

# Mountain West Financial<sup>®</sup> Valued Partner CalHFA Training 6-30-22



Mountain West Financial<sup>®</sup>



# What it is:

- Selection of FHA or Conventional fully amortized, fixed rate mortgages with optional Down Payment Assistance\*
- Options for repeat buyers as well as first time homebuyers (FTHB)
- No minimum required investment - Borrower may need little or no money down to purchase their first home

\*MWF-approved DPAs other than the CalHFA DPAs may be used in lieu of the CalHFA DPAs with prior approval of MWF, CalHFA and Master Servicer. All CalHFA first mortgage liens must be superior. For example:

CalHFA 1<sup>st</sup>

CalHFA ZIP 2<sup>nd</sup>

City of XYZ DPA 3<sup>rd</sup>

# Program Requirements

- MWF Initial Underwriting Approval prior to locking
- Max CLTV 105%
- Minimum CLTV 80% if using the CalHFA Forgivable Equity Builder 2nd
- Max DTI is 50.00% > 700 FICO with AUS approval (no manual underwrites) & 45.00% < 700 FICO & manufactured homes.
  - MCC credit cannot be used to qualify
- Conventional loans - DU Approve Eligible
  - 680 minimum credit score for Standard rate & Manufactured homes
  - 660 minimum credit score for Low Income (LI) rate
  - Manual underwrites are not permitted
- Government loans
  - 640 minimum credit score
  - 660 Manufactured homes
  - FHA - LPA or DU
    - Manual Underwriting permitted 660 FICO 45% Max DTI
- Non-occupant co-borrowers or co-signers are not allowed
- All owners/title holders must also be on the loan application. (No Title only)

# Maximum Allowable Fees

- Origination Fee: Borrower Paid Only.
- Max Broker Compensation: Lesser of 2.50% or the amount of the Broker's existing comp plan
- A 1<sup>st</sup> mortgage processing fee may be allowed. Details are on the following slide.
- No other Broker fees may be charged
- Standard Third Party fees (escrow, title, etc.) are allowed

# Maximum Allowable Fees

- A processing fee may be included as long as the total lender fees do not exceed the greater of 3% or \$3,000 of the loan amount, including the standard \$1095 MWF underwriting fee. Please note that the origination fee may not be greater than the standard compensation plus processing fee. For example, if standard comp is 2.00%, you must limit the origination charge to 2.00% plus standard processing, as the origination fee should not be increased even if the total fees are under the greater of 3.00% or \$3,000.
- No other broker fees are allowed

# Maximum Allowable Fees

- MWF underwriting fee: \$1095
- Master Servicer Funding Fee: \$250 (Section B of LE)  
Note for Disclosures and CD tech: Label as Master Servicer
- Processing fee: \$250 paid to MWF (MyHome) \$50 paid to MWF (ZIP & Forgivable Equity Builder)

# Best Rate Options – Conventional Only

- No DPA Rate – Repeat and FTHBs
  - CalHFA Conventional loan without any of our down payment or closing cost assistance
- Low Income (LI) Rate
  - Borrowers who are income eligible for HomeReady
  - Still have to meet CalHFA Income Limits
  - Use HomeReady income limits per Lookup Tool to determine if Low Rate eligible.
  - If not low-income eligible, Standard Rate applies

# CalPLUS Conventional With Zero Interest Program (ZIP)

- CalHFA Conventional first mortgage up to 97% LTV with built in assistance for closing costs
- Additional fee applies to loans over \$647,200
  - Only applicable if Fannie, HomeReady loan limit allows
  - Max LTV of 95.00% for loans over \$647,200
- Any Fannie approved mortgage insurance company
  - Lower MI coverage only applies for HomeReady (80% AMI) income eligible borrowers



# CalPLUS Conventional With Zero Interest Program (ZIP) Continued

- ZIP = 2% or 3% of the total first mortgage loan amount, including UFMIP
- Zero interest rate
- Deferred payments
- Can only be used for closing costs
- Can be combined with MyHome
- First Time Homebuyers Only

# CalPLUS FHA With Zero Interest Program (ZIP)

- FHA insured first mortgage with built in assistance for closing costs
- Additional fee applies to loans over \$647,200
  - Only applicable if FHA's loan limits allow
- ZIP = 2% or 3% of first mortgage total loan amount
- Zero interest rate
- Deferred payments
- Can only be used for closing costs
- Can be combined with MyHome
- First Time Homebuyers Only

