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RESOLUTION NO. 15-09

**RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY
AUTHORIZING THE AGENCY'S SINGLE FAMILY NON-BOND FINANCING
MECHANISMS FOR HOMEOWNERSHIP PURPOSES, AND RELATED FINANCIAL
AGREEMENTS AND CONTRACTS FOR SERVICES**

WHEREAS, the California Housing Finance Agency (the "*Agency*") has determined that there exists a need in California for providing financial assistance, directly or indirectly, to persons and families of low and moderate income to enable them to purchase or refinance moderately priced single family homes;

WHEREAS, the Agency has determined that it is in the public interest for the Agency to assist in providing such financing by means of various programs, including whole loans and mortgage-backed securities programs (collectively, the "*Program*") to make or finance loans to such persons and families, to local public entities or to developers, for the acquisition, development, construction and/or permanent financing of homes (the "*Loans*");

WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code of the State of California (the "*Act*"), the Agency may invest in, purchase, or make commitments to purchase, and take assignments from qualified mortgage lenders of mortgage loans, and purchase mortgage-backed securities ("*MBSs*") underlain by Loans;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "*Board*") of the California Housing Finance Agency as follows:

ARTICLE I

**AUTHORIZATION OF MBS SECURITIZATION STRATEGIES
AND LOAN PRODUCTS**

Section 1. The Agency's single family lending division is hereby authorized to utilize the MBS securitization model as the Agency's non-bond single family lending platform. This model requires the Agency to engage a master servicer(s). A subset of MBS securitization, the TBA model, is an example of non-bond lending, the use of which was previously authorized by the Board in Resolution 13-09. The Agency's underwriting requirements will conform to Fannie Mae, Freddie Mac, or Ginnie Mae ("*GSE*"), Federal Housing Administration ("*FHA*") products and programs, and occasionally be combined with additional Agency overlays, such as those previously approved by the Board in Resolutions 13-18 and 14-08, to determine loan product requirements. The Agency shall offer a variety of first loan options, consistent with GSE and FHA guidelines. Agency staff shall periodically update the Board on program and product modifications.

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ARTICLE II

FUNDING AUTHORIZATION FOR ALL WHOLE LOAN PRODUCTS

Section 2. Funding of First Lien Whole Loans. The Agency may purchase up to Twenty Million and no/100s Dollars (\$20,000,000.00) of first lien whole loans using Agency funds.

Section 3. Funding of Subordinate Loans. The Agency may purchase subordinate loans using Agency funds or funds that the Agency controls or administers. The upper limit on subordinate loans purchased by the Agency using the Agency's own funds shall be Five Million and no/100s Dollars (\$5,000,000.00), but there shall be no monetary limit if the subordinate loans are financed with securitization proceeds. Current examples of down-payment assistance loans include the "Zip" and "Plus" subordinate products financed through the TBA model.

ARTICLE III

PROVISIONS APPLICABLE TO ALL SINGLE FAMILY LOAN PRODUCT ACTIVITIES

Section 4. Authorization of Program Documents. The Executive Director and other employees authorized by Section 8 ("*Authorized Employees*") are hereby authorized to enter into, for and in the name and on behalf of the Agency, all documents they deem necessary or appropriate in connection with the Program, including, but not limited to, one or more mortgage purchase and servicing agreements (including mortgage-backed security pooling agreements) and one or more loan servicing agreements with such lender or lenders or such servicer or servicers, as the Executive Director may select in accordance with the purposes of the Program, and any such selection of a lender or lenders or a servicer or servicers is to be deemed approved by this Board as if it had been made by this Board. The Executive Director and Authorized Employees of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, one or more mortgage sale agreements with such purchasers as the Executive Director may select in accordance with the objectives of the Program, including but not limited to such agreements with GSEs or similar entity for such sales in bulk or otherwise. Any such sale of Loans may be on either a current or a forward purchase basis. The Executive Director and Authorized Employees of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, agreements required for CalHFA to participate in the GSE's loan programs. The Executive Director and Authorized Employees of the Agency are hereby authorized to enter into agreements to employ a financial advisor and/or acquire pipeline management software to assist in managing the loan pipeline.

The Executive Director and Authorized Employees of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, inter-Agency agreements, monitoring agreements, memoranda of understanding, and similar such agreements for the facilitation of cooperative partnerships with other public entities.

