

RESOLUTION 84-19

1 RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY
2 CONCERNING THE INSURANCE OF MORTGAGE LOANS
3 RELATED TO MULTI-UNIT DEVELOPMENTS
4 AND THE ISSUANCE OF MULTI-UNIT RENTAL HOUSING BONDS
5 (INSURED LOANS) OF THE AGENCY

6 WHEREAS, the California Housing Finance Agency (the
7 "Agency") has determined that there exists a need in California
8 for below-market financing for rental housing developments that
9 benefit persons and families of low or moderate income;

10 WHEREAS, the Agency is authorized pursuant to the
11 Zenovich-Moscone-Chacon Housing and Home Finance Act (the "Act")
12 to establish a program of mortgage loan insurance in order to
13 provide security for Agency bonds, the proceeds of which are used
14 to finance such rental housing developments ("Developments");

15 WHEREAS, pursuant to the Act, the Agency has determined
16 to reserve certain moneys in the Agency's Supplementary Bond
17 Security Account and Housing Insurance Fund for the purpose of
18 providing mortgage loan insurance;

19 WHEREAS, the Agency has determined to establish a
20 Conventional Multi-Unit Mortgage Insurance Program (the
21 "Program") of mortgage loan insurance for mortgage loans financed
22 by Agency bonds;

23 WHEREAS, the Agency staff has reached agreement in
24 principle with Prudential Reinsurance Company ("Pru-Re") that
25 Pru-Re will enter into an agreement with the Agency to provide
26 additional insurance (the "Stop Loss Agreement") in a face amount
27 not to exceed \$30 million to provide for the payment of mortgage
loan insurance claims following the payment by the Agency of such
claims under the Program; and

WHEREAS, the Agency has determined that it is in the
public interest for it to establish the Program and to enter into
the Stop Loss Agreement for the purpose of insuring all or a
portion of mortgage loans for Development financed by the Agency;

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

Section 1. The Agency hereby approves the establishment
of the California Housing Insurance Fund and its Conventional
Multi-Unit Mortgage Insurance Program to provide insurance for
mortgage loans financed by the Agency pursuant to its 80/20
lending program on substantially the terms and conditions
described in the Summary of the Guidelines for Insurance of the
Agency, as amended (the "Summary").

Section 2. The Agency hereby authorizes and directs the
Executive Director to set aside and reserve moneys in the
Supplementary Bond Security Account and the Housing Insurance

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Fund in an aggregate amount not to exceed thirty million dollars (\$30,000,000) (plus investment income and insurance premiums earned with respect to such amounts) for the purpose of providing reserves for the Program, and to allocate the moneys to be set aside from each such fund or account, including the contribution to be made by the Agency to the Supplementary Bond Security Account from the moneys of the Agency available for such purposes, if any.

Section 3. The Agency hereby authorizes and directs the officers of the Agency to further negotiate the Stop Loss Agreement with Pru-Re upon the terms presented to this meeting.

Section 4. The officers of the Agency are hereby authorized and directed to do any and all things which they may deem necessary or advisable in order to effectuate the Program and otherwise to carry out the purpose of this Resolution.

SECRETARY'S CERTIFICATE

1
2 I, Robert N. Joehnck, Secretary of the Board of
3 Directors of the California Housing Finance Agency, hereby
4 certify that the foregoing is a full, true, and correct copy of
5 the Resolution 84-19 duly adopted at a regular meeting of the
6 Board of Directors of the California Housing Finance Agency duly
called and held in Sacramento, California, on the 21st day of
June, 1984, of which meeting all said directors had due notice;
and that at said meeting said resolution was adopted by the
following vote:

7 AYES: Cantu, DeSantis, Hendricks, Unruh (by Gagan), West
(by Diemer), Sterpa

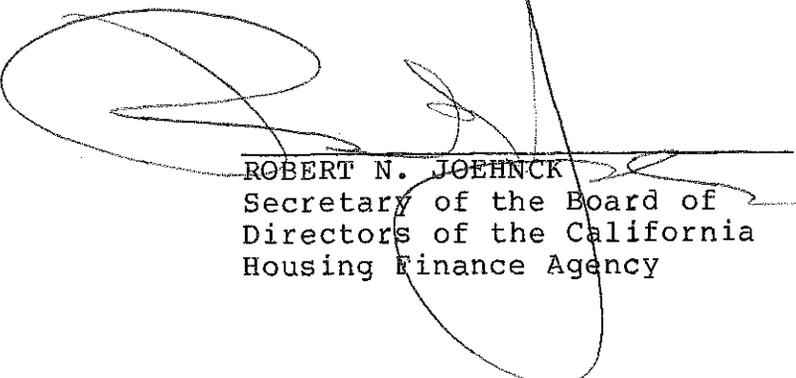
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9 NOES: None

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11 ABSTENTIONS: None

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13 ABSENT: Kruer, Langston, Mazirow, Peevey

14
15 I further certify that I have carefully compared the
16 foregoing copy with the original minutes of said meeting on file
17 and of record in my office; that said copy is a full, true, and
18 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.

19 IN WITNESS WHEREOF, I have executed this certificate
20 and affixed the seal of the Board of Directors of the California
21 Housing Finance Agency hereto this 21st day of June,
1984.

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23 
24 ROBERT N. JOEHNCK
25 Secretary of the Board of
26 Directors of the California
27 Housing Finance Agency