Table of Contents

I. Program Summary 1

II. Eligibility 1
   a. Borrower Requirements
   b. Eligible Homebuyers
   c. Homebuyer Education
   d. Current Homeownership Requirement
   e. Owner Occupancy
   f. Property Requirements
   g. Lender Eligibility Requirements 2
   h. Broker Eligibility Requirements

III. Underwriting & Compliance 3
    a. Transaction type
    b. Term
    c. LTV and CLTV
    d. CalHFA Zero Interest Programs (ZIP)
    e. Maximum Loan Amount
    f. Maximum Sales Price Limits
    g. Income & Sales Price Limits
    h. Income Requirements
    i. Family income includes:
    j. Family income excludes:
    k. Qualifying Ratios
    l. Minimum Credit Score
    m. Automated Underwriting
    n. Sales Concessions/Contributions
    o. Miscellaneous Underwriting
    p. Mortgage Insurance
    q. Mortgage Insurance Coverage
    r. Genworth Mortgage Insurance Rates 7

IV. Subordinate Financing 7
   a. CalHFA Subordinate Financing
   b. Non-CalHFA Subordinate
   c. Other Programs and Assistance

V. CalHFA Loan Process (Submission, Approval & Purchase) 8
# Table of Contents (cont.)

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>VI. Fees</td>
<td>8</td>
</tr>
<tr>
<td>VII. Reservation &amp; Rate Lock</td>
<td>9</td>
</tr>
<tr>
<td>VIII. Basic Home Protection Coverage</td>
<td>11</td>
</tr>
<tr>
<td>IX. Pre-Closing Loan Submission</td>
<td>12</td>
</tr>
<tr>
<td>X. Post-Closing Loan Delivery &amp; Purchase</td>
<td>13</td>
</tr>
<tr>
<td>XI. Frequently Asked Questions</td>
<td>15</td>
</tr>
<tr>
<td>a. Sale Tools And Marketing Materials</td>
<td>19</td>
</tr>
</tbody>
</table>
Program Summary

The CalPLUSSM Conventional program is a Fannie Mae HFA Preferred™ fully amortized thirty (30) year fixed interest rate first mortgage. This loan is combined with the CalHFA Conventional Zero Interest Program (ZIP) for down payment and/or closing cost assistance.

The Conventional ZIP second loan is only available with CalPLUS and is a silent second loan for 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.

The CalPLUS loan is not subject to Recapture Tax.

Eligibility

Borrower Requirements

Each borrower must

- Be a U.S. citizen, permanent resident alien or qualified alien
- Meet the credit, income and loan requirements detailed in this program handbook, as well as CalHFA Lender Manual, Fthe CalHFA-approved lender, the mortgage insurer and CalHFA’s master servicer’s requirements

Eligible Homebuyers

This program is available for both first-time and non-first time homebuyers

Homebuyer Education

Homebuyer Education is required for one occupying first-time homebuyer. Homebuyer Education is not required for non-first-time homebuyer(s).

- Online Homebuyer Education through eHometm
- Face-to-Face Homebuyer Education through NeighborWorks America or through one of the HUD approved Housing Counseling Agencies

Current Homeownership Requirement

At the time of loan closing, no borrower may have an ownership interest in any residential dwelling per Fannie Mae Guidelines (a manufactured home, regardless of the type of property ownership, is considered a residential dwelling for this purpose).

Ownership in a timeshare is acceptable.

Owner Occupancy

- All borrowers must occupy the property as their primary residence within sixty (60) days of closing
- Non-occupant co-borrowers are not allowed
- Non-occupant co-signers are not allowed

Property Requirements

- Sales price of the home cannot exceed CalHFA’s sales price limits established for the county in which the property is located.
- Property must be a single-family, one-unit residence, including condominium/PUDs which are Fannie

(continued on next page)
Eligibility (cont.)

Mae eligible and meet U.S. Bank’s Condo guidelines for Delegated Lenders.

› Condominiums must have LTVs of 95.00% or below

Additional Property Guidelines

• Guest houses, “granny” units, and “in-law” quarters are eligible
  › Must be zoned for Single Family Occupancy
  › Cannot be zoned for 2-4 units
  › Must meet investor guidelines and city/county zoning ordinances
  › May not be income-producing; shall be for personal use only

• Manufactured housing is not permitted

• Leaseholds/Land Trusts and Co-ops are not permitted

• Non-permitted additions/alterations must follow Fannie Mae guidelines

• Lot size cannot exceed five (5) acres maximum

• Properties must meet the requirements of Fannie Mae and the California Health and Safety Code

• Defects and/or repair conditions identified by the appraiser on the appraisal report must be corrected prior to purchase by CalHFA’s master servicer
  › All units must be complete with respect to construction or repairs and ready to occupy

› Escrow Holdbacks must be released prior to purchase

Property Flipping

• Follow the Fannie Mae first-mortgage underwriting guidelines

CalHFA requires a copy of all appraisals as required by Fannie Mae.