1 The Executive Director and Authorized Employees of the Agency are hereby authorized
2 to enter into, for and in the name and on behalf of the Agency, contracts to conduct foreclosures
3 of mortgages owned or serviced by the Agency with such attorneys or foreclosure companies as
4 the Executive Director may select in accordance with the objectives of the Program.
5

6 The Executive Director and Authorized Employees of the Agency are hereby authorized
7 to enter into, for and in the name and on behalf of the Agency, contracts for the sale of
8 foreclosed properties with such purchasers as the Executive Director may select in accordance
9 with the objectives of the Program. Any such sale of foreclosed properties may be on either an
10 all cash basis or may include financing by the Agency. The Executive Director and Authorized
11 Employees of the Agency are also authorized to enter into any other agreements, including but
12 not limited to real estate brokerage agreements and construction contracts necessary or
13 convenient for the rehabilitation, listing and sale of such foreclosed properties.
14

15 The Executive Director and Authorized Employees of the Agency are hereby authorized
16 to enter into, for and in the name and on behalf of the Agency: (i) contracts or agreements for
17 the purchase or sale of mortgage-backed securities; (ii) servicing agreements, including master
18 servicing agreements, in connection with the operation of a program of mortgage-backed
19 securities; (iii) agreements with GSEs, or other secondary market issuers or guarantors of
20 mortgage-backed securities; (iv) master trade confirmation or similar agreements with a hedge
21 facilitator; (v) contracts and agreements with broker-dealers to hedge the Agency's loan
22 commitments and all related documents required to carry out the activities described in the
23 Agency's Master Hedge Policy; and (vi) such other program documents as are necessary or
24 appropriate for the operation of a program of mortgage-backed securities.
25

26 Section 5. Authorization of Credit Facilities.
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28 (a) Acquiring Credit Facilities from Lenders. The Executive Director
29 and Authorized Employees of the Agency are hereby authorized to enter into, for and in the
30 name and on behalf of the Agency, one or more short-term or long-term credit facilities,
31 including but not limited to repurchase agreements, for the purposes of financing the purchase
32 of Loans and/or mortgage-backed securities on an interim basis.
33

34 (b) Providing Credit Facilities to master servicers. The Agency may
35 utilize Agency funds to provide a warehouse line of credit to the master servicer(s).
36

37 Section 6. Ratification of Prior Actions; Not a Repeal of Prior Resolutions. All
38 actions previously taken by the Agency relating to the implementation of the Program, the
39 execution and delivery of related financial agreements and related program agreements and the
40 implementation of any credit facilities as described above, including, but not limited to, such
41 actions as the distribution of the Agency's Lender Program Manual, Mortgage Purchase and
42 Servicing Agreement, Servicing Agreement, Developer Agreement, Servicer's Guide, Program
43 Bulletins and applications to originate and service loans, and the sale of any foreclosed
44 property, are hereby ratified.
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1 This resolution is not intended to repeal in whole or in part any prior resolution of the
2 Agency with respect to the authority granted to the Executive Director and Authorized
3 Employees of the Agency in relation to related agreements, including but not limited to the
4 authority to determine in furtherance of the objectives of the Program those matters required to
5 be determined.
6

7 Section 7. Authorization of Related Actions and Agreements. The Executive
8 Director and Authorized Employees of the Agency and any other persons authorized in writing
9 by the Executive Director are hereby authorized and directed, jointly and severally, to do any
10 and all things and to execute and deliver any and all agreements and documents which they
11 deem necessary or advisable in order to consummate the purchase and sale of residential home
12 loans and mortgage-backed securities. This resolution shall constitute full, separate, complete
13 and additional authority for the execution and delivery of all agreements and instruments
14 described in this resolution, without regard to any limitation in the Agency's regulations and
15 without regard to any other resolution of the Board that does not expressly amend and limit this
16 resolution.
17

18 Section 8. Additional Delegation. All actions by the Executive Director approved
19 or authorized by this resolution may be taken by the Chief Deputy Director of the Agency, the
20 Director of Financing of the Agency, the Financing Risk Manager of the Agency or any other
21 person specifically authorized in writing by the Executive Director, and except to the extent
22 otherwise taken by another person shall be taken by the Chief Deputy Director during any
23 period in which the office of the Executive Director is vacant.
24

25 Section 9. Duration of Authority. The authority granted under this resolution shall
26 remain in full force and effect until the day 60 days after the first date after March 1, 2016 on
27 which is held a meeting of the Board of Directors of the Agency at which a quorum is present.
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SECRETARY'S CERTIFICATE

I, Victor J. James, II, Secretary of the Board of Directors of the California Housing Finance Agency, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 15-09 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 14th day of May, 2015, of which meeting all said directors had due notice; and that at said meeting said Resolution was adopted by the following vote:

AYES: CABALLERO, SCHAEFER (for Chiang), GUNN (for Endsley), FALK, AVILA
FARIAS, PRINCE, SOTELO, JACOBS

NOES: NONE

ABSTENTIONS: NONE

ABSENT: GUNNING, JOHNSON-HALL, HUNTER, RIGGS

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the Board of Directors of the California Housing Finance Agency hereto this 14th day of May, 2015.

[SEAL]



VICTOR J. JAMES, II
Secretary of the Board of Directors of the
California Housing Finance Agency