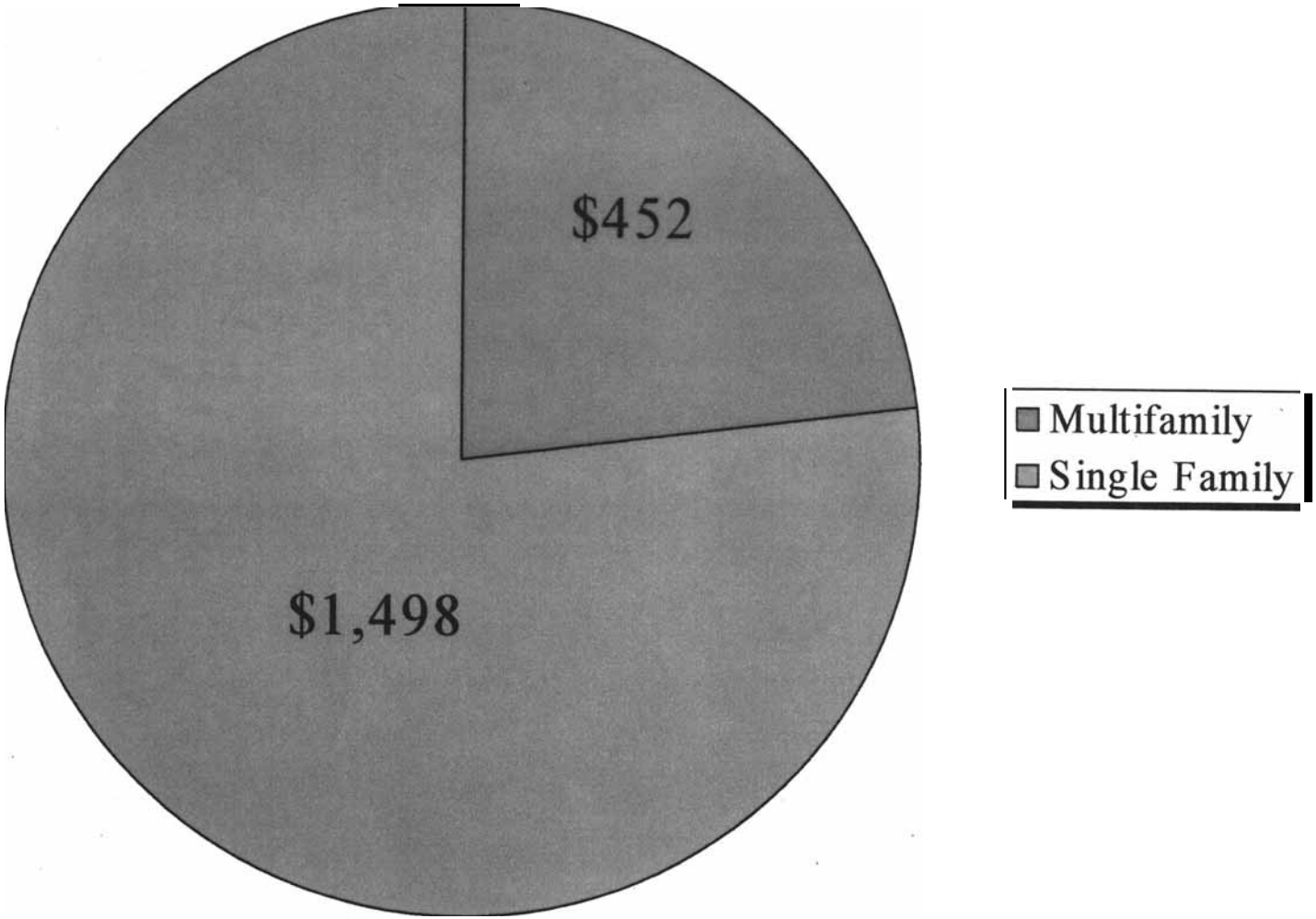
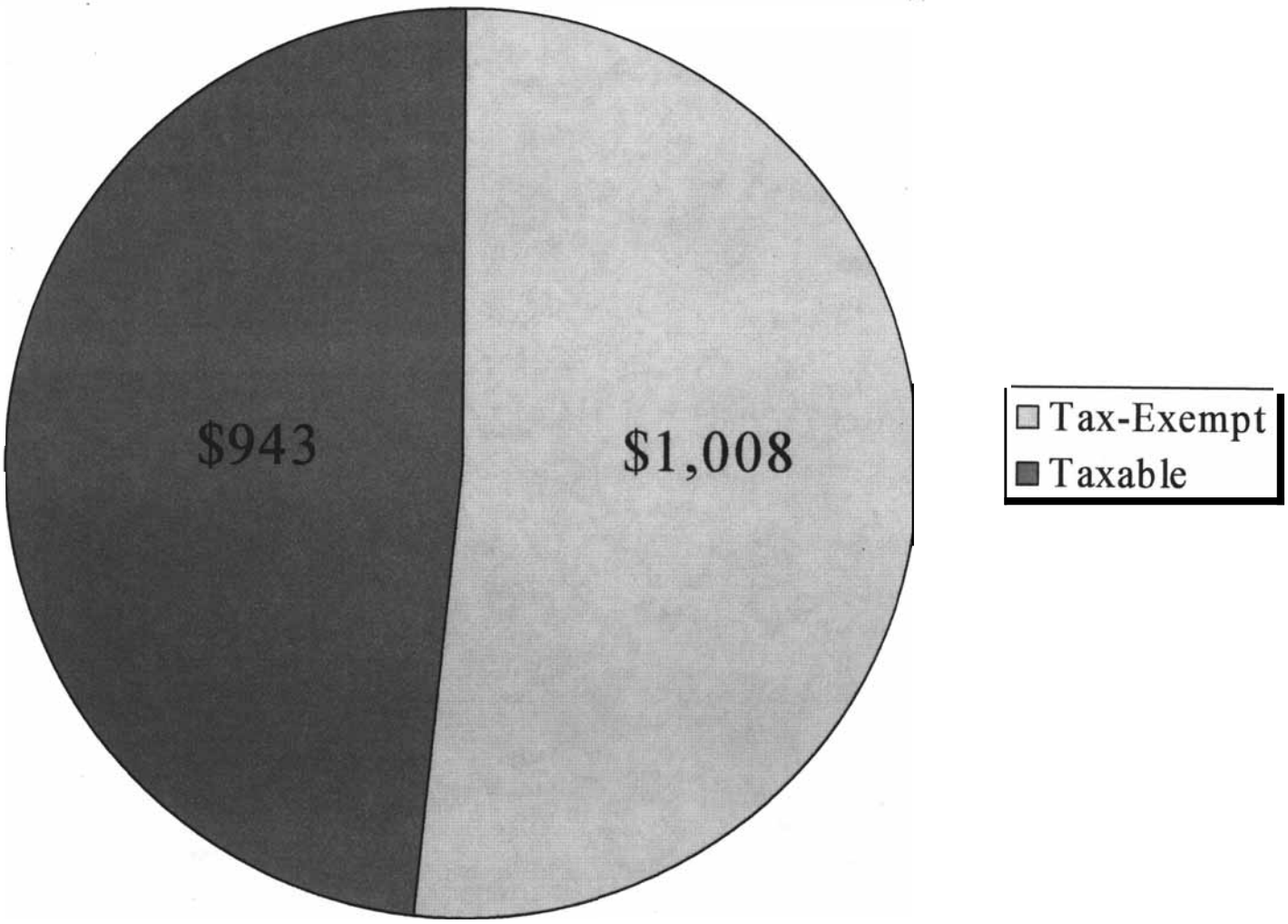
CHFA Bonds
2000 Calendar Year

