

## CalSTRS Home Loan Program Summary

California State Teachers' Retirement System (CalSTRS) members can use the CalSTRS Home Loan Program to refinance their existing home loan or to buy their home.

### CONVENTIONAL HOME LOAN PROGRAM

**Eligible Property Types** - Home loans will be made available to borrowers for the purchase of:

- Single Family Dwellings
- Two, three or four family dwellings
- Single family cooperative apartments; and
- Single-family condominiums

**Terms and Conditions** - Mortgage Loans made under this program must meet the following terms and conditions:

- Recipients of the loans shall occupy the homes as their principle residences
- The length of the loans shall be for 30 and 15 years
- A maximum of 95 percent loan to value
- Any loan that is 80 percent of value or more shall have mortgage insurance
- The total loan amount cannot exceed \$350,000

### NO POINTS - NO FEES PROGRAM

**Eligible Property Types** - Same as the Conventional Home Loan Program

**Terms and Conditions** - The terms and conditions lower out-of-pocket costs and are the same as the Conventional Home Loan Program. In addition:

- No out of pocket expenses for recurring and non-recurring closing costs up to three percent (3%).
- Borrower cannot receive any additional cash should actual closing costs be less than three percent (3%).
- Borrower will be required to put down at least five percent (5%) down payment.
- Borrowers participating in this program agrees to a five year pre-payment penalty.

### CalSTRS/CaHLIF ZERO DOWN PREFERRED MORTGAGE LOAN PROGRAM

**Eligible Property Types** - Home loans will be made available to borrowers for the purchase of:

- Single Family Dwellings
- Approved condo projects
- Approved attached PUD projects
- Detached PUD projects

**Terms and Conditions** - Mortgage Loans made under this program are similar to those of the Conventional Loan Program with the following exceptions:

- Refinance can only be for term and rate adjustments. **No cash out financing is allowed**
- The combined (first and second) mortgage loan amount cannot exceed three hundred fifty thousand dollars (\$350,000)
- The borrower cannot own any other property. Concurrent sales are acceptable.

**Loan-to-Value Ratios (LTV)** - Mortgage Loans shall provide a maximum loan-to-value ratio of 100 percent for purchases and refinances.

**Interest Rate** - The loan rates shall be set by CalSTRS, and will have the same rate for both the First Mortgage (Whole Loan) and the Second Mortgage (Silent Second). The Second rate has a 30 year deferred payment structure. The interest on the second mortgage is deferred simple interest for years one through fifteen. Beginning the sixteenth year, interest will be deferred, compounding annually.

First Mortgage Corporation, North American Mortgage Company and CUNA Mutual Mortgage are currently the only lenders offering this program. This website will change as new lenders are added.



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