# CalHFA Conventional

- Fannie, HomeReady guidelines with CalHFA Income Limits
- Available for both first time homebuyers and repeat buyers
- Low income rate available
- If first time homebuyer can be combined with MyHome

# CalHFA FHA

- Lower Interest Rate vs CalPLUS
  - FHA guidelines with CalHFA overlays
- Available for both first time homebuyers and repeat buyers
- If first time homebuyer can be combined with MyHome

# MyHome Assistance Program

- Loan amount
  - 3.5% for FHA
  - 3% for Conventional
  - Based on the sales price or appraised value (whichever is less)
- Can be used for down payment and/or closing costs
- First Time Homebuyers Only
- Can be combined with ZIP
- 1.00% simple interest. Deferred payments

# Forgivable Equity Builder Program

- 10% of the lower of sales price or appraised value
- Forgiven 20% annually from date of note.
- 0% Interest rate
- Can be used for Down Payment & Closing Costs
- First Time Homebuyers only
- Income Limit 80% AMI using lender's qualifying income
- Cannot be used with the CalPLUS 1st mortgage programs or combined with ZIP or MyHome.

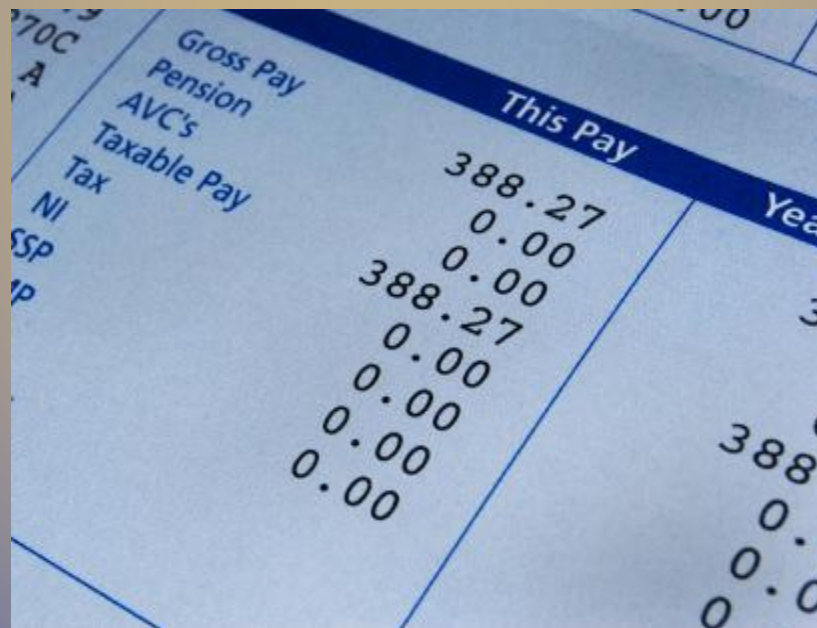
# Homebuyer Education

Homebuyer education and counseling is required for one occupying first-time homebuyer. Certificates are good for one-year. Homebuyer education and counseling is not required for non-first-time homebuyer(s).

- Virtual live or in-person Homebuyer Education through NeighborWorks America or through one of the HUD approved Housing Counseling Agencies.
- Online Homebuyer Education through eHome™

# Income Limits

- Borrower's income can not exceed the CalHFA generous income limits
- Use Lender's Loan Qualifying income to calculate income for program limit



A close-up photograph of a pay stub. The document is tilted and shows a table with columns for 'This Pay' and 'Year'. The rows list various income components and their corresponding values. The 'This Pay' column shows a value of 388.27 for Gross Pay, and 0.00 for Pension, AVC's, Taxable Pay, and Tax. The 'Year' column shows a value of 3 for the year.

	This Pay	Year
Gross Pay	388.27	3
Pension	0.00	
AVC's	0.00	
Taxable Pay	388.27	
Tax	0.00	
NI	0.00	
SSP	0.00	
MP	0.00	



# Property Requirements

- Primary Residence only
- 1-Unit SFR, Condo and Manufactured Homes, Guest Houses
- Ineligible: 2-4 Units, Co-ops, Single-wide Manufactured Homes, Second Homes and Investment Properties. FHA single unit condo approvals are not permitted

# Property Requirements

- 1 Year Home Warranty - Coverage to include
  - Water heater
  - HVAC
  - Stove/Oven
  - Exceptions for new construction and non first time homebuyers
- Manufactured Home
- No Manual underwriting
  - FHA to 96.5% LTV
  - Conventional
    - MH Advantage to 97% LTV
    - MH Standard to 95% LTV

# Lock Process

Loan must have MWF Underwriter initial approval before locking

MWF will accept locks from 8:30 AM to 2:00 PM PT.