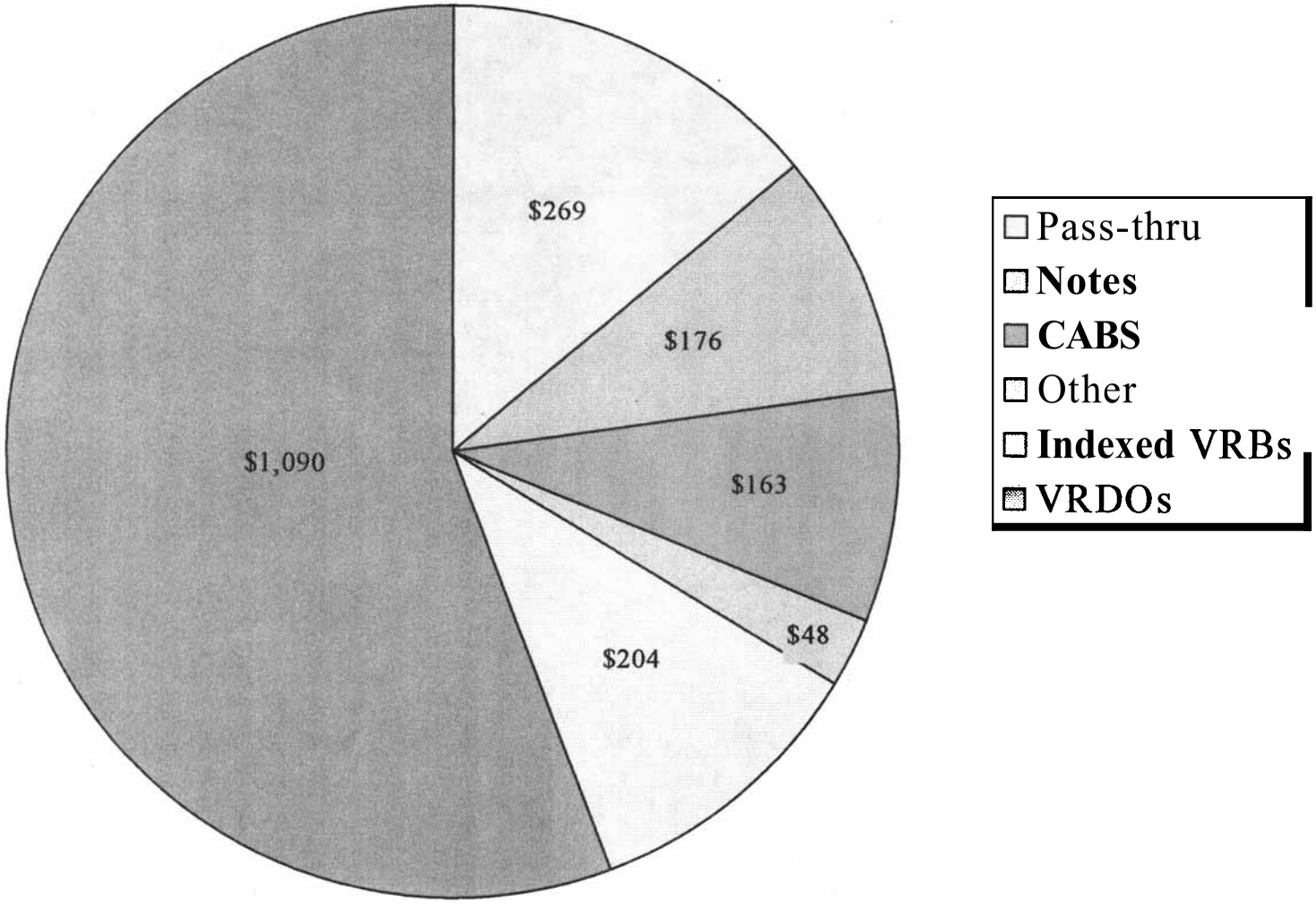
(In Millions)



