

1 RESOLUTION NO. 12-01

2 RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY  
3 AUTHORIZING THE AGENCY’S SINGLE FAMILY BOND INDENTURES, THE  
4 ISSUANCE OF SINGLE FAMILY BONDS, CREDIT FACILITIES FOR HOMEOWNERSHIP  
5 PURPOSES, AND RELATED FINANCIAL AGREEMENTS AND CONTRACTS FOR  
6 SERVICES

7 WHEREAS, the California Housing Finance Agency (the “Agency”) has  
8 determined that there exists a need in California for providing financial assistance, directly or  
9 indirectly, to persons and families of low or moderate income to enable them to purchase or  
10 refinance moderately priced single family residences (“Residences”);

11 WHEREAS, the Agency has determined that it is in the public interest for the  
12 Agency to assist in providing such financing by means of various programs, including whole  
13 loan and mortgage-backed securities programs (collectively, the “Program”) to make loans to  
14 such persons and families, or to developers, for the acquisition, development, construction and/or  
15 permanent financing of Residences (the “Loans”);

16 WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety  
17 Code of the State of California (the “Act”), the Agency has the authority to issue bonds to  
18 provide sufficient funds to finance the Program, including the purchase of mortgage-backed  
19 securities (“MBSs”) underlain by Loans, the payment of capitalized interest on the bonds, the  
20 establishment of reserves to secure the bonds, and the payment of other costs of the Agency  
21 incident to, and necessary or convenient to, the issuance of the bonds;

22 WHEREAS, the Agency, pursuant to the Act, has from time to time issued  
23 various series of its Home Mortgage Revenue Bonds (the “HMP Bonds”), its Housing Program  
24 Bonds (the “HP Bonds”), and its Residential Mortgage Revenue Bonds (the “RMR Bonds”), and  
25 is authorized pursuant to the Act to issue additional HMP Bonds, HP Bonds, and RMR Bonds  
26 (collectively, the “Bonds”) to provide funds to finance the Program;

27 WHEREAS, the Bonds may be issued for the primary purpose of purchasing  
28 MBSs (“MBS Bonds”) or for debt management purposes of the Agency (“Debt-Management  
29 Bonds”); and

30 WHEREAS, pursuant to the Act, the Agency has the authority to enter into credit  
31 facilities for the purpose of financing the Program, including the making of Loans and the  
32 payment of other costs of the Agency incident to, and necessary or convenient to, the issuance of  
33 the bonds;

34 NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the  
35 “Board”) of the California Housing Finance Agency as follows:



1 Prior Indentures and in substantially the form of the respective supplemental indentures  
2 previously executed and delivered or approved, each with such changes therein as the officers  
3 executing the same approve upon consultation with the Agency's legal counsel, such approval to  
4 be conclusively evidenced by the execution and delivery thereof. Changes reflected in any Debt-  
5 Management Supplemental Indenture may include provision for a supplemental pledge of  
6 Agency moneys or assets (including but not limited to, a deposit from the Supplementary Bond  
7 Security Account created under Section 51368 of the Act) and provision for the Agency's  
8 general obligation to additionally secure the Bonds if appropriate in furtherance of the objectives  
9 of the Program; *provided* that such provisions may be therein included with respect to such Debt-  
10 Management Bonds *only* if and to the extent any such provision was made with respect to the  
11 bonds thereby refunded, and *provided further* that in each such case the Executive Director shall  
12 have determined that the inclusion of such provisions with respect to the Debt-Management  
13 Bonds is not expected to result in greater financial risk to the Agency or its General Fund than  
14 existed with respect to the bonds thereby refunded. *Notwithstanding* the immediately preceding  
15 sentence, any Debt-Management Supplemental Indenture may provide for the deposit and/or  
16 pledge of unpledged moneys or assets of the Agency (which may include mortgage loans and/or  
17 mortgage-backed securities), not to exceed \$50,000,000 in aggregate principal amount, to  
18 additionally secure Debt-Management Bonds if appropriate in furtherance of the objectives of  
19 the Program; *provided* that the Executive Director shall have determined that any such deposit  
20 and/or pledge is expected to result in a net economic benefit to the Agency.

21 The Executive Director is hereby expressly authorized and directed, for and on  
22 behalf and in the name of the Agency, to determine in furtherance of the objectives of the  
23 Program those matters required to be determined under the applicable Prior Indenture in  
24 connection with the issuance of each such series, including, without limitation, any reserve  
25 account requirement or requirements for such series.

