

RESOLUTION NO. 03-08

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY CONCERNING
THE INVESTMENT IN MORTGAGE-BACKED BONDS
ISSUED BY OTHER ENTITIES

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need in California for providing financial assistance to persons and families of low or moderate income to enable them to purchase moderately priced single family residences;

WHEREAS, the Agency has also determined that there exists a need in California for the financing of mortgage loans for the construction or development of multi-unit rental housing developments for the purpose of providing housing for persons and families of low or moderate income;

WHEREAS, the Agency's Business Plan sets forth programs involving the investment of Housing Assistance Trust moneys in special purpose loans that may have extremely low rates of interest and liberal repayment terms not normally found in private market transactions;

WHEREAS, other affordable housing entities, including nonprofit organizations, seek funding for similar special purpose loans through the issuance of unrated securities backed by such loans;

WHEREAS, the Agency's financial risk in investing in special purpose loans would not be essentially different if it invested in these loans directly or invested in unrated securities backed by such loans; and

WHEREAS, pursuant to Part 3 of Division 31 Chapter 3, Section 51003 of the California Health and Safety Code, the Agency may invest moneys of the California Housing Finance Fund in obligations or financial institutions as are permitted by board resolution.

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

Section 1. Authorization to Invest in Mortgage-Backed Bonds Issued by Other Entities. The officers of the Agency are hereby authorized to invest funds from the California Housing Finance Fund to buy unrated mortgage-backed bonds issued to finance special purpose mortgage loans in order to achieve the goals of the Agency's Business Plan.

Section 2. Authorization of Related Actions and Agreements. The officers of the Agency, or the duly authorized deputies thereof, are hereby authorized and directed, jointly and severally, to do any things and to execute and deliver any and all agreements and documents which they may deem necessary or advisable in order to effectuate the purposes of this resolution.

SECRETARY'S CERTIFICATE

I, Thomas C. Hughes, Secretary of the Board of Directors of the California Housing Finance Agency, hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 03-08 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 9th day of January, 2003, of which meeting all said directors had due notice; and that at said meeting said resolution was adopted by the following vote:

AYES: ANGELIDES (by Peterson), BORNSTEIN, CONTRERAS-SWEET (by Sandoval),
HAWKINS, KLEIN, SHINE, WALLACE

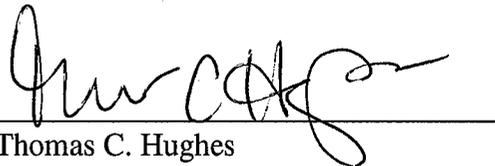
NOES: NONE

ABSTENTIONS: NONE

ABSENT: BAYUK, CZUKER

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the Board of Directors of the California Housing Finance Agency hereto this 9th day of January, 2003.

[SEAL]



Thomas C. Hughes
Secretary of the Board of Directors of the
California Housing Finance Agency