

1 RESOLUTION 88-03

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3 RESOLUTION ESTABLISHING INSURANCE COMMITTEE

4 WHEREAS, Part 4 of Division 31 of the Health and Safety  
5 Code of the State of California, commencing with Section 51600,  
6 creates a program of Bond and Loan Insurance; and

7 WHEREAS, Section 51650 specifically gives  
8 administrative responsibility for any such program to the  
9 California Housing Finance Agency ("the Agency"); and

10 WHEREAS, under such authority the Agency has developed  
11 a mortgage insurance program known as the California Housing  
12 Insurance Fund ("the Fund") for the purpose of insuring loans on  
13 residential structures occupied primarily by persons and families  
14 of low or moderate income; and

15 WHEREAS, the Fund will be rated as to its claims paying  
16 ability by the nationally recognized rating agencies Standard &  
17 Poor's Corporation and Moody's Investors Service, Inc. ("the  
18 rating agencies"); and

19 WHEREAS, the rating agencies' evaluation of the Fund  
20 requires an elaboration of its independent authority to conduct a  
21 mortgage insurance program,

22 NOW, THEREFORE, BE IT RESOLVED, by the Board of  
23 Directors of the California Housing Finance Agency ("the Board"),  
24 as follows:

25 Section 1. The Insurance Committee is hereby created  
26 for the purpose of overseeing the operation of the Fund.

27 Section 2. Members of the Insurance Committee shall be  
appointed by the Chairman of the Board from among its members and  
shall include the Secretary of the Business, Transportation and  
Housing Agency as a voting ex officio member and the Executive  
Director of the Agency as a non-voting ex officio member.

Section 3. The Director of Insurance of the Agency  
shall be responsible for operation of the Fund and shall report  
statistics on such operation to the Insurance Committee not less  
than biannually; such reports shall include data regarding Fund  
management, profit and loss as well as underwriting criteria,  
premium and reserve structures and real estate owned by the Fund.

Section 4. The Insurance Committee shall be the proper  
forum for the resolution of all questions relative to insurance  
availability and coverage, including appraisals and underwriting  
criteria, which cannot be resolved by the Director of Insurance.

1 The decision of the Insurance Committee shall be final with  
2 respect to the authority granted by Part 4 of Division 31 of the  
Health and Safety Code.

3 I hereby certify that this is a true and correct copy of  
4 Resolution 88-03 adopted at a duly constituted meeting of the  
5 Board of Directors of the California Housing Finance Agency held  
on January 21, 1988 at Sacramento, California.

6 Attest:   
7 Secretary

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