When locking a CalHFA 1st with a MyHome 2nd and a ZIP 3rd, all 3 lock requests must be submitted in PML before the loans can be locked. Submit the lock request for 1st and MyHome 2nd, then submit the lock request for ZIP 3rd separately.

All locks will be issued for 30 days only

Locks for subordinate liens will have the same expiration date as the corresponding 1st lien, regardless of when they are locked

# Forms/Submission/Closing

Includes, but is not limited to:

- ZIP Interest Rate Disclosure
- Completed Submission Checklist
- Broker submits file to MWF
- MWF will reserve & submit the file electronically to CalHFA
- Turn times are located on CalHFA's website

# Forms/Submissions/Closing

- Ensure First Time Buyer Indicator is checked if FTHB
- Set the PMI Indicator in BOLT to “Borrower Paid Monthly”
  - This will ensure the conventional loan programs show up in the results. If Borrower Paid is not selected, ONLY FHA loan products will appear.

## Other Information

Loan Originator is Paid By  Lender  Borrower

Lender Fee Buyout Requested?

Expected AUS Response

Number of Financed Properties  [explain](#)

Prior Sales Date  [explain](#)

Conv Loan PMI Type

Is UFMIP/FF Financed?  Yes  No

Override Auto-Calculated UFMIP/FF?  Yes  No

FHA UFMIP  VA Funding Fee

When using both ZIP & MyHome, ZIP is in 3<sup>rd</sup> lien position behind MyHome 2nd

# Resources

- How to Price and Register your Loan located inside BOLT:

## Obtain Pricing and Register CalHFA CalPLUS MyHome & ZIP Programs WHOLESALE

### REGISTRATION OF CALPLUS MYHOME & ZIP

Because the broker will only have the ability to register one subordinate financing amount in BOLT, the COMBINED assistance amount needs to be input into the 2<sup>nd</sup> Financing Amount field at the time of registration to ensure disclosures are issued properly. A MWF LE Tech will separate the liens on the back-end after loan reservation.

For example, if the borrower is selecting the ZIP assistance (2% or 3%) under the CalPLUS FHA program AND they also want to take advantage of the 3.5% MyHome assistance, the total assistance amount would be 5.5% or 6.5%. Let's assume a sales price of \$300,000 and calculate the total assistance amount:

<b>Sales Price</b>	<b>\$300,000</b>	
Base First Loan Amount	\$289,500	(Sales Price X 96.5%)
Total First Loan Amount	\$294,566	(Base Loan Amount + 1.75% UFMIP)
MyHome Amount 3.5% (2nd Lien)	\$10,500	(3.5% X Sales Price)
ZIP Loan Amount 3.0% (3rd Lien)	\$8,837	(3.0% X Total First Loan Amount) – Max
<b>Total DPA Assistance</b>	<b>\$19,337</b>	

As a tool to assist with calculating the various lien amounts, use the [CalHFA Loan Scenario Calculator](#).

# Resources

AMP: Complete program details are located inside BOLT

## AFFORDABLE HOUSING LOAN PROGRAMS

California

Select Program Type

Active

CalHFA

FIND

Program Name	Program Type	State	Status
CalHFA CalPLUS Conventional First Mortgage Loan Program with ZIP (HFA Preferred)	Combined Assistance	CA	Active
CalHFA CalPLUS FHA First Mortgage with ZIP	Combined Assistance	CA	Active
CalHFA Conventional First Mortgage Loan Program (HFA Preferred)	1st Mortgage	CA	Active
CalHFA FHA First Mortgage Loan Program	1st Mortgage	CA	Active
CalHFA MyHome Assistance Program - Conventional	Combined Assistance	CA	Active
CalHFA MyHome Assistance Program - FHA	Combined Assistance	CA	Active

# Quiz Time!

- The final step before originating a CalHFA loan is to successfully complete a short certification quiz.
- The quiz is located on the wholesale site under Grow Your Business/Certification webinars:  
<https://www.classmarker.com/online-test/start/?quiz=bmt575a11741af59>
- To pass you must score 75% or higher
- Results will be emailed to you

**Thank you!!**