CalHFA℠

REPORTS

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State of California

MEMORANDUM

To: Board of Directors   Date: August 28, 2007

Bruce D. Gilbertson, Director of Financing

From: **CALIFORNIA HOUSING FINANCE AGENCY**

Subject: REPORT OF BOND SALE AND INTEREST RATE SWAP AGREEMENTS MULTIFAMILY HOUSING REVENUE BONDS III, 2007 SERIES B

On June 13th we set swap rates for $12,630,000 of $16,630,000 of multifamily variable rate bonds issued on July 12th. The Series B bonds were issued as tax-exempt auction rate bonds. The interest rates for the bonds are reset and interest is paid every 35 days. The Series B bonds are backed by our Aa3/AA- general obligation but are rated Aaa/AAA because of bond insurance provided by Financial Guaranty Insurance Company.

The Series B bonds have been issued to provide funds to finance new loans to four multifamily projects. Attached is a listing of the projects to be financed by the Series B bonds.

As shown in the table below, we have negotiated two interest rate swaps, together in an amount related to the new permanent loans. Consistent with our strategy for previous multifamily transactions, amounts related to acquisition/rehabilitation and construction loans are not being swapped due to the short term of these loans. As with previous transactions, we have chosen to delay the starting date for one swap. Delaying the effective start date enables us to minimize negative investment arbitrage during the period between the issuance of the bonds and the date new loans are funded.

Amount of Swap	Start Dates	End Dates	Fixed Rates Paid to Counterparties	Floating Rate Index
$6,410,000	7/12/2007	2/1/2022	3.937%	64% of LIBOR + 0.25%
$6,220,000	8/1/2009	2/1/2040	4.222%	64% of LIBOR + 0.25%

Projects To Be Financed With The Proceeds of Multifamily Housing Revenue Bonds III 2007 Series B

Project Name	Loan Type		Loan Amount	Interest Rate		Actual/Projected Loan Origination Date
Diamond Aisle	Construction	$	5,400,000	variable		August 28, 2007
	Permanent		770,000	1.00%	(1)	September 1, 2009
Eureka Family	Acq/Rehab	$	3,375,000	5.30%		August 20, 2007
	Permanent		940,000	5.30%		April 10, 2008
	Second		1,150,000	5.30%		August 20, 2007
Las Flores (2)	Lender	$	300,000	3.00%		June 30, 2005
Parkview Apts.	Acq/Rehab	$	4,295,000	variable		August 11, 2007
	Permanent		4,520,000	5.30%		August 1, 2009
	Second		1,885,000	5.20%		August 11, 2007

(1) The Agency expects to subsidize the interest rate on the permanent loan to 5.20%. The source of funds for this subsidy is expected to be the Agency's share of McKinney Act savings from certain FAF projects.

(2) This is a lender loan increase.

State of California

MEMORANDUM

To Board of Directors **Date:** August 22, 2007

Bruce D. Gilbertson, Director of Financing

From: **CALIFORNIA HOUSING FINANCE AGENCY**

Subject: REPORT OF BOND SALE AND INTEREST RATE SWAP AGREEMENTS HOME MORTGAGE REVENUE BONDS 2007 SERIES F, 2007 SERIES G AND 2007 SERIES H

On August 8, 2007, the Agency delivered $350,000,000 of bonds (the "Bonds") under the Home Mortgage Revenue Bond Indenture (HMRB) to Merrill Lynch & Co. The Bonds were issued as both tax exempt fixed rate bonds and tax exempt variable rate demand obligations, with liquidity provided by KBC Bank N.V. ("KBC"). The Bonds were issued in three series, HMRB 2007 Series F, HMRB 2007 Series G and HMRB 2007 Series H. The 2007 Series F bonds are insured by FGIC and are rated Aaa/AAA by Moody's and Standard & Poor's respectively. The 2007 Series G and 2007 Series H bonds are not insured. Additional details of the Bonds are outlined in the attached summary.

The Bonds were issued to provide financing for eligible mortgage loans under the Agency's Home Mortgage Purchase Program. The Agency expects that $243 million of the loans purchased with the proceeds will bear interest at a weighted average rate of 5.764% per annum and will be amortized over 30 years, $3 million will bear interest at a weighted average rate of 6.042% and will be amortized over 40 years, $72 million will bear interest at a weighted average rate of 6.267% per annum and will be used to purchase Interest Only Plus (IOP) loans and $24 million of the proceeds will be used to make zeros that will be used in conjunction with the Agency's HMRB taxable issuances or the HMRB recycling program. The Agency expects to be able to provide homes for approximately 1,050 families, with the proceeds.

The Agency entered into two interest rate swap agreements to provide a fixed rate cost of funds for the 2007 Series H bonds. The swaps are structured with declining notional amounts that match the expected amortization of the corresponding variable rate bonds. For both of the swaps the Agency receives a variable rate of interest based on a percentage of one month LIBOR plus a spread. Merrill Lynch was award one of the swaps ($50 million notional) on a negotiated basis and Morgan Stanley was awarded the other swap ($50 million notional) through a competitive bidding process. By competitively bidding swaps on a selective basis the Agency is achieving greater diversification of swap counterparty exposure and better pricing. We estimate the savings in this instance to be approximately $135,000. Additional details of the Swaps are outlined in the attached summary.

SUMMARY OF THE BONDS

BOND SERIES	F	G	H
Par Amount	$48,260,000.	201,740,000	$100,000,000.
Type of Bonds (Tax-exempt)	FIXED (serial bonds)	Fixed (term bonds)	VRDO
Tax Treatment	AMT	AMT	AMT
Maturities $48,260,000, on $201,740,000, on $100,000,000, on	8/1/2008-8/1/2017	8/1/2023, 2/1/2029 & 8/1/2042	8/1/2033 & 2/1/2042
Credit Rating Moody's S&P	Aaa AAA	Aa2 AA-	Aa2/VMIG-1 AA-/A-1+
Interest Rates **Initial Interest Rate (VRDO)**	3.80%-4.70%	4.95%, 5.050% & *5.50%	3.54%
Liquidity Provider	N/A	N/A	KBC
Insurance Provider	FGIC	N/A	NA
Remarketing Agent	N/A	N/A	Merrill Lynch & Co.

SUMMARY OF THE SWAPS

SERIES	F	G	H
Notional Amounts Swap #1 Swap #2	N/A	N/A	$50,000,000. $50,000,000.
Counterparties Swap #1 Swap #2	N/A	N/A	Merrill Lynch & Co. Morgan Stanley
Effective Dates Swap #1 Swap #2	N/A	N/A	8/08/07 8/08/07
Fixed Payor Rates Swap #1 Swap #2	N/A	N/A	4.236% 4.048%
Floating Rate Basis Swap #1 Swap #2	N/A	N/A	62% of Libor + 25bps 62% of Libor + 25bps
Reset Frequency Swap #1 Swap #2	N/A	N/A	Daily Daily
Average Life (yrs) Swap #1 Swap #2	N/A	N/A	26.76 15.94
Maturities Swap #1 Swap #2	N/A	N/A	2/1/2038 2/1/2031

The 5.50% coupon relates to the premium term bond maturing on August 1, 2042. The yield to maturity on this bond is 4.40%.

