

RESOLUTION PC-84-01  
RESOLUTION OF THE FIRST-TIME HOME BUYERS POLICY COMMITTEE  
OF THE CALIFORNIA HOUSING FINANCE AGENCY

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WHEREAS, the Cal-First Home Buyers Act ("Act") (Part 6 of Division 31 of the Health and Safety Code) established the First-Time Home Buyers' Policy Committee ("Committee") within the California Housing Finance Agency ("Agency") to administer the Cal-First Home Buyers' Program ("Program"); and

WHEREAS, on July 5, 1983, the Committee adopted Rules and Regulations for administration of the Program under the Act; and

WHEREAS, \$15,000,000 of First-Time Home Buyers Bonds ("Bonds") were issued by the State Treasurer as general obligations of the State of California on December 29, 1983; and

WHEREAS, participating mortgage lenders are originating Program loans at a rate much slower than expected, such that the proceeds of the Bonds are not being used in a timely manner; and

WHEREAS, certain administrative measures and Program changes have been proposed in order to make the Program more successful;

NOW, THEREFORE, BE IT RESOLVED by the First-Time Home Buyers Policy Committee that the following actions be taken:

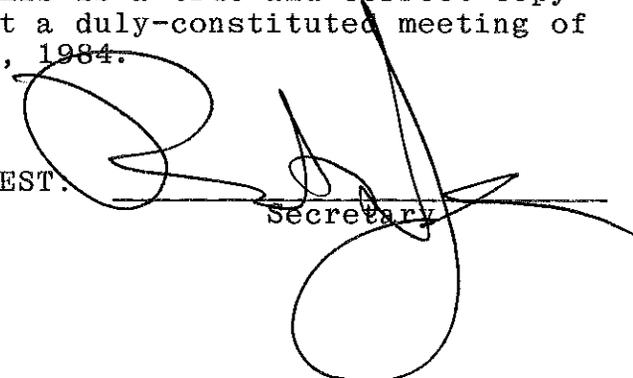
- (1) That the Agency work with the California Association of Realtors, participating lenders, and other interested parties to improve marketing of the Program to Realtors and home buyers;
- (2) That the Agency exercise its discretion to extend lenders' loan delivery deadlines, where such extension can reasonably be expected to result in additional originations of Program loans;
- (3) That the Agency increase Program purchase price limitations to the maximum allowed by the Act, taking into consideration locally-determined average area purchase prices, where such figures are higher than "safe harbors" published by the Federal government and have been substantiated to the extent required by Federal regulation;
- (4) That the Agency allow Program lenders to offer buydown loans which result in full four-point, first-year "buydowns" of the underlying first mortgage, regardless of the first mortgage interest rate; and

BE IT FURTHER RESOLVED by this Committee that it is hereby recommended to the State Treasurer and the Department of Finance that the Agency be allowed to offer Program lenders the opportunity to originate buydown loans with 30-year terms and essentially level payments, even though such loan terms will extend the term of the Program debt to the State beyond the term of the Bonds; and

BE IT FURTHER RESOLVED that the Agency is encouraged to exercise its discretion to take such other administrative measures, consistent with the Rules and Regulations, the Act, and Federal law, as it may reasonably believe necessary or desirable to effect the success of the Program.

I hereby certify that this is a true and correct copy of Resolution PC-84-01 adopted at a duly-constituted meeting of the Policy Committee on August 9, 1984.

ATTEST.



Secretary