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RESOLUTION 09-05

RESOLUTION REGARDING AUTHORIZATION FOR LOAN SALES

WHEREAS, the California Housing Finance Agency (the "Agency") has experienced significant liquidity pressures as a result of recent disruptions in the real estate, bond and credit markets; and

WHEREAS, the Agency needs to retire and restructure existing variable rate bond indebtedness that has reset at high rates of interest, as well as bonds that have been put to liquidity providers as bank bonds, and to modify or terminate other financial agreements or instruments affected by such disruptions; and

WHEREAS, the Agency needs additional sources of liquidity beyond those authorized in previous resolutions of the Board to be able to effectively accomplish the needed restructuring in the current marketplace; and

WHEREAS, an additional source of such liquidity is the sale of certain loans which the Agency determines will benefit the overall objectives of the general debt restructuring plan previously outlined to the Board, by providing liquidity sufficient to permit the Agency to redeem or purchase problematic bonds, modify or terminate other financial agreements or instruments, continue normal Agency operations, or which otherwise allow the Agency to secure financial benefits consistent with the objectives of such plan; and

WHEREAS, Section 10 of existing resolution 08-04 authorizes the Executive Director to enter into mortgage sale agreements with respect to multi-family mortgage loans, and Section 11 of existing Resolution 08-03 authorizes the Executive Director to enter into mortgage sale agreements with respect to single family mortgage loan; and

WHEREAS, the Agency believes that it would be beneficial to the consummation of potential loan sale transactions to have an additional resolution specifically authorizing the sales of loans to meet the objectives of the debt restructuring plan previously outlined to the Board ;

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

1. The Executive Director and the other officers of the Agency are hereby

1 authorized to enter into, for and in the name and on behalf of the Agency, one or more  
2 agreements for the sale of any loans or other assets which the Agency determines will  
3 benefit the objectives of the debt restructuring plan which staff has outlined to the  
4 Board in previous meetings. Those objectives include creating sufficient liquidity to  
5 enable the Agency to (i) redeem or purchase bonds which have been adversely  
6 affected by market disruptions; (ii) modify or terminate financial agreements or  
7 instruments which have been adversely impacted by market disruptions; (iii) continue  
8 Agency operations; and (iv) take such other actions as may be necessary to permit the  
9 Agency to mitigate the adverse effects of the current real estate, bond and credit  
10 market disruptions.

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12 2. Notwithstanding Paragraph 1 above, any sale of a pool of loans at a price  
13 below par for the pool shall be brought to the Board for approval.

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15 3. Staff will report to the Board the details of any sale agreement made pursuant  
16 to the authority contained in this Resolution, at the next Board meeting occurring after  
17 execution of such agreement.

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20 I hereby certify that this is a true and correct copy of Resolution 09-05 adopted at a  
21 duly constituted meeting of the Board of Directors of the Agency held on January 22,  
22 2009, at Millbrae, California.

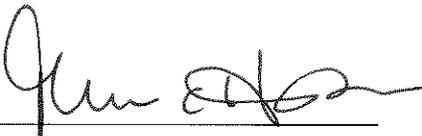
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ATTEST:   
Secretary