

Review of Outcomes CalHFA Business Plan FY 2012-13

Item	Key Strategy	Action Item	Due Date(s)	How did CalHFA do:
1	Increase stability of capital structure and liquidity position.	<ul style="list-style-type: none"> Reduce variable rate bond balance: \$800Mn reduction Reduce swap notional balance: \$350Mn reduction 	<p>6/30/2013</p> <p>6/30/2013</p>	<ul style="list-style-type: none"> TCLP Extension Agreement until 2015 executed in 10/12 Swap notional balance reduced by \$ 369m VDRP balance reduced by \$952m
2	Reduce balance sheet risk by increasing loss mitigation efforts in the single family portfolio and multifamily portfolio preservation through risk share.	<ul style="list-style-type: none"> Pursue additional activities that augment the disposition of REO properties both pre- and post- foreclosure within acceptable financial objectives. Allow MF borrowers to participate in the risk share portfolio preservation program. Revise CalHFA loss mitigation procedures and policies: replace current CMP program with a HAMP-like programs; revise Short Sale process; remove multiple layers of approval for modification and short sales; increase outreach to IOP borrowers; obtain waiver from FHA to utilize PRP; pursue innovation funds (KYHC) to be used to target strategic defaults 	<p>Procedures in place by 8/1/12</p> <p>Program in place by 7/1/12</p> <p>Program revisions in place by 6/30/12</p>	<ul style="list-style-type: none"> Formulated and executed changes to procedures and management including better valuation of REO's and short sale improvements. Risk share portfolio program instituted (see # 3 below) Major improvements and changes made to align all programs: CMP, HAMP, shortsale, etc. so that borrower moves through one "waterfall". KYHC payments have increased substantially. FHA HAMP details vetted will be rolled out 2Q 2013
3	Pursue multi-family lending that focuses on preservation and recapitalization of the existing housing stock.	<ul style="list-style-type: none"> Pursue preservation and recapitalization of existing loan portfolio by finalizing program terms and term sheet; establishing loan documents and obtaining necessary waivers from HUD; 	<p>Rolled out on 5/1/12; ongoing thru FY 2012/13</p>	<ul style="list-style-type: none"> Remaining NIBP funds expended by 12/31 on HUD riskshare program. 7 projects funded with approximately \$70 mil.

		<ul style="list-style-type: none"> • Prepare response to HUD NOFA to perform Performance Based Contract Administration (PBCA); • For those Section 8 projects not going through the FHA Risk-Share program; use \$1M or less of Earned Surplus funds for renovation needs at projects. 	<p>Contract awarded by 8/1/12; work begins 1/1/13</p> <p>9/1/12</p>	<p>-Application submitted – in legal quagmire; program paused until resolved.</p> <p>-Review of approaches to use Earned Surplus have been compiled; will institute them as part of 2013-14 Biz Plan.</p>
4	<p>Pursue new sources of capital and revenue and investigate sustainable business models.</p>	<ul style="list-style-type: none"> • Present Administration with viable perm source legislation and proceed with Governor approved legislation; • Modify the current CalHFA business model to better protect the Agency's balance sheet against real estate and credit risks; • Form a senior staff working group to identify and develop three new sources of capital and three new sources of revenue either from existing Agency activities or newly identified business opportunities. 	<p>Proposal to Gov by 7/31/12</p> <p>Senior staff finalizes by 8/31/12</p> <p>Work is complete by 12/31/12</p>	<p>-Paused due to importance of Prop 30; providing technical assistance</p> <p>-Completed</p> <p>-Work initiated – will be presented as part of 2013-14 Biz Plan</p>
5	<p>Reorganize and increase operational efficiencies and infrastructure to better position the Agency for future business opportunities.</p>	<ul style="list-style-type: none"> • All divisions shall assess and streamline current business practices. • Develop staff with flexible workforce capabilities supported by broad classifications. • Perform a cost/benefit analysis for new proposed program to support the decision-making process. • All divisions shall evaluate and monitor existing programs and policies for effectiveness on a regular basis, and make necessary adjustments as necessary. 	<p>9/30/12</p> <p>Develop priorities by 6/30/13</p> <p>Decision model completed by 9/1/12</p> <p>Identify list of programs; establish schedule</p>	<p>-Some review completed - ongoing.</p> <p>-Some work underway – to be continued</p> <p>-Not completed</p> <p>-Good work completed on SF bulletins, loan servicing procedure manual</p>

6	<p>Maximize use of KYHC program funds.</p>	<ul style="list-style-type: none"> • Continue to collaborate with other public and private sector entities to maximize and leverage potential benefits of foreclosure prevention resources. • Continue to measure program outcomes and assess barriers to eligibility; • Submit program changes as needed to UST to facilitate increased eligibility. • Continue to aggressively market programs to eligible homeowners, community groups and media to expand awareness. • Continue to aggressively pursue and on-board additional servicers. • Participate in on-going monitoring of program recipients to assess level of homeownership sustainability facilitated by program assistance. 	<p>Ongoing Quarterly evaluation of all programs</p>	<ul style="list-style-type: none"> -Major changes in program approved by UST including PRP increase. -More banks participating -Annual UST audit completed – no management findings
7	<p>Integrate HCD and CalHFA functions to meet California's affordable housing needs.</p>	<ul style="list-style-type: none"> • EDs: Develop and communicate an Executive Summary and Timeline for Merger Plan (Which box do we live in?). • Consolidation Work Groups – CalHFA & HCD: Assemble Divisional action teams; Review organization set up, staff functions and capabilities, funding sources and program sunsets; Integration recommendations and timelines; Identify efficiencies and cost savings; • Execute recommendations: establish and publish implementation timelines 	<p>Completed by 6/1/12 Formed by 6/15/12; Work completed by 7/31/12 Initiate implementation by 7/1/13</p>	<ul style="list-style-type: none"> -Work groups completed review -Project Implementation Doc completed and submitted to GO in Nov, 2012. -Change in direction in Jan. 2013 necessitates review and ongoing work during the 2013-14.