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RESOLUTION 14-08

RESOLUTION AUTHORIZING THE MODIFICATION
OF SINGLE FAMILY LENDING PROGRAM PRODUCT PARAMETERS

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, on May 9, 2013, the Board of Directors adopted Resolution 13-09 which set parameters on the terms of Agency Single Family Lending products including but not limited to the following: Parameter 1.A. permits using a FHA Premium Priced or Market Rate First Mortgage Loan with any combination of Agency Single Family Lending products for down payment assistance; Parameter 1.C. requires borrower complete an Agency approved Single Family Lending education program; Parameter 1.D. permits a maximum 103% combined loan to value ratio; Parameter 1.F. requires a minimum Borrower cash contribution of \$1,000.00 to \$1,500.00 depending upon FICO score; and Parameter 1.G. requires the borrower to obtain a home warranty plan with a minimum of two years coverage;

WHEREAS, the value of modifying single family loan product parameters is to allow the Agency flexibility to adjust its parameters to respond to the ever changing economic, programmatic, fiscal and/or legal circumstances consistent with the Agency Business Plan as adopted by the Board of Directors on May 13, 2014 as Resolution 14-05 ("*Business Plan*");

WHEREAS, to enhance the Agency's timely response to these changing circumstances and in order to meet the needs of the low to moderate income housing market while maintaining responsible lending practices, staff recommends that the Executive Director have the authority to adjust the terms and parameters of the Single Family Lending products adapting to changes in economic, programmatic, fiscal and/or legal circumstances to attain goals and objectives consistent with the intent of the Business Plan;

WHEREAS, the Board of Directors has considered the recommendations of the Agency staff to modify Resolution 13-09 as follows: (1) Parameter 1.A. allow the use of any CalHFA First Loan (conventional or FHA) with any combination of Agency Single Family Lending products for down payment assistance; (2) Parameter 1.C. exempt non first time homebuyers from required participation in the lending education program; (3) Parameter 1.D. increase the maximum combined loan-to-value ratio from 103% to 105%; (4) Parameter 1.F. eliminate the required borrower cash contribution of up to \$1,500.00; (5) Parameter 1.G. change the minimum duration of the home warranty plan to one year, and limit the home warranty requirement to first time homebuyers (excluding new construction home purchases); and (6) authorize the Executive Director to modify the terms and parameters of the Agency's Single Family Lending products to reflect changes in

1 economic, programmatic, fiscal and/or legal circumstances to attain goals and objectives
2 consistent with the intent of the Business Plan;

3
4 NOW THEREFORE, BE IT RESOLVED by the Board of Directors as follows:

- 5
6 1. Parameter 1.A. of Resolution 13-09 is modified to read: "Using any CalHFA
7 First Loan (conventional or FHA) with any combination of Agency Single
8 Family Lending products for down payment assistance;"
9
10 2. Parameter 1.C. of Resolution 13-09 is modified to read: "Completion of an
11 Agency approved Single Family Lending education program for first time
12 homebuyers only;"
13
14 3. Parameter 1.D. of Resolution 13-09 is modified to read: "A maximum
15 105% combined loan-to-value ratio;"
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17 4. Parameter 1.F. of Resolution 13-09 requiring borrower cash contribution of
18 up to \$1,500.00 is hereby eliminated as a requirement;
19
20 5. Parameter 1.G. of Resolution 13-09 is modified to read: "For first time
21 homebuyers only (excluding new construction home purchases), Borrower
22 participation in an Agency approved home warranty plan with a minimum
23 of one year coverage."; and
24
25 6. The Executive Director shall have the authority to modify the terms and
26 parameters of the Agency's Single Family Lending products to adapt to
27 changes in economic, programmatic, fiscal and/or legal circumstances to
28 attain goals and objectives consistent with the intent of the Business Plan.
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31 I hereby certify that this is a true and correct copy of Resolution 14-08 adopted at a duly
32 constituted meeting of the Board of Directors of the Agency held on September 16, 2014,
33 at Sacramento, California.

34
35
36 ATTEST: 
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Secretary