

1 RESOLUTION NO. 14-07

2 RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY
3 AUTHORIZING LOAN COMMITMENT HEDGES AND
4 ADOPTING THE CALIFORNIA HOUSING FINANCE AGENCY
5 MASTER HEDGE POLICY

6 WHEREAS, the California Housing Finance Agency (the “Agency”) from time
7 to time enters into agreements for the purpose of mitigating interest rate risk in connection
8 with its single family and multifamily housing programs;

9 WHEREAS, the Agency has previously authorized entering into such
10 agreements in connection with bonds authorized to be issued by the Agency;

11 WHEREAS, the Agency wishes to authorize entering into such agreements with
12 respect to its single family and multifamily loan commitments;

13 WHEREAS, the Agency has determined that there exists a need to formalize its
14 practices by adopting a master hedging policy regarding such agreements;

15 NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the
16 “Board”) of the California Housing Finance Agency as follows:

17 Section 1. Authorization of Loan Commitment Hedges. To the extent
18 authorized by law, including Government Code Section 5922, the Executive Director, Director
19 of Financing and Financing Risk Manager, and other employees of the Agency authorized in
20 writing by the Executive Director, are hereby authorized to enter into, for and on behalf of the
21 Agency, agreements and documents designed to reduce or hedge the amount of interest rate
22 risk related to the Agency’s single family and multifamily loan commitments (“Commitment
23 Hedges”), and any related agreements needed to permit the lease or purchase of software
24 designed to assist with data management, secondary marketing and management of the hedging
25 program for the Agency’s single family and multifamily loan commitments. The aggregate
26 notional amount of Commitment Hedges entered into with respect to the Agency’s single
27 family loan commitments under authorization of this Section shall not exceed \$200,000,000.
28 The aggregate notional amount of Commitment Hedges entered into with respect to the
29 Agency’s multifamily loan commitments under authorization of this Section shall not exceed
30 \$40,000,000. The authorization to enter into Commitment Hedges under this Section shall be
31 in effect until the date on which is held the first meeting of the Board on or after March 1,
32 2015 at which a quorum is present. The authorization to enter into Commitment Hedges
33 under this Section shall be in addition to any authorization contained in Resolution 14-01 or
34 Resolution 14-02, as amended from time to time, to enter into a Hedging Instrument (as
35 therein defined).

36 Section 2. Adoption of Master Hedge Policy. The Master Hedge Policy
37 presented at this meeting is hereby adopted. Unless and until amended or supplemented by a
38 future Board resolution prior thereto, such Master Hedge Policy shall remain in effect until the
39 date on which is held the first meeting of the Board on or after March 1, 2015 at which a

40 quorum is present. The Master Hedge Policy, as the same may be amended or supplemented,
41 shall apply to Commitment Hedges authorized under Section 1 hereof or under any similar
42 provision of a future Board resolution.
43

1 SECRETARY'S CERTIFICATE

2 I, Victor James, Secretary of the Board of Directors of the California Housing
3 Finance Agency, do hereby certify that the foregoing is a full, true, and correct copy of
4 Resolution No. 14-07 duly adopted at a regular meeting of the Board of Directors of the
5 California Housing Finance Agency duly called and held on the 13th day of May, 2014, of
6 which meeting all said directors had due notice; and that at said meeting said Resolution was
7 adopted by the following vote:

8 AYES:

9 NOES:

10 ABSTENTIONS:

11 ABSENT:

12 IN WITNESS WHEREOF, I have executed this certificate and affixed the seal
13 of the Board of Directors of the California Housing Finance Agency hereto this 13th day of
14 May, 2014.

15 [SEAL]

16 _____
17 Victor James
18 Secretary of the Board of Directors of the
19 California Housing Finance Agency

SECRETARY'S CERTIFICATE

I, Victor James, Secretary of the Board of Directors of the California Housing Finance Agency, hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 14-07 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 13th day of May, 2014, of which meeting all said directors had due notice; and that at said meeting said Resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true, and correct copy of the original Resolution adopted at said meeting and entered in said minutes; and that said Resolution has not been amended, modified or rescinded in any manner since the date of its adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the Board of Directors of the California Housing Finance Agency hereto this ____ day of _____, 2014.

[SEAL]

Secretary of the Board of Directors of the
California Housing Finance Agency