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# Agenda Item 9 – Update on Moody’s annual review of the Agency’s credit ratings

May 9, 2013

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## On 3/19/13, Moody's confirmed the Agency's credit ratings

### rating outlook

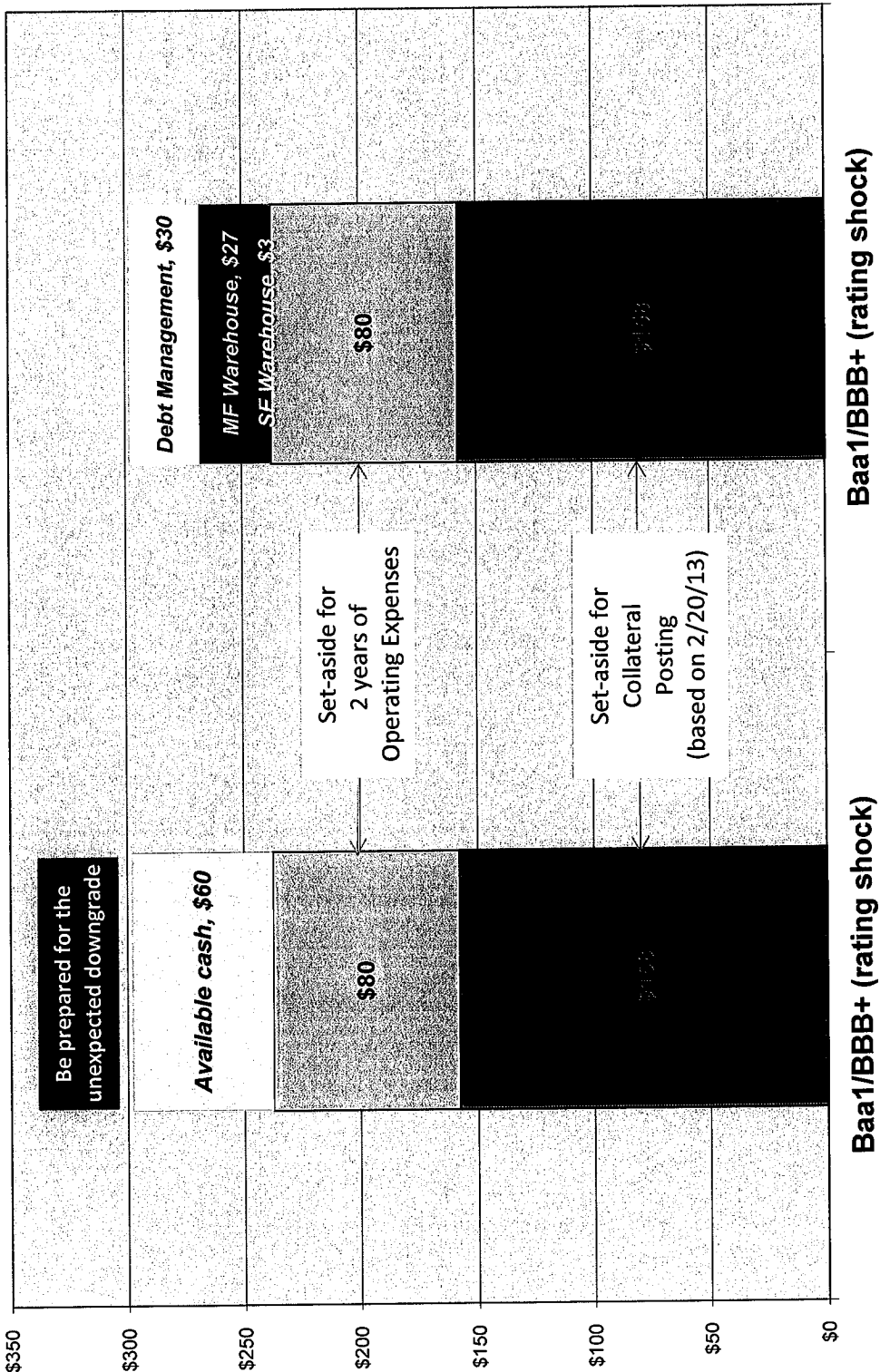
- Issuer Credit Rating (G-O): A3 negative
- HMRB (special obligation): Baa2 negative
- Confirmation based on:
  - "stable and improving financial performance"
  - "strong actions by management"
  - "effective steps to improve the Agency's finances"
  - "worked proactively to improve the Agency's balance sheet"
  - "strong relationship with the State"

