

RESOLUTION 81-56

RESOLUTION OF THE CALIFORNIA HOUSING FINANCING
AGENCY CONCERNING THE FINANCING OF LOANS
RELATED TO SINGLE-FAMILY RESIDENCES
AND THE ISSUANCE OF THE AGENCY'S
HOME OWNERSHIP AND HOME IMPROVEMENT
REVENUE BONDS

WHEREAS, the California Housing Finance Agency (herein called the "Agency") has determined that there exists a need in California for providing financial assistance to persons and families of low or moderate income to enable them to purchase moderately priced single-family residences (herein called the "Residences");

WHEREAS, the Agency has determined that it is in the public interest for the Agency to provide such financial assistance by means of an ongoing program to make lower-than-market-rate loans for the permanent financing of Residences (herein called the "Loans"), each such Loan being insured for at least the first fifty percent (50%) of the principal amount and accrued interest of the Loan by one or more of the following entities: the United States of America or an agency or instrumentality thereof, the Agency, or private mortgage guaranty insurers, or guaranteed by the Veterans Administration;

WHEREAS, pursuant to the Zenovich-Moscone-Chacon Housing and Home Finance Act (the "Act"), the Agency has the authority to issue bonds to provide sufficient funds to finance the purchase of Loans, the payment of capitalized interest on the bonds, the establishment of reserves to secure the bonds, and other expenditures of the Agency incident to, and necessary or convenient to the issuance of the bonds;

WHEREAS, because the Mortgage Subsidy Bond Tax Act of 1980 (herein called the "Tax Act") has severely restricted the Agency's ability to utilize fully its Home Ownership and Home Improvement Loans in Neighborhood Preservation Areas Program (herein called the "Program"), the Agency has determined, for the present, to restrict the proceeds of its Home Ownership and Home Improvement Revenue Bonds hereinafter issued to the purchase of Loans made on newly constructed or existing Residences meeting the requirements of the Tax Act and the Agency; and

WHEREAS, the Housing Bond Credit Committee, pursuant to the Act, is required to determine the general adequacy of the Program's security in protecting the credit of the State;

NOW THEREFORE, BE IT RESOLVED, by the California Housing Finance Agency as follows:

Section 1. The Agency is of the opinion and hereby determines that the issuance of a series of Home Ownership and Home Improvement Revenue Bonds of the Agency designated as the "California Housing Finance Agency Home Ownership and Home Improvement Revenue Bonds, 1981 Series A" (herein called the "Bonds"), on or before December 31, 1981, in an aggregate principal amount of not to exceed \$200,000,000, is necessary to provide sufficient funds to finance the purchase of Loans pursuant to the Program.

Section 2. Pursuant to the Act, the Bonds are authorized to be issued at such time on or before December 31, 1981, as the Executive Director of the Agency (herein called the "Executive Director") deems appropriate upon consultation with the Treasurer of the State of California (herein called the "Treasurer"). The Bonds are to have the maturity or maturities and are to bear interest at the coupon rate or rates deemed appropriate by the Executive Director; provided no Bond shall have a term in excess of forty years or bear interest at a coupon rate in excess of thirteen percent (13%) per annum.

Section 3. Prior to the issuance and sale of the Bonds, the Director of Financing of the Agency, with full knowledge of the Executive Director, will present to the Financing Committee of the Board of Directors of the Agency, for its consideration, the aggregate principal amount of such series, the period of time within which such series may be sold, and any other information concerning such series that the Financing Committee shall require.

Section 4. The Supplemental Indenture relating to the Bonds to be entered into by and between the Agency and the Treasurer (herein called the "Supplemental Indenture"), in the form presented to this meeting, is hereby approved by this Board, and the Executive Director is hereby authorized and directed to execute, and the Secretary of the Board of Directors of the Agency is hereby authorized to attest, for and in the name and on behalf of the Agency and under its seal, a Supplemental Indenture in substantially said form, with such additions, changes and modifications as the Executive Director may approve upon consultation with the Agency's legal counsel, such approval to be conclusively

evidenced by the execution and delivery of the Supplemental Indenture by authorized officers of the Agency.

Section 5. The Bonds shall be in such denominations, be in such form either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places within or without California, be subject to such terms of redemption and contain such terms and conditions as the Indenture dated as of January 1, 1978, between the Agency and the Treasurer, as heretofore supplemented and amended (herein called the "Indenture"), and the Supplemental Indenture, as finally executed, may provide.