When multiple appraisals are required, CalHFA will base the subordinate loan amount(s) on the lesser of the sales price or lowest appraised value.

Lender Eligibility Requirements

To be eligible for this program lenders must be approved by:

• CalHFA

• Fannie Mae or have access to HFA PreferredTM through a Desktop Originator (DO) sponsorship

• U.S. Bank, CalHFA’s master servicer
  To seek U.S. Bank approval, contact the Lender Management Group at Lender.management@usbank.com or 800-562-5165

• Genworth Mortgage Insurance
  To seek a Genworth Master Policy, you may apply online

Broker Eligibility Requirements

Mortgage brokers can find a list of participating CalHFA-approved wholesale lenders on CalHFA’s mortgage broker webpage

In addition, the following applies to all loans submitted through a wholesale lender:

• Minimum credit score of 660 for all broker loans

(continued on next page)
Eligibility (cont.)

- Credit Score of 680 still applies for Conventional loans above 95% LTV
- Brokers must complete the Anti-Steering Disclosure of Loan Options form
- All Conventional loans, regardless of LTV must be submitted to CalHFA’s master servicer for credit underwriting

Underwriting & Compliance

Transaction type
Purchase transactions only

Term
Up to 30 years

LTV and CLTV
Loan-to-Value (LTV) cannot exceed 97.00%

Combined Loan-to-Value (CLTV) cannot exceed 105.00%

Additional subordinate loan(s) and grants may also be eligible to be layered with the CalPLUS Conventional loan.

CalHFA Zero Interest Programs (ZIP)
The CalHFA Conventional Zero Interest Program (ZIP) can only be used with the CalPLUS Conventional loan for down payment and/or closing cost assistance. Cash back to the borrower from this loan is prohibited. Credit underwriting guidelines and details are inclusive within this program handbook.

- Interest rate: 0.00%
- Maximum ZIP loan amount for both first-time homebuyers and non-first-time homebuyers: 3.00% of the CalPLUS Conventional first mortgage loan amount

Example: $200,000 loan amount = $6,000 ZIP
- Term matches the term of the first mortgage. Payments on the ZIP are deferred for the life of the CalPLUS Conventional first mortgage
- ZIP must be in second position or may be in third position when combined with the MyHome Assistance Program only
- Repayment of the principal on the Conventional ZIP shall be due and payable at the earliest of the following events:
  › Transfer of title
  › Payoff or refinance* of the CalPLUS Conventional first mortgage
  › Formal filing and recording of a Notice of Default (unless rescinded)

*unless the ZIP is subordinated

Maximum Loan Amount
The maximum first mortgage loan amount cannot exceed $417,000.
Maximum Sales Price Limits

The Sales Price of the home cannot exceed CalHFA Sales Price Limits for the county in which the property is located.

Income & Sales Price Limits

The following reference materials disclose income and sales price limits by county:

1. CalHFA Income Limits
2. Sales Price Limits

Income Requirements

Lenders are required to calculate income to qualify borrower(s) for loan approval using Fannie Mae guidelines; in addition, CalHFA will review the borrower’s income pursuant to program compliance.

QUALIFYING INCOME VS. PROGRAM COMPLIANCE INCOME

Qualifying income is the income used by the lender to determine that the borrowers have the ability to meet their monthly obligation. Lender will continue to adhere to the guidelines of their internal underwriting guidelines, mortgage insurer, master servicer and this program handbook. This income may differ from the income used by CalHFA for program compliance purposes. All sources of income must be used to determine program compliance income limits.

MAXIMUM PROGRAM COMPLIANCE INCOME LIMITS

The income of all borrowers cannot exceed the published CalHFA income limits established for the county in which the property is located.

CalHFA will calculate family income for CalPLUS Conventional loan eligibility. “Family income” is defined as the annualized gross income of a mortgagor, and any other person who is expected to:

1. be liable on the mortgage
2. be vested on title; and
3. live in the residence being financed

Due to federal regulations, CalHFA is required to compile all information regarding borrower’s income.