State of California

M E M O R A N D U M

To: Board of Directors

Date: August 28, 2007

Bruce D. Gilbertson, Director of Financing

From: **CALIFORNIA HOUSING FINANCE AGENCY**

Subject: UPDATE ON VARIABLE RATE BONDS AND INTEREST RATE SWAPS

Over a number of years the Agency has integrated the use of variable rate debt as a primary issuance strategy in providing capital to support its programmatic goals. Most of our interest rate exposure from variable rate debt is hedged in the swap market. This strategy has enabled us to achieve a significantly lower cost of funds and a better match between assets and liabilities.

The following report describes our variable rate bond and interest rate swap positions as well as the related risks associated with this financing strategy. The report is divided into sections as follows:

- Variable Rate Debt Exposure
- Fixed-Payer Interest Rate Swaps
- Basis Risk and Basis Swaps
- Risk of Changes to Tax Law
- Amortization Risk
- Termination Risk
- Types of Variable Rate Debt
- Liquidity Providers
- Bond and Swap Terminology

VARIABLE RATE DEBT EXPOSURE

This report describes the variable rate bonds and notes of CalHFA and is organized programmatically by indenture as follows: HMRB (Home Mortgage Revenue Bonds--CalHFA's largest single family indenture), MHRB (Multifamily Housing Revenue Bonds III--CalHFA's largest multifamily indenture), HPB (Housing Program Bonds--CalHFA's multipurpose indenture, used to finance a variety of loans including the Agency's downpayment assistance loans), and DDB (Draw Down Bonds used to preserve tax-exempt authority.) The total amount of CalHFA variable rate debt is \$5.5 billion, 71% of our \$7.7 billion of total indebtedness as of September 1, 2007.

VARIABLE RATE DEBT
(\$ in millions)

	Tied Directly to Variable Rate Assets	Swapped to Fixed Rate	Not Swapped or Tied to Variable Rate Assets	Total Variable Rate Debt
HMRB	\$2	\$3,713	\$527	\$4,242
MHRB	198	850	49	1,097
HPB	0	35	76	111
DDB	13	0	0	13
Total	\$213	\$4,597	\$652	\$5,463

As shown in the table above, our "net" variable rate exposure is \$652 million, 8.43% of our indebtedness. The net amount of variable rate bonds is the amount that is neither swapped to fixed rates nor directly backed by complementary variable rate loans or investments The \$652 million of net variable rate exposure (\$496 million taxable and \$156 million tax-exempt) is offset by the Agency's balance sheet and excess swap positions. While our current net exposure is not tied directly to variable rate assets, we have approximately \$621 million (six month average balance as of 5/31/07) of other Agency funds invested in the State Treasurer's investment pool (SMIF) earning a variable rate of interest. From a risk management perspective, the \$621 million is a balance sheet hedge for the \$652 million of net variable rate exposure.

In order to maintain a certain level of confidence that the balance sheet hedge is effective, we have reviewed the historical interest rates earned on investments in the SMIF and LIBOR interest rate resets (most of our unhedged taxable bonds are index floaters that adjust at a spread to LIBOR). Using the data for the last ten years, we determined that there is a high degree of correlation between the two asset classes (SMIF and LIBOR) and that for every \$1 invested in SMIF we can potentially hedge \$1 of LIBOR-based debt.

The net variable rate exposure is further reduced by two other considerations: 1) as mentioned in the Amortization Risk section of this report, we have \$86 million notional amount of interest rate swaps in excess of the original bonds they were to hedge, and 2) a portion of our unhedged exposure is tax-exempt debt which resets at the theoretical ratio of 65% of Libor. These two considerations serve to reduce the net effective variable rate exposure to the equivalent of $540 million of LIBOR-based debt. As a result, the $621 million of other Agency funds invested in SMIF effectively hedges approximately 115% of our current net variable rate exposure.

In addition, taking unhedged variable rate exposure mitigates the amortization risk without the added cost of purchasing swap optionality. Our unhedged variable rate bonds are callable on any date and allow for bond redemption or loan recycling without the cost of par termination rights or special bond redemption provisions. In addition, taking unhedged variable rate exposure diversifies our interest rate risks by providing benefits when short-term interest rates rise slower than the market consensus. In a liability portfolio that is predominately hedged using long-dated swaps, the unhedged exposure balances the interest rate profile of the Agency's outstanding debt.

FIXED-PAYER INTEREST RATE SWAPS

Currently, we have a total of 134 "fixed-payer" swaps with twelve different counterparties for a combined notional amount of $4.7 billion. All of these fixed-payer swaps are intended to establish synthetic fixed rate debt by converting our variable rate payment obligations to fixed rates. These interest rate swaps generate significant debt service savings in comparison to our alternative of issuing fixed-rate bonds. This savings allows us to continue to offer loan products with exceptionally low interest rates to multifamily sponsors and to first-time homebuyers. The table below provides a summary of our notional swap amounts.

FIXED PAYER INTEREST RATE SWAPS
(notional amounts)
($ in millions)

	Tax-Exempt	Taxable	Totals
HMRB	$3,100	$697	$3,797
MHRB	849	0	849
HPB	35	0	35
TOTALS	$3,984	$697	$4,681

The following table shows the diversification of our fixed payer swaps among the twelve firms acting as our swap counterparties. Note that our swaps with Lehman Brothers, Bear Stearns, and Goldman Sachs are with highly-rated structured subsidiaries that are special purpose vehicles used only for derivative products. We have chosen to use these subsidiaries because the senior credit of those firms is not as strong as that of the other firms. Note also that our most recent swaps with Merrill Lynch are either with their highly-rated structured subsidiary or we are benefiting from the credit of this triple-A structured subsidiary through a guarantee.

SWAP COUNTERPARTIES

Swap Counterparty	Credit Ratings Moody's	S & P	Fitch	Notional Amounts Swapped ($ in millions)	Number of Swaps
Merrill Lynch Capital Services Inc.					
Guaranteed by:					
Merrill Lynch & Co.	Aa3	AA-	AA-	$ 665.9	18
MLDP, AG	Aaa	AAA	AAA	283.3	12
Merrill Lynch Derivative Products, AG	Aaa	AAA	AAA	340.7	15
Bear Stearns Financial Products Inc.	Aaa	AAA	NR	805.3	14
				295.5 *	8 *
Citigroup Financial Products Inc.	Aa1	AA	AA+	721.0	20
Lehman Brothers Derivative Products Inc.	Aaa	AAA[t]	NR	500.4	21
Goldman Sachs Mitsui Marine Derivative Products, L.P.	Aaa	AAA	NR	344.2	7
				318.7 *	5 *
AIG Financial Products Corp.	Aa2	AA	AA	317.3	9
JP Morgan Chase Bank	Aaa	AA	AA-	213.0	7
Bank of America, N.A.	Aaa	AA+	AA+	208.8	5
Morgan Stanley Capital Services Inc	Aa3	A+	AA-	136.7	2
BNP Paribas	Aa1	AA	AA	89.1	2
UBS AG	Aa3	AA+	AA+	55.8	2
				$4,681.5	134