CHFA Bonds
2000 Calendar Year
(In Millions)



CHFA Bonds
2000 Calendar Year
(In Millions)



CALIFORNIA HOUSING FINANCE AGENCY

Variable Rate Debt as of January 2001

(Millions of $)

	Tied Directly to Variable Rate Loans	Swapped to Fixed Rate	Not Swapped or Tied to Variable Rate Loans	Total Variable Rate Debt
Single Family	$35	$1,210	$478	$ 1,723
Multifamily	16	183	14	213
Total	$51	$1,393	$492	$ 1,936

Net Variable Rate Debt

(millions of $)

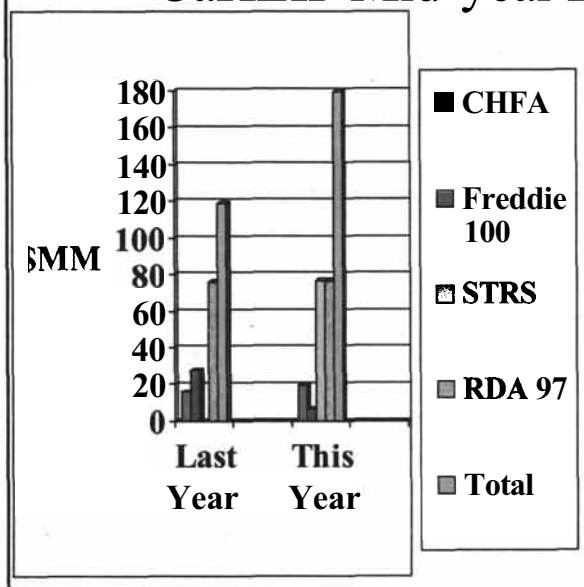
	Tax-Exempt	Taxable	Totals
Short average life	$248	$ 89	$337
Long average life	36	119	155
TOTALS	$284	$208	$492

Interest Rate Swaps

(millions of $)

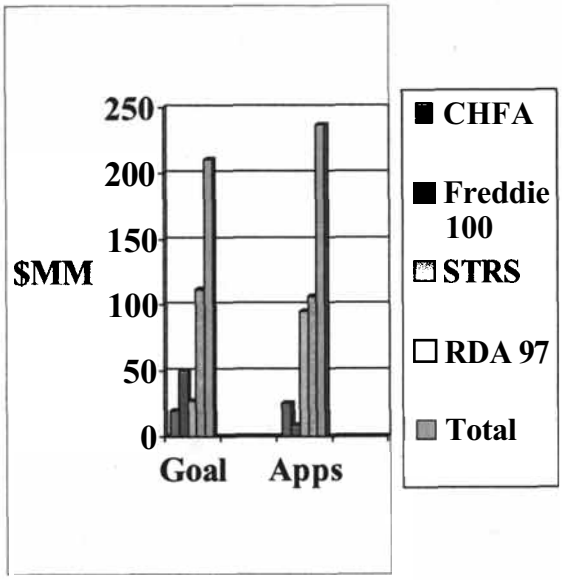
	Tax-Exempt	Taxable	Totals
Single family	$354	$856	$1,210
Multifamily	183	0	183
TOTALS	$537	$856	$1,393

CaHLIF Mid-year Production



- Production for first half-year **is** 50% higher than last year
- Production **is** 85% **of** goal
- Delayed high-cost counties program is 12% of goal

CaHLIF Mid-year Production



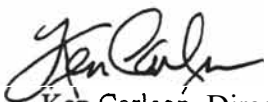
- Applications are 112% of goal

State of California

MEMORANDUM

To: Board of Directors

Date. January 11,2001



Ken Carlson, Director of Financing

From: **CALIFORNIA HOUSING FINANCE AGENCY**

Subject: REPORT OF BOND SALE *AND* RELATED INTEREST **RATE SWAPS**
HOME MORTGAGE REVENUE BONDS 2001 SERIES ABCD

Yesterday we determined the rates for $35.9 million of fixed-rate bonds and arranged fixed rates through the swap market for $124.1 million of variable rate bonds, for a total of $160 million of bonds to be delivered on January 25. The tax-exempt variable rate bonds' initial rates will be set on January 23 with weekly resets occurring thereafter. The taxable bonds' rates will be set quarterly based on the LIBOR index.

