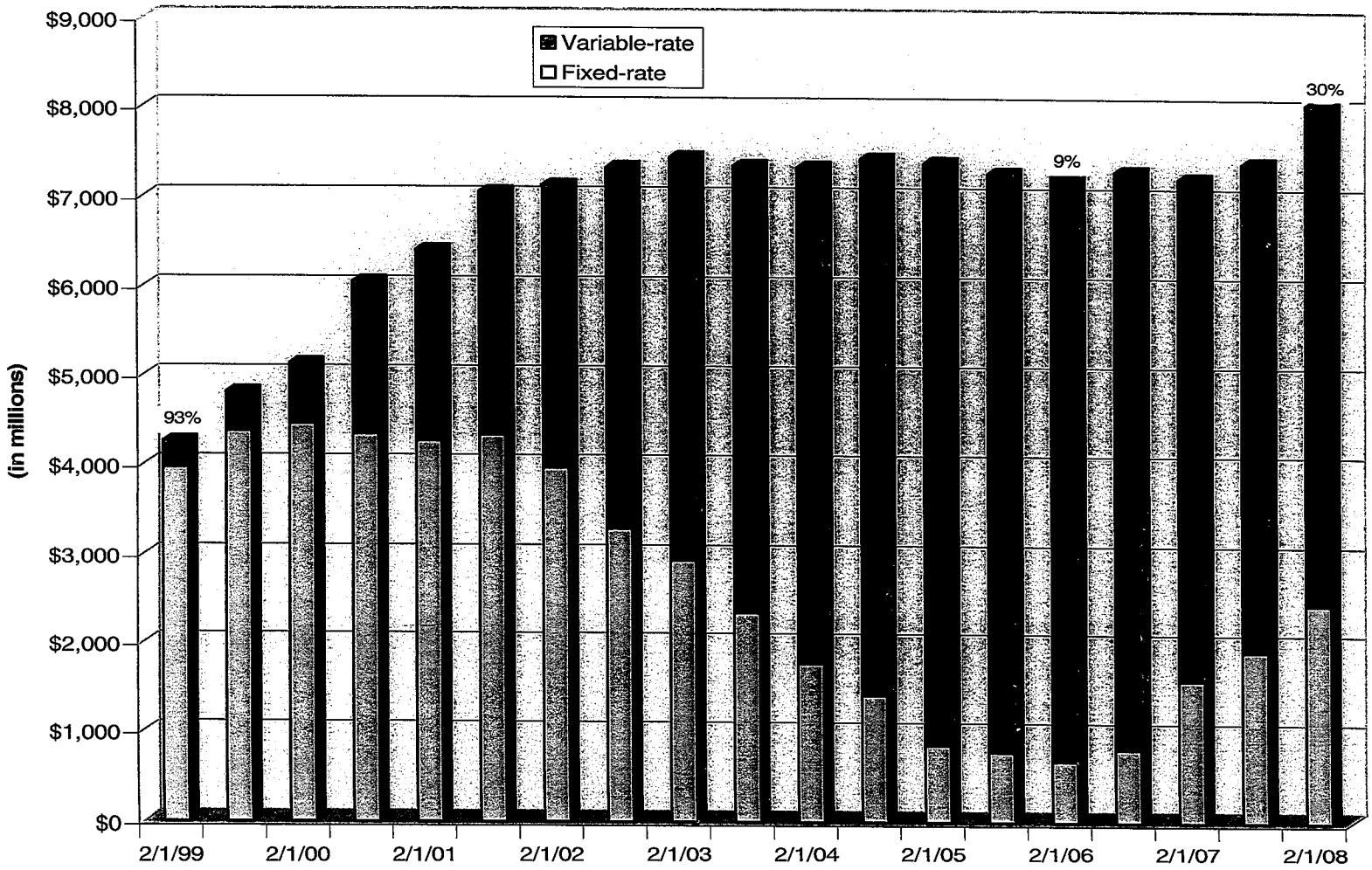
Agenda Item 13 –

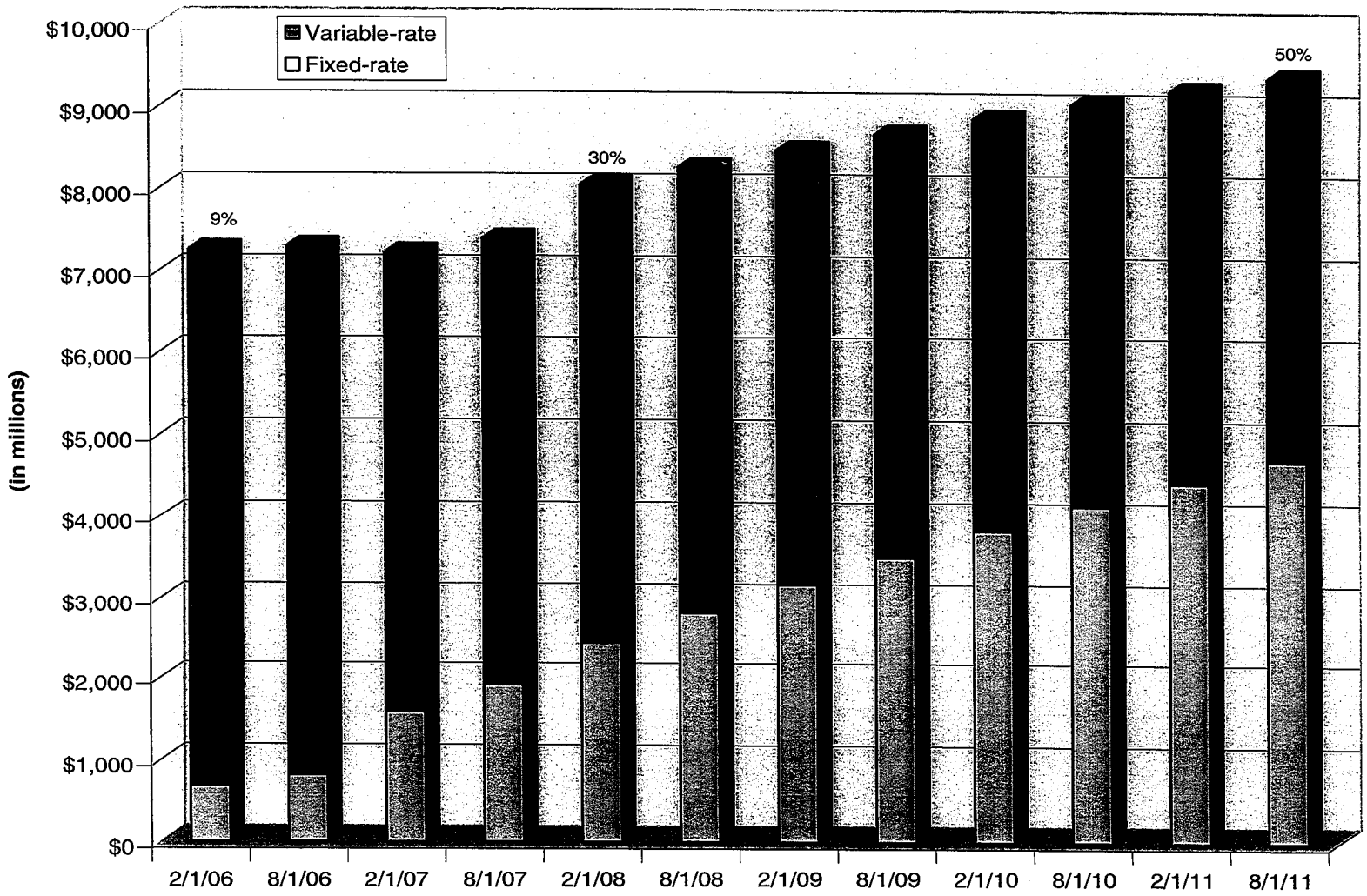
Update on proposed capital/liquidity allocation

