



FUNDING SOURCES

CalVet Home Loans are funded through the sale of bonds. Even though the CalVet Home Loan program has been totally self-supporting and no taxpayer funds have been used to repay its bonds, there may be state and federal limitations on the amounts of bonds that may be sold for the program. Federal laws and regulations resulting from the Mortgage Subsidy Bond Tax Act of 1980, the Deficit Reduction Act of 1984, the Tax Reform Act of 1986, and subsequent amendments, have affected the ways in which some of the CalVet bond funds may be used. The following paragraphs explain how funds currently available may be used to make CalVet loans.

QUALIFIED VETERANS MORTGAGE BOND PROGRAM (QVMB)

▶ **Veterans with wartime service**

Qualified Veterans Mortgage Bonds (QVMB) are backed by the full faith and credit of the State of California and must be authorized by a vote of the people at a general, statewide election. All QVMB sold to support the CalVet loan program are repaid by CalVet loan holders through the payment of principal and interest on their loans. Under federal law, QVMB may be used to fund loans only to veterans who served on active duty who apply within twenty-five years from their release from active duty, and who received a discharge classified as Honorable or Under Honorable Conditions. Under state law, set forth in the California Military and Veterans Code, the veteran must have served during a qualifying war period or received an armed forces expeditionary medal or campaign medal awarded by the federal government for the period served.

QVMB funds may be used to purchase homes (including condominiums) and mobile homes permanently affixed to the land. There are no purchase price restrictions on the properties, which can be purchased with QVMB funds, nor are there income limitations on the veteran borrower.

QUALIFIED MORTGAGE BOND PROGRAM (QMB)

▶ **All Veterans and current members of the California National Guard or U.S. Military Reserves**

A Qualified Mortgage Bond (QMB) funded loan is available to any veteran who has received a discharge classified as Honorable or Under Honorable Conditions and who meets, and is buying a property that meets, certain other criteria. QMB funds are usually limited to homebuyers who have not owned their principal residence in the past 3 years but, for most veterans, that restriction does not apply. Only Veterans who have received a QMB home loan or Mortgage Credit Certificate (MCC) from a governmental entity since 2008 generally do not qualify without meeting the 3-year requirement. Properties purchased with QMB funds must qualify under purchase price limits established under guidelines provided by the Internal Revenue Service. The purchase price for non-targeted areas cannot exceed 90% of the average area purchase price for the statistical area or county in which the property is located. If an applicant is purchasing in a targeted area (defined by the federal government as a qualified census tract), the purchase price cannot exceed 110% of the average area purchase price for the statistical area or county in which the property is located. The applicant must also qualify under income limits, which are issued annually by the U. S. Department of Housing and Urban Development and differ based on family size and the location of the home being purchased. **SEE TABLE BELOW FOR PURCHASE PRICE AND INCOME LIMITS FOR TARGETED AND NON-TARGETED AREAS.**

QMB-funded loans are available only on single-family residences (including condominiums) and mobile homes permanently affixed to the land.

QMB-funded loans may be liable for a federally imposed Recapture Tax if the property being purchased is disposed of (sold) within the first full 9 years following the funding date. This tax is intended to repay the federal government for the benefit of using tax-exempt bonds. There is no Recapture Tax due if the disposition of the property is by reason of the death of either of the borrower(s) or if the house is not sold at a gain. These provisions governing the uses of QMB funds are dictated by federal laws contained in the Internal Revenue Code.

National Guard/Reserve Eligibility - Current members of the California National Guard or the U.S. Military Reserves, who have served a minimum of one year of a six-year commitment, may qualify to receive a loan from QMB funds if qualified under one of the following two categories:

1. "First-time home buyer." A first-time home buyer is defined by the federal government as one who has not owned an interest of record in his/her principal place of residence during the three years prior to closing escrow on the QMB loan. Both the applicant and spouse, if applicable, must qualify as first-time homebuyers.
2. "Targeted area" purchaser. A targeted area is defined by the federal government as a qualified census tract.

NOTE: All members of the National Guard or the US Reserves who have at any time been ordered to active duty by presidential executive order and discharged are eligible for QVMB, QMB, or PRE-ULLMAN funds subject to the requirements listed above.

PRE-ULLMAN BOND PROGRAM

▶ **All Veterans**

CalVet has a limited amount of funds available for veterans who do not qualify for either QVMB or QMB. Check with CalVet for availability of these funds before you commit to the purchase of a property. "Unremarried Spouses of Veterans" as defined by CalVet can be funded with either QMB or Pre-Ullman funds.

