

NCSHA 2015 Annual Awards Entry Form

(Complete one form for each entry)

Deadline: Wednesday, June 10, 2015

Visit ncsha.org/awards to view the Annual Awards Call for Entries.

Instructions: Type entry information into the form and save it as a PDF. Do not write on or scan the form. If you have any questions contact Matt Cunningham at mcunningham@ncsha.org or 202-624-5424.

Fill out the entry name *exactly* as you want it listed in the program.

Entry Name: _____

HFA: _____

Submission Contact: (Must be HFA Staff Member) _____ **Email:** _____

Please provide a 15-word (maximum) description of your nomination to appear on the NCSHA website.

Use this header on the upper right corner of each page:

HFA: _____

Entry Name: _____

Select the appropriate subcategory of your entry and indicate if you are providing visual aids.

Communications	Homeownership	Legislative Advocacy	Management Innovation
Annual Report	Empowering New Buyers	Federal Advocacy	Financial
Creative Media	Encouraging New Production	State Advocacy	Human Resources
Promotional Materials and Newsletters	Home Improvement and Rehabilitation		Operations
			Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
Encouraging New Production	Combating Homelessness	Special Achievement	Yes
Multifamily Management	Housing for Persons with Special Needs		No
Preservation and Rehabilitation			

The Need

The California Housing Finance Agency had an audacious goal: after having been essentially out of the single family housing market since the Great Recession, we were going to fund 927 first mortgage loans in the fiscal year ending June 30, 2015. What's more, we were going to do it without Mortgage Revenue Bonds, without using mortgage brokers, and without the benefit of higher private-market interest rates that in comparison would make our products more attractive. Nonetheless, we promised our Board of Directors that helping put 927 families in a home was the goal, and we were going to make that goal a reality.

The Solution: Single Family Lending

The first thing we did was retool our product line. Our prior business and marketing model had relied heavily on below-market interest rates. With rates hovering in the threes, there was no way we could go below market and pay for our overhead, much less expand our offerings. While the market was recovering, however, many potential homebuyers could not meet the requirements for minimum down payments; we decided to make down payment and closing cost assistance our new value proposition.

We already had bought up the interest rate on our CalPLUS Conventional and FHA first mortgages, and used that buy-up to include 3% or 3.5% down payment assistance at 0% interest, which we called the ZIP, or Zero Interest Program. These programs were financed using the TBA model with US Bank as our Master Servicer. One of our attorneys then let us know that we had some recycled funds available for very specific uses; since those uses hadn't come up, they'd been languishing for more than a dozen years. This gave us the final piece that we needed.

After talking with mortgage professionals in a variety of forums (focus groups in both northern and southern California, training events and daily interactions over the phone) we found that they were seeing many buyers still coming up about 2% short with their down payment. Entry-level California homes are selling in the \$250-300,000 range, so we came up with a flat additional amount that would let us give a good projection on how many loans we could offer using the recycled funds.

The CalPLUS Conventional with ZIP Extra launched in September of 2014. Its big benefit was that in addition to the included 3% for down payment assistance, buyers would receive \$6,500 more; all at 0% interest. Best of all, since this money came from a different fund, we did not have to increase the first mortgage interest rate.

Of course, after having been out of the market for so long, things started slowly: Two reservations. One reservation. Too many days with zero reservations. It was time for the second part of the plan.

The Solution: Marketing/Communications

Marketing has always been a driving force at CalHFA, and with a concrete number of loans to reach, efficient use of our limited budget was paramount. We allocated some funds to traditional media (television, print ads, direct mail), and also worked extensively to branch out from the usual paths to reach people.

One of our most important decisions was to invest more heavily in video production for online distribution. In previous years, we had used an ad hoc assortment of in-house production, agency contracts, and other state facilities to put together videos. Fortuitously, we had recently hired a

dedicated videographer who also had the skills to take over some of our web maintenance. This has paid dividends, as we can put together marketing videos in a much shorter timeframe, with much more control over the end product. [One of those videos](#) is entered in a separate NCSHA award category.

