

RESOLUTION NO. 16-04

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, which modified eligibility criteria and parameters for Conventional and FHA loan products, 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.

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. Presently the Agency is not purchasing subordinate loans using Agency funds, and is not requesting authority to do so. The Agency is utilizing funds that the Agency controls or administers for the purchase of subordinate loans. Current examples of down-payment assistance loans include the "Zip" and "MyHome" 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.

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, contracts to conduct foreclosures of mortgages owned or serviced by the Agency with such attorneys or foreclosure companies as the Executive Director may select in accordance with the objectives of the Program.

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

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: (i) contracts or agreements for the purchase or sale of mortgage-backed securities; (ii) servicing agreements, including master servicing agreements, in connection with the operation of a program of mortgage-backed securities; (iii) agreements with GSEs, or other secondary market issuers or guarantors of mortgage-backed securities; (iv) master trade confirmation or similar agreements with a hedge facilitator; (v) contracts and agreements with broker-dealers to hedge the Agency's loan commitments and all related documents required to carry out the activities described in the Agency's Master Hedge Policy; and (vi) such other program documents as are necessary or appropriate for the operation of a program of mortgage-backed securities.

Section 5. Authorization of Credit Facilities.

(a) Acquiring Credit Facilities. 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 short-term or long-term credit facilities, including but not limited to repurchase agreements, for the purposes of financing the purchase of Loans and/or mortgage-backed securities on an interim basis. The Agency may pledge its General Obligation as a credit support for said Credit Facilities.

(b) Providing Credit Facilities to master servicers. The Agency may utilize Agency funds or Credit Facilities from another entity to provide a warehouse line of credit to the master servicer(s).

Section 6. Ratification of Prior Actions; Not a Repeal of Prior Resolutions. All actions previously taken by the Agency relating to the implementation of the Program, the execution and delivery of related financial agreements and related program agreements and the implementation of any credit facilities as described above, including, but not limited to, such actions as the distribution of the Agency's Lender Program Manual, Mortgage Purchase and Servicing Agreement, Servicing Agreement, Developer Agreement, Servicer's Guide, Program Bulletins and applications to originate and service loans, and the sale of any foreclosed property, are hereby ratified.

This resolution is not intended to repeal in whole or in part any prior resolution of the Agency with respect to the authority granted to the Executive Director and Authorized Employees of the Agency in relation to related agreements, including but not limited to the authority to determine in furtherance of the objectives of the Program those matters required to be determined.

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

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

Section 9. Duration of Authority. The authority granted under this resolution shall remain in full force and effect until the day 60 days after the first date after March 1, 2017 on which is held a meeting of the Board of Directors of the Agency at which a quorum is present.

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. 16-04 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 15th day of March, 2016, of which meeting all said directors had due notice; and that at said meeting said Resolution was adopted by the following vote:

AYES: AVILA FARIAS, BROWN (for Chiang), GALLAGHER, GUNNING, HUNTER,
RIGGS (for Podesta), METCALF, SOTELO, RUSSELL, FALK

NOES: NONE

ABSTENTIONS: NONE

ABSENT: IMBASCIANI, JOHNSON-HALL, PRINCE

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 15th day of March, 2016.

[SEAL]



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