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RESOLUTION 93-08

APPROVAL OF THE CONSTRUCTION TAKE-OUT LOAN PROGRAM

WHEREAS, staff has recommended the approval of the Single Family Construction Take-Out Loan Program ("CTOP") as described in that certain memorandum dated March 5, 1993 ("CTOP Memo") incorporated herein by this reference; and

WHEREAS, staff has determined that there is a need in the State of California for an increase in the supply of affordable single family housing; and

WHEREAS, staff has also determined that the construction of affordable single family housing has been thwarted recently due to a construction lending credit crunch; and

WHEREAS, in order to increase the supply of affordable housing, and in order to stimulate private sector construction financing of affordable single family housing developments, CHFA will utilize its available monies from the Home Ownership and Home Improvement Revenue Bonds ("HOHI") to provide take-out guarantees to conventional construction lenders who provide single family construction financing to eligible homebuilders and developments; and

WHEREAS, the take-out guarantees would be available on an Agency-determined percentage of identified lots within an eligible development; and

WHEREAS, CHFA shall determine the eligibility of both the proposed development and the homebuilder prior to issuing any take-out guarantee; and

WHEREAS, the improved lots consisting of finished single family residences which are subject to the Agency take-out guarantee will be available to be sold using Agency financing to eligible borrowers or to other buyers using conventional financing; and

WHEREAS, CHFA and CHIF will work in cooperation with each other to implement the CTOP; and

WHEREAS, CHIF will be required to provide mortgage insurance of 50 percent coverage on the mortgage loans made under the CTOP.

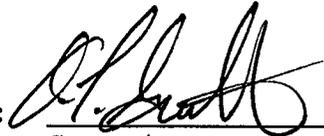
NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the California Housing Finance Agency accepts the

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staff's recommendation pursuant to the CTOP Memo dated March 5, 1993 and, therefore, authorizes the following:

1. The CTOP as described in the CTOP Memo is hereby approved.

I hereby certify that this is a true and correct copy of Resolution 93-08 adopted at a duly constituted meeting of the Board of Directors of the California Housing Finance Agency held on March 11, 1993 in San Francisco, California.

Attest: 
Secretary