

California Housing Finance Agency

Facing CalHFA's Immediate Challenges – Update for CalHFA Board of Directors

May 21, 2009



Affordable Housing is our Business

Presentation Outline

- Briefing for Board Members on Possible Federal Assistance – Agenda Item 4
- Discussion of Financial Strategies and Action Plan – Agenda Item 5
- Review of CalHFA Financial Statements – Year to Date as of December 31, 2008 – Agenda Item 5
(financial statement summary can be found in Report Section)
- Closed Session – Agenda Item 6;
- Discussion of Multifamily Loan Sale and Securitization & Possible Action – Agenda Item 7;

Possible Federal Assistance

- Process –Proposals are being vetted and forwarded to Treasury;
 - We have been in frequent contact with the Federal working group;
 - CalHFA situation and needs presented to the working group at Washington, D.C. meetings
- Principals – HUD and Treasury Secretaries
 - We believe have met and discussed various proposals;
 - New bond purchases, liquidity and credit support have been discussed
- Status – Pending policy determination by principals

Assistance Package -- Rumors

- New Bond Money
 - Federal government buys new mortgage revenue bonds over a certain period of time;
 - At yields that allow state HFAs to offer competitive loan rates to borrowers.
- Liquidity
 - Replacement “Standby Bond Purchase Agreements”
 - Reasonably priced
 - Eventually replaced by private sector liquidity agreements
- Additional Assistance for State HFAs Under Threat of Downgrade -- ???