The $35.9 million of fixed-rate tax-exempt bonds have been structured as serial, term, and capital appreciation bonds. All of the taxables and $12.1 million of the tax-exempts will be issued in variable rate form and swapped to fixed rates. These swapped bonds have been structured as "planned amortization class" bonds, and the swap amortizations match that of the corresponding bonds.

Proceeds of the bonds will be used to purchase approximately 1,240 new loans with rates ranging from **5.75%** to 7.75%.

Overall interest rates have declined markedly since our last bond issue in November. For example, our capital appreciation bonds (Series B) priced yesterday at 5.625% as compared to 6.25% in November, and our taxable bonds (Series D) obtained a swap rate of 6.215% as compared with 6.843% in November.

This issue is the second we have done where 70% ($112 million) of the bonds are taxable. The benefit of using a higher percentage of taxable bonds (70% versus 60%) is that we can save approximately $16 million of tax-exempt authority for another transaction later this year. This is our third issuance in which the Federal Home Loan Bank of San Francisco has purchased all ($112 million) of our taxable bonds. Staff of the FHLB have indicated to us that they now have approval from their Board to purchase all our taxable bonds this year.

Lloyds Bank (a highly-rated British bank) has partnered with the California State Teachers' Retirement System to provide liquidity in the unlikely event that the $12.1 million of tax-exempt variable rate bonds are put back to us by investors and new investors cannot be found. All bonds are insured by **FSA** and therefore rated triple-A by both Moody's and Standard & Poor's.

SERIES	AMOUNTS	INTEREST RATES	MATURITIES	TAX STATUS
Series A	$7,000,000	4.60%	8/1/16	Non-AMT
Series B	28,884,660	3.10%-5.625%	8/1/02-8/1/31	AMT
Series C	12,115,000	3.90-4.31%*	8/1/22 & 8/1/31	AMT
Series D	112,000,000	6.215%*	8/1/22	Taxable
	$ 159,999,660			

***swap rates**

January **10, 2001**

STATUTORY CAPS ON BONDED INDEBTEDNESS OF STATE HOUSING FINANCE AGENCIES

According to the National Council of State Housing Agencies, the state housing finance agencies of **25** states have no statutory limit on outstanding bonded indebtedness. Such states include Virginia, Connecticut, Pennsylvania, New Jersey, Maryland, Florida, Wisconsin, and Ohio, each with large housing agencies with debt in excess of **$2** billion.

Of the state housing finance agencies with debt caps, some, such as Massachusetts, have such limitations because the state itself backs the housing agency's debt. Other large states (such as New York) have debt limits for their housing agencies as a statutory artifact; originally the state's backing was pledged but is no longer.

The attached table shows indebtedness information for those state housing agencies with statutory debt caps and debt in the $2 billion range or higher. Note especially that, for three of the agencies shown, outstanding indebtedness actually fell over the past year. Of the six agencies listed, only the California Housing Finance Agency is in danger of reaching its statutory cap next year.

