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California Housing Finance Agency Eliminates Reliance on U.S. Treasury Funding

SACRAMENTO, July 24, 2015 – The California Housing Finance Agency announced today that it had completely eliminated its reliance on the U.S. Treasury's Temporary Credit Liquidity Program (TCLP), which had been introduced in 2009 to help housing finance agencies across the nation weather the housing crisis.

CalHFA initially used \$3.5 billion in TCLP assistance from the U.S. Treasury and had steadily reduced that amount through a variety of financial strategies. The final reduction was achieved by replacing the remaining \$510 million of TCLP with Letters of Credit from four private banks.

"We are very appreciative of all that the U.S. Treasury did to ensure housing finance agencies could make it through the Great Recession," said Tia Boatman Patterson, Executive Director of CalHFA. "The retirement of the TCLP obligation, however, demonstrates that private banks will again extend us credit. This removes our reliance on the federal government and truly reaffirms CalHFA's ability to help more low and moderate income Californians find a place to call home."

The TCLP credit support was set to expire on December 23, 2015 and CalHFA had been committed to fully retiring the obligation prior to that date. CalHFA was able to retire TCLP earlier by refinancing variable rate bonds with fixed rate bonds and strategically using its cash to reduce variable rate bonds.

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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