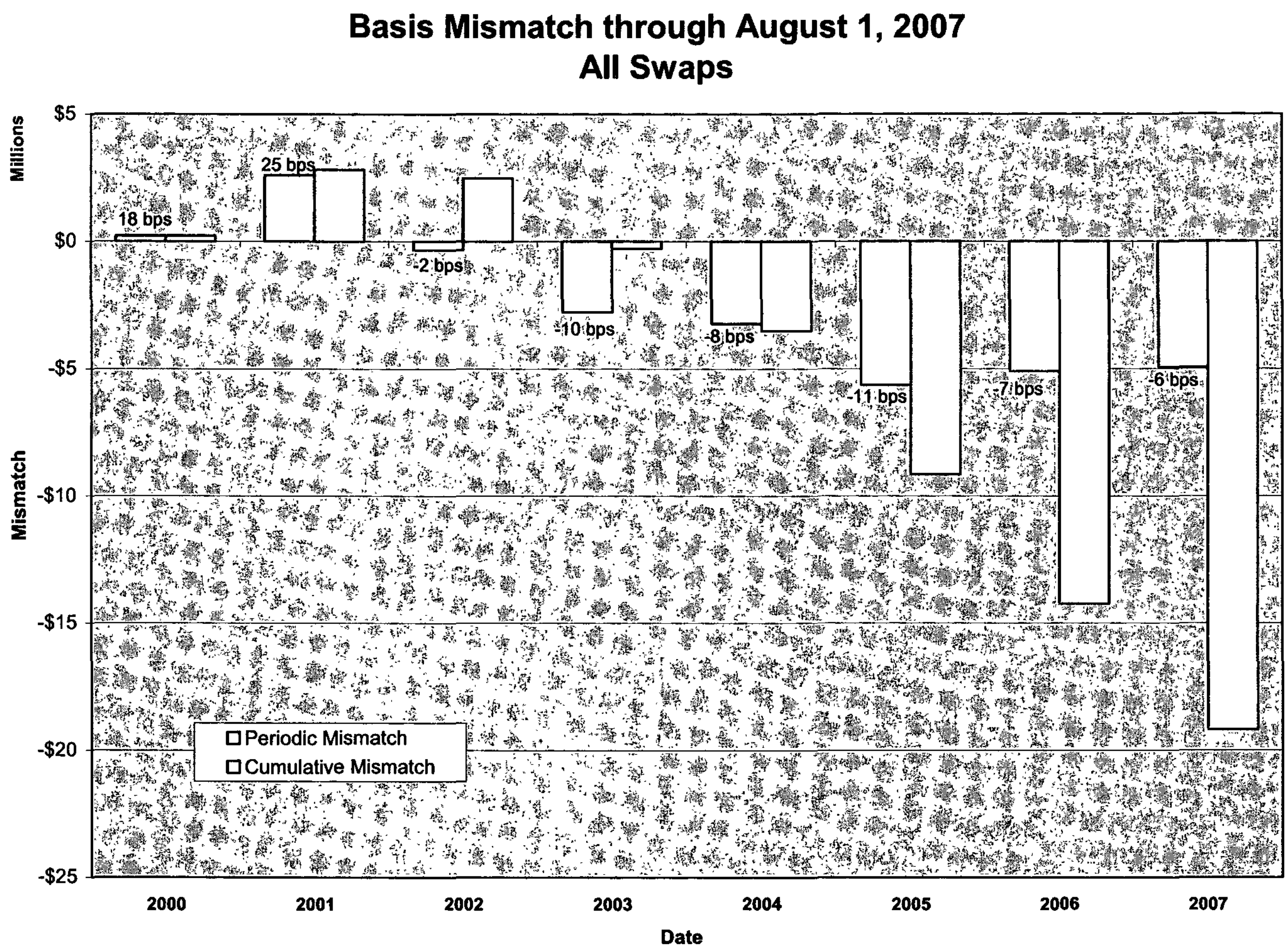
* *Basis Swaps (not included in totals)*

With interest rate swaps, the "notional amount" (equal to the principal amount of the swapped bonds) itself is not at risk. Instead, the risk is that a counterparty would default and, because of market changes, the terms of the original swap could not be replicated without additional cost.

For all of our fixed-payer swaps, we receive floating rate payments from our counterparties in exchange for a fixed-rate obligation on our part. In today's market, the net periodic payment owed under these swap agreements is from us to our counterparties. As an example, on our August 1, 2007 semiannual debt service payment date we made a total of $10.7 million of net payments to our counterparties. Conversely, if short-term rates were to rise above the fixed rates of our swap agreements, then the net payment would run in the opposite direction, and we would be on the receiving end.

<u>BASIS RISK AND BASIS SWAPS</u>

Almost all of our swaps contain an element of what is referred to as "basis risk" – the risk that the floating rate component of the swap will not match the floating rate of the underlying bonds. This risk arises because our swap floating rates are based on indexes, which consist of market-wide averages, while our bond floating rates are specific to our individual bond issues. The only exception is where our taxable floating rate bonds are index-based, as is the case of the taxable floaters we have sold to the Federal Home Loan Banks. The chart below is a depiction of the basis mismatch that we have encountered since 2000 when we entered the swap market.



As the chart shows, the relationship between the two floating rates changes as market conditions change. Some periodic divergence was expected when we entered into the swaps. Over the lifetime of our swaps we have experienced nearly $18 million of additional interest expense due to this basis mismatch. However, we have since mitigated much of this risk by changing our swap formula in 2005, as explained below. The result of these changes has decreased the periodic mismatch from a high of 11 basis points in 2005 to 6 basis points in 2007.

In the past we entered into swaps at a ratio of 65% of LIBOR, the London Inter-Bank Offered Rate which is the index used to benchmark taxable floating rate debt. These percentage-of-LIBOR swaps have afforded us with excellent liquidity and great savings when the average SIFMA/LIBOR ratio was steady at 65%. As short-term rates fell to historic lows and with an increased market supply of tax-exempt variable rate bonds, the historic relationship between tax-exempt and taxable rates was not maintained. For example, the average SIFMA/LIBOR ratio was 84.3% in 2003, 81.5% in 2004, and 72.5% in 2005. Now that short-term rates have risen significantly, the ratio has begun to fall. In 2006, it averaged 67.7%, and the average for 2007 to date is 68.6%. The SIFMA (Securities Industry and Financial Markets Association) index is the index used to benchmark tax-exempt variable rates.

When the SIFMA/LIBOR ratio is very high the swap payment we receive falls short of our bond payment, and the all-in rate we experience is somewhat higher. The converse is true when the percentage is low. In response, we and our advisors looked for a better formula than a flat 65% of LIBOR. After considerable study of California tax-exempt variable rate history, we revised the formula in December of 2002 to 60% of LIBOR plus 0.26% which resulted in comparable fixed-rate economics but performed better when short-term rates were low and the SIFMA/LIBOR percentage was high. We have since amassed approximately $2.1 billion of LIBOR-based swaps using this revised formula. In December 2005 we looked at the formula again and after completing a statistical analysis of CalHFA variable rate bonds as compared to the SIFMA and LIBOR indexes and taking into consideration the changing market conditions, we've decided to utilize several different swap formulas for our different types of bonds: 64% of LIBOR plus 0.25% for AMT weekly resets; 62% of LIBOR plus 0.25% for AMT daily resets; 64% of LIBOR plus 0.17% for Non-AMT weekly resets; and 62% of LIBOR plus 0.17% for Non-AMT daily resets. We expect to use these new formulas for new swap transactions and we will continue to monitor the SIFMA/LIBOR relationship and the performance of the new swap formulas.