Attachment

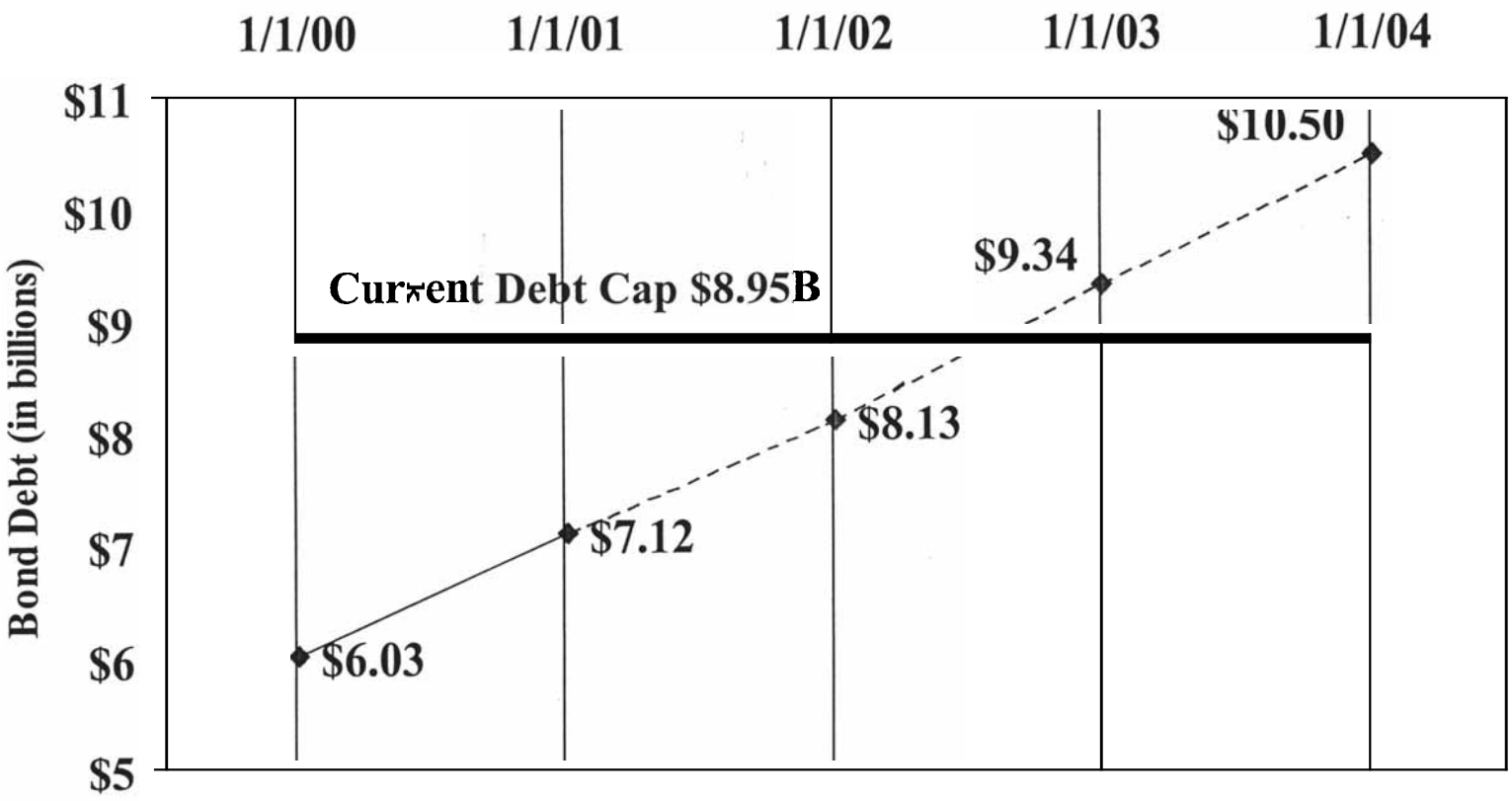
DEBT CAP INFORMATION ABOUT LARGE STATE HOUSING AGENCIES

STATE	HFA DEBT LIMIT AMOUNT	TOTAL BONDS OUTSTANDING AS OF 12/31/00	UNUSED DEBT CAP		TOTAL BONDS OUTSTANDING AS OF 12/31/99	DIFFERENCE IN BONDS OUTSTANDING IN 2000	YEAR DEBT CAP WILL BE REACHED
			$ Amount	%			
CHFA	$8,950,000,000	$7,122,064,005	$1,827,935,995	20.4%	$6,032,576,055	$1,089,487,950	2002
Illinois HAD	$3,600,000,000	$2,026,536,000	$1,573,464,000	43.7%	$2,080,680,011	-$54,144,011	never reached
New York HFA	$5,030,000,000	$4,394,956,818	$635,043,182	12.6%	$4,285,446,000	$109,510,818	2006
New York SONYMA	$6,695,000,000	$4,280,694,000	$2,414,306,000	36.1%	$4,077,892,000	$202,802,000	2013
Massachusetts HFA	$4,900,000,000	$3,600,000,000 •	$1,300,000,000	26.5%	$3,743,595,417	-$143,595,417	never reached
Michigan SHDA	$4,210,000,000	$1,965,210,000	$2,244,790,000	53.3%	$1,976,336,000	-$11,126,000	never reached

• Estimated figure

DebtCap99-00.xls (lmf)

