

RESOLUTION 08-10

RESOLUTION REGARDING COMPENSATION COMMITTEE CHARTER

WHEREAS, the California Housing Finance Agency (the "Agency") has adopted Resolution 06-16 approving the charter of the Compensation Committee; and

WHEREAS, the compensation process in 2006 and 2007 was reviewed by outside counsel and various recommendations have been made for changes to that process; and

WHEREAS, the audit committee has reviewed the report of outside counsel and has identified and discussed various issues discussed in the report; and

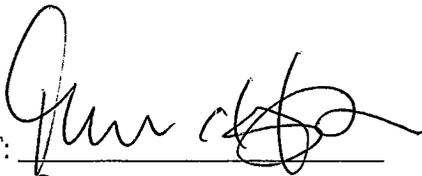
WHEREAS, the audit committee has not brought specific recommendations to the Board, the Board has elected to review those issues and to make appropriate decisions as to such issues; and

WHEREAS, issues identified by the audit committee are described in a memo to the Board dated March 4, 2008, a copy of which is attached hereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors as follows:

1. In considering issue 5 identified by the audit committee, the Board takes the action described in paragraph 2, below.
2. The Board directs staff to prepare draft changes to the charter, to be submitted to the Board at its next meeting, making the following changes and clarifications. The Compensation Committee shall create a balanced compensation process that avoids conflicts of interest, and the appearance of conflicts of interest, while permitting the involvement of staff in a manner reasonably necessary to accomplish its purposes and duties under this charter.

I hereby certify that this is a true and correct copy of Resolution 08-10 adopted at a duly constituted meeting of the Board of Directors of the Agency held on March 19, 2008, at Sacramento, California.

ATTEST: 
Secretary