26 **Section 5. Approval of Forms and Terms of Debt-Management Bonds.**  
27 The Debt-Management Bonds shall be in such denominations, have such registration provisions,  
28 be executed in such manner, be payable in such medium of payment at such place or places  
29 within or without California, be subject to such terms of redemption (including from such  
30 sinking fund installments as may be provided for) and contain such terms and conditions as each  
31 Debt-Management Supplemental Indenture as finally approved shall provide. The Debt-  
32 Management Bonds shall have the maturity or maturities and shall bear interest at the fixed,  
33 adjustable or variable rate or rates deemed appropriate by the Executive Director in furtherance  
34 of the objectives of the Program; *provided*, however, that no Debt-Management Bond shall have  
35 a term in excess of the maturity of the bonds thereby refunded or bear interest at a stated rate in  
36 excess of fifteen percent (15%) per annum, or in the case of variable rate bonds a maximum  
37 floating interest rate of twenty-five percent (25%) per annum. Any of the Debt-Management  
38 Bonds and the Debt-Management Supplemental Indenture(s) may contain such provisions as  
39 may be necessary to accommodate an option to put such Bonds prior to maturity for purchase by  
40 or on behalf of the Agency or a person other than the Agency, to accommodate the requirements  
41 of any provider of bond insurance or other credit enhancement or liquidity support or to  
42 accommodate the requirements of purchasers of indexed floaters, *provided* that variable-rate  
43 Debt-Management Bonds may not be issued to refund fixed-rate bonds.



1 which a quorum is present, as the Executive Director of the Agency (the “Executive Director”)  
2 deems appropriate, upon consultation with the Treasurer of the State of California (the  
3 “Treasurer”) as to the timing of each such issuance; provided, however, that if the bonds are sold  
4 at a time on or before the day 30 days after the date on which is held such meeting, pursuant to a  
5 forward purchase or drawdown agreement providing for the issuance of such Bonds on or before  
6 August 1, 2014 upon specified terms and conditions, such Bonds may be issued on such later  
7 date.

8 Section 9. **Approval of Indentures Related to MBS Bonds.** MBS Bonds  
9 may be issued under and pursuant to Articles I through XII of the RMR Indenture.

10 Section 10. **Approval of Forms of Series and Supplemental Indentures**  
11 **Related to MBS Bonds.** The Executive Director and the Secretary are hereby authorized and  
12 directed, for and on behalf and in the name of the Agency, to execute and acknowledge and to  
13 deliver with respect to each series of MBS Bonds, if and to the extent appropriate, series and/or  
14 supplemental indentures (each an “MBS Supplemental Indenture”; together with the Debt-  
15 Management Supplemental Indenture, the “Supplemental Indenture”) under the RMR Indenture  
16 and in substantially the form of the supplemental indentures previously executed and delivered  
17 or approved, each with such changes therein as the officers executing the same approve upon  
18 consultation with the Agency’s legal counsel, such approval to be conclusively evidenced by the  
19 execution and delivery thereof. Changes reflected in any MBS Supplemental Indenture may  
20 include provision for a supplemental pledge of Agency moneys or assets (including but not  
21 limited to, a deposit from the Supplementary Bond Security Account created under  
22 Section 51368 of the Act) to additionally secure the Bonds if appropriate in furtherance of the  
23 objectives of the Program.

24 The Executive Director is hereby expressly authorized and directed, for and on  
25 behalf and in the name of the Agency, to determine in furtherance of the objectives of the  
26 Program those matters required to be determined under the RMR Indenture in connection with  
27 the issuance of each such series, including, without limitation, any reserve account requirement  
28 or requirements for such series.

29 Section 11. **Approval of Forms and Terms of MBS Bonds.** The MBS Bonds  
30 shall be in such denominations, have such registration provisions, be executed in such manner,  
31 be payable in such medium of payment at such place or places within or without California, be  
32 subject to such terms of redemption (including from such sinking fund installments as may be  
33 provided for) and contain such terms and conditions as each MBS Supplemental Indenture as  
34 finally approved shall provide. The MBS Bonds shall have the maturity or maturities and shall  
35 bear interest at the fixed rate or rates deemed appropriate by the Executive Director in  
36 furtherance of the objectives of the Program; provided, however, that no MBS Bond shall have a  
37 term in excess of thirty-five (35) years or bear interest at a stated rate in excess of fifteen percent  
38 (15%) per annum.

1 **ARTICLE III**

2 **PROVISIONS APPLICABLE TO ALL BONDS ISSUED UNDER THIS RESOLUTION**

3 Section 12. Authorization of Disclosure. The Executive Director is hereby  
4 authorized to circulate one or more Preliminary Official Statements relating to the Bonds and,  
5 after the sale of the Bonds, to execute and circulate one or more Official Statements relating to  
6 the Bonds, and the circulation of such Preliminary Official Statements and such Official  
7 Statements to prospective and actual purchasers of the Bonds is hereby approved. The Executive  
8 Director is further authorized to hold information meetings concerning the Bonds and to  
9 distribute other information and material relating to the Bonds. Circulation of Preliminary  
10 Official Statements and Official Statements and distribution of information and material as  
11 provided above in this Section may be accomplished through electronic means or by any other  
12 means approved therefor by the Executive Director, such approval to be conclusively evidenced  
13 by such circulation or distribution.

