

# Ultimate Guide to Getting CalHFA Down Payment Assistance

**Your Path to Financial Growth,**

**Presented by Amy DeBusk**



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**MORTGAGE MADE EASY ACADEMY**



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## What is CALHFA?

CALHFA offers programs that make homeownership more affordable for low- and moderate-income Californians, especially first-time homebuyers. The biggest hurdles—down payments and closing costs—are often what keep people from purchasing a home. CALHFA bridges that gap by providing special loans and assistance options to help you buy a home sooner, and with less out-of-pocket cash.

## The MyHome Assistance Program

The MyHome Assistance Program is one of CALHFA's most popular options. It provides up to 3.5% of the home's price or appraised value to help cover your down payment or closing costs.

This assistance is provided as a "silent second mortgage," meaning you don't make monthly payments on it. Instead, you repay the loan when you sell, refinance, or pay off the primary mortgage.



### Example:

If you're purchasing a \$450,000 home, MyHome could provide up to \$15,750 to cover your upfront costs. This can significantly reduce how much you need to save before buying.

## The CAL PLUS Program

The CAL PLUS program offers a fixed-rate first mortgage along with an additional ZIP loan to help cover closing costs. The ZIP loan is zero-interest and doesn't require monthly payments until you sell, refinance, or pay off the main mortgage.

This program makes it easier for first-time buyers to handle those sometimes daunting closing costs.



### Example:

If you're buying a \$450,000 home, you may have closing costs of \$19,500. With CAL PLUS, you could receive a ZIP loan worth \$13,500 (3% of the home's price), which would cover a large portion of these costs. You might then need to cover the remaining \$6,000 yourself.

To handle this, many buyers ask for a seller credit. If you negotiate a \$3,000 seller credit, you would only need \$3,000 of your own funds. This is far less than the full \$19,500 you'd face without assistance.

## Understanding Silent Second Mortgages

CALHFA's down payment assistance is often structured as a silent second mortgage. This type of loan has no monthly payments and stays "silent" until you sell the home, refinance, or pay off the primary mortgage. Here's how it works:

- **No Monthly Payments:** You won't have to worry about adding another monthly bill.
- **Deferred Repayment:** You repay the original loan amount (plus any accrued interest, if applicable) at a future event like selling the home.
- **Predictable Terms:** The repayment conditions are clear upfront, so there are no surprises.

## Accounting for Higher Closing Costs

CALHFA programs are a huge help, but it's important to know that closing costs can be higher than with traditional loans. This is because you're combining assistance loans with your main mortgage.

While this increases total closing costs, CALHFA programs also provide solutions to make them more manageable:

- **ZIP Loans Help:** The CAL PLUS program's ZIP loan can cover a large portion of your closing costs.
- **Seller Credits:** Asking the seller for a credit can further reduce how much you owe out-of-pocket.
- **Budget for 1% of the Home's Price:** As a general guideline, plan to bring around 1% of the home's price from your own savings. For a \$450,000 home, that's about \$4,500. While the ZIP loan and seller credits can lower your costs, having some savings on hand will help ensure you're prepared.



# Why CALHFA is Worth It

If you're a first-time homebuyer in California, the California Housing Finance Agency (CALHFA) can make homeownership more accessible with its financial assistance programs. Here's why CALHFA is worth considering:

1. **Get Into a Home Sooner:** You don't have to wait years to save up a large down payment.
2. **No Immediate Repayment:** Silent second loans and ZIP loans don't add to your monthly payments, making homeownership more affordable.
3. **Flexible Assistance Options:** Whether you need help with a down payment, closing costs, or both, CALHFA's programs offer a solution.

## Final Thoughts

With CALHFA programs, achieving your dream of homeownership in California is more realistic than ever. From down payment assistance to ZIP loans for closing costs, CALHFA provides a variety of tools to help you overcome the financial barriers to buying your first home.

By understanding these programs and planning ahead, you can take advantage of the benefits they offer and move closer to owning the home you've always wanted.

**TO GET YOUR DOWN PAYMENT ASSISTANCE LOAN: APPLY NOW**

Scan the QR code to start your application and take the next step toward homeownership!