In addition, we currently have basis swaps for $614 million of the older 65% of LIBOR swaps. The basis swaps provide us with better economics in low-rate environments by exchanging the 65% of LIBOR formula for alternative formulas that alleviate the effects of high SIFMA/LIBOR ratios. The table on the next page shows the diversification of variable rate formulas used for determining the payments received from our interest rate swap counterparties.

BASIS FOR VARIABLE RATE PAYMENTS
RECEIVED FROM SWAP COUNTERPARTIES
(notional amounts)
($ in millions)

	Tax-Exempt	Taxable	Totals
60% of LIBOR + 26bps	$1,879	$0	$1,879
62% of LIBOR + 25bps	570	0	570
3 mo. LIBOR + spread	0	442	442
SIFMA – 15bps	435	0	435
Enhanced LIBOR [1]	319	0	319
Stepped % of LIBOR [2]	295	0	295
65% of LIBOR	275	0	275
1 mo. LIBOR	0	206	206
97% of SIFMA	77	0	77
SIFMA – 20bps	60	0	60
6 mo. LIBOR	0	48	48
60% of LIBOR + 21bps	35	0	35
64$ of LIBOR	27	0	27
64% of LIBOR + 25bps	13	0	13
TOTALS	$3.985	$696	$4,681

[1] Enhanced LIBOR – This formula is 50.6% of LIBOR plus 0.494% with the proviso that the end result can never be lower than 61.5% of LIBOR nor greater than 100% of LIBOR.

[2] Stepped % of LIBOR – This formula has seven incremental steps where at the low end of the spectrum the swap counterparty would pay us 85% of LIBOR if rates should fall below 1.25% and at the high end, they would pay 60% of LIBOR if rates are greater than 6.75%.

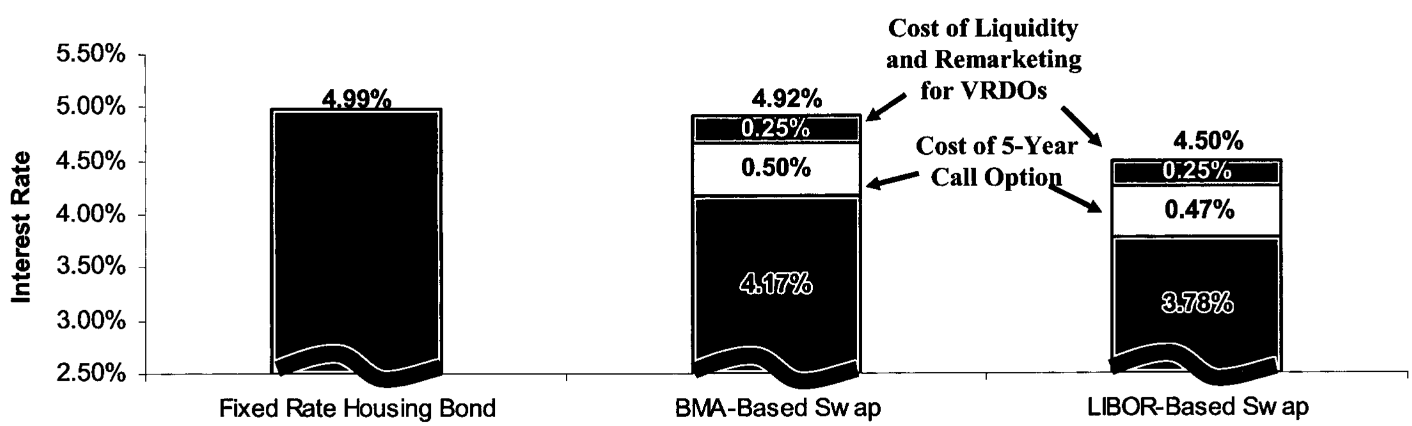
RISK OF CHANGES TO TAX LAW

For an estimated $3.4 billion of the $4 billion of tax-exempt bonds swapped to a fixed rate, we remain exposed to certain tax-related risks, another form of basis risk. In return for significantly higher savings, we have chosen through these interest rate swaps to retain exposure to the risk of changes in tax laws that would lessen the advantage of tax-exempt bonds in comparison to taxable securities. In these cases, if a tax law change were to result in tax-exempt rates being more comparable to taxable rates, the swap provider's payment to us would be less than the rate we would be paying on our bonds, again resulting in our all-in rate being higher.

We bear this same risk for $277 million of our tax-exempt variable rate bonds which we have not swapped to a fixed rate. Together, these two categories of variable rate bonds total $3.6 billion, 47.5% of our $7.7 billion of bonds outstanding. This risk of tax law changes is the same risk that investors take when they purchase our fixed-rate tax-exempt bonds.

The following bar chart shows the current benefit of our ability to assume the risk of changes to tax laws. Over the last several years this benefit (the difference between the cost of fixed rate housing bonds and the cost of a LIBOR based interest rate swap financing) has been as great as 100 basis points, and was the engine that made our interest rate swap strategy effective. In today's market this benefit is 49 basis points. This reduced benefit has led to recent decisions to issue fixed rate housing bonds for our homeownership programs. As market conditions change we will alter our financing strategies to obtain the lowest cost of borrowing while balancing the associated risks and benefits of alternative structures.

Costs of Funds for Fixed-Rate Bonds and Synthetic Fixed-Rate Bonds
(Variable Rate Bonds Swapped to Fixed)
(All Rates as of August 21, 2007)



SIFMA-Based Swap: SIFMA Index x 101%
LIBOR-Based Swap: 64% LIBOR + 25 bps

Amortization Risk

Our bonds are generally paid down (redeemed or paid at maturity) as our loans are prepaid. Our interest rate swaps amortize over their lives based on assumptions about the receipt of prepayments, and the single family transactions which include swapped bonds have generally been designed to accommodate prepayment rates between two and three times the "normal" rate. In other words, our interest rate swaps generally have had fixed amortization schedules that can be met under what we have believed were sufficiently wide ranges of prepayment speeds. Unfortunately, when market rates fell to unprecedented levels, we started receiving more prepayments than we ever expected.

Since January 1, 2002, we have received over $6 billion of prepayments, including over $1.4 billion in 2004, $1.1 billion in calendar year 2005 and $504 million in 2006. Of this amount, approximately $2.03 billion is "excess" to swapped transactions we entered into. We have since recycled $1.94 billion of the $2.03 billion excess into new loans and have used $166 million to cross-call high interest rate bonds.

While these persistent high levels of prepayments have eased, we have modified the structuring of new swaps by widening the band of expected prepayments. In addition, with the introduction of our interest only loan product we are structuring swap amortization schedules and acquiring swap par termination rights to coincide with the loan characteristics and expectations of borrower prepayment.

Also of interest is a $86 million forced overswap mismatch between the notional amount of certain of our swaps and the outstanding amount of the related bonds. This mismatch has occurred as a result of the interplay between our phenomenally high incidence of prepayments and the "10-year rule" of federal tax law. Under this rule, prepayments received 10 or more years beyond the date of the original issuance of bonds cannot be recycled into new loans and must be used to redeem tax-exempt bonds. In the case of these recent bond issues, a portion of the authority to issue them on a tax-exempt basis was related to older bonds.