14 Section 13. Authorization of Sale of Bonds. The Bonds are hereby  
15 authorized to be sold at negotiated or competitive sale or sales, including but not limited to  
16 private placements and public offerings. The Executive Director is hereby authorized and  
17 directed, for and in the name and on behalf of the Agency, to execute and deliver one or more  
18 purchase contracts (including one or more forward purchase agreements) relating to the Bonds,  
19 by and among the Agency, the Treasurer and such underwriters or other purchasers as the  
20 Executive Director may select (the "Purchasers"), in the form or forms approved by the  
21 Executive Director upon consultation with the Agency's legal counsel, such approval to be  
22 evidenced conclusively by the execution and delivery of said purchase contract by the Executive  
23 Director.

24 The Treasurer is hereby authorized and requested, without further action of the  
25 Board and unless instructed otherwise by the Board, to sell each series of Bonds at the time and  
26 place and pursuant to the terms and conditions set forth in each such purchase contract as finally  
27 executed. The Treasurer is hereby further authorized and requested to deposit the proceeds of  
28 any good faith deposit to be received by the Treasurer under the terms of a purchase contract in a  
29 special trust account for the benefit of the Agency, and the amount of said deposit shall be  
30 retained by the Agency, applied at the time of delivery of the applicable Bonds as part of the  
31 purchase price thereof, or returned to the Purchasers, as provided in such purchase contract.

32 Section 14. Authorization of Execution of Bonds. The Executive Director is  
33 hereby authorized and directed to execute, and the Secretary is hereby authorized to attest, for  
34 and on behalf and in the name of the Agency and under its seal, the Bonds, in an aggregate  
35 amount not to exceed the amount authorized hereby, in accordance with the Prior Indenture(s) or  
36 the Supplemental Indenture(s) and in one or more of the forms set forth in the Prior Indenture(s)  
37 or the Supplemental Indenture(s), as appropriate.

38 Section 15. Authorization of Delivery of Bonds. The Bonds, when so  
39 executed, shall be delivered to the Trustees to be authenticated by, or caused to be authenticated  
40 by, the Trustees. The Trustees are hereby requested and directed to authenticate, or cause to be  
41 authenticated, the Bonds by executing the certificate of authentication and registration appearing  
42 thereon, and to deliver the Bonds when duly executed and authenticated to the Purchasers in

1 accordance with written instructions executed on behalf of the Agency by the Executive  
2 Director, which instructions said officer is hereby authorized and directed, for and on behalf and  
3 in the name of the Agency, to execute and deliver. Such instructions shall provide for the  
4 delivery of the Bonds to the Purchasers upon payment of the purchase price or prices thereof.

5 Section 16. Authorization of Program Documents. The Executive Director  
6 and the other officers of the Agency are hereby authorized to enter into, for and in the name and  
7 on behalf of the Agency, all documents they deem necessary or appropriate in connection with  
8 the Program, including, but not limited to, one or more mortgage purchase and servicing  
9 agreements (including mortgage-backed security pooling agreements) and one or more loan  
10 servicing agreements with such lender or lenders or such servicer or servicers as the Executive  
11 Director may select in accordance with the purposes of the Program, and any such selection of a  
12 lender or lenders or a servicer or servicers is to be deemed approved by this Board as if it had  
13 been made by this Board. The proceeds of MBS Bonds to be issued under the authority of this  
14 Resolution shall be used to purchase MBSs guaranteed by Fannie Mae, Freddie Mac, Ginnie  
15 Mae, or other appropriate guarantor and shall not be used to purchase whole loans. The MBSs to  
16 be purchased may be underlain by loans that have terms of 30 years or less.

17 The Executive Director and the other officers of the Agency are hereby authorized  
18 to enter into, for and in the name and on behalf of the Agency, one or more mortgage sale  
19 agreements with such purchasers as the Executive Director may select in accordance with the  
20 objectives of the Program, including but not limited to such agreements with Fannie Mae,  
21 Freddie Mac or other government-sponsored enterprise or similar entity for such sales in bulk or  
22 otherwise. Any such sale of Loans may be on either a current or a forward purchase basis.

23 The Executive Director and the other officers of the Agency are hereby authorized  
24 to enter into, for and in the name and on behalf of the Agency, contracts to conduct foreclosures  
25 of mortgages owned or serviced by the Agency with such attorneys or foreclosure companies as  
26 the Executive Director may select in accordance with the objectives of the Program.

