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Rating Agencies Continue to Give Good Marks to California Housing Finance Agency Home Mortgage Revenue Bonds

SACRAMENTO, July 8, 2015 – Two credit rating agencies continue to show confidence in the California Housing Finance Agency's Home Mortgage Revenue bonds.

Standard & Poor's upgraded its long-term underlying credit rating of CalHFA's Home Mortgage Revenue Bonds from A- to A, while affirming its stable outlook on the bonds. Moody's affirmed its A3 long-term underlying credit rating for the same bonds.

"We are pleased by the upgrade and affirmation from Standard & Poor's and Moody's," said Tia Boatman Patterson, Executive Director of CalHFA. "As our credit ratings continue to improve, and our outlook continues to be stable, it becomes easier for us to help more Californians find a place to call home."

Both ratings agencies cited significant declines in delinquency and foreclosure rates over the past two years, mainly due to assistance from loan modification programs and the overall improvement of the California real estate market. The reports also mentioned the ongoing replacement of Temporary Credit and Liquidity Program facilities with bank letters of credit, which lessens the Agency's risk from higher fees and bond interest rates, and ability of cash flows to sustain stress runs.

"The raised ratings reflect our opinion of the trend of increasing profitability, equity, and parity in the indenture in the last three years; consolidated indenture cash flows that demonstrate sufficient assets and revenues to absorb projected loan losses at the 'A' level; and the significant reduction in the indenture's variable rate and swap exposure," said Standard & Poor's credit analyst Aulii Limtiaco.

The full Standard & Poor's report may be found [here](#).

The California Housing Finance Agency was created in 1975 with the goal of helping more Californians find a place to call home. CalHFA is a self-supported state agency that doesn't rely on taxpayer dollars. For more information on CalHFA programs, and how we are creating progressive financing solutions for affordable housing in California, visit www.calhfa.ca.gov or call toll free 877.9.CalHFA (877.922.5432).

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Note: This release has been modified from its original version.