While this mismatch has occurred (and will show up in the tables of this report), the small semiannual cost of the mismatch will be more than offset by the large interest cost savings from our "net" variable rate debt. In other words, while some of our bonds are "over-swapped", there are significantly more than enough unswapped variable rate bonds to compensate for the mismatch. In addition, we will monitor the termination value of our "excess swap" position looking for opportunities to unwind these positions when market terminations would be at no cost or a positive value to us.

There are several strategies for dealing with excess prepayments: they may be reinvested, used for the redemption of other (unswapped) bonds, or recycled directly into new loans. Alternatively, we could make termination payments to our counterparties to reduce the notional amounts of the swaps, but this alternative appears to be the least attractive economically.

In consultation with our financial advisors, we have determined that the best long-term strategy is to recycle the excess prepayments into new CalHFA loans. Of course, for some financings this means that we will be bearing the economic consequences of replacing old 7% to 8% loans that have paid off with new loans at rates that will be current at the time we recycle. With our May 1, 2007 transfer of loans from our warehouse line we have recycled a total of $1.94 billion of excess prepayments since March 1999. This practice has resulted in reduced issuance activity over the last few years.

In addition we have begun a widespread strategy of reusing unrestricted loan prepayments to purchase new loans. We currently have more than $3 billion of swap notional having a fixed payer rate below the estimated net weighted average interest rate of 6.10% for new loans being reserved. In today's market, this tremendous recycling opportunity reduces transaction costs related to new issuance and preserves for future use our swap par termination rights.

Termination Risk

Termination risk is the risk that, for some reason, our interest rate swaps must be terminated prior to their scheduled maturity. Our swaps have a market value that is determined based on current interest rates. When current fixed rates are higher than the fixed rate of the swap, our swaps have a positive value to us (assuming, as is the case on all of our swaps today, that we are the payer of the fixed swap rate), and termination would result in a payment from the provider of the swap (our swap "counterparty") to us. Conversely, when current fixed rates are lower than the fixed rate of the swap, our swaps have a negative value to us, and termination would result in a payment from us to our counterparty.

Our swap documents allow for a number of termination "events", i.e., circumstances under which our swaps may be terminated early, or (to use the industry phrase) "unwound". One circumstance that would cause termination would be a payment default on the part of either counterparty. Another circumstance would be a sharp drop in either counterparty's credit ratings and, with it, an inability (or failure) of the troubled counterparty to post sufficient collateral to offset its credit problem. It should be noted that, if termination is required under the swap documents, the market determines the amount of the termination payment and who owes it to whom. Depending on the market, it may be that the party who has caused the termination is owed the termination payment.

As part of our strategy for protecting the agency when we entered the swap market in late 1999, we determined to choose only highly-creditworthy counterparties and to negotiate "asymmetrical" credit requirements in all of our swaps. These asymmetrical provisions impose higher credit standards on our counterparties than on the agency. For example, our counterparties may be required to collateralize their exposure to us when their credit ratings fall from double-A to the highest single-A category (A1/A+), whereas we need not collateralize until our ratings fall to the mid-single-A category (A2/A).

Monthly we monitor the termination value of our swap portfolio as it grows and as interest rates change. Because termination is an unlikely event, the fact that our swap portfolio has a negative value, while interesting, is not necessarily a matter of direct concern. We have no plans to terminate swaps early (except in cases where the swap notional is excess to the bonds being hedged or we negotiated "par" terminations when we entered into the swaps) and do not expect that credit events triggering termination will occur, either to us or to our counterparties.

Currently, the Government Accounting Standards Board only requires that our balance sheet and income statement be adjusted for the market value of our swaps in excess of the bonds being hedged. However, it does require that the market value be disclosed for all of our swaps in the notes to our financial statements.

The table below shows the history of the fluctuating negative value of our swap portfolio for the past year.

TERMINATION VALUE HISTORY

Date	Termination Value ($ in millions)
8/31/06	($112.9)
9/30/06	($130.8)
10/31/06	($141.0)
11/30/06	($174.8)
12/31/06	($132.7)
1/31/07	($113.8)
2/28/07	($155.7)
3/31/07	($137.7)
4/30/07	($129.3)
5/31/07	($83.2)
6/30/07	($40.4)
7/31/07	($64.4)

It should be noted that during this period, the notional amount of our fixed-payer swaps has been increasing. When viewing the termination value, one should consider both the change in market conditions and the increasing notional amount.

TYPES OF VARIABLE RATE DEBT

The table below shows our variable rate debt sorted by type, i.e., whether auction rate, indexed rate, or variable rate demand obligations (VRDOs). Auction and indexed rate securities cannot be "put" back to us by investors; hence they typically bear higher rates of interest than do "put-able" bonds such as VRDOs.

TYPES OF VARIABLE RATE DEBT
($ in millions)

	Auction Rate & Similar Securities	Indexed Rate Bonds	Variable Rate Demand Obligations	Total Variable Rate Debt
HMRB	$156	$959	$3,127	$4,242
MHRB	392	0	705	1,097
HPB	0	0	111	111
DDB	0	13	0	13
Total	$548	$972	$3,943	$5,463

LIQUIDITY PROVIDERS

The table below shows the financial institutions providing liquidity in the form of standby bond purchase agreements for our VRDOs. Under these agreements, if our variable rate bonds are put back to our remarketing agents and cannot be remarketed, these institutions are obligated to buy the bonds.

LIQUIDITY PROVIDERS
($ in millions)

Financial Institution	$ Amount of Bonds	Indenture
Dexia Credit Local	$8126	HMRB
Lloyds TSB	436.7	HMRB
Fannie Mae	376.2	HMRB/MHRB
BNP Paribas	264.6	HMRB
Bank of Nova Scotia	211.9	HMRB
DEPFA Bank	210.5	MHRB
KBC	204.0	HMRB
Calyon	174.5	HMRB
Bank of America	164.9	HMRB
JP Morgan Chase Bank	156.5	HMRB
Bayerische Landesbank	153.9	HMRB
Landesbank Hessen-Thuringen	151.0	MHRB
Westdeutsche Landesbank	149.4	HMRB/MHRB
Fortis	120.0	HMRB
State Street Bank	91.4	HMRB
Bank of New York	86.9	HMRB
CalSTRS	66.8	HMRB/MHRB
LBBW	61.1	HPB
Citibank N.A.	50.0	HPB
Total	$3.942.9	

Unlike our interest rate swap agreements, our liquidity agreements do not run for the life of the related bonds. Instead, they are seldom offered for terms in excess of five years, and a portion of our agreements require annual renewal. We expect all renewals to take place as a matter of course; however, changes in credit ratings or pricing may result in substitutions of one bank for another from time to time.

BOND AND SWAP TERMINOLOGY

COUNTERPARTY
One of the participants in an interest rate swap

DATED DATE
Date from which first interest payment is calculated.

DELAYED START SWAP
A swap which delays the commencement of the exchange of interest rate payments until a later date.

DELIVERY DATE, OR ISSUANCE DATE
Date that bonds are actually delivered to the underwriters in exchange for the bond proceeds.