# Our ratings have reached an inflection point

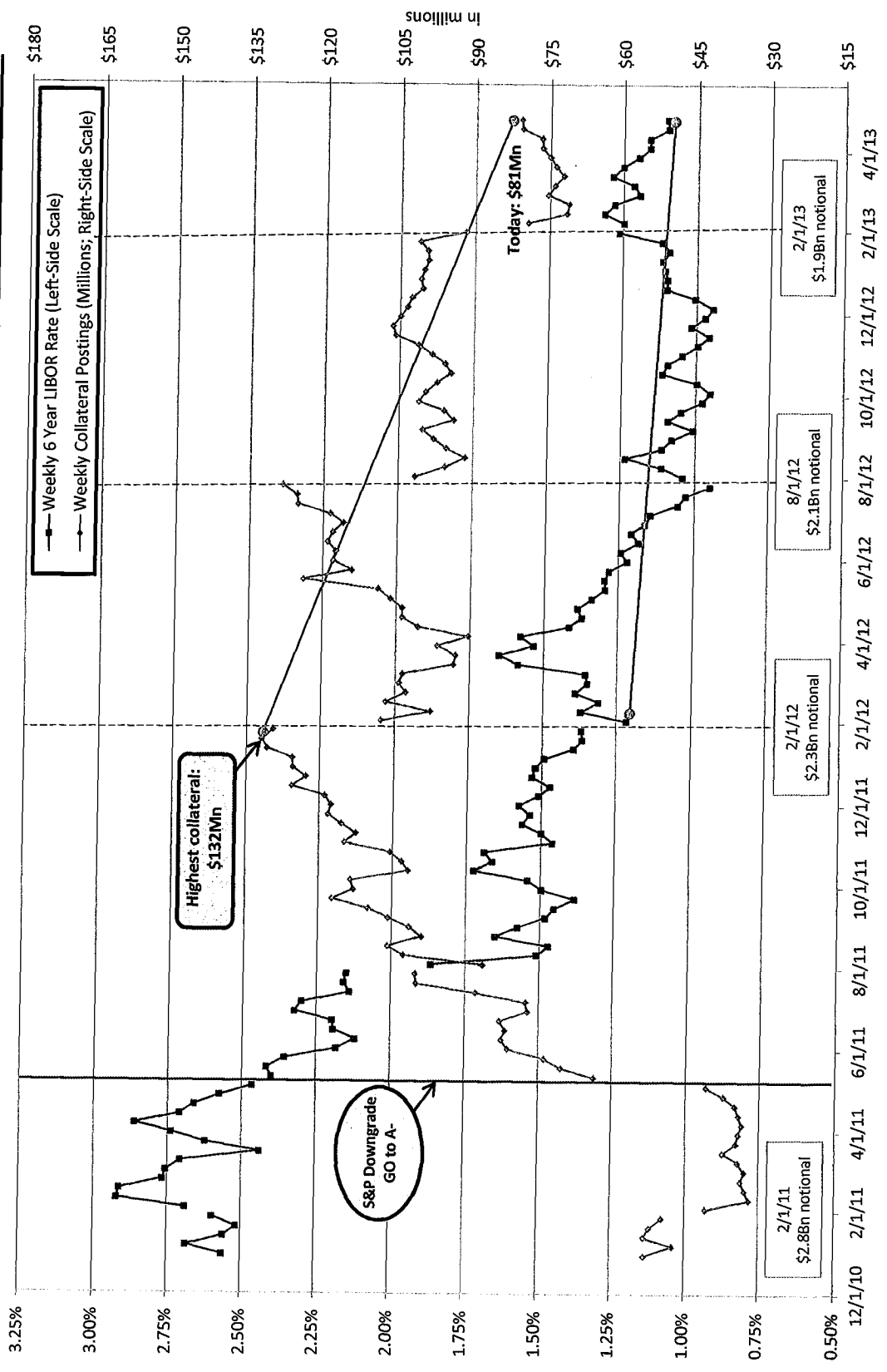
CalHFA General Obligation		
Current rating	S&P's	Moody's
		A-
	Negative Outlook	Negative Outlook
AA		
AA-	<< pre-2009 >>	<< pre-2009 >>
A+		07/22/09
A	03/31/10	10/26/10
A-	05/10/11 09/18/12	09/19/11 03/19/13
	----- single-A threshold -----	

HMRB (Special Obligation)		
Current rating	S&P's	Moody's
		BBB
	Stable Outlook	Negative Outlook
Aa2		<< pre-2009 >>
AA-	<< pre-2009 >>	07/22/09
A+		
A	04/01/10	
A-		04/20/10
BBB+		06/06/11
BBB	05/10/11 09/18/12	09/19/11 03/19/13
BBB-		
	----- investment grade threshold -----	

# Affirmation of the proposed allocation of the Agency's liquidity



# Collateral posting risk is better contained





**On 4/30/13, closed a refunding of NIBP bonds**

	<u>issuance</u>	<u>refunded</u>	<u>refunding</u>
▪ RMRB 2009 A-4	\$100.2Mn	3.55%	2.90%
▪ RMRB 2009 A-3	\$33.5Mn	3.10%	2.90%

- Future expected savings depend on the life of the loan portfolio. Estimated savings:
  - First year: \$700,000
  - NPV after issuance costs: \$2.0Mn to \$3.5Mn