September 12, 2013

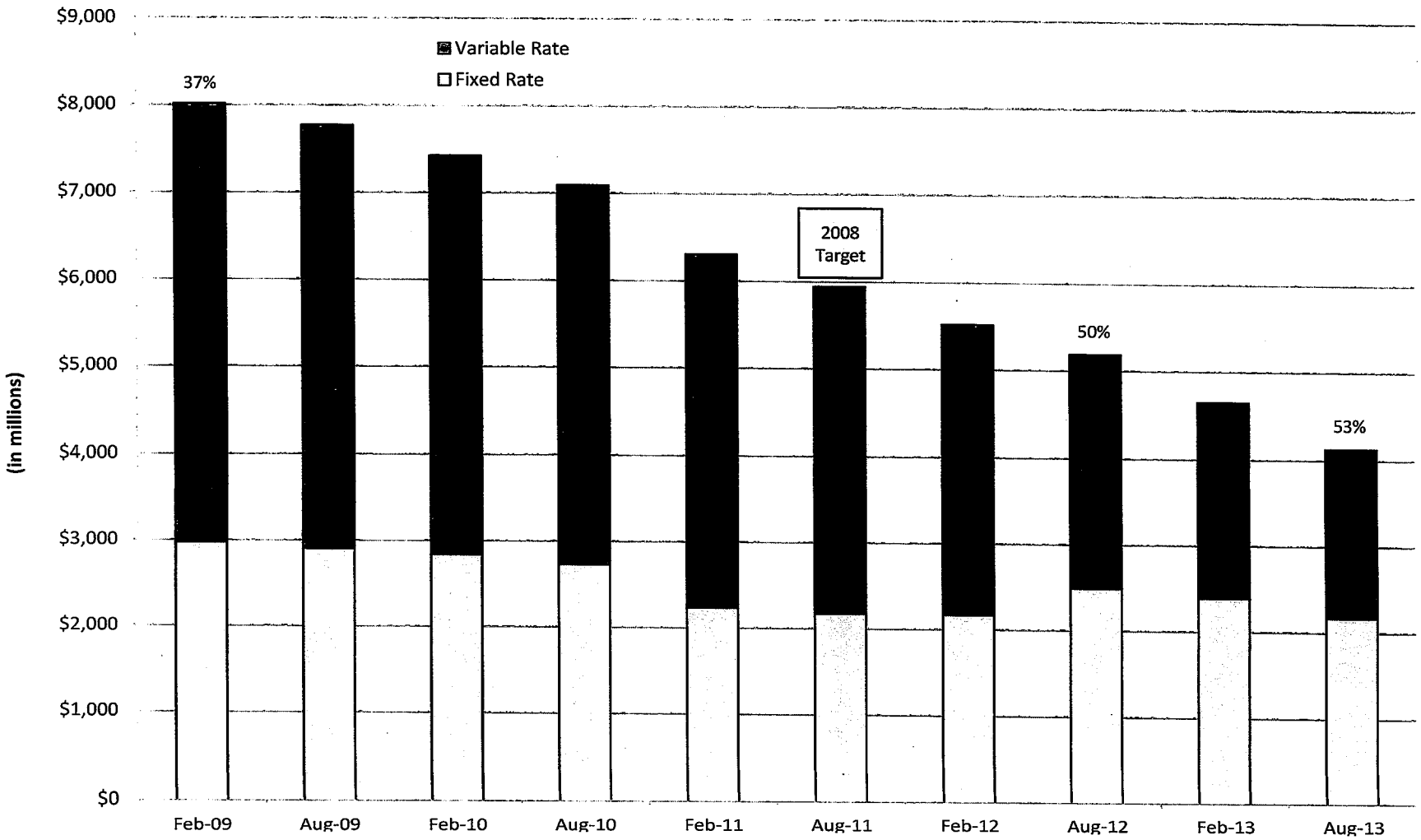
On 3/19/2008, made a presentation to the Board entitled "Re-calibrating CalHFA's risk profile"