Family income includes:

- Gross pay
- Overtime
- Bonuses
- Commissions
- Part-time employment
- Dividends
- Interest
- Annuities
- Child support payments
- Human assistance/services
- Pensions
- Disability payments
- Alimony
- Unemployment compensation
- Sick pay
- Income received from Trust or Business & Investments from all sources (both taxable and non-taxable) including but not limited to earnings
- Veterans Administration (VA) compensation
- Gross rental or leased income
- Deferred income
- Welfare payments
- Social security benefits
- Any regularly occurring additional income

(continued on next page)
Family income excludes:

- Gifts – casual, sporadic or irregular
- Lump sum additions to household assets, such as inheritances, insurance settlement, capital gains, student financial assistance, settlements for personal or property losses
- Education scholarships paid directly to the student
- Foster child care payments, adoption assistance payments if not used to credit qualify for the loan
- Income from household members not on title or the loan
- Food stamps

Verification of employment and other supporting documentation regarding income such as paycheck stubs should be no more than sixty (60) days old at the time of submission to the Agency for loan approval.

For more detailed information see Lender Program Manual.

Qualifying Ratios

The maximum total Debt-to-Income (DTI) ratio cannot exceed 45.00% regardless of automated underwriting decision or compensating factors.

Minimum Credit Score

<table>
<thead>
<tr>
<th>LTV</th>
<th>Min. Credit Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>95.01 - 97.00%</td>
<td>680</td>
</tr>
<tr>
<td>≤ 95.00%</td>
<td>640</td>
</tr>
</tbody>
</table>

- A borrower with no credit score may be eligible as long as an occupant borrower(s) has a credit score that meets the minimum representative credit score requirement (When one borrower has no credit score, mortgage insurance will use the lowest possible credit score to determine mortgage insurance rates)
- When all borrowers have a credit score, they must all meet the minimum representative credit score requirement
- The middle score of the lowest-scoring borrower should be used to determine eligibility

Automated Underwriting

Acceptable Automated Underwriting Systems:

- Fannie Mae Desktop Underwriter (DU®) with an Approve/Eligible recommendation
  - HFA Preferred must be selected in the Community Lender Product Field
  - CalHFA subordinate loans must be entered as Community Seconds
- Freddie Mac Loan Prospector (LP®) and other customized automated underwriting systems are not acceptable
- Manual Underwriting is not permitted

Sales Concessions/Contributions

Concessions/contributions are permitted per Fannie Mae guidelines except for the following:

(continued on next page)
• Payment of condominium fees
• Personal property
• Down payment assistance

Miscellaneous Underwriting

• All CalPLUS Conventional loans with LTVs of 95.01% - 97.00% must be submitted to U.S. Bank for Underwriting unless the lender is Fannie Mae 97 approved by U.S. Bank
  › U.S. Bank will rep and warrant that the loan is compliant with all applicable underwriting guidelines
    » The lender is responsible for rep and warranting in the event of fraud or misrepresentation
  › The CalHFA-approved lender will have no repurchase or early payoff/default indemnification responsibilities for any error resulting from the actual underwriting of the loan

• Credit Underwriting is also the responsibility of the originating lender

• All loans are subject to audit by both CalHFA and master servicer

• 2-1 temporary buydowns are permitted
  › Loan must be credit qualified at Note rate

• Borrower may not have an ownership interest in any other residential dwelling at the time of loan closing
  › A manufactured home, regardless of the type of property ownership is considered a residential dwelling for this purpose
  › An ownership interest in a timeshare is acceptable

In the case of conflicting guidelines, lender must follow the more restrictive to meet the credit, income limits, total debt-to-income ratio and loan and property requirements of CalHFA, Fannie Mae, mortgage insurer, lender or master servicer.

Mortgage Insurance

<table>
<thead>
<tr>
<th>LTV</th>
<th>How Ordered</th>
<th>M.I. Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>95.01% - 97.00%</td>
<td>By U.S. Bank at time of approval*</td>
<td>Genworth</td>
</tr>
<tr>
<td>≤ 95.00%</td>
<td>By lender before submission to CalHFA</td>
<td>Genworth</td>
</tr>
</tbody>
</table>

*unless lender is Fannie Mae 97 approved by U.S. Bank, then ordered by lender

Mortgage Insurance Coverage

• Either borrower paid monthly or single premium mortgage insurance is acceptable
  › Financed mortgage insurance premium must be included in the LTV and CLTV
  › If the financed mortgage insurance premium puts the LTV over 95.01% the loan must be submitted to U.S. Bank for credit underwriting.