Section 6. The form of Mortgage Purchase Agreement to be entered into by and between the Agency and one or more qualified mortgage lenders (herein called the "Mortgage Purchase Agreement") and the form of Servicing Agreement to be entered into by and between the Agency and one or more qualified mortgage lenders as servicer(s) (herein called the "Servicing Agreement"), in the forms presented to this meeting, are hereby approved by this Board, and the Executive Director is hereby authorized to enter into, and the Secretary of the Board of Directors of the Agency is hereby authorized to attest, for and in the name and on behalf of the Agency and under its seal, one or more Mortgage Purchase Agreements and one or more Servicing Agreements in substantially said forms, with such changes as the Executive Director may approve upon consultation with the Agency's legal counsel (such approval to be conclusively evidenced by the execution and delivery by authorized officers of the Agency of the Mortgage Purchase Agreements and the Servicing Agreements) with such lender or lenders as the Executive Director may select upon consultation with the Treasurer, and any such selection of a lender or lenders is to be deemed approved by this Board as if it had been made by this Board.

Section 7. This Board hereby ratifies the submission to the Housing Bond Credit Committee by the officers of the Agency on behalf of this Board, of a statement of the purpose for which the Bonds are proposed to be issued and the amount of the proposed issuance. Each and every statement within such statement of purpose shall be deemed to be adopted by this Board as if it had been made and submitted by this Board.

Section 8. The Bonds are hereby authorized to be sold at a private sale. The selection of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Shearson/American Express Inc., Dean Witter Reynolds Inc., Crocker National Bank, First Interstate Bank of California and Morgan Guaranty

Trust Company of New York as underwriters (herein called the "Underwriters") is hereby confirmed. The Contract of Purchase by and among the Agency, the Treasurer and the Underwriters (herein called the "Purchase Contract") relating to the Bonds, in the form presented to this meeting, is hereby approved by this Board, and the Executive Director is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver a Purchase Contract in substantially said form, with such addition, changes and modifications as the Executive Director may approve upon consultation with the Agency's legal counsel and the Treasurer, such approval to be conclusively evidenced by the execution and delivery of the Purchase Contract by the Executive Director.

Section 9. The Treasurer is hereby authorized and requested, without further action of the Board of Directors of the Agency and unless instructed otherwise by the Board of Directors of the Agency, to sell the Bonds at the times and places and pursuant to the terms and conditions set forth in the Purchase Contract as finally executed. The Treasurer is hereby further authorized and requested to cash and deposit the proceeds of any good faith deposit check to be received by the Treasurer under the terms of the Purchase Contract in a special trust account for the benefit of the Agency, and the amount of said check shall be applied at the time of delivery of the Bonds as part of the purchase price thereof or returned to the Underwriters as provided in the Purchase Contract.

Section 10. The Executive Director is further authorized to hold information meetings concerning the Bonds and to distribute other information and material relating to the Bonds.

Section 11. The Executive Director is hereby authorized and directed to execute, and the Secretary of the Board of Directors of the Agency is hereby authorized to attest, for and on behalf and in the name of the Agency and under its seal, the Bonds, in an aggregate principal amount of not to exceed \$200,000,000, in accordance with the Indenture and the Supplemental Indenture, in one or more of the forms set forth in the Supplemental Indenture.

Section 12. The Bonds, when so executed, shall be delivered to the Trustee under the Indenture and the Supplemental Indenture for authentication by the Treasurer. The Treasurer is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication or the Trustee's Certificate of Authentication and Registration appearing thereon, and to

deliver the Bonds when duly executed and authenticated to the Underwriters in accordance with written instructions executed on behalf of the Agency by the Executive Director, which instructions said officer is hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and deliver to the Treasurer. Such instructions shall provide for the delivery of the Bonds to the Underwriters, as determined and confirmed by the Treasurer, upon payment of the purchase price thereof.

Section 13. The Preliminary Official Statement relating to the Bonds, in the form presented to this meeting, is hereby approved by this Board. The Executive Director is hereby authorized to circulate a Preliminary Official Statement and, after the Agency's entering into the Purchase Contract for the sale of the Bonds, to circulate, execute and deliver an Official Statement, both in substantially said form with such changes and insertions therein as he may approve after consulting with the Agency's legal counsel, and the circulation of such Preliminary Official Statement and such Official Statement to prospective and actual purchasers of the Bonds is hereby approved.

Section 14. All actions previously taken by the Agency relating to the Program and the issuance of the Bonds, including, but not limited to, the distribution of its Program Manual, Invitation for Applications and Offers, Lender Application and Offer, Notice of Acceptance by the Agency, Mortgage Purchase Agreement and Servicing Agreement, are hereby ratified.

Section 15. The Treasurer and officers of the Agency, or the duly authorized deputies thereof, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this resolution.

Section 16. In the Executive Director's absence or upon his written authorization, all actions by the Executive Director herein approved or authorized may be taken by the Director of Financing of the Agency.

SECRETARY'S CERTIFICATE

I, Arthur Packerham, 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 81-56 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held in San Diego, California, on the 10th day of December, 1981, of which meeting all said directors had due notice; and that at said meeting said Resolution was adopted by the following vote:

AYES: Cantu, Hess, Mazirow, Ruffin, Schenk (by Collins),
Terner (by Jones), Wilson, Frank

NOES: None

ABSTENTIONS: None

ABSENT: Kruer, Unruh

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 fully, 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 10th day of December, 1981



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