**PURCHASE PRICE and INCOME LIMITS For QMB Funded Loans Only
(Effective 5/11/2016)**

County	Purchase Price Limits		Income Limits			
	Non-Targeted	Targeted Areas	Non-Targeted Areas		Targeted Areas	
	New & Existing		1 & 2 Persons	3 or More Persons	1 & 2 Persons	3 or More Persons
Alameda	\$ 589,785	\$ 720,848	\$ 117,000	\$ 136,500	\$ 117,000	\$ 136,500
Alpine	436,987	534,096	98,520	114,940	98,520	114,940
Amador	313,373	383,012	71,792	82,561	84,480	98,560
Butte	276,506	337,951	70,000	80,500	84,000	98,000
Calaveras	352,409	430,722	82,529	94,908	84,240	98,280
Colusa	255,573	312,368	70,000	80,500	84,000	98,000
Contra Costa	589,785	720,848	117,000	136,500	117,000	136,500
Del Norte	255,573	312,368	70,000	80,500	84,000	98,000
El Dorado	447,831	547,349	83,280	97,160	84,000	98,000
Fresno	265,662	324,699	70,000	80,500	84,000	98,000
Glenn	255,573	312,368	70,000	80,500	84,000	98,000
Humboldt	309,035	377,710	70,680	82,460	84,000	98,000
Imperial	255,573	312,368	70,000	80,500	84,000	98,000
Inyo	348,072	425,421	80,980	93,127	86,400	100,800
Kern	255,573	312,368	70,000	80,500	84,000	98,000
Kings	255,573	312,368	70,000	80,500	84,000	98,000
Lake	255,573	312,368	70,000	80,500	84,000	98,000
Lassen	255,573	312,368	70,000	80,500	84,000	98,000
Los Angeles	589,785	720,848	104,160	121,520	104,160	121,520
Madera	255,573	312,368	70,000	80,500	84,000	98,000
Marin	589,785	720,848	137,015	157,568	147,600	172,200
Mariposa	303,614	371,083	70,418	80,980	84,000	98,000
Mendocino	352,409	430,722	73,080	85,260	84,000	98,000
Merced	255,573	312,368	70,000	80,500	84,000	98,000
Modoc	255,573	312,368	70,000	80,500	84,000	98,000
Mono	498,795	609,638	88,920	103,740	88,920	103,740
Monterey	498,795	609,638	91,320	106,540	91,320	106,540
Napa	589,785	720,848	104,880	122,360	104,880	122,360
Nevada	450,000	550,000	87,480	102,060	87,480	102,060
Orange	589,785	720,848	117,000	136,500	117,000	136,500
Placer	447,831	547,349	83,280	97,160	84,000	98,000
Plumas	317,710	388,313	70,680	82,460	84,000	98,000
Riverside	336,144	410,843	76,680	89,460	84,000	98,000
Sacramento	447,831	547,349	83,280	97,160	84,000	98,000
San Benito	589,785	720,848	93,840	109,480	93,840	109,480
San Bernardino	336,144	410,843	76,680	89,460	84,000	98,000
San Diego	547,590	669,277	102,000	119,000	102,000	119,000
San Francisco	589,785	720,848	137,015	157,568	147,600	172,200
San Joaquin	314,458	384,337	70,680	82,460	84,000	98,000
San Luis Obispo	529,156	646,747	91,680	106,960	91,680	106,960
San Mateo	589,785	720,848	137,015	157,568	147,600	172,200
Santa Barbara	589,785	720,848	101,040	117,880	101,040	117,880
Santa Clara	589,785	720,848	133,920	156,240	133,920	156,240
Santa Cruz	589,785	720,848	112,440	131,180	112,440	131,180
Shasta	258,072	315,421	70,000	80,500	84,000	98,000
Sierra	287,349	351,204	70,000	80,500	84,000	98,000
Siskiyou	255,573	312,368	70,000	80,500	84,000	98,000
Solano	377,349	461,204	87,883	101,065	93,120	108,640
Sonoma	522,650	638,795	98,880	115,360	98,880	115,360
Stanislaus	260,241	318,072	70,000	80,500	84,000	98,000
Sutter	255,573	312,368	70,000	80,500	84,000	98,000
Tehama	255,573	312,368	70,000	80,500	84,000	98,000
Trinity	255,573	312,368	70,000	80,500	84,000	98,000
Tulare	255,573	312,368	70,000	80,500	84,000	98,000
Tuolumne	312,289	381,686	72,840	84,450	84,000	98,000
Ventura	569,277	695,783	112,080	130,760	112,080	130,760
Yolo	447,831	547,349	88,920	103,740	88,920	103,740
Yuba	255,573	312,368	70,000	80,500	84,000	98,000