We also made sure to have dedicated collateral materials for both loan officers and homebuyers. Even more importantly, we put together a [Loan Scenario Calculator](#), so anyone could easily see how a CalHFA first mortgage loan would work. This has made a huge difference for our loan officers and real estate agents, who can, in less than two minutes, see exactly how our financing can benefit their clients.

The Results

As all these pieces of the puzzle trickled into the market, we saw our reservations increase. The downside was seeing our processing times increase as more loan officers had more questions, and our staff needed to spend more time answering these questions instead of processing loans. We didn't let that stop us, though: we hired a dedicated customer service representative who now answers more than 300 calls per week, relieving pressure from processing staff.

The end result of all these initiatives was success far beyond our expectations. We financed our 927th loan of the year in late May, more than a month ahead of schedule. While our board set us a goal of 1,127 for the upcoming fiscal year; given the success of our programs, our revised goal is more than double that: 2,700 first mortgage loans financed by the end of Fiscal Year 2015/16.

There is, of course, no single item that made it possible for us to exceed our goal. The combination of many smaller initiatives was what achieved the goal. Most importantly, success was the result of intense coordination between our Single Family Lending and Marketing divisions, constantly communicating to make sure all those pieces came together to create a coherent, cohesive and ultimately successful set of programs.

Saving enough money to
BUY A HOME
might feel overwhelming.

CalHFA lending heroes
make the impossible
POSSIBLE.



Affordable

CalPLUS comes with built-in down payment that can

- reduce your out-of-pocket due at closing or
- reduce your monthly payment by covering your mortgage insurance with a one-time payment

Dependable

Our fixed rates mean you'll know your payments for the life of the loan

Possible

Our lending heroes are qualified loan officers who specialize in our programs, with the answers first-time homebuyers need



Let our lending heroes help you purchase your new home.
Call us today!

877.9.CalHFA (877.922.5432)

www.calhfa.ca.gov



HO101 11/14

The California Housing Finance Agency does not discriminate on any prohibited basis in employment or in admission and access to its programs or activities. Not printed at the taxpayers' expense.



California Housing Finance Agency

CALPLUSSM

with

ZIP EXTRA

Are you a first-time homebuyer looking for a fixed rate mortgage with down payment assistance combined into one perfect package? CalPLUS and ZIP Extra are for you.

GOT QUESTIONS?

Visit: www.calhfa.ca.gov

Call: 877.9.CalHFA (877.922.5432)

CalHFA. Stop Looking. Start Living.

CalPLUS features:

- ◆ 97% LTV Conventional first mortgage loan
- ◆ Fixed interest rate on up to 30-year term

ZIP Extra down payment assistance:

- ◆ Up to 3% or 3.5% of loan amount for Conventional and FHA loans
- ◆ \$6,500 Extra on Conventional loans
- ◆ Zero interest
- ◆ Deferred payment

Additional benefits:

CalPLUS can also be combined with:

- ◆ California Homebuyer's Downpayment Assistance Program (CHDAP) – deferred payment junior loan of 3% of the purchase price for down payment and/or closing costs
- ◆ Extra Credit Teacher Program (ECTP) – up to \$15,000 in a deferred payment loan for teachers and staff serving high priority schools
- ◆ Mortgage Credit Certificate Program (MCC) – federal income tax credit that may lower your taxes and increase disposable income



HO10A 01/15

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CalHFA is not a direct lender and uses private mortgage lenders to qualify consumers and make all mortgage loans. Sample loan terms: (Amount: \$200,000; Term: 30 years; 4.750% sample interest rate, 5.0439% Annual Percentage Rate (APR) includes lender fees and insurance; Est. monthly payment: \$1,043.30 includes principal, interest, taxes and insurance).



California Housing Finance Agency

CAL-EEM + Grant PROGRAM

Make your mortgage and your home energy-efficient. Energy costs are going up. We can help you bring them down again.