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

35 The Executive Director and the other officers of the Agency are hereby authorized  
36 to enter into, for and in the name and on behalf of the Agency, (i) contracts or agreements for the  
37 purchase or sale of mortgage-backed securities; (ii) servicing agreements, including master  
38 servicing agreements, in connection with the operation of a program of mortgage-backed  
39 securities; (iii) agreements with government-sponsored enterprises, or other secondary market  
40 issuers or guarantors of mortgage-backed securities; and (iv) such other program documents as  
41 are necessary or appropriate for the operation of a program of mortgage-backed securities.

1                    **Section 17.    Authorization of Credit Facilities.** The Executive Director and  
2 the other officers of the Agency are hereby authorized to enter into, for and in the name and on  
3 behalf of the Agency, one or more short-term or long-term credit facilities, including but not  
4 limited to repurchase agreements, for the purposes of (i) financing the purchase of Loans and/or  
5 mortgage-backed securities on an interim basis, prior to the financing thereof with Bonds,  
6 whether issued or to be issued; (ii) financing expenditures of the Agency incident to, and  
7 necessary or convenient to, the issuance of Bonds, including, but not limited to, Agency  
8 expenditures to pay costs of issuance, capitalized interest, redemption price of prior bonds of the  
9 Agency, costs relating to credit enhancement or liquidity support, costs relating to investment  
10 products, or net payments and expenses relating to interest rate hedges and other financial  
11 products; and (iii) enabling the Agency to restructure existing debt and related purposes,  
12 including, but not limited to, the redemption of existing bonds and the acquisition of bonds that  
13 have been put to liquidity providers as bank bonds. Any such credit facility may be from any  
14 appropriate source, including, but not limited to, the Pooled Money Investment Account pursuant  
15 to Government Code Section 16312; provided, however, that the aggregate outstanding principal  
16 amount of credit facilities authorized under this resolution or Resolution No. 12-02 (the  
17 multifamily financing resolution adopted at the same meeting), as amended from time to time,  
18 may not at any time exceed \$200,000,000 (separate and apart from the amount of Bonds  
19 authorized by Sections 1 and 7 of this resolution).

20                    The Executive Director and the other officers of the Agency are hereby authorized  
21 to use available Agency moneys (other than and in addition to the proceeds of bonds) (i) to make  
22 or purchase Loans and/or mortgage-backed securities to be financed by bonds (including bonds  
23 authorized by prior resolutions of this Board) in anticipation of draws on a credit facility, the  
24 issuance of Bonds or the availability of Bond proceeds for such purposes and (ii) to purchase  
25 Agency bonds to enable the Agency to restructure its debt and for related purposes as authorized  
26 under Resolution No. 08-42 and any future Board resolutions thereto amendatory or  
27 supplemental.

28                    **Section 18.    Ratification of Prior Actions; Not a Repeal of Prior**  
29 **Resolutions.** All actions previously taken by the Agency relating to the implementation of the  
30 Program, the issuance of the Bonds, the issuance of any prior bonds (the “Prior Bonds”), the  
31 execution and delivery of related financial agreements and related program agreements and the  
32 implementation of any credit facilities as described above, including, but not limited to, such  
33 actions as the distribution of the Agency’s Lender Program Manual, Mortgage Purchase and  
34 Servicing Agreement, Servicing Agreement, Developer Agreement, Servicer’s Guide, Program  
35 Bulletins and applications to originate and service loans, and the sale of any foreclosed property,  
36 are hereby ratified.

37                    This resolution is not intended to repeal in whole or in part any prior resolution of  
38 the Agency with respect to the authority granted to the Executive Director and the other officers  
39 of the Agency in relation to Prior Bonds and related agreements, including but not limited to  
40 (i) the authority to determine in furtherance of the objectives of the Program those matters  
41 required to be determined in relation to Prior Bonds, whether under indentures or other related  
42 agreements, and (ii) the authority to amend, modify or replace financial agreements of the types  
43 described in Section 6 of this resolution.



1                    Section 19.    **Authorization of Related Actions and Agreements.**    The  
2 Treasurer and any duly authorized deputy thereof and the Executive Director and the officers of  
3 the Agency and any other persons authorized in writing by the Executive Director are hereby  
4 authorized and directed, jointly and severally, to do any and all things and to execute and deliver  
5 any and all agreements and documents which they deem necessary or advisable in order to  
6 consummate the issuance, sale, delivery, remarketing, conversion and administration of Bonds  
7 and Prior Bonds and otherwise to effectuate the purposes of this resolution, including declaring  
8 the official intent of the Agency for purposes of U.S. Treasury Regulations Section 1.150-2, and  
9 including executing and delivering any amendment or supplement to any agreement or document  
10 relating to Bonds or Prior Bonds in any manner that would be authorized under this resolution if  
11 such