CHFA Bond Debt Increase
2000 - 2003

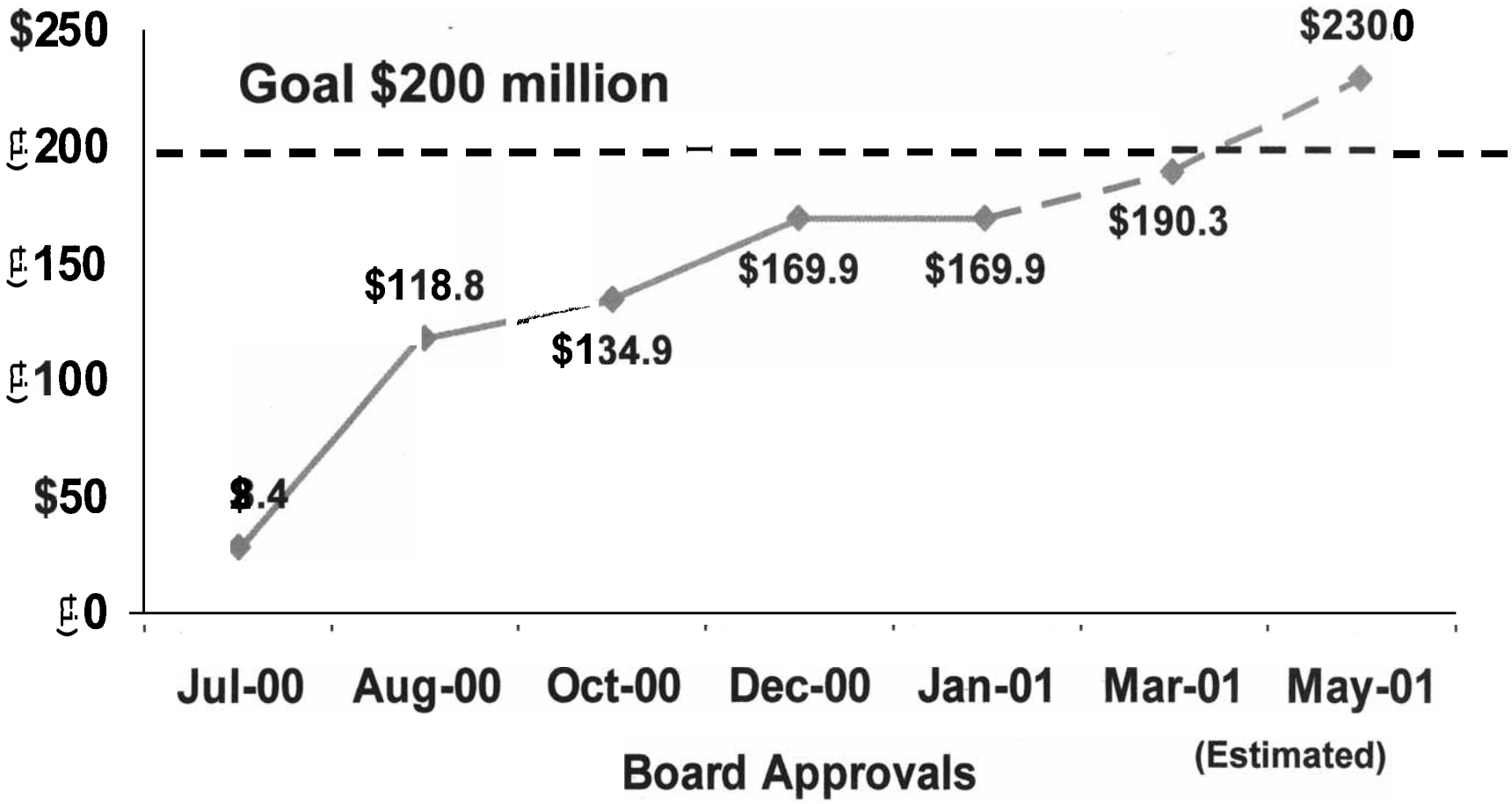


Multifamily Programs

Mid-Year Status Report

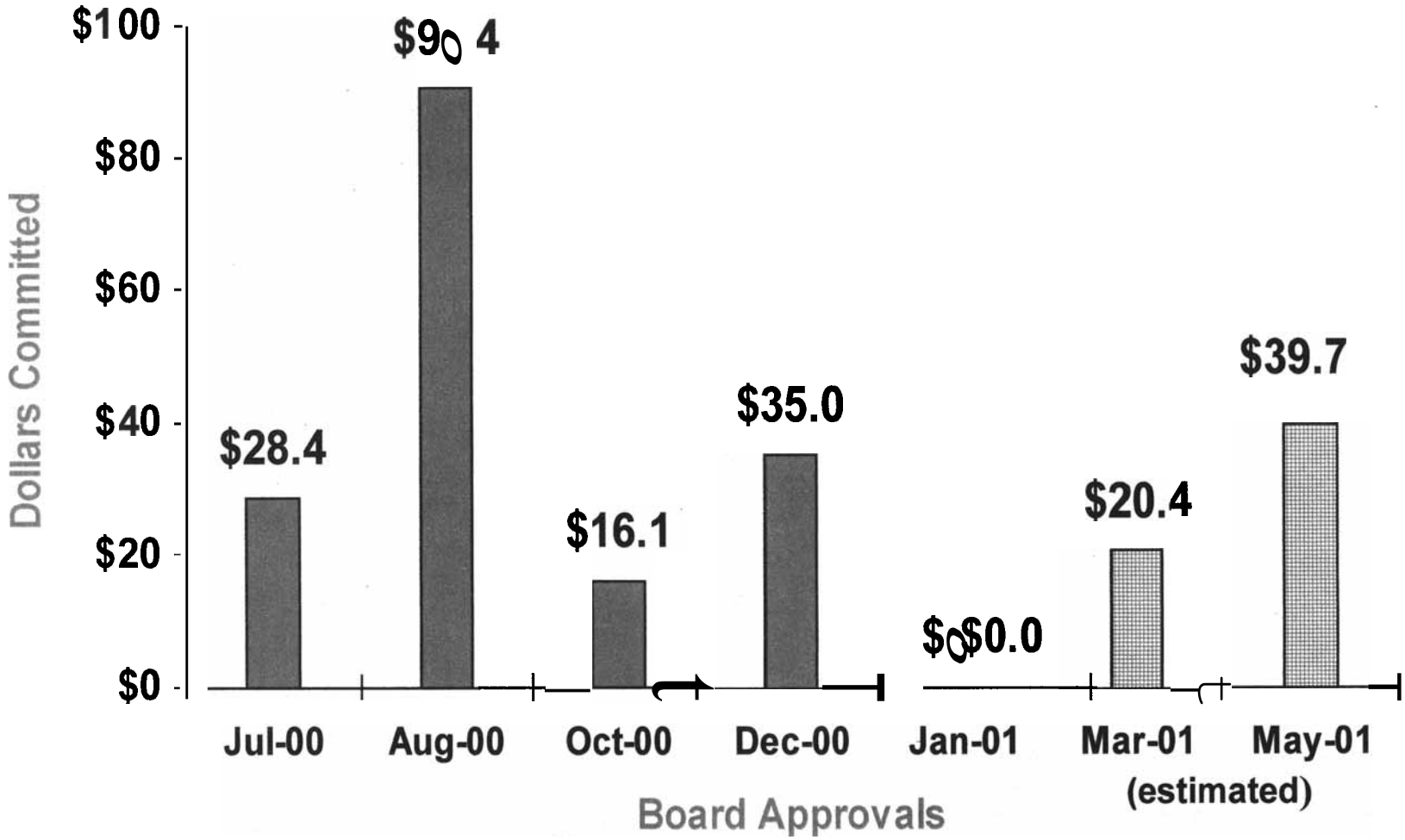
Cumulative Multifamily Production FY 2000/2001