<table>
<thead>
<tr>
<th>LTV</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>95.01-97% LTV</td>
<td>18%</td>
</tr>
<tr>
<td>90.01-95% LTV</td>
<td>16%</td>
</tr>
<tr>
<td>85.01-90% LTV</td>
<td>12%</td>
</tr>
<tr>
<td>80.01-85% LTV</td>
<td>6%</td>
</tr>
</tbody>
</table>
Subordinate Financing

CalHFA Subordinate Financing
This program may be layered with the following down payment and/or closing cost assistance options for first-time homebuyers only:

- MyHome Assistance Program
  › May be used for closing cost and/or downpayment assistance
  › In the case of conflicting guidelines, the lender must follow the more restrictive
  › Must be recorded in Second Lien Position
  › For full MyHome underwriting guidelines and details see the MyHome Program Handbook
- Extra Credit Teacher Program (ECTP)
  › May be used for down payment assistance and/or closing cost
  › In the case of conflicting guidelines, the lender must follow the more restrictive
  › For full ECTP underwriting guidelines and details see the ECTP Program Handbook

MyHome and ECTP may not be combined.

Non-CalHFA Subordinate
This program may be layered with a Fannie Mae approved Community Seconds program used for closing costs and/or down payment assistance per individual requirements.

- The locality subordinate loan must meet Fannie Mae Community Seconds guidelines
- The maximum CLTV must meet CalHFA requirements
- In the case of conflicting guidelines, the lender must follow the more restrictive

Other Programs and Assistance
This program may be layered with CalHFA Mortgage Credit Certificate Tax Credit Program (MCC Tax Credit Program) or other Mortgage Credit Certificate (MCC) programs for first-time homebuyers only:

- The MCC credit may be used for credit qualifying purposes as per investor guidelines
- In the case of conflicting guidelines, the lender must follow the more restrictive
- For full CalHFA MCC Tax Credit Program underwriting guidelines and details see MCC Tax Credit Program Handbook, or log onto the MCC Administrator’s website at www.ehousingplus.com
All loans must be rate locked prior to submission to U.S. Bank for Credit Underwriting

- For loans with an LTV 95.01% - 97.00%
  - Lender must submit a complete loan file to U.S. Bank for Credit Approval and Mortgage Insurance Approval
    - Lenders who are approved by U.S. Bank as delegated to underwrite the Fannie Mae HFA Preferred 97% do not need to submit the loan to U.S. Bank, but may underwrite the loan and order the mortgage insurance certificate directly from Genworth Mortgage Insurance
  - Lender simultaneously submits Compliance Package to CalHFA

- For loans with an LTV of ≤ 95.00%
  - Lender must submit a fully underwritten, lender approved loan package including a Genworth Mortgage Insurance Certificate to CalHFA for program policy and compliance review.

Both U.S. Bank and CalHFA will review loan files on a first-come, first-served basis. CalHFA reviewers will notify lenders of each conditional loan approval, suspension and/or rejection by email. If the package is incomplete, the process will be delayed and the file will be suspended until all items are complete and accurate.

Upon receipt of the Conditional Approval, the lender is authorized to close and fund the loan(s). After funding, the lender will then ship a closed first mortgage purchase package to CalHFA’s master servicer and any CalHFA subordinate loan (i.e. ZIP, MyHome or ECTP) purchase package(s) to CalHFA for purchase.

Lenders must submit applicable ZIP, MyHome or ECTP purchase packages to CalHFA at the same time the first mortgage is submitted to the master servicer to ensure that the purchase of all loans meet the rate lock expiration.

Fees

Loan Level Price Adjustment (LLPA)

- There are no LLPAs when using HFA Preferred™

Servicing Release Premium (SRP)

- Lenders will earn a 1.00% Service Release Premium to release servicing to master servicer at time of purchase
- Master servicer will purchase loans directly from lender on a daily basis

Lender Allowable Fees (Origination & Processing)

- Customary lender origination fees not to exceed the greater of 3% of the loan amount or $3,000
- Other customary third party fees such as credit report fee, appraisal fee, insurance fee or similar settlement or financing cost
- No additional fees are allowed for ZIP

(continued on next page)
Fees (cont.)

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

Master Servicer Fees

- The master servicer underwriting fee is $300 per loan, if applicable
- The master servicer funding fee is $400 per loan
- Tax Service fee to master servicer is $85 per loan

Reservation & Rate Lock

Interest rates are available on the CalHFA Interest Rate page. Interest rates are subject to change at any time without notice.

Reservation and Rate Lock

- A sales contract must be executed prior to reservation
- Lenders must reserve loans including ZIP, MyHome or ECTP using CalHFA Mortgage Access System (MAS) prior to loan submission
- At the time of reservation the lender will have the option to float or lock the interest rate
- Rate locks will only be accepted between the hours of 8:00 a.m. to 3:00 p.m. Pacific Time, Monday through Friday, excluding state-recognized holiday, and days that the U.S. financial markets are closed for business
  - Rate lock period will be sixty (60) days (45 days to fund/15 days to purchase) for both existing/resale properties and new construction properties

- Reservations with a floating rate will be accepted from 6:00 a.m. to 11:59 p.m. Pacific Time, seven days a week
  - Lender reserves loan for ninety (90) days on existing/resale properties or one hundred twenty (120) days on new construction properties
- The rate lock expiration date supersedes the reservation expiration date on both the first mortgage and all CalHFA subordinate loans
- Reservation and rate lock period will run without interruption
- CalHFA ZIP loans will be reserved and locked concurrently with the CalPLUS first mortgage. The ZIP will receive the same reservation, lock and purchase periods as the CalHFA first mortgage
- All CalHFA subordinate loan(s) will receive the same reservation, lock and purchase periods as the first mortgage

(continued on next page)
Reservation & Rate Lock (cont.)