GENERAL OBLIGATION BOND
A type of security which is evidence of a debt secured by all revenues and assets of an organization.

INDENTURE
The legal instrument that describes the bonds and the pledge of assets and revenues to investors. The indenture often consists of a general indenture plus separate series indentures describing each issuance of bonds.

INTEREST RATE CAP
A financial instrument which pays the holder when market rates exceed the cap rate. The holder is paid the difference in rate between the cap rate and the market rate. Used to limit the interest rate exposure on variable rate debt.

INTEREST RATE SWAP
An exchange between two parties of interest rate exposures from floating to fixed rate or vice versa. A fixed-payer swap converts floating rate exposure to a fixed rate.

LIBOR
London Interbank Offered Rate. The interest rate highly rated international banks charge each other for borrowing U.S. dollars outside of the U.S. Taxable swaps often use LIBOR as a rate reference index. LIBOR swaps associated with tax-exempt bonds will use a percentage of LIBOR as a proxy for tax-exempt rates.

MARK-TO-MARKET
Valuation of securities or swaps to reflect the market values as of a certain date. Represents liquidation or termination value.

MATURITY
Date on which the principal amount of a bond is scheduled to be repaid.

NOTIONAL AMOUNT
The principal amount on which the exchanged swap interest payments are based.

OFFICIAL STATEMENT
The "prospectus" or disclosure document describing the bonds being offered to investors and the assets securing the bonds.

PRICING DATE

Date on which issuer agrees (orally) to sell the bonds to the underwriters at certain rates and terms.

REDEMPTION

Early repayment of the principal amount of the bond. Types of redemption: "special", "optional", and "sinking fund installment".

REFUNDING

Use of the proceeds of one bond issue to pay for the redemption or maturity of principal of another bond issue.

REVENUE BOND (OR SPECIAL OBLIGATION BOND) (OR LIMITED OBLIGATION BOND)

A type of security which is evidence of a debt secured by revenues from certain assets (loans) pledged to the payment of the debt.

SIFMA INDEX

Securities Industry and Financial Markets Association Municipal Swap Index. A weekly index of short-term tax-exempt rates.

SALE DATE

Date on which purchase contract is executed evidencing the oral agreement made on the pricing date.

SERIAL BOND

A bond with its entire principal amount due on a certain date, without scheduled sinking fund installment redemptions. Usually serial bonds are sold for any principal amounts to be repaid in early (10 or 15) years.

SERIES OF BONDS

An issuance of bonds under a general indenture with similar characteristics, such as delivery date or tax treatment. Example: "Name of Bonds", 1993 Series A. Each series of Bonds has its own series indenture.

SWAP CALL OPTION

The right (but not the obligation) to terminate a predetermined amount of swap notional amount, occurring or starting at a specific future date.

SYNTHETIC FIXED RATE DEBT

Converting variable rate debt into a fixed rate obligation through the use of fixed-payer interest rate swaps.

SYNTHETIC FLOATING RATE DEBT

Converting fixed rate debt into a floating rate obligation through the use of fixed-receiver interest rate swaps.

TERM BOND

A bond with a stated maturity, but which may be subject to redemption from sinking fund installments. Usually of longer maturity than serial bonds.

VARIABLE RATE BOND

A bond with periodic resets in its interest rate. Opposite of fixed rate bond.

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State of California

MEMORANDUM

To: Terri Parker, Executive Director
Steve Spears, Chief Deputy Director
Chuck McManus, Director, Mortgage Insurance
Jerry Smart, Homeownership Housing Finance Chief
Laura Whittall-Scherfee, Multifamily Programs Housing Finance Chief
Edwin Gipson, Multifamily Programs Housing Finance Chief
Doug Smoot, Housing Finance Chief (Rental)

Date: July 13, 2007

From: Ken Giebel, Director of Marketing
CALIFORNIA HOUSING FINANCE AGENCY

Subject: 2006-07 CalHFA MEDIA RECAP REPORT

Attached please find the CalHFA media recap report for FY2006/07. As you will see we earned nearly $517,000 in free media and reached more than 14.3 million Californians (see attached report details). The dollar value and reach numbers are down from the previous two years, but the number of print stories is up considerably. The reason for the declines is that we didn't introduce any new Homeownership products as was the case the previous two years. The 2006/07 return on investment is 10 to 1 (e.g. what we pay Halldin in Association vs. what we receive in free media coverage).

Please let me know if you have any questions.

cc: Evan Gerberding, Assistant Director of Marketing
Todd Harnett, Alcone Marketing

2006-2007 Media Report for CalHFA

Summary:

In the fiscal year, the California Housing Finance Agency's public relations efforts provided widespread exposure for the agency and its programs throughout California media. More than 375 stories appeared in daily, weekly and monthly newspapers, on television and radio, in trade publications, on online news sites and in blogs

During this period, CalHFA was featured every major print media outlet in the state, five television stories and numerous radio and trade outlets.

Together, these media placements **reached more than 14.3 million people** and delivered to CalHFA an **earned media value of nearly $517,000**.

Awards & Honors:

An opinion piece about Proposition 46's impact on California's affordable housing won a CAPPIE award (presented by the Sacramento Public Relations Association) for Best Opinion/Editorial Writing. Also, CalHFA's website was a finalist for a 2006 Dottie Award.

Highlights of CalHFA Media Coverage:

Television

In 2006-2007, CalHFA was a part of five TV stories, including three Spanish language segments, in three different markets:

- Los Angeles
- Sacramento-Stockton-Modesto
- Fresno

Print

In 2006-2007, CalHFA was featured or mentioned in more than 163 stories in newspapers, including the ***Los Angeles Times, San Francisco Chronicle, San Jose Mercury News, Sacramento Bee, Orange County Register, Contra Costa Times, Los Angeles Daily News, San Diego Union Tribune, Modesto Bee, Fresno Bee*** and ***Oakland Tribune.***

CalHFA was also featured in numerous trade publications, including three stories in ***California Real Estate Magazine, Mortgage Banking News, Affordable Housing Finance*** and ***Multi-Housing News.***

Radio
In addition to numerous radio mentions throughout the year, CalHFA was the focus of complete radio programs in Sacramento (KFBK's "The Real Estate Show with Terry Knight") and San Diego (KOGO's "Money in the Morning). CalHFA interviews were also featured on KGO-AM (San Francisco) and KNX's "Money 101" (Los Angeles).

Latino Outreach

Latino outreach resulted in the placement of six significant stories in Spanish-language newspapers, including three pieces in ***La Opinion***, the state's largest daily Spanish-language publication, with a circulation of nearly 125,000. Other markets reached by Latino print media are Bakersfield, San Diego and Santa Clara County. CalHFA was featured in interviews on two Spanish television stations, KUVS in Sacramento and KFTV in Fresno. A CalHFA representative was the guest on KGST, Spanish radio in San Jose. Also, an opinion piece by Theresa Parker ran in the Merced County Hispanic Chamber of Commerce newsletter.

Community Forum

A new facet of our outreach this year included a Community Forum targeted at – but not limited to – the Latino community of Sacramento. We reached out to a wide range of stakeholders, from community leaders and decision makers, to social service organizations and real estate professionals. The goal was to spread the word about all of CalHFA's options for homeownership. The April event in Sacramento was a first, but we will incorporate similar events throughout the state into next year's plan.