... targeted 50/50 debt profile by 2011



What actually happened…



Our ratings have reached an inflection point

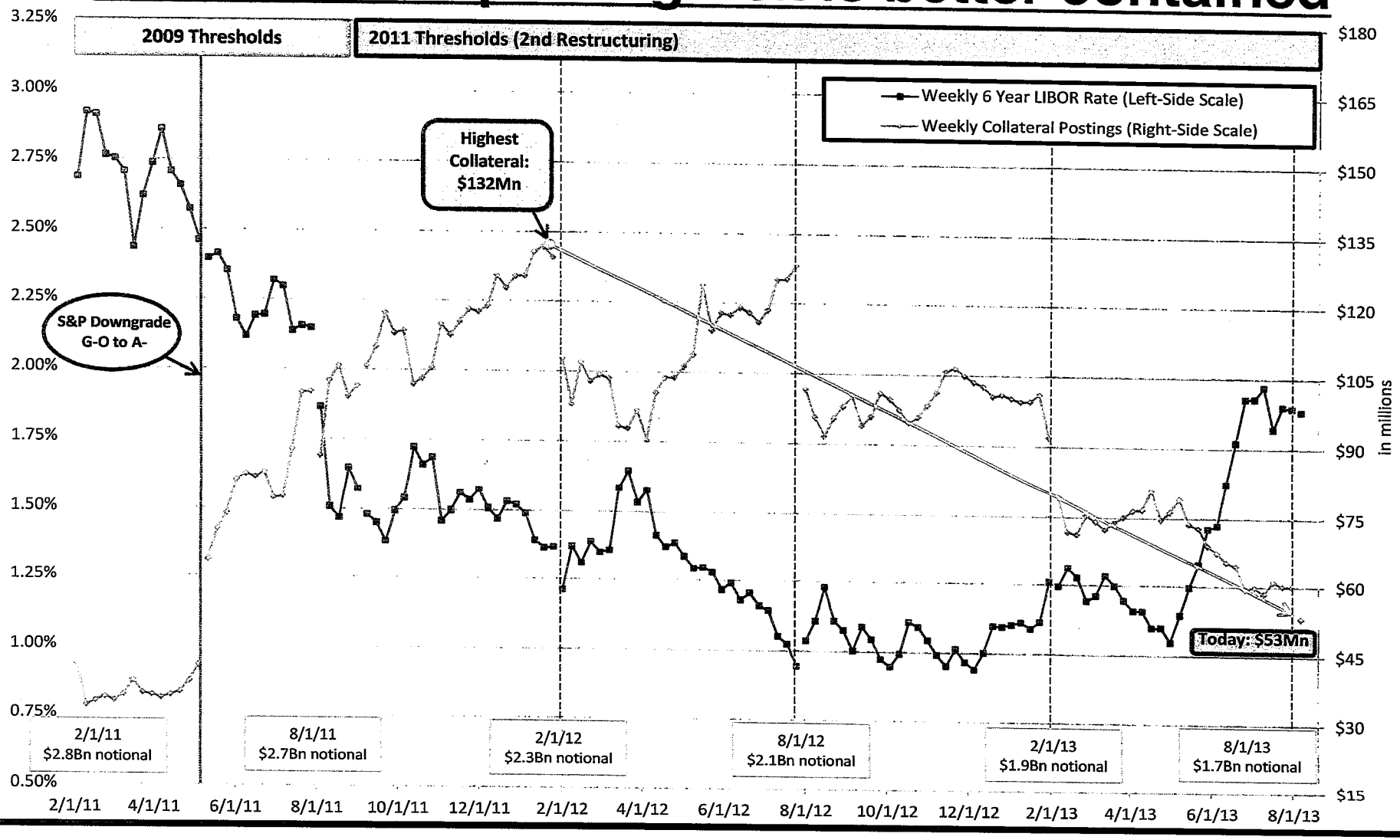
Current rating	CalHFA General Obligation S&P's	CalHFA General Obligation Moody's	
	A-	A3	
	Negative Outlook	Negative Outlook	
AA			Aa2
AA-	<< pre-2009 >>	<< pre-2009 >>	Aa3
A+		07/22/09	A1
A	03/31/10	10/26/10	A2
A-	05/10/11 09/18/12	09/19/11 03/19/13	A3

-------- single-A threshold --------

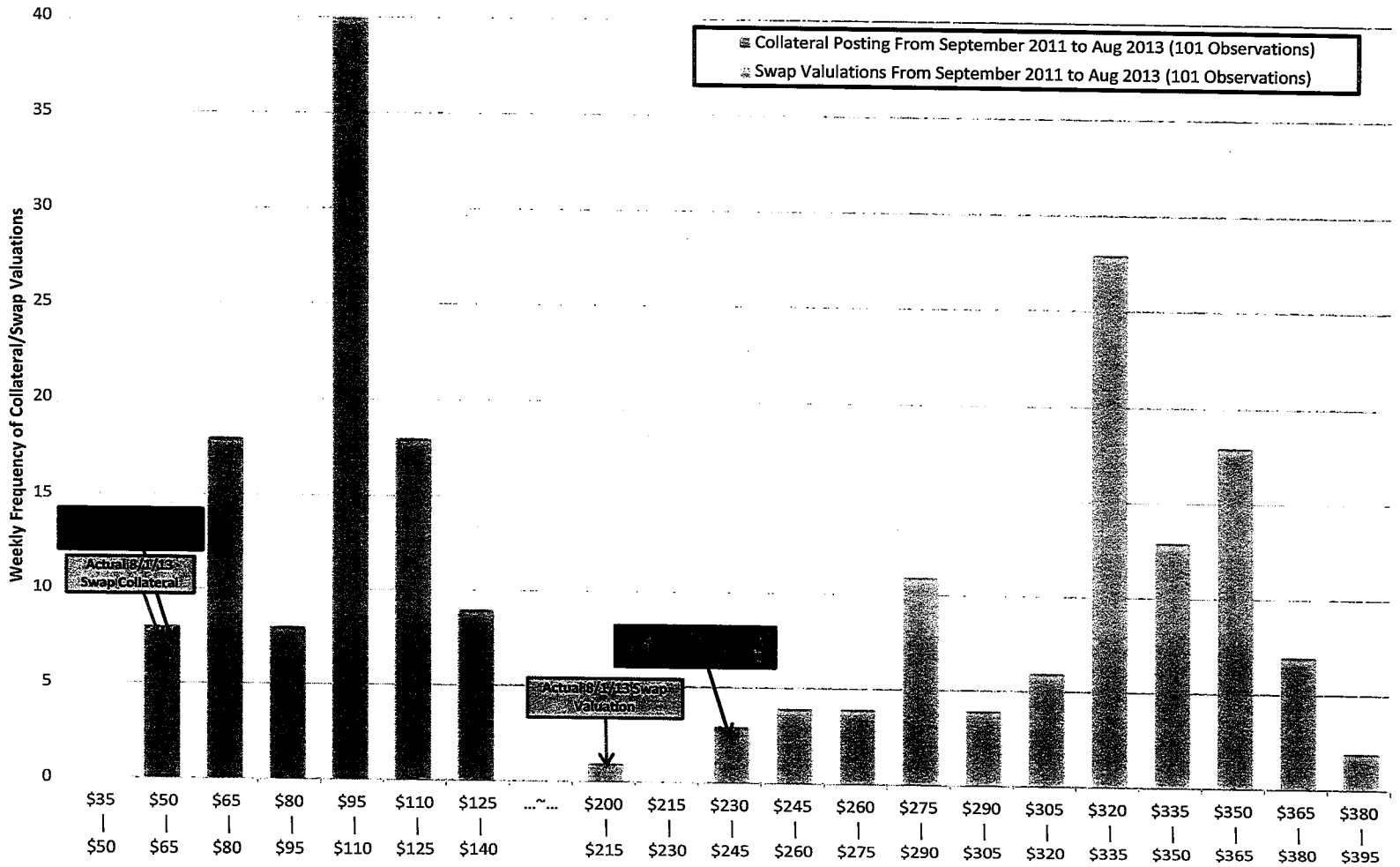
Current rating	HMRB (Special Obligation) S&P's	HMRB (Special Obligation) Moody's	
	BBB	Baa2	
	Stable Outlook	Negative Outlook	
AA		<< pre-2009 >>	Aa2
AA-	<< pre-2009 >>	07/22/09	Aa3
A+			A1
A	04/01/10		A2
A-		04/20/10	A3
BBB+		06/06/11	Baa1
BBB	05/10/11 09/18/12	09/19/11 03/19/13	Baa2
BBB-			Baa3