Rate Lock Requests made after Reservation (Float option only):

- Lender must complete the Rate Lock Request in MAS
  - Using the Main Menu go to the Loan Inquiry screen and then the Loan Detail Page then click on the Rate Lock Request button
- Only users with full access to MAS may lock the loan
- Rate Locks will only be available for loans at a status 120 (New Reservations) through 440 (Conditional Approval)
- Fax or telephone rate lock requests will not be accepted
- When requesting a rate lock, the request must be at the same or lower interest rate than the rate at which the previously submitted file was underwritten or rate lock will not be accepted
- For loan files with a higher requested locked rate than the initial file submission, the lender must re-submit all updated loan documents at the higher rate including Approved/Eligible DU® findings Transmittal Summary (1008) and final underwriting approval for CalHFA's consideration and rate lock

Delivery Timeframes, Re-Reservations and Extensions:

- The first mortgage loan must be funded, delivered and purchased by the master servicer prior to the rate lock expiration
  - All CalHFA subordinate loans must be funded, delivered and purchased by CalHFA concurrently with the first mortgage prior to the reservation expiration date
- All rate lock extensions must be requested from CalHFA's Secondary Marketing Unit via email (rate-locks@calhfa.ca.gov) prior to the rate lock expiration date
  - If the rate lock has expired or is cancelled, lender may not re-lock until sixty (60) days after previous expiration date
  - All expired CalHFA first mortgage loans and their associated subordinate loans, that have been submitted to CalHFA, regardless of status, will receive an automatic 30-day extension at the rates and fees indicated below unless the loan has been previously extended by the lender
  - CalHFA offers rate lock extensions in 15 day increments up to a maximum of 60 days from the original expiration date
  - The fees for all first mortgages loans will be net funded at the time of purchase by our master servicer(s)
    - This fee may be charged to the borrower(s) or seller(s). Refer to your compliance department for how to disclose this fee
  - All subordinate loans will automatically be extended when the first mortgage is extended

(continued on next page)
Reservation & Rate Lock (cont.)

› The fees for all subordinate loans will be net funded at the time of purchase by CalHFA

› Rate lock extensions:

<table>
<thead>
<tr>
<th></th>
<th>First Mortgage</th>
<th>ZIP</th>
<th>MyHome or ECTP</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 days</td>
<td>0.1875%</td>
<td>$0</td>
<td>$125</td>
</tr>
<tr>
<td>30 days</td>
<td>0.3750%</td>
<td>$0</td>
<td>$250</td>
</tr>
<tr>
<td>45 days</td>
<td>0.5625%</td>
<td>$0</td>
<td>$375</td>
</tr>
<tr>
<td>60 days</td>
<td>0.7500%</td>
<td>$0</td>
<td>$500</td>
</tr>
</tbody>
</table>

Mandatory Home Warranty Insurance Coverage

› CalHFA requires that all first-time homebuyer(s) obtain a one-year home warranty protection policy

› Non first-time homebuyers are not required to obtain a home warranty protection

› The insurance must cover the following items at a minimum:

› Water Heater(s)
› Air Conditioning
› Heating

› Oven/Stove/Range

› Home Warranty to be paid through close of escrow

› Home Warranty must be disclosed on Final HUD-1 or copy of insurance declaration page will be required

› Exception to Home Warranty:

› If borrower is purchasing a new construction property from a builder and the builder is providing the home warranty

› Borrower is not a First Time Homebuyer

› Lender should factor in its own processing/underwriting time frames, as well as CalHFA compliance and conditional approval review, and master servicer review for purchase time frames when locking interest rates and submitting loan files.
Pre-Closing Loan Submission

**Loan Submission Process**

A lender makes reservations through CalHFA’s Mortgage Access System (MAS). Only one loan package is required when submitting a loan with multiple sources of CalHFA financing. Refer to the Loan Submission Checklist for minimum documentation requirements.

All closed first mortgages must meet Fannie Mae standards.