Going Forward

For the last three years, we have heavily marketed new homeownership products from CalHFA to the general media market. We will continue to market CalHFA's downpayment assistance programs with an emphaisis on ECTP and School Facility Fee as part of our complete plan to continually educate the media, leveraging any significant developments, key milestones or events. In addition, we plan to increase outreach to emerging markets print and broadcast media that serve the Latino and African-American markets to assist CalHFA in increasing awareness of products in those markets.

CalHFA Media Report
Fiscal Year 2006 - 2007
Summary

	Circulation	$$ Value
Jul-06	702,920	$29,380.40
Aug-06	1,656,346	$65,079.02
Sep-06	952,736	$22,188.78
Oct-06	890,041	$35,169.72
Nov-06	2,121,192	$51,646.50
Dec-06	663,863	$12,370.48
Jan-07	590,087	$22,344.73
Feb-07	1,623,659	$122,799.24
Mar-07	2,142,580	$95,204.12
Apr-07	967,595	$17,660.80
May-07	621,004	$12,121.15
Jun-07	1,403,093	$30,945.89
Totals	14,335,116	$516,910.83

Three Year Comparison for CalHFA Media Outreach

In the past three fiscal years, the California Housing Finance Agency's public relations efforts provided widespread exposure for the agency and its programs throughout California media.

The decrease in television segments is largely attributed to CalHFA not introducing a new product this fiscal year.

	2004 – 2005	2005 – 2006	2006 – 2007
People Reached	17 million	19.7 million	14.3 million
Media Value	$525,000	$583,000	$517,000
Total Stories*	287	242	375
• *Print*	158	150	185
• *Television*	30	19	5

* Total stories includes online stories and notable radio

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State of California

MEMORANDUM

To: **CalHFA Board of Directors** **Date:** 27 August 2007

From: **Di Richardson, Director of Legislation**
CALIFORNIA HOUSING FINANCE AGENCY

Subject: Legislative Report

Not a lot has changed since last month. The Legislature is back from its Spring Recess, and a Budget has been signed. Hearings are back underway. Bills must be to the Floor by August 31, and the Legislature will have two more weeks (until September 14) to finish their business this legislative year. As always, if you have any questions, please feel free to contact me at 916.324.0801.

CalHFA Sponsored

AB 929 (Runner, Sharon) - California Housing Finance Agency: bonds
Last Amend: 04/09/2007
Status: Passed Assembly 3 May 2007 (70-0); passed Senate Transportation and Housing Committee 19 June 2007 (9-1); passed Senate Appropriations 2 July 2007 (11-0); pending on the Senate Floor.

Summary: This bill would increase the amount of debt CalHFA may have outstanding by $2 billion (from $11.15 billion to $13.15 billion).

Bonds

AB 927 (Saldana) - Multifamily Housing Program
Last Amend: 06/26/2007
Status: Pending on the Senate Floor.

Summary: This bill would require, effective January 1, 2008, that a portion of the assistance provided to a project under the Multifamily Housing Program to be expended for senior rental housing developments in the same proportion as the number of lower income elderly renter households in the state bears to the total number of lower income renter households in the state, as reported by the federal Department of Housing and Urban Development on the basis of the most recent decennial census conducted by the United States Census Bureau.

AB 1053 (Nunez) - Housing and Emergency Shelter Trust Fund Act of 2006

Last Amend: 7/17/2007
Status: Pending in Senate Appropriations Committee

Summary: This bill would divide the Regional Planning, Housing, and Infill Incentive Account ($850 million) from Proposition 46 as follows:

- $100 million to CalReUse, for Brownfield clean up that promotes infill housing development. The Center for Creative Land Recycling has administered this program statewide.

- $550 million to HCD for competitive grants to cities for infrastructure directly related or integral to mixed income infill housing.

- $100 million to MHP for the rehabilitation or construction of infill rental housing with a priority given to severely distressed public housing units.

- $100 million to HCD for the Workforce Housing Rewards Program to provide funds to local agencies that issue building permits for a housing development that conforms to certain residential and location requirements and includes elements likely to achieve a reduction in greenhouse gas emissions.

AB 1091 (Bass) - Transit-Oriented Development Implementation Program
Last Amend: 7/17/2007
Status: Pending in Senate Appropriations Committee.

Summary: Proposition 46 allocated $300 million to the Transit Oriented Development Account, administered by HCD. This bill would substantially revise the housing requirements for grants for the provision of infrastructure necessary to support a higher density development project within close proximity to a transit station. This bill would authorize the department to grant financial assistance, to local governments, redevelopment agencies, and transit agencies for providing the infrastructure necessary for the development of higher density uses, including residential uses, within 1/2 mile of the entrance to a transit station.

AB 1252 (Caballero) - Housing Urban-Suburban-and-Rural Parks Account
Last Amend: 7/17/2007
Status: Pending in Senate Appropriations Committee.

Summary: This bill would create the Housing-Related Parks Program within the HCD, using funds allocated, upon appropriation by the Legislature, from the Housing Urban-Suburban-and-Rural Parks Account within Prop 1C, to provide grants to cities and counties for the creation or rehabilitation of parks in conjunction with eligible housing projects. This bill would have originally allocated those funds the Department of Parks and Recreation, but the author agreed to take amendments proposed by the Administration that instead placed administration of those funds with HCD.

AB 1460 (Saldana) - Multifamily Housing Program: project prioritization
Last Amend: 7/18/2007
Status: Pending on the Senate Floor.

Summary: This bill would require the Department of Housing and Community Development to, with regard to the Multifamily Housing Program, award reasonable priority points for projects to prioritize sustainable building methods established in accordance with certain criteria listed under state regulations relating to federal and state low-income housing tax credits.

SB 46 (Perata) - Housing and Emergency Shelter Trust Fund Act of 2006: Regional Planning, Housing, and Infill Incentive Account
Last Amend: 7/16/2007
Status: Pending in Assembly Appropriations.

Summary: This bill would require the Department of Housing and Community Development, upon appropriation by the Legislature of the funds in the Regional Planning, Housing, and Infill Incentive Account ($850 million), to establish and administer a competitive grant program to allocate those funds to selected qualifying infill projects for capital outlay related to infill housing development and related infill infrastructure needs, in amounts of not less than an unspecified amount and not more than an unspecified amount per project per annual funding cycle. Simply put, this bill would establish the process to distribute funds from the $850 million Regional Planning, Housing and Infill Incentive Account contained in Proposition 1C, and is intended to provide incentives for efficient land-use policy that rejects sprawl in favor of urban infill development.

SB 86 (Committee on Budget and Fiscal Review) - State government.
Last Amend: 07/19/2007
Status: Signed by the Governor. Chapter 179, Statutes of 2007.

Summary: This is a "budget trailer bill" and contains several programmatic changes needed to implement the current budget. This bill currently contains language needed to implement the Regional Planning, Housing, and Infill Incentive Account ($850 million). This bill will likely contain a compromise between, and move in place of SB 46 and AB 1053.

SB 546 (Ducheny) - Department of Housing and Community Development: bond fund expenditures: report
Last Amend: 06/25/2007
Status: Pending Assembly Appropriations Suspense File.

