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California Housing Finance Agency Receives \$5.4 Billion of Bond Support from U.S. Treasury

Agency Also Plans to Resume First-Time Homebuyer, Multifamily Lending Programs

SACRAMENTO, November 17, 2009 – The California Housing Finance Agency announced today that it has received \$3.8 billion of credit support for its variable rate debt from the U.S. Department of the Treasury through the Department's liquidity program for state housing finance agencies.

CalHFA also said it has received approval to sell about \$1.6 billion in new bonds through the Department of Treasury's program – bonding authority that will be used to resume lending programs for first-time homebuyers and affordable multifamily housing that had largely been on hold due to disruptions in the financial markets.

"For more than a year, the disruption in the financial markets has dramatically impacted our ability to accomplish our mission – to help facilitate affordable housing for California families," said Steven Spears, acting executive director of CalHFA. "The Obama administration's efforts to provide liquidity to state housing finance agencies will allow us to play an important role at this critical time for California's real state market."

The short-term credit support provided to CalHFA's variable rate bonds, using the Treasury's credit and liquidity support, will remove uncertainty about financing costs for the Agency, and help stabilize its balance sheet. Mr. Spears said the Agency expects to complete the financing of its variable rate debt by the end of January 2010.

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The new bonds will be used to finance mortgages for first-time homebuyers and provide funding to developers of affordable, multifamily housing.

“CalHFA has, unfortunately, been forced to be on the sidelines due to the crisis in the financial markets,” Mr. Spears said. “We are looking forward to providing needed fixed rate, below market mortgages to California families as well as working with organizations that provide affordable rental housing.”

CalHFA plans to introduce new 30-year, fixed rate mortgage programs for first-time homebuyers early next year, in partnership with existing and additional lending partners around the state.

About CalHFA

Created in 1975 as the state’s affordable housing bank, the California Housing Finance Agency, has invested more than \$19 billion in non-taxpayer funds to help more than 150,000 California families live in a home of their own with a mortgage they can afford and invested more than \$1.4 billion for the construction and preservation of more than 33,000 affordable rental housing units to assist very low and low income Californians.

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