

RESOLUTION NO. 06-19

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY TO FACILITATE
THE SINGLE FAMILY HOUSING PROGRAM OF THE AGENCY BY AMENDING
RESOLUTION NO. 06-03 TO AUTHORIZE THE ISSUANCE OF BONDS UNDER A NEW
FORM OF INDENTURE

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 determined that it is in the public interest for the Agency to provide such financial assistance by means of various programs including whole loan and mortgage backed securities programs, to provide permanent financing of such residences (collectively, the "Program");

WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the California Health and Safety Code, the Agency has the authority to issue bonds (including notes and other evidences of indebtedness) to provide sufficient funds to finance the Program;

WHEREAS, on January 12, 2006 the Agency adopted its Resolution No. 06-03 authorizing the issuance of bonds to provide funds to finance the Program;

WHEREAS, the Agency has determined that in order to provide additional funds to finance the Program it is in the public interest to authorize additional bonds to be issued pursuant to a proposed form of indenture not previously approved by the Agency;

WHEREAS, funds under such indenture may be used to finance mortgage loans or mortgage-backed securities or any combination thereof;

WHEREAS, the bonds proposed to be issued by the Agency under an indenture or indentures in such form may be limited obligations of the Agency payable solely from certain amounts on deposit under the indenture relating thereto or may be general obligations of the Agency;

WHEREAS, the Agency now desires to amend Resolution No. 06-03 to authorize the issuance of the bonds and to approve a new form of indenture under which the Agency may issue such bonds; and

WHEREAS, the Agency wishes to further amend Resolution No. 06-03 to authorize the Agency to execute such financial agreements and program documents as are necessary or appropriate to permit the Agency to operate the programs financed by the new form of indenture, including programs of financing residences through the purchase of mortgage backed securities;

NOW, THEREFORE, BE IT RESOLVED, by the California Housing Finance Agency as follows:

Section 1. Approval of Form of Indenture. In order to authorize the execution and delivery of one or more indentures providing for the issuance of and securing bonds, Section 3 of Resolution No. 06-03 is hereby amended to move the words "and/or" from immediately before subsection (k) thereof to immediately after such subsection (k) and to add thereafter a new subsection (l) to read as follows:

"(l) the form of indenture entitled "Residential Mortgage Revenue Bond Indenture presented to the November 9, 2006 meeting of the Agency" (the" RMRB Indenture"); and

Section 2. Approval of Form of Supplemental Indenture. In order to authorize the execution and delivery of one or more supplemental indentures providing for the issuance of and securing bonds, the first sentence of Section 4 of Resolution No. 06-03 is hereby amended and restated to read as follows:

"Section 4 **Approval of Forms of Series and Supplemental Indentures.** The Executive Director and the Secretary are hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and acknowledge and to deliver with respect to each series of Bonds, if and to the extent appropriate, series and supplemental indentures (collectively "Supplemental Indentures") under either one of the Prior Indentures or the RMRB Indenture, and in substantially the form of the respective supplemental indentures previously executed and delivered or approved or in the form presented to the November 9, 2006 meeting of the Agency, each with such changes therein as the officers executing the same approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof."

Section 3. In order to authorize the Agency to execute financial agreements necessary or appropriate to operate the programs financed by the RMRB Indenture approved herein, Section 10 of Resolution No. 06-03 is hereby amended and restated to read as follows:

" Section 10. Authorization of Related Financial Agreements. The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, any and all agreements and documents designed (i) to reduce or hedge the amount or duration of any payment, interest rate, change in interest rate, spread or similar risk, (ii) to result in a lower cost of borrowing when used in combination with the issuance or carrying of bonds or investments, or (iii) to enhance the relationship between risk and return with respect to the Program or any portion thereof. To the extent authorized by law, including Government Code Section 5922, such agreements or other documents may include (a) interest rate swap agreements, (b) forward payment conversion agreements, (c) futures or other contracts providing for payments based on levels of, or changes in, interest rates

or other indices, (d) contracts to exchange cash flows for a series of payments, (e) contracts, including, without limitation, interest rate floors or caps, options, puts or calls to hedge payment, interest rate, spread or similar exposure, or (f) to obtain guarantees, including guarantees of mortgage backed securities or their underlying loans, and in each such case may be entered into in anticipation of the issuance of bonds at such times as may be determined by such officers. Such agreements and other documents are authorized to be entered into with parties selected by the Executive Director, after giving due consideration for the creditworthiness of the counterparties, where applicable, or any other criteria in furtherance of the objectives of the Program.”

Section 4. In order to authorize the Agency to execute program documents necessary or appropriate to operate the programs financed by the RMRB Indenture approved herein, Section 11 of Resolution No. 06-03 is hereby amended and restated to read as follows:

“Section 11. Authorization of Program Documents. The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, all documents they deem necessary or appropriate in connection with the Program, including, but not limited to, one or more mortgage purchase and servicing agreements (including mortgage-backed security pooling agreements) and one or more loan servicing agreements with such lender or lenders or such servicer or servicers as the Executive Director may select in accordance with the purposes of the Program, and any such selection of a lender or lenders or a servicer or servicers is to be deemed approved by this Board as if it had been made by this Board. The mortgages to be purchased may be fixed rate, step rate, adjustable rate, graduated payment, deferred payment or any combination of the foregoing may have terms of 40 years or less and may be insured by such mortgage insurers as are selected by the Executive Director in furtherance of the objectives of the Program.

The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, one or more mortgage sale agreements with such purchasers as the Executive Director may select in accordance with the objectives of the Program. Any such sale of Loans may be on either a current or a forward purchase basis.

The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, contracts to conduct foreclosures of mortgages owned or serviced by the Agency with such attorneys or foreclosure companies as the Executive Director may select in accordance with the objectives of the Program.

The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, contracts for the sale of foreclosed properties with such purchasers as

the Executive Director may select in accordance with the objectives of the Program. Any such sale of foreclosed properties may be on either an all cash basis or may include financing by the Agency. The Executive Director and the other officers of the Agency are also authorized to enter into any other agreements, including but not limited to real estate brokerage agreements and construction contracts necessary or convenient for the rehabilitation, listing and sale of such foreclosed properties.

The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, (i) contracts or agreements for the purchase or sale of mortgage backed securities; (ii) servicing agreements, including master servicing agreements, in connection with the operation of a program of mortgage backed securities; (iii) agreements with government sponsored enterprises, or other secondary market issuers or guarantors of mortgage backed securities; and (iv) such other program documents as are necessary or appropriate for the operation of a program of mortgage backed securities.”

Section 5. Ratification of Prior Actions. All actions previously taken by the officers of the Agency in connection with the issuance of the Bonds are hereby approved and ratified.

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 06-19 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 November, 2006, of which meeting all said directors had due notice; and that at said meeting said resolution was adopted by the following vote:

AYES: PAVAO (for Angelides); CAREY; CZUKER; JACOBS; DAVI (for McPeak); MORRIS; SHINE; COURSON

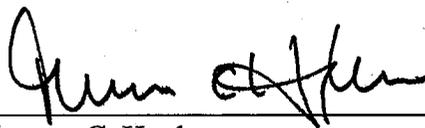
NOES: NONE

ABSTENTIONS: NONE

ABSENT: GALANTE

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 October, 2006.

[SEAL]



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