All CalHFA Conventional loans with a LTV of 95.01% – 97.00%* must be submitted to U.S. Bank for credit underwriting and Mortgage Insurance approval. Lender simultaneously submits the Compliance Package to CalHFA at time of submission to U.S. Bank.

**U.S. Bank Home Mortgage**

Attention: Underwriting Department
17500 Rockside Road
Bedford, OH 44146
Mail Code: CN-OH-R2F2
Help Desk: 800-562-5165

* Exception: Lenders who are approved by U.S. Bank as delegated to underwrite the Fannie Mae Preferred 97% will submit loan directly to CalHFA including the Genworth Mortgage Insurance Certificate

All CalPLUS Conventional loans with a LTV ≤ 95.00% must be fully underwritten by the lender including the Genworth Mortgage Insurance Certificate prior to being submitted to CalHFA for automated underwriting validation and program compliance review.

CalPLUS Conventional loan submission packages are to be sent to:

**CalHFA**

Single Family Lending – MS 300
500 Capitol Mall, Suite 400
Sacramento, CA 95814
877.922.5432

After validation review, CalHFA will issue a Conditional Approval, Loan Suspension, or a Denial. Once the loan is conditionally approved, the loan may be funded, closed and delivered for purchase. All closed first mortgages must meet Fannie Mae standards.

**Checklist**

Use the Loan Submission Checklist to ensure you are submitting a complete and accurate package.

**Forms**

The following forms will be needed when submitting a CalPLUS Conventional Loan to CalHFA:

1. CalHFA Borrower Affidavit
2. Tax Return Affidavit
Post-Closing Loan Delivery & Purchase

Purchase Procedures

Ship all closed first mortgage loan package(s) within ten (10) business days after loan closing to the master servicer.

- All files received for purchase are time and date stamped.
- If the loan file has deficiencies, the master servicer will communicate via email.
  - Loan deficiency recap report will be sent out weekly.
- All loans must be program approved and deficiency free before they can be purchased.

All CalHFA First Loans:

- Notes are to be endorsed to U.S. Bank National Association.
- Deed of Trust to be assigned to U.S. Bank National Association.
  - Loans may be registered via Mortgage Electronic Registration Systems (MERS) in lieu of Assignment of Mortgage Deed of Trust.
- Send CalPLUS Conventional closed loan files and documents to:
  - U.S. Bank MRBP
    17500 Rockside Road
    Bedford, OH 44146
    Attn: Operations Department
    lender.management@usbank.com
    Help Desk: 800-562-5165

- Loss Payee Clause:
  - U.S. Bank National Association
    Its successors and/or assigns as their interest may appear.
    c/o U.S. Bank Home Mortgage
    P.O. Box 7298
    Springfield, OH 45501-7298

All CalHFA Subordinate Loan(s):

- All CalHFA subordinate loans must be funded, delivered and purchased by CalHFA concurrently with the first mortgage.
- Subordinate loan documents are to be drawn in the lender's name.
- Send ZIP, MyHome or ECTP (if applicable) closed loan files and documents to:
  - CalHFA
    Single Family Lending – MS 300
    500 Capitol Mall, Suite 400
    Sacramento, CA 95814
    877.922.5432

- Loss Payee Clause:
  - California Housing Finance Agency
    Its successor and/or assigns
    Single Family Servicing – MS 980
    500 Capitol Mall, Suite 400
    Sacramento, CA 95814

ZIP Lien Position:

- The ZIP must be in second position or may be recorded in third position behind a MyHome Assistance Program only.

(continued on next page)
CalHFA MCC Tax Credit Closing Package(s):

- All final Closing Packages for the MCC application and documents should be submitted to the MCC Program Administrator at:

  eHousingPlus
  3050 Universal Boulevard, Suite 190
  Weston, FL 33331
  954.217.0817

Checklists

Use the Loan Purchase Checklist to ensure you are submitting a complete and accurate package.

Lender must use the following forms:

1. Most current version of standard Conventional Fixed Rate Note
2. Most current version of standard Conventional Deed of Trust
3. Lender must also use other applicable documents (e.g., PUD Rider, etc.)
4. ZIP (Conventional only) Promissory Note
5. ZIP (Conventional only) Deed of Trust
6. Subordinate Mortgage Submission Voucher Part II
**Frequently Asked Questions**

**What is the CalPLUS Conventional Loan Program?**

The CalPLUS™ Conventional program is a Fannie Mae HFA Preferred™ fully amortized thirty (30) year fixed interest rate first mortgage. This loan is combined with the CalHFA Conventional Zero Interest Program (ZIP) for down payment and/or closing cost assistance.

The Conventional ZIP second loan is only available with CalPLUS and is a silent second loan for 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.

