

RESOLUTION 11-06

RESOLUTION REGARDING RECOMMENDATIONS  
OF BUREAU OF STATE AUDITS

WHEREAS, on February 24, 2011, the Bureau of State Audits ("BSA") issued an audit report (the "Report") regarding the California Housing Finance Agency (the "Agency"); and

WHEREAS, the Report made two recommendations to the Agency Board of Directors; and

WHEREAS, those recommendations deal with the Board's approval of debt issuance strategies and new mortgage products, as well as Board policies regarding such debt issuance and mortgage products; and

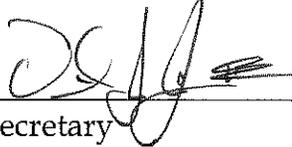
WHEREAS, the Board has discussed the recommendations made by BSA in the Report, and desires to enact certain policies regarding such recommendations;

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

1. To provide for clarity, accountability and transparency, it is the policy of the Board to require staff to present new financing strategies and new loan products for full discussion and approval by majority vote of the Board prior to implementation by the Agency.
2. The proposed business plans submitted to the Board by staff shall address the following issues: (i) limitations on the use of variable rate debt; and (ii) identification of loan products that the Agency identifies as involving higher levels of risk than traditional Agency loan products.

I hereby certify that this is a true and correct copy of Resolution 11-06 adopted at a duly constituted meeting of the Board of Directors of the Agency held on May 19, 2011, at Sacramento, California.

ATTEST:

  
Secretary