

# California Housing Finance Agency Investment Oversight Committee Report

On March 14, 2012, the California Housing Finance Agency's Board of Directors approved the adoption of the Agency's current Investment Policy. The Investment Policy established an investment oversight committee, consisting of the Agency's Executive Director, Deputy Director, General Counsel, Director of Financing, Financing Risk Manager and Comptroller. The oversight committee's primary responsibilities are to approve any new credit counterparty, monitor the investment policy and perform an annual review of the Investment Policy.

## **New credit counterparty/investment vehicle**

On February 28, 2013 the committee met and approved a new investment vehicle: U.S. Bank N.A. Open Commercial Paper.

The committee determined that under the current Investment Policy the Agency has the authority to invest in U.S. Bank N.A. Open Commercial Paper and that the U.S. Bank N.A. Open Commercial paper met the Agency's primary objectives of safety, liquidity and return on investment.

U.S. Bank N.A. Open Commercial Paper has a short term rating of A1+/P1 and a long term rating of AA- (stable) this product also has a daily liquidity feature (all trades placed by 3 p.m. CST are guaranteed to be processed the same business day). It is currently yielding 0.08%.

U.S. Bank N.A. Commercial Paper is primarily being added as a new investment vehicle to replace the U.S. Bank N.A. Open Repurchase Agreement which will no longer be an available investment vehicle after March 11, 2013.

## **Annual review of the Investment Policy**

On February 28, 2013 the committee also performed its annual review of the Investment Policy. The committee determined that language should be added in the Investment Policy describing the U.S. Bank N.A. Open Commercial Paper investment and deleting the language describing the U.S. Bank N.A. Open Repurchase Agreement.

The committee also added language in the Investment Policy under the heading "Scope" indicating that the Agency's Investment Policy covers any new indentures created under resolutions 13-01 and 13-02.

Presented: March 7, 2013

By: California Housing Finance Agency Investment Oversight Committee



Claudia Cappio, Executive Director



Anthony Sertich, Financing Risk Manager