**Who can originate CalPLUS?**

**Lender Eligibility Requirements**

To be eligible for this program lenders must be approved by:

- CalHFA
- Fannie Mae or have access to HFA Preferred™ through a Desktop Originator (DO) sponsorship
- U.S. Bank, CalHFA's master servicer
  To seek U.S. Bank approval, contact the Lender Management Group at Lender.management@usbank.com
- Genworth Mortgage Insurance
  To seek a Genworth Master Policy, you may apply online

**My borrower(s) wants to sell their current primary residence, are they eligible for the CalPLUS Conventional?**

Yes, at the time of loan closing, the borrower may not have an ownership interest in any residential dwelling. Evidence must be provided to document that the other property(ies) has been disposed.

**My borrower(s) owns a rental property; can they keep the property and still be eligible for the CalPLUS Conventional?**

No, at the time of loan closing, the borrower may not have an ownership interest in any residential dwelling.

**My borrower is not a first-time homebuyer, how many years’ tax returns do I need to submit for the CalPLUS Conventional?**

One (1) year tax return is required for a non-first-time homebuyer.

**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 our LAS prior to loan submission.

**Does CalPLUS allow additional subordinate financing?**

Yes. The MyHome Assistance Program or Extra Credit Teacher Program (ECTP) and Community Second subordinate loan programs may be layered with CalPLUS. In the case of conflicting guidelines, the more restrictive will apply.

*(continued on next page)*
FAQ’s (cont.)

What areas of California are eligible for CalPLUS?

CalPLUS is a state-wide program. Properties located anywhere within the State of California may be eligible for the program.

Are there sales price limits on CalPLUS?

Yes. The sales price of the property must be within CalHFA’s published sales price limits. These sales price limits can be found on the CalHFA website.

What is the maximum loan amount for CalPLUS?

The maximum total first mortgage loan amount cannot exceed $417,000.

Are condominiums eligible for CalPLUS?

Yes. Condominiums must have LTVs of 95.00% or below.

Is a manufactured home eligible for CalPLUS?

No. CalPLUS loan program does not permit manufactured housing.

What automated underwriting engines do you allow for CalPLUS?

CalHFA will only accept the most recent version of Fannie Mae’s Desktop Underwriter® (DU®) with the HFA Preferred™ option.

What are the minimum credit score requirements for CalPLUS?

<table>
<thead>
<tr>
<th>LTV</th>
<th>Min. Credit Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>95.01 - 97.00%</td>
<td>680</td>
</tr>
<tr>
<td>≤ 95.00%</td>
<td>640</td>
</tr>
</tbody>
</table>

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

No. The middle score of the lowest scoring borrower is used to determine eligibility.

My borrower only has one credit score. Is that okay for CalPLUS?

No, credit data from a minimum of two (2) repositories, three (3) preferred. Representative Credit Score is the lowest score (middle of three (3), lower of two (2)) of all borrowers.

Do all of my borrowers need to meet the minimum FICO score requirement for CalPLUS?

A minimum representative credit score of 640 is required for all borrowers who have a credit score. When the borrower’s spouse has no credit score they may be eligible if they obtain Approve/Eligible findings.

Can I use a Non-Traditional credit report for CalPLUS?

Yes. Non-traditional credit reports may be eligible for CalPLUS as per Fannie Mae and the mortgage insurer’s guidelines as long as the credit report has been scored and meets the minimum representative credit score.

Is manual underwriting permitted for CalPLUS?

No. Manual underwriting is not permitted.
FAQ’s (cont.)

What is the maximum age of credit documents for CalPLUS?

CalHFA will follow Fannie Mae guidelines for the age of the credit documents; however, all income documents must be sixty (60) days old or less at the time of submission to CalHFA.

What is the maximum LTV/CLTV for CalPLUS?

The maximum LTV is 97.00%. The maximum CLTV is 105%.

Can I use the ZIP for closing cost?

Yes. ZIP may be used for down payment and/or closing cost.

Does the borrower have to have a cash down payment for the CalPLUS?

No, CalHFA does not require a minimum borrower investment from the borrower. Please follow Fannie Mae MyCommunityMortgage® (MCM®) and your mortgage insurer’s guidelines.

What fees and related charges are allowed for CalPLUS?

CalHFA allows:

- Customary lender origination fees not to exceed the greater of 3% of the loan amount or $3,000
- Other customary third-party fees such as the credit report fee, appraisal fee, insurance fee or similar settlement or financing cost. No additional fees are allowed for ZIP
- $400 funding fee (payable to CalHFA’s master servicer)
- $85 tax Service Fee (payable to CalHFA’s master servicer)
- $300 underwriting fee (payable to CalHFA’s master servicer, if applicable)
- In all cases the lender must meet federal and California lending laws regarding fees and charges.