---- investment grade threshold ----

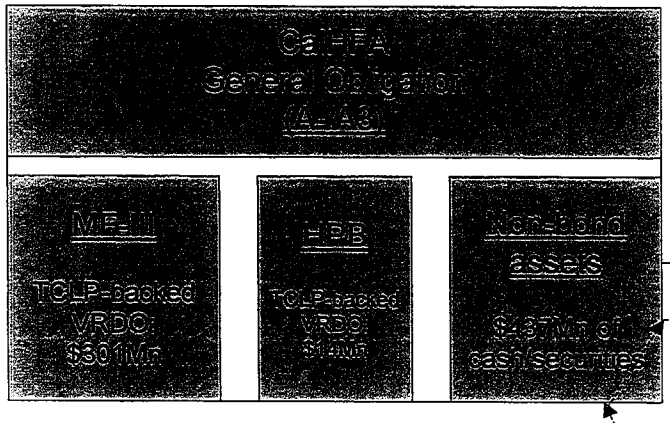
The collateral posting risk is better contained



The most negative valuations are behind us



Four high level risks



(3) Meeting collateral demands

Advancing swap net pmts for HMRB

Swap Counterparties

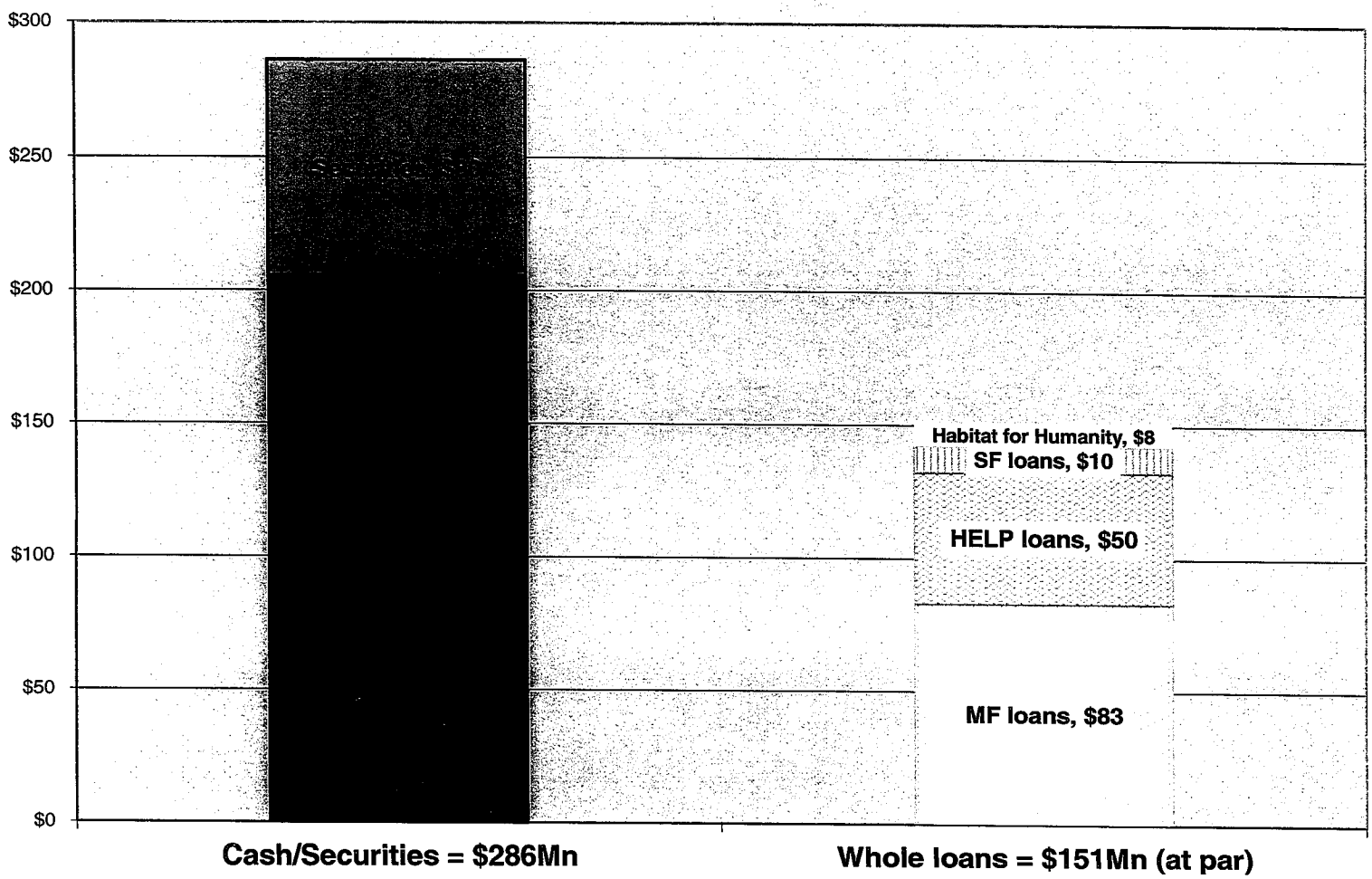
M-to-M (8/7/13): $210Mn
DV01: $865K

(2) Reimbursing the G-O for swap net pmts
-> $26Mn on 8/1/13

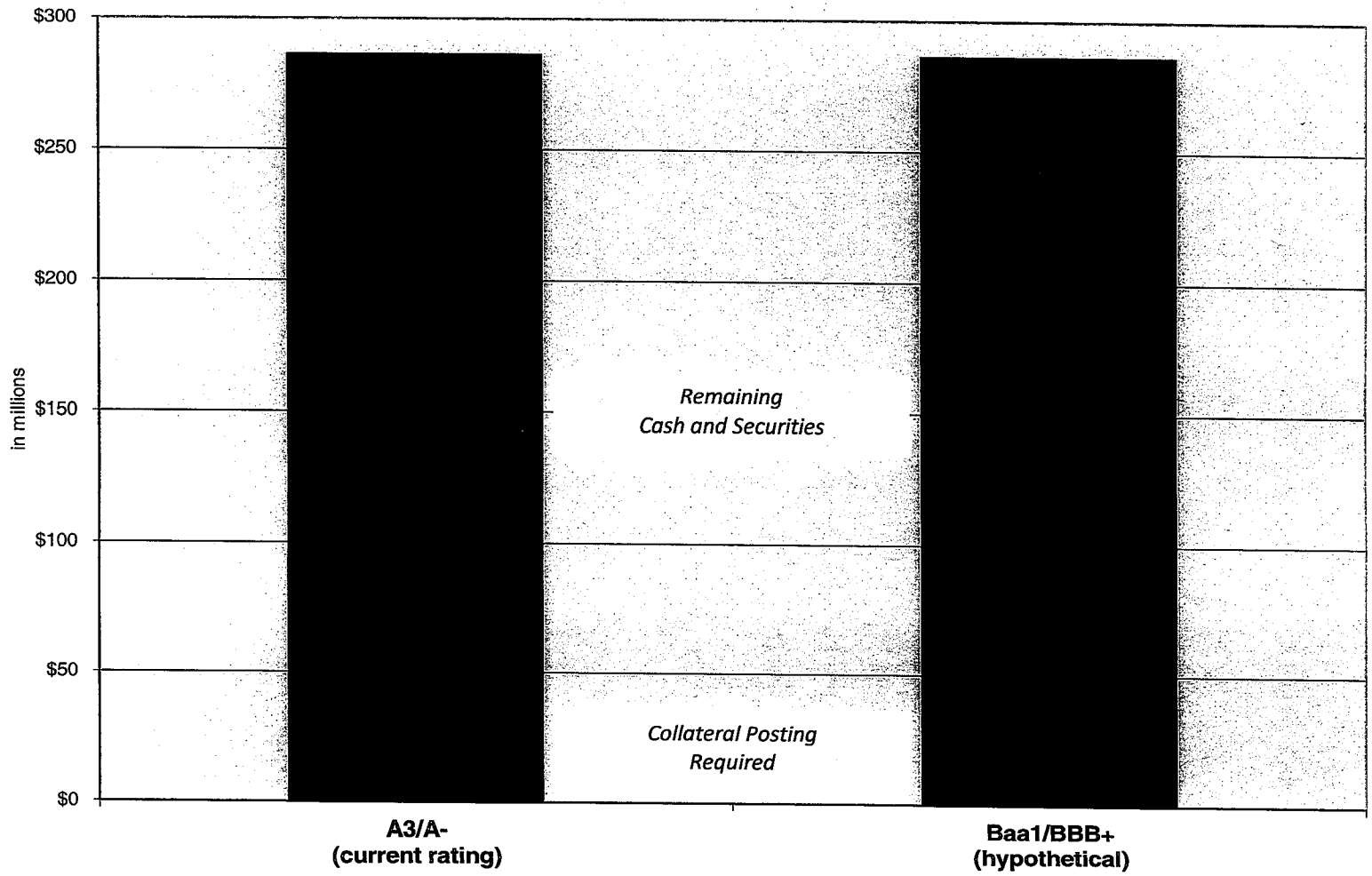
