

Zero Interest Program (ZIP)  
INTEREST RATE ACKNOWLEDGMENT

You have many financing options when deciding to buy a home. Your lender will discuss different home financing alternatives with you.

If you choose to use the CalHFA Zero Interest Program (ZIP), please be aware of the following features:

1. ZIP is a 0% interest subordinate loan that may be used for closing costs/prepaid items only. ZIP funds may not be used to pay off borrower debt. Any excess ZIP funds must be applied as a principal reduction to the first mortgage or ZIP loan: cash back to the borrower from the loan is prohibited.,
2. Choosing to use the ZIP loan will result in you paying a higher interest rate on your first mortgage.
3. No monthly payments on the ZIP loan are required, but the ZIP is a loan that must be repaid.

By signing below, you certify and acknowledge that you have been advised about and understand the features of the ZIP loan.

Date: \_\_\_\_\_

\_\_\_\_\_  
Name (Typed or Printed)

\_\_\_\_\_  
Borrower's Signature

\_\_\_\_\_  
Name (Typed or Printed)

\_\_\_\_\_  
Borrower's Signature