

Agenda Item 9 –
 Update on Moody's annual review of the
 Agency's credit ratings

May 9, 2013

On 3/19/13, Moody's confirmed the Agency's credit ratings

- Issuer Credit Rating (G-O): rating outlook A3 negative
- HMRB (special obligation): Baa2 negative
- Confirmation based on:
 - "stable and improving financial performance"
 - "strong actions by management"
 - "effective steps to improve the Agency's finances"
 - "worked proactively to improve the Agency's balance sheet"
 - "strong relationship with the State"

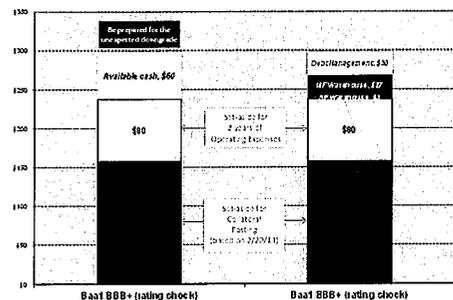
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Our ratings have reached an inflection point

Califf A General Obligation				HMRB (Special Obligation)			
S&P's		Moody's		S&P's		Moody's	
A-	A3	A-	A3	BBB	Eaa2	BBB	Eaa2
Negative Outlook	Negative Outlook	Negative Outlook	Negative Outlook	Stable Outlook	Negative Outlook	Stable Outlook	Negative Outlook
AA		Aa2		AA	<< pre-2009 >>	Aa2	
Aa	<< pre-2009 >>	Aa3	<< pre-2009 >>	Aa	<< pre-2009 >>	Aa3	07/22/09
A+	07/22/09	A1		A+		A1	
A	02/21/10	A2	12/26/10	A	04/01/10	A2	
A-	05/10/11	A3	09/19/11	A-		A3	04/29/10
	09/18/12		03/19/13				
----- Stable A threshold -----				----- Investor and grade threshold -----			

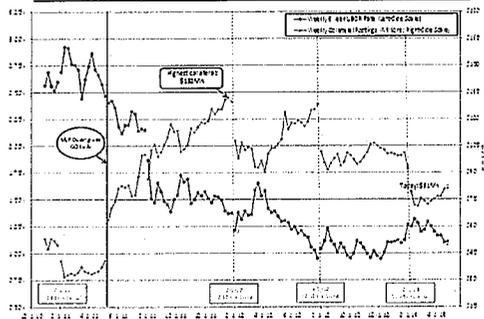
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Affirmation of the proposed allocation of the Agency's liquidity



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Collateral posting risk is better contained



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On 4/30/13, closed a refunding of NIBP bonds

- | | issuance | refunded | refunding |
|-----------------|-----------|----------|-----------|
| ▪ RMRB 2009 A-4 | \$100.2Mn | 3.55% | 2.90% |
| ▪ RMRB 2009 A-3 | \$33.5Mn | 3.10% | 2.90% |
- Future expected savings depend on the life of the loan portfolio. Estimated savings:
 - First year: \$700,000
 - NPV after issuance costs: \$2.0Mn to \$3.5Mn

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