log or Dome Homes • Mobile Homes • Native American Indian Trust Lands • Newly Constructed Properties Located in Military Airfield Accident Prone Zone 1 • Private Clubs • Properties with Condition/Quality Ratings of C5, C6, or Q6 • Properties Contaminated by Methamphetamine Production or Use • Properties with More than One Accessory Dwelling • Properties Located within 75 Feet of an Operating/Proposed Gas or Oil Well • Properties Located within 10 Feet of a Pipeline Easement or High-Pressure Gas Line • Properties Located within 300 Feet of Above/Below Ground Stationary Storage Tanks Containing more than 1000 Gallons of Explosive/Flammable Fuel (Includes Gas Stations) • Properties Located in Coastal Barrier Resources Systems (CBRS) • Properties that do not meet FHA MPR/MPS. • Timeshares • Vacation Homes • Working Farms and Ranches
Land Trusts	<ul style="list-style-type: none"> • Not Eligible
Manufactured Homes	<ul style="list-style-type: none"> • Eligible
Manual Underwriting	<ul style="list-style-type: none"> • Allowed
Mixed Use Properties	<ul style="list-style-type: none"> • Not allowed

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Non-Occupant Co-Borrower	<ul style="list-style-type: none"> • Not allowed
Non-Traditional Credit	<ul style="list-style-type: none"> • Not Eligible
Number of Borrowers	<ul style="list-style-type: none"> • There can be no more than 4 borrowers per loan
PACE (HERO) Programs	<ul style="list-style-type: none"> • Not Eligible
Projected Income	<ul style="list-style-type: none"> • Not allowed
Sales Contracts	<ul style="list-style-type: none"> • Assigned Sales Contracts - Not Allowed
Section 8 Voucher	<ul style="list-style-type: none"> • Not Allowed
Tax Returns	<ul style="list-style-type: none"> • Amended tax returns that increase the borrower's income – Not Allowed • When the tax return reflects monies are owed to the IRS for the most recent tax year, evidence of payment to the IRS is required.
Temporary Buy Downs	<ul style="list-style-type: none"> • 2/1 temporary buydown allowed
Texas 50(a)(6)	<ul style="list-style-type: none"> • Not Allowed
Unpermitted Additions	<p>Acceptable Unpermitted Property Additions:</p> <ul style="list-style-type: none"> • The addition complies with all FHA guidelines • The addition does not result in a change in the number of units • The appraiser has no reason to believe the addition would not pass inspection for a permit.

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