(in millions)

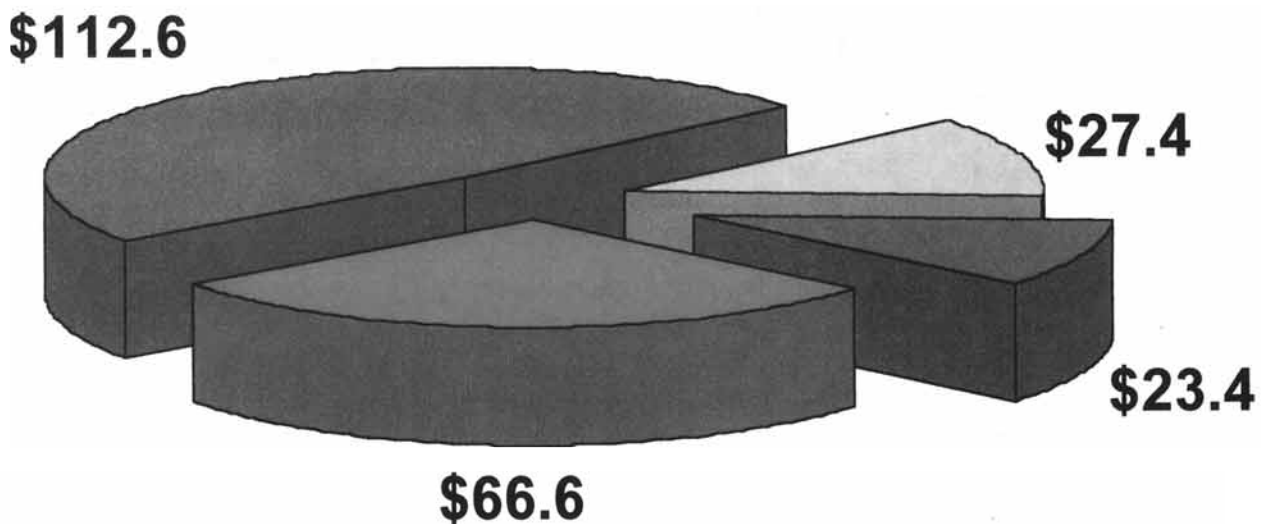


FY 2000/2001 Multifamily Production

Expected Volume (in millions)



MF Production FY 2000/2001
Estimated Totals by Product Type
(in millions)



Special Needs | Rehabilitation | New Constr. | Preservation

Multifamily Program Accomplishments Mid-Year 2000/2001

- Introduced New Loan Products
  - Loan-to-Lender, Taxable and Tax-Exempt
  - Refunding of Local Bond Issues
- Implemented New Design and Energy Efficiency Review Process
- Commenced Marketing Program for 236 Loans
- Closed 18 Loans, 2,491 Units, $196.3 million
- Approved 21 Loans, 2,477 Units, $169.9 million
- Recruitment Process Underway for Team Leaders and Loan Analysts

Multifamily Programs
New Opportunities
Business Plan 2001/2002

- Financing Assisted Living Projects
  - Medicaid Waiver
- HCD Related Loan Programs
- HUD 202 Project Financings
  - Syndications and Refinancings
  - Conversion to Assisted Living
- "New Markets" and Brownfields
  - Taxable Product Development, Underwriting and Insurance Guidelines
- Preservation Programs - The Next Generation
  - Expiring Tax Credit Projects
  - HUD's Plans for Section 8 Projects

CHFA Business Plan

Mid-year Status Report

SINGLE FAMILY PROGRAMS

FY Business Plan 2000/01	
SF Loans	$1,000M
HAT Programs	
Self-Help	$2M
Mortgage Assistance	$15M
Totals:	$1,017M