EEM + Grant features:

- ◆ Energy-Efficient first mortgage helps you include costs of energy-efficient improvements in your mortgage
- ◆ Additional 4% grant so you can make even more improvements to make your home green

Additional benefits:

Cal-EEM + Grant can also be combined with:

- ◆ California Homebuyer's Downpayment Assistance Program (CHDAP) – deferred payment junior loan of 3% of the purchase price for down payment and/or closing costs
- ◆ Mortgage Credit Certificate Program (MCC) – federal income tax credit that may lower your taxes and increase disposable income



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Ten Tips *for* Buying Your First Home

#1 Before you start looking for a home, get pre-qualified for a loan.

Banks, credit unions, and mortgage bankers make home loans, while mortgage brokers process loans through a variety of lenders. All of these institutions can pre-qualify you for a loan by looking at your income and expenses and determining the amount of money they are willing to lend you. The lenders will take an application, process the loan documents, and see the loan through to the funding stage.

#2 If you have marginal or bad credit, consult your lender.

You may be able to qualify for a loan depending on how long ago and what reason(s) caused the bad credit. A lender should be able to advise you on whether your credit history will prevent you from qualifying for a home loan.

#3 You may need a down payment.

Down payment requirements vary depending on the type of loan. Many government and nonprofit organizations offer down payment assistance programs. These programs may loan or grant you the funds necessary for the down payment. Consult with a lender about programs available in your area.

#4 You will need funds for closing costs.

Closing costs are charges for services related to the closing of your real estate transaction. They include, but are not limited to:

- ◆ Escrow fees charged by the company handling the transaction
- ◆ Title policy issuance fees charged by the title insurance company
- ◆ Mortgage insurance fees
- ◆ Fire, flood, and homeowners insurance
- ◆ County Recorder fees for recording your deed
- ◆ Loan origination fees

Consult your lender for an actual estimate of these costs.



Ten Tips *for* Buying Your First Home

#5 Some loans have “points” and some do not.

A point is a fee charged by a lender equal to 1% of the loan amount. Some lenders may charge points in exchange for a lower interest rate. It is important to comparison shop lenders to make sure your loan is competitive and will work with your long-term finances. A CalHFA loan does not have points, and other lender fees are capped.

#6 Mortgage rates can be fixed or adjustable.

The type of interest rate that is right for you depends on whether mortgage rates are at a high or a low point when you purchase, and on how long you plan to live in the home. If rates are high, an adjustable rate might be attractive since subsequent rate drops could reduce your monthly payments. If interest rates are low you might want to take a fixed rate to protect yourself against the possibility of rising interest rates.

All CalHFA loans have fixed interest rates.

#7 There are two main types of loan categories.

Conventional Loans. Conventional mortgage loans are available with fixed or adjustable interest rates. Some loans may require mortgage insurance.

Government Loans. These include Federal Housing Administration (FHA) loans, Veterans Administration (VA) loans and USDA loans. These loans typically include a fixed interest rate.

CalHFA is not a direct lender and uses private mortgage lenders to qualify consumers and make all mortgage loans. Sample loan terms: (Amount: \$225,000; Term: 30 years; 4.00% sample interest rate, 4.9118% Annual Percentage Rate (APR) includes lender fees and insurance; Est. monthly payment: \$1,203 includes principal, interest, taxes and insurance).



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#8 If you are a low to moderate income first-time homebuyer, there are special programs designed to help you.

These loans are sometimes available through private lenders, cities, counties and state housing agencies like CalHFA. Most lenders specializing in real estate mortgage loans are aware of these types of loan programs.

#9 You may have to pay mortgage insurance.

Mortgage insurance protects the lender from potential loss if you should default on your mortgage loan payment. Home loans with a down payment of less than 20% are required to have mortgage insurance. Mortgage insurance is required on most CalHFA loans, and on all FHA mortgage loans.

#10 You should attend first-time homebuyer counseling.

Many organizations provide classes for homebuyers to outline the steps to homeownership. They will cover home selection, realtor services, lenders, loan programs, homeownership responsibilities, saving for a down payment, and other important pieces of information. Many first-time homebuyer programs require homebuyers to attend this type of class to be eligible for selected programs. CalHFA loans require homebuyer counseling, which may be offered in person or online.

Got questions? We have answers.

Call us toll free at **877.9.CalHFA**
(877.922.5432) or visit our web site,
www.calhfa.ca.gov.