

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

RESOLUTION 93-18

WHEREAS, pursuant to the Zenovich-Moscone-Chacon Housing and Home Finance Act ("Act"), the California Housing Finance Agency ("Agency") has the authority to engage in mortgage insurance activities and to reduce the cost of mortgage financing for home purchase and rental housing development through the issuance of bonds, its housing loan programs, and its mortgage insurance programs;

WHEREAS, the Agency previously provided a pledge of financial support to its insurance programs from the California Housing Insurance Fund ("Insurance Fund") and from the California Housing Finance Fund ("Finance Fund") in order to maintain the Insurance program's claims-paying ability rating with Standard & Poor's Corporation and Moody's Investor Services, and in order to obtain reinsurance from Hanover Ruckversicherungs-Aktiengesellschaft of Germany;

WHEREAS, the Agency adopted Resolution 93-15 on May 13, 1993, committing the Agency to support the insurance program, consistent with the same standards and policies of prudent management, concern for top-tier rating, and maintenance of adequate reserves, that it has for its lending program and consistent with the requirements expressed in Standard & Poor's letter dated March 16, 1993, a copy of which is attached hereto;

WHEREAS, the amount of the reserves for the insurance program may vary, depending upon events beyond the control of the Agency, the Board desires to provide flexibility to its insurance program by establishing gross insurance objectives as set out in the Agency's 1993-1997 Business Plan ("Business Plan"), adopted by Board Resolution 93-17, on June 9, 1993;

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

1. Resolutions 84-19 (re: insurance on 80/20 projects); 84-27 (re: premiums); and 87-29 (re: support pledge) are rescinded;

2. The Agency's objective shall be to insure, by the end of the 1997 calendar year, single family mortgages totaling in the aggregate \$1,255,544,000 in initial mortgage loan amounts.

3. The Agency hereby pledges the moneys in the Insurance Fund, estimated to be approximately \$15,960,063, and a sum not to exceed \$18,000,000 in the Finance Fund to support the insurance program for calendar year 1993, the precise amount of these pledges being dependent upon the criteria and limitations expressed in paragraph 6 of this resolution.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

4. The Agency hereby pledges, effective January 1, 1994, the moneys in the Insurance Fund estimated to be \$17,909,728 on that date, and a sum not to exceed \$29,000,000, cumulatively, from the Finance Fund, to support the insurance program for calendar year 1994, the precise amount of these pledges being dependent upon the criteria and limitations expressed in paragraph 6 of this resolution.

5. The Agency shall pledge such amounts from the Insurance Fund and the Finance Fund for the calendar years 1995 - 1997, as will be needed to support the gross insurance estimated in the Business Plan, the precise amount of these pledges being dependent upon the criteria and limitations expressed in paragraph 6 of this resolution.

6. The Agency hereby pledges its general obligation and the reserves identified in paragraphs 3 and 4 above, as necessary to support its existing insurance business in order to maintain at all times the insurance reserve at the level required by Section 51608 of the Health & Safety Code, to maintain a minimum capital of \$7.5 million for purposes of the Federal National Mortgage Association, and to further the goals outlined in the Business Plan from 1993 through 1997, provided that:

- a) such pledge is available pursuant to Health & Safety Code Section 51659 and does not impair the fiscal integrity of the Agency and its programs;
- b) such pledge does not adversely affect any of the Agency's bond ratings; and
- c) such pledge does not endanger the Agency's top tier rating.

I hereby certify that this is a true and correct copy of Resolution 93-18 adopted at a duly constituted meeting of the Board of Directors of the California Housing Finance Agency held on June 9, 1993 in Millbrae, California.

ATTEST:  _____