

## RESOLUTION 13-09

### RESOLUTION AUTHORIZING THE SINGLE FAMILY LENDING PROGRAM PARAMETERS FOR SINGLE FAMILY LENDING PRODUCTS

WHEREAS, the California Housing Finance Agency (the "Agency") has developed a financing model ("Single Family Lending TBA Model") as a vehicle to finance Agency Single Family Lending products with minimal risk to the Agency;

WHEREAS, on May 19, 2011, the Board of Directors adopted Resolution 11-06 which states that "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;"

WHEREAS, Agency staff requests the Board of Directors to consider setting parameters on Agency Single Family Lending products in lieu of requiring staff to return to the Board of Directors seeking approval of Single Family Lending "new loan products" as set forth in Resolution 11-06;

WHEREAS, the value of defining product parameters is to allow the Agency flexibility to adjust its loan products to meet the needs of the low to moderate income first time homebuyer housing market while maintaining responsible lending practices;

WHEREAS, a "FHA Premium Priced First Mortgage Loan" is a 30 year fully amortized FHA insured loan sold at a premium price due to the borrower paying a slightly higher interest rate for receiving down payment assistance using Agency Single Family Lending products;

WHEREAS, a "FHA Market Rate First Mortgage Loan" is a 30 year fully amortized FHA insured loan sold at market value with the use of any Agency Single Family Lending products for down payment assistance;

WHEREAS, the Board of Directors wishes to set certain parameters for the use of Single Family Lending products;

WHEREAS, the Board of Directors has considered the recommendations of the Agency staff regarding parameters for Single Family Lending products;

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

1. The Agency is hereby authorized to administer Agency Single Family Lending products subject to the following parameters:

- A. Using (i) a FHA Premium Priced First Mortgage Loan with any combination of Agency Single Family Lending products for down payment assistance; and (ii) FHA Market Rate First Mortgage Loan with any combination of Agency Single Family Lending products for down payment assistance;
- B. A FICO score of 640 and higher;
- C. Borrower completion of an Agency approved Single Family Lending education program;
- D. A maximum 103% combined loan-to-value ratio;
- E. No greater than a total 43% debt-to-income ratio;
- F. A minimum Borrower cash contribution of \$1,000.00 to \$1,500.00 depending on FICO score;
- G. Borrower participation in home warranty plan with a minimum of two years coverage.

I hereby certify that this is a true and correct copy of Resolution 13-09 adopted at a duly constituted meeting of the Board of Directors of the Agency held on May 9, 2013, at Sacramento, California.

ATTEST:

  
Secretary