



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 4/16/2017)						
	Purchase Price Limits		Income Limits			
	Non-Targeted	Targeted	Non-Targeted Areas		Targeted Areas	
County	New & Existing		1 & 2 Persons	3 or More Persons	1 & 2 Persons	3 or More Persons
Alameda	\$ 585,713	\$715,872	\$ 125,160	\$ 146,020	\$ 125,160	\$ 146,020
Alpine	426,706	521,529	93,600	109,200	93,600	109,200
Amador	306,000	374,000	73,300	84,295	87,960	102,620
Butte	270,000	330,000	73,300	84,295	87,960	102,620
Calaveras	344,117	420,588	80,329	92,378	87,960	102,620
Colusa	253,809	310,211	73,300	84,295	87,960	102,620
Contra Costa	585,713	715,872	125,160	146,020	125,160	146,020
Del Norte	253,809	310,211	73,300	84,295	87,960	102,620
El Dorado	450,000	550,000	89,040	103,880	89,040	103,880
Fresno	259,411	317,058	73,300	84,295	87,960	102,620
Glenn	253,809	310,211	73,300	84,295	87,960	102,620
Humboldt	301,764	368,823	73,300	84,295	87,960	102,620
Imperial	253,809	310,211	73,300	84,295	87,960	102,620
Inyo	339,882	415,411	78,770	90,585	87,960	102,620
Kern	253,809	310,211	73,300	84,295	87,960	102,620
Kings	253,809	310,211	73,300	84,295	87,960	102,620
Lake	253,809	310,211	73,300	84,295	87,960	102,620
Lassen	253,809	310,211	73,300	84,295	87,960	102,620
Los Angeles	585,713	715,872	108,120	126,140	108,120	126,140
Madera	253,809	310,211	73,300	84,295	87,960	102,620
Marin	585,713	715,872	133,962	154,057	157,920	184,240
Mariposa	296,470	362,353	73,300	84,295	87,960	102,620
Mendocino	344,117	420,588	73,300	84,295	87,960	102,620
Merced	253,809	310,211	73,300	84,295	87,960	102,620
Modoc	253,809	310,211	73,300	84,295	87,960	102,620
Mono	487,058	595,293	90,960	106,120	90,960	106,120
Monterey	529,411	647,058	97,680	113,960	97,680	113,960
Napa	585,713	715,872	111,720	130,340	111,720	130,340
Nevada	439,411	537,058	91,560	106,820	91,560	106,820
Orange	585,713	715,872	125,160	146,020	125,160	146,020
Placer	450,000	550,000	89,040	103,880	89,040	103,880
Plumas	310,235	379,176	73,300	84,295	87,960	102,620
Riverside	349,411	427,058	77,400	90,300	87,960	102,620
Sacramento	450,000	550,000	89,040	103,880	89,040	103,880
San Benito	585,713	715,872	100,320	117,040	100,320	117,040
San Bernardino	349,411	427,058	77,400	90,300	87,960	102,620
San Diego	564,353	689,764	109,080	127,260	109,080	127,260
San Francisco	585,713	715,872	133,962	154,057	157,920	184,240
San Joaquin	333,529	407,646	73,320	85,540	87,960	102,620
San Luis Obispo	540,000	660,000	98,040	114,380	98,040	114,380
San Mateo	585,713	715,872	133,962	154,057	157,920	184,240
Santa Barbara	585,713	715,872	108,000	126,000	108,000	126,000
Santa Clara	585,713	715,872	136,402	156,863	143,280	167,160
Santa Cruz	585,713	715,872	120,240	140,280	120,240	140,280
Shasta	253,809	310,211	73,300	84,295	87,960	102,620
Sierra	280,588	342,941	73,300	84,295	87,960	102,620
Siskiyou	253,809	310,211	73,300	84,295	87,960	102,620
Solano	397,058	485,293	92,576	106,463	96,480	112,560
Sonoma	548,470	670,353	105,720	123,340	105,720	123,340
Stanislaus	275,293	336,470	73,300	84,295	87,960	102,620
Sutter	254,117	310,588	73,300	84,295	87,960	102,620
Tehama	253,809	310,211	73,300	84,295	87,960	102,620
Trinity	253,809	310,211	73,300	84,295	87,960	102,620
Tulare	253,809	310,211	73,300	84,295	87,960	102,620
Tuolumne	304,941	372,706	73,300	84,295	87,960	102,620
Ventura	585,713	715,872	119,880	139,860	119,880	139,860
Yolo	450,000	550,000	89,640	104,580	89,640	104,580
Yuba	254,117	310,588	73,300	84,295	87,960	102,620

*L-10 (6/2017)