Does CalPLUS require the borrower to be a first-time homebuyer?

No. This program is open to both first-time and non-first-time homebuyers.

Does the Federal Recapture Tax apply to CalPLUS?

No. Federal Recapture Tax does not apply to this program.

Is homebuyer education required for CalPLUS?

Homebuyer Education is required for one occupying first-time homebuyer. Homebuyer Education is not required for non-first-time homebuyer(s).

- Online Homebuyer Education through eHome
- Face-to-Face Homebuyer Education through NeighborWorks America or through one of the HUD approved Housing Counseling Agencies

Is a temporary buydown available for CalPLUS?

2-1 temporary buydowns are permitted

- The borrower must be qualified based on the note rate, considering the borrower’s current obligations and other mortgage-related obligations

(continued on next page)
FAQ’s (cont.)

Will co-signers be allowed for CalPLUS?

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

Will non-occupying co-borrowers be allowed for CalPLUS?

No. Non-occupying co-borrowers are not permitted.

Is there a re-lock fee for the CalPLUS?

There is no re-lock fee. If the rate lock expires or the loan is cancelled, it can only be re-reserved and locked after a sixty (60) day waiting period, subject to guidelines in effect at that time.

I had to cancel a CalPLUS reservation after Conditional Approval. The sixty (60) days has now passed and I have re-reserved the loan. Do I need to submit a new file to CalHFA?

Yes. The lender must submit a new file to CalHFA with current documentation. Every file that has a new reservation number must have its own file and go through the approval process.

When will I be able to lock my interest rate for CalPLUS?

CalPLUS has two locking options. The rate can be locked at reservation or at any time during the reservation period if the float-to-lock option is chosen.

I have chosen the float option for CalPLUS, and my loan has already been conditionally approved by CalHFA, but the rate has increased since approval. Do I need to have my loan re-underwritten?

Yes. CalHFA requires that the loan be approved by both the Lender and CalHFA at a rate that is equal to or higher than the requested interest rate at time of lock.

What is the rate lock period for the CalPLUS?

The rate lock period will be for sixty (60) days.

I cannot close my loan in time. Can I get a rate lock extension?

All rate lock extensions must be requested through CalHFA’s Secondary Marketing Unit via email (ratelocks@calhfa.ca.gov) prior to the expiration of the current rate lock. Rate lock extension fees are posted on the CalHFA Rate Sheet.

Can my borrower pay for the cost of the CalPLUS rate lock extension?

Yes. The borrower(s) or seller(s) may be charged with the cost of the extension fee for the first mortgage. At the time of purchase by CalHFA’s master servicer, the rate lock extension fee(s) are to be net funded from the lender’s proceeds.

What if the borrower changes properties? Can I cancel the existing reservation and re-reserve the CalPLUS?

Yes, reservations are borrower, property and lender specific. If the borrower changes properties, the existing reservation must be cancelled before a new reservation is made. The underwriting and program guidelines in effect at the time of the re-reservation will apply.

(continued on next page)
FAQ’s (cont.)

My borrower had a loan reservation with another lender, but now they want to go through me. Can I reserve the CalPLUS?

If the rate was not locked on the other lender’s reservation, the new lender may reserve the loan once the previous reservation is cancelled by the original lender. If the rate was locked by CalHFA, the new lender may reserve the loan after the sixty (60) day wait period from the original rate lock expiration.

Does the CalPLUS need to be delivered to the master servicer by the rate expiration date?

No. The loan must be delivered and purchased by the master servicer prior to the rate lock expiration date. CalHFA suggests loan delivery by the 45th day of the rate lock so suspension items have time to clear by the rate lock expiration date.

How often does the master servicer purchase for CalPLUS?

The master servicer will purchase approved loans on a daily basis.

Sale Tools And Marketing Materials

1. Conventional Program Matrix
2. Scenario Calculator
3. Loan Submission, Review and Purchase Flow Chart for Conventional
4. CalPLUS w/ZIP Flyer
5. CalPLUS w/ZIP Fillable Flyer
6. CalPLUS w/ZIP Spanish Flyer
7. CalPLUS w/ZIP Spanish Fillable Flyer
8. Lending Heroes Flyer
9. Lending Heroes Fillable Flyer
10. Lending Heroes Spanish Flyer
11. Lending Heroes Spanish Fillable Flyer
12. Lending Heroes Korean Flyer
13. 5 Easy Steps to Buying Your First Home Flyer
14. 5 Easy Steps to Buying Your First Home Spanish Flyer
15. CalHFA and Listing Agents: a Great Team! Flyer
16. 5 Tips for CalHFA Doc Draw and Closing Flyer