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RESOLUTION 13-19

RESOLUTION APPROVING AND AUTHORIZING THE CalHFA ENERGY EFFICIENT FIRST MORTGAGE PLUS GRANT SINGLE FAMILY LENDING PRODUCT AND IT'S IMPLEMENTATION

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

WHEREAS, on May 19, 2011, the Board of Directors adopted Resolution 11-06 which stated 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, the Board of Directors adopted Resolution 13-08 approving the Single Family Lending TBA Model;

WHEREAS, the CalHFA Energy Efficient First Mortgage Plus Grant Single Family Lending Product is a premium priced first mortgage loan expected to be sold at a premium sufficient to cover the built in grant to add energy efficient improvements on the subject property and a net profit to CalHFA; and

WHEREAS, the Board of Directors has considered the recommendations of the Agency staff regarding implementation of the CalHFA Energy Efficient First Mortgage Plus Grant Single Family Lending Product;

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

1. The CalHFA Energy Efficient First Mortgage Plus Grant Single Family Lending Product is approved.

2. The Agency is authorized to implement the CalHFA Energy Efficient First Mortgage Plus Grant Single Family Lending Product using the Single Family Lending TBA Model for financing of this product subject to the following parameters:

- A. Use of a FHA premium priced first mortgage loan with built in grant to add energy efficient improvement on the subject property.
- B. Borrower must receive an initial FICO score of 640 or higher.
- C. Borrower must complete an Agency approved single family lending education program.
- D. Maximum combined loan to value may exceed 103% for energy efficient mortgages only; CalHFA will follow FHA guidelines allowing the final loan amount to exceed the maximum FHA mortgage for the Energy Efficient Mortgage (cost of improvements).

- 1 E. No greater than a total 43% debt-to-income ratio excluding the Energy Efficient
- 2 financing.
- 3 F. Minimum borrower cash contribution of \$1,000.00 to \$1,500.00 depending on
- 4 FICO score.
- 5 G. Two-year home warranty policy for existing properties, including policies for 1
- 6 year with right to renew. Exception for new construction properties when
- 7 builder provides the warranty.
- 8

9 I hereby certify that this is a true and correct copy of Resolution 13-19 adopted at a duly  
10 constituted meeting of the Board of Directors of the Agency held on November 12, 2013, at  
11 Burbank, California.

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14 ATTEST:  \_\_\_\_\_  
15 Secretary  
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