Summary: This bill would require that cumulative information on programs funded under the Housing and Emergency Shelter Trust Fund Acts of 2002 and 2006 be included in the Department of Housing and Community Development's annual report.

SB 586 (Dutton) - Affordable Housing Innovation Fund: California Affordable Housing Revolving Development and Acquisition Program
Last Amend: 8/20/2007
Status: Pending in Assembly Appropriations Committee.

Summary: This bill would allocate the $100 million in the Affordable Housing Innovation Fund created by Prop 1C. It would appropriate $50 million to the

California Affordable Housing Revolving Development and Acquisition Program; $5 million for the Construction Liability Insurance Reform Pilot Program; $35 million for a local housing trust fund matching grant program; $5 million for the School Housing Program and $5 million for the Mobilehome Park Resident Ownership Program. The bill would require the department to grant certain preferences and priorities when awarding the $35 million under the local housing trust fund matching grant program.

Homelessness

ACR 61 (Lieber) – Joint Committee on Homelessness in California.
Last Amend: Introduced
Status: Pending Committee assignment in Assembly.

Summary: This measure would establish the Joint Committee on Homelessness in California, to study and investigate issues relating to homelessness, which would consist of five Assembly Members appointed by the Speaker of the Assembly and five Senators appointed by the Senate Committee on Rules.

Land Use

AB 641 (Torrico) - Developer fees
Last Amend: 06/28/2007
Status: Pending on the Senate Floor.

Summary: Prohibits local governments from requirement the payment of local school construction fees before the developer has received a certificate of occupancy, for any housing development in which at lest 49% of the units are affordable to low-or very low-income households.

AB 987 (Jones) - Low and Moderate Income Housing Fund: affordability covenants and restrictions
Last Amend: 7/3/2007
Status: Pending on the Senate Floor.

Summary: This bill would require the covenants and restrictions associated with the housing funded by a redevelopment agency using its low- and moderate-income housing funds, to be enforceable by any person or family of low or moderate income. Despite the existence of covenants currently recorded on these properties, the sponsors and other housing advocates contend that subsequent owners do not always abide by those covenants, and violations sometimes go unenforced. As part of an agreement between the sponsor and the California Redevelopment Association, the additional recording requirement required by this bill will only apply prospectively from the date of enactment. In response to the Governor's veto of a similar bill last year (AB 2922), the author's staff stated that this bill no longer grants standing to "any interested party." Instead, it more narrowly extends standing to low to moderate income persons with a direct interest in the housing, as actual or potential tenants or owners. This issue was discussed again in Senate Transportation and Housing Committee, and the author committed to amending the bill to limit standing to any low or moderate income person directly impacted by the loss of those units. On June 19, 2007, AB 987 was amended to state that the covenants and restrictions could be enforceable by any of the following:

- The redevelopment agency.
- The community.
- A resident of a unit subject to this subdivision.
- A residents' association with members who reside in units subject to this subdivision.
- An applicant for a unit subject to this subdivision who is of low or moderate income and who is able and willing to occupy a unit.
- A person on an affordable housing waiting list who is of low or moderate income, and who is able and willing to occupy a unit.

SB 303 (Ducheny) - Local government: housing.
Last Amend: 6/25/2007
Status: Held under submission in Assembly Local Government.

Summary: This bill would require the general plan, and each of its elements to encompass a planning and projection period of at least 20 years, except for the housing and open-space elements, and would require each element, except for the housing and open-space elements, to be updated at least every five years. This bill would require the housing element to be updated, and would require the conservation element and the open-space element to be updated concurrently with the housing element.

Misc

AB 239 (DeSaulnier) - Recording fees: Contra Costa and San Mateo Counties.
Last Amend: 04/30/2007
Status: Pending in Assembly Local Government Committee, no hearing date set.

Summary: This bill would authorize the Contra Costa County Board of Supervisors or the San Mateo Board of Supervisors to additionally charge a flat fee of not more than $25 for each document that is recorded, if the document is in excess of one page, for every real estate instrument, as defined, paper, or notice required or permitted by law to be recorded in Contra Costa County or San Mateo County. The bill would require the Contra Costa County Board of Supervisors or the San Mateo County Board of Supervisors, if it charges this fee, to establish a fund for deposit of the moneys raised by the increase, which shall be used to assist in the development of affordable housing for very low income households, lower income households, and moderate-income households. Opponents argue that it is inequitable to require only those individuals that record a document to fund affordable housing. If it is deemed necessary to implement some type of funding mechanism to general affordable housing funds, it should be as broad an application as possible.

AB 793 (Strickland) - Property taxation: affordable housing assessments.
Last Amend: 08/01/2007
Status: Pending hearing before Senate Revenue and Taxation Committee.

Summary: Existing law rebuttably presumes that the fair market value of real property, other than possessory interests, is the purchase price paid in the transaction for the property. For purposes of this presumption, existing law defines "purchase price" as the total consideration provided by the purchaser or on the purchasers behalf, valued in money, whether paid in money or otherwise. Existing law requires the county assessor to consider, when valuing real property for property taxation purposes, the effect of any enforceable restrictions to which the use of the land may be subjected. This bill would exclude from the meaning of purchase price, for purposes of the rebuttable presumption that the purchase price of real property is the fair market value of the property. This bill would also require the county assessor to consider, when valuing real property for property taxation purposes, restrictions on the resale price of real property in a recorded real property deed or other recorded real property transfer document for real property that was purchased by its occupant through an affordable housing program operated by a city, a county, the state, or a nonprofit organization.

AB 1020 (Runner, Sharon) - Recordation: change of ownership.
Last Amend: 7/17/2007
Status: Pending on the Senate Floor.

Summary: Existing property tax law specifies those circumstances in which the transfer of ownership interests results in a change in ownership of the real property, and provides that certain transfers do not result in a change of ownership. This bill would provide that the recordation of a certificate of sale pursuant to specified provisions of law relating to property sold subject to a right of redemption does not constitute a change of ownership. The author states that this bill is a technical bill that provides County Recorders with the legal tools necessary for effectively carrying out their duties with regard to public agencies, and it clarifies when a change in ownership occurs during a foreclosure proceeding.

SB 707 (Ducheny) - Housing loan conversions.
Last Amend: 6/21/2007
Status: Pending on the Assembly Appropriations Suspense File.

Summary: This bill would authorize HCD and CalHFA to modify and extend the term of existing multifamily housing loans made under older loan programs.

Mortgage Lending

SB 385 (Machado) - Real estate: mortgages: real estate brokers
Last Amend: 6/21/2007
Status: Pending on the Assembly Appropriations Suspense File.

Summary: This bill would require the Commissioner of Financial Institutions to apply federal guidance to all state-regulated financial institutions, including, but not limited to, privately insured, state-chartered credit unions, and would authorize the commissioner to issue emergency and final regulations for clarification purposes . The bill would also require the Commissioner of Real Estate and the Commissioner of Corporations to apply that guidance to real estate brokers and licensees, respectively, and would authorize those commissioners to adopt emergency and final regulations or rules for clarification purposes, as specified. The bill would require the Secretary of Business, Transportation and Housing to ensure that these commissioners coordinate their policymaking and rulemaking efforts.

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