Fiscal Year Objectives

- Increase homeownership opportunities for very-low and low-income families
- Loan fund availability 365 days a year
- Equitable distribution of loan funds statewide

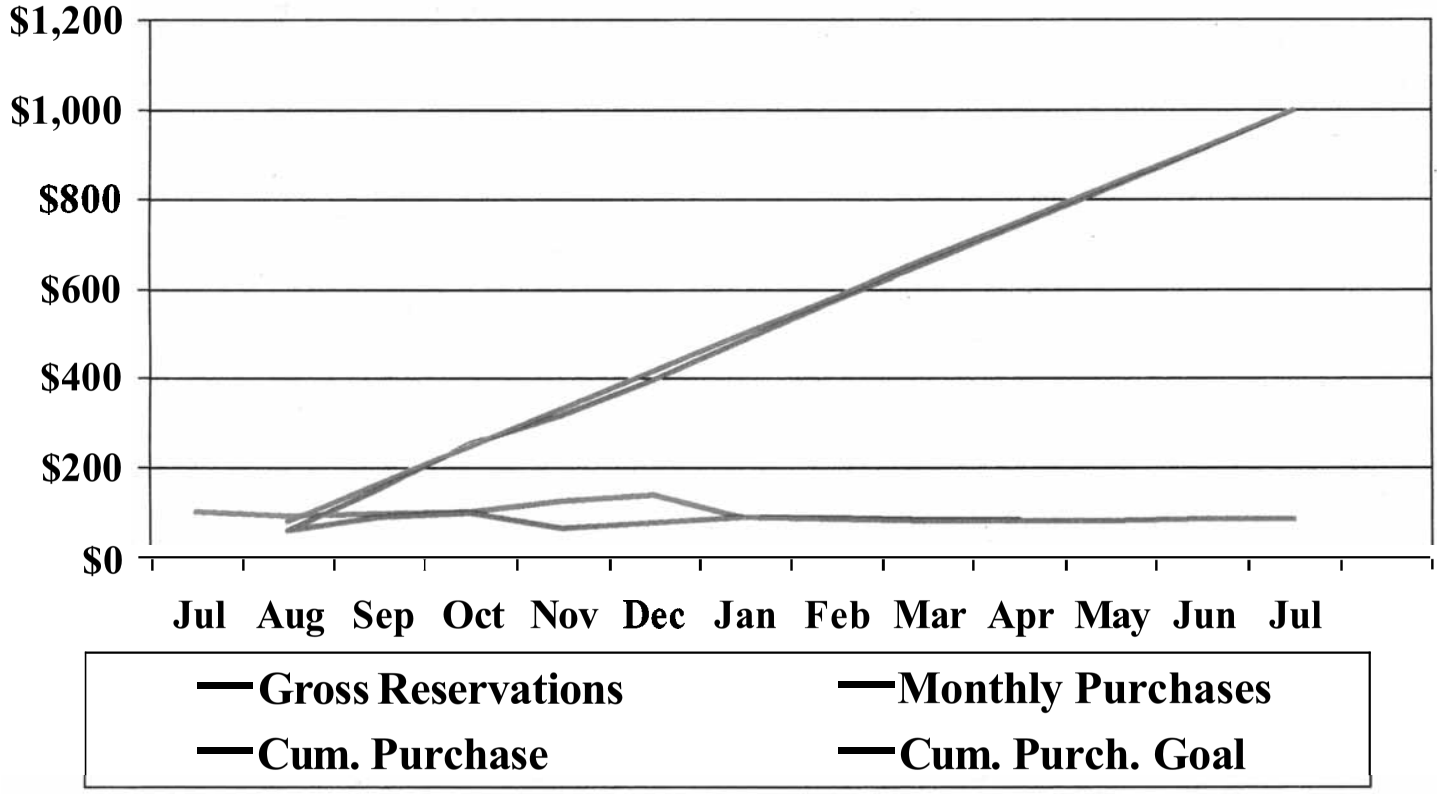
CHFA
Interest Rate Schedule

		CHFA	AHPP
Statewide	Moderate	7.25%	N/A
	Low	6.25%	6.00%
Hi Cost	Moderate	7.00%	N/A
	Low	6.00%	5.75%

Rates Effective 01/03/01

2000/01 SF Business Plan

(in Millions)



Single Family Program Mid-Year Accomplishments 2000/01

- Implemented California Homebuyer Downpayment Assistance Program
- 100% Loan (CHAP) assisted reaching under-served areas
- 72% of all loans are to minority borrowers
- 49% of all loans are 51-80% of median income
- 28% of all loans are 50% of median income or less
- Affordable Housing Partnership Program
  - 450 loans purchased since 7/1/00
  - 163 approved entities statewide
- Delinquency ratio
  - 7.3% (as of 9/30/00) against MBA ratio of 8.34% (as of 6/30/00)
- Amended Condominium policy
  - available statewide

Single Family Program
New Opportunities
Business Plan 2001/02

- Smart growth/affordable housing: opportunities in high-cost and under-served areas
- HCD related programs
- Targeted downpayment assistance with HAT funds