(1) Single-family loan losses

(4) Replacing TCLP by
the end of 2015

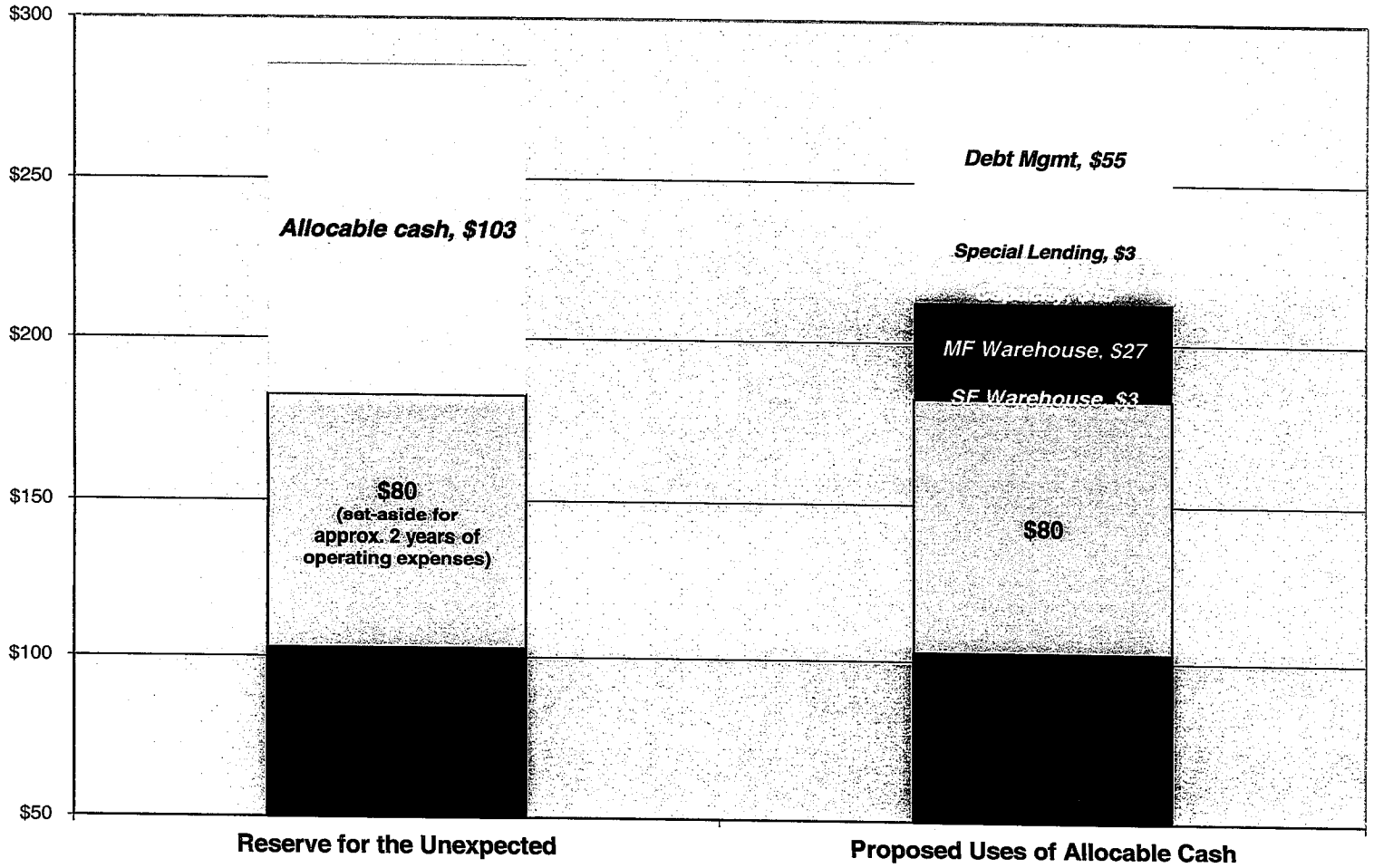
Total unencumbered assets = $437Mn



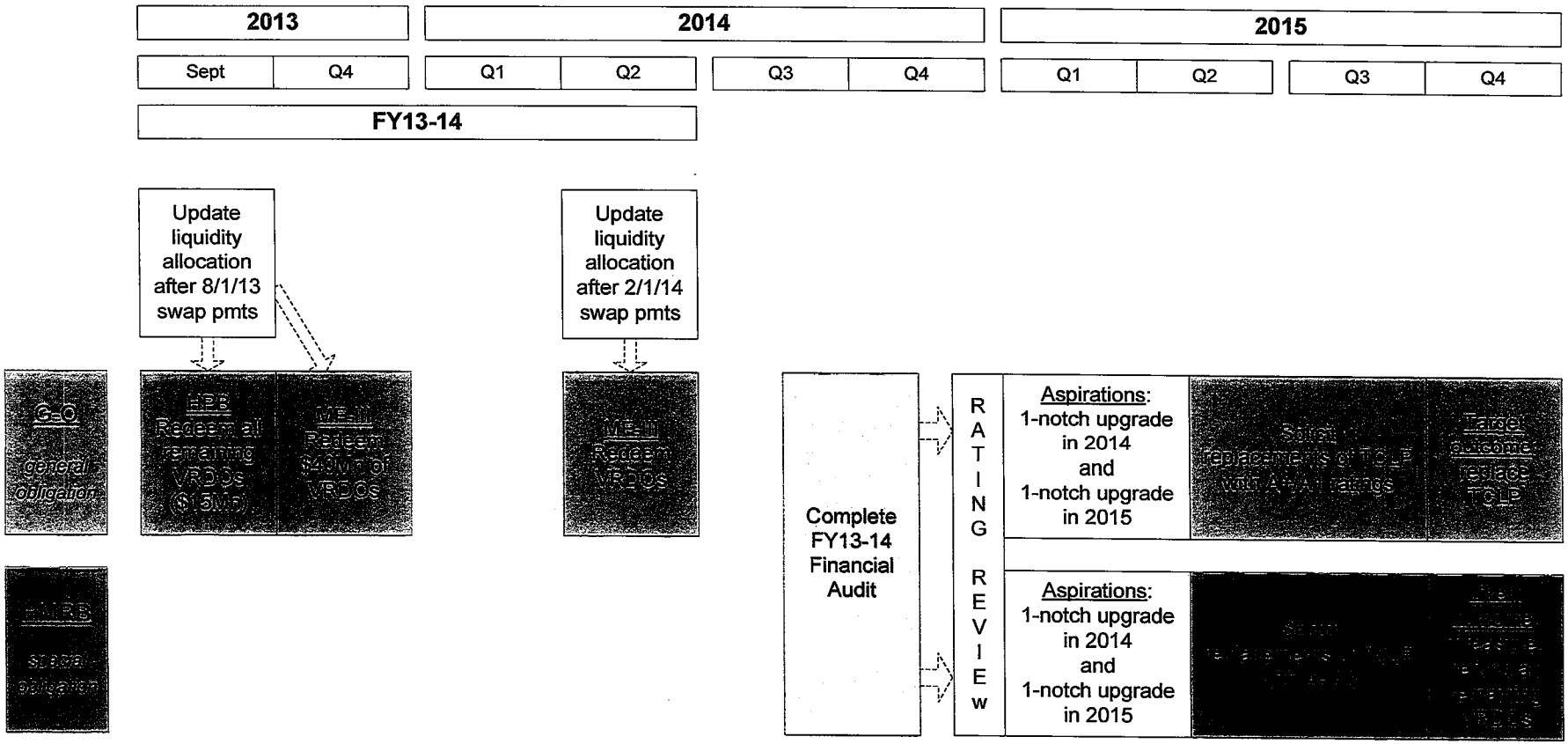
Improved cash position with fewer unknowns



