



Single Family Lending Program Bulletin

March 6, 2023

Program Bulletin #2023-02

To: CalHFA Approved Lenders

CalHFA to Introduce the Dream For All Shared Appreciation Loan

The 2022-23 State Budget established the Dream For All Program that allocated funds to CalHFA to administer the program, with broad parameters and some specific requirements. Home equity has proven to be one of the strongest ways for families to build and pass on intergenerational wealth and CalHFA is committed to improving equitable access to homeownership for all Californians.

The Dream For All Shared Appreciation Loan (Shared Appreciation Loan) is a down payment assistance program for first-time homebuyers to be used in conjunction with the Dream For All Conventional first mortgage for down payment and/or closing costs. This program will be available on Monday, March 27, 2023.

Program Highlights:

Required First Mortgage:	Dream For All Conventional First Mortgage
Dream For All Shared Appreciation Loan amount	Up to 20% of the sales price or appraised value (whichever is less)
Income Limits	Income cannot exceed CalHFA Income Limits
Minimum CLTV	70%
Maximum CLTV	105%
Layering with other CalHFA Programs	Cannot be combined with CalPLUS ZIP or MyHome

Shared Appreciation Loan Terms:

Upon sale or transfer of the home, the homebuyer repays the original down payment loan, plus a share of the appreciation in the value of the home.

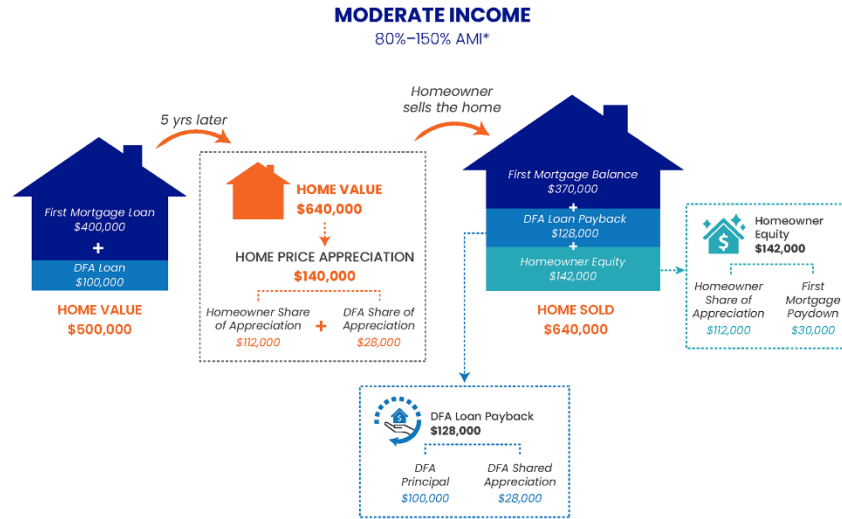
Program Appreciation Share:

For Borrowers with incomes above 80% AMI using the HomeReady® Look Up Tool and less than or equal to the CalHFA Income Limits:

- (1:1) Program appreciation share:
- Program appreciation share is equal to the Shared Appreciation Loan amount (i.e., the original principal amount) as a percentage of the home value

Example 1: Borrower income between 80% and 150% AMI using the HomeReady® Lookup Tool

- Dream For All provides a loan for 20% of the home purchase price.
- The homeowner pays back the original loan amount plus 20% of any appreciation in the value of the home.

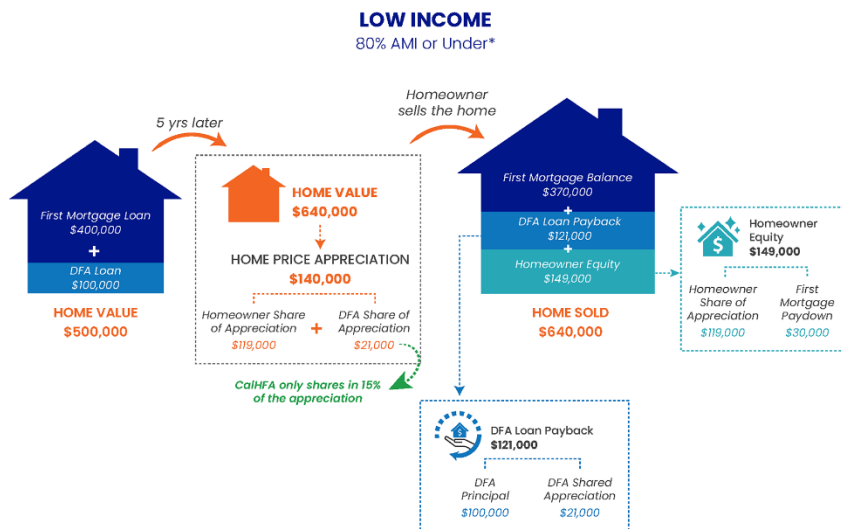


* Moderate-income borrowers are those borrowers earning between 80% Area Median Income (per the Fannie Mae Area Median Income Lookup Tool) and 150% Area Median Income (based on CalHFA's income limits).

Figure 1 – How Shared Appreciation Works

Example 2: Borrower income less than or equal to 80% AMI using the HomeReady® Lookup Tool

- Reduced (0.75:1) program appreciation share:
- Program appreciation share is equal to 0.75 times the Shared Appreciation Loan Amount (i.e., the original principal amount) as a percentage of the home value
- Dream For All provides a loan for 20% of the home purchase price.
- The homeowner pays back the original loan amount plus 15% of any appreciation in the value of the home



* Low-income borrowers are those borrowers earning 80% Area Median Income (per the Fannie Mae Area Median Income Lookup Tool) or under

Figure 2 - How Shared Appreciation Works for Borrowers under 80% AMI

Shared Appreciation Cap:

The amount of the shared appreciation is capped at 2.5 times the original principal amount.

- Example:
 - Original Shared Appreciation Loan = \$100,000
 - Original loan amount times 2.5 = \$250,000
 - Maximum amount due at time of payoff = \$350,000 (maximum appreciation plus original loan amount)

The Dream For All Conventional and Dream For All Shared Appreciation Loan Handbooks, Disclosure Statement and Note will be available on our website on March 27, 2023 with all program details.

For questions about this bulletin, contact CalHFA Single Family Lending Division by phone 916.326.8033 or by email at SFLending@calhfa.ca.gov. Plus you can always visit CalHFA's website at: www.calhfa.ca.gov or Single Family Lending directly at www.calhfa.ca.gov/homeownership.

CalHFA thanks you for your business and we look forward to continuing to support your affordable housing loan needs.