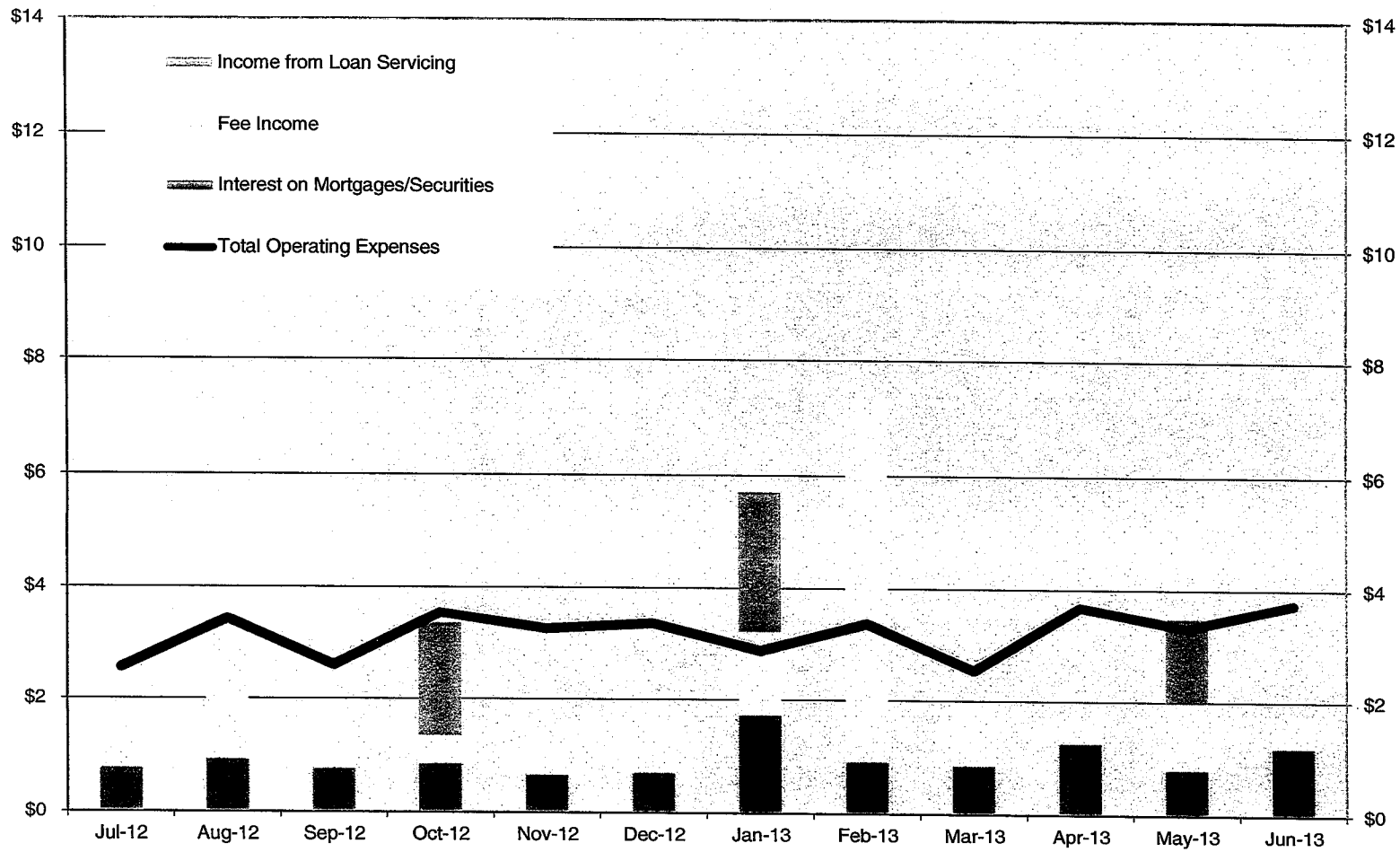
Proposed allocation of capital/liquidity



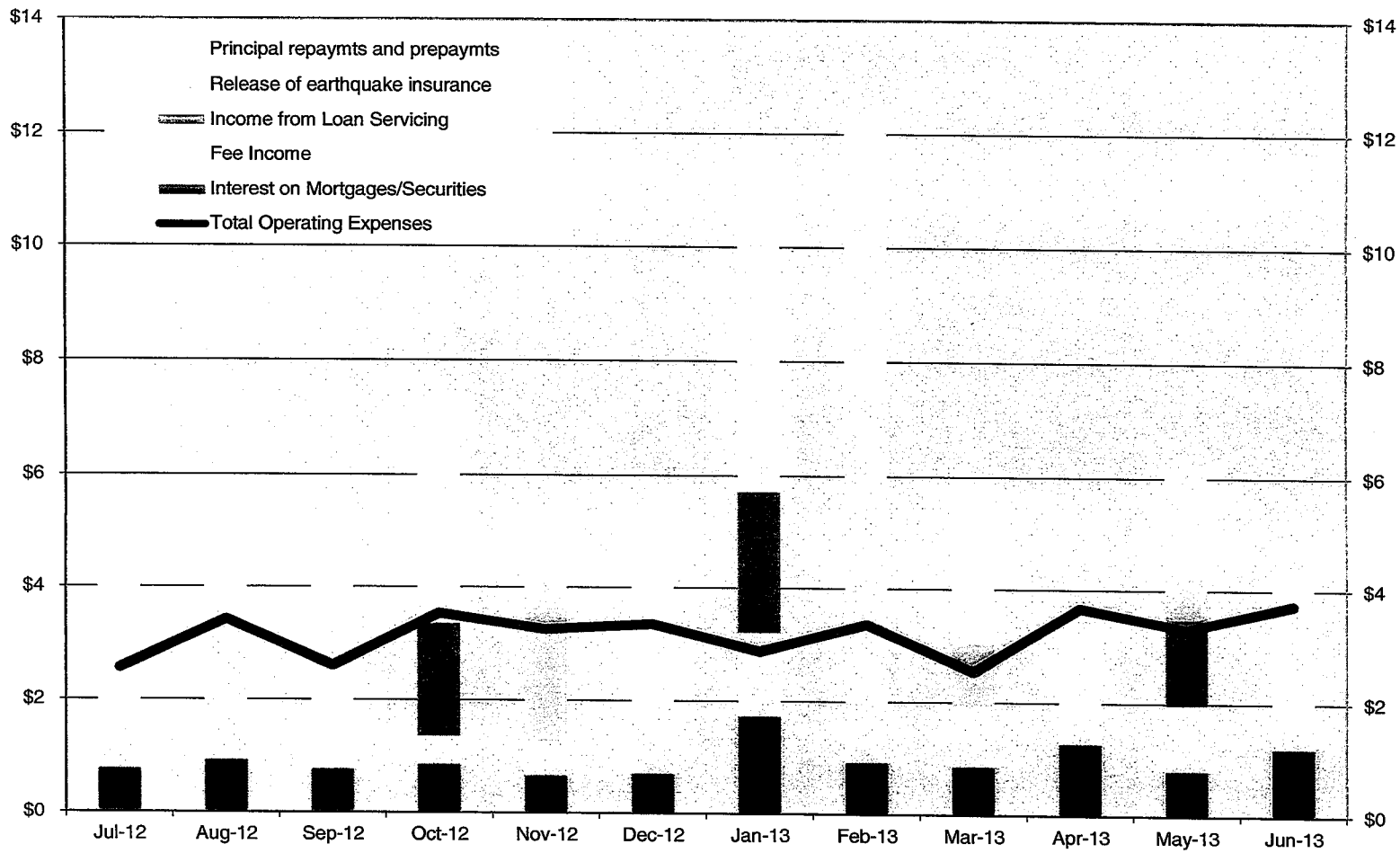
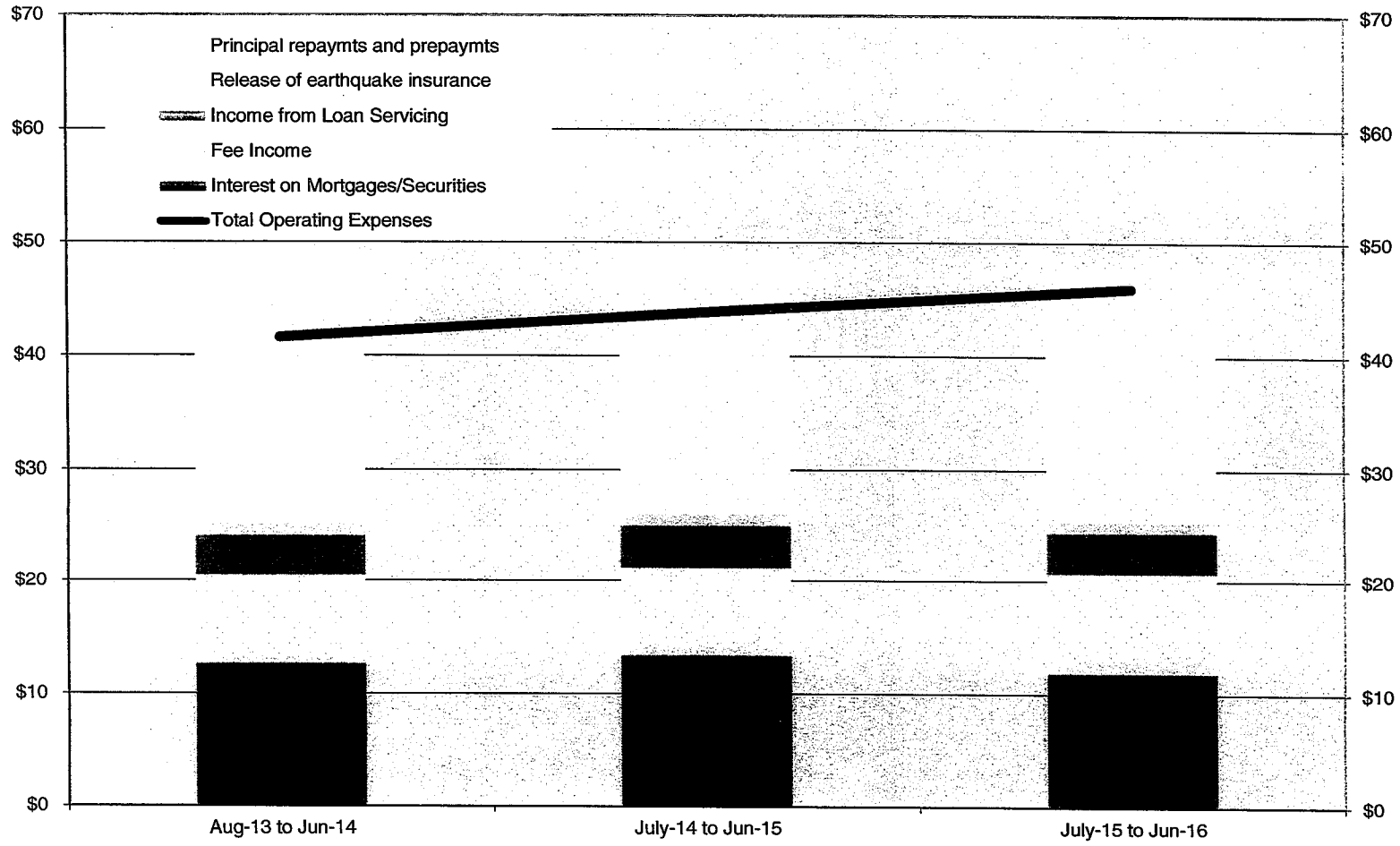
Preparing for the expiration of TCLP in 2015



FY12-13: Income falls short of Expenses



FY12-13: Cash Inflows exceed Expenses



FY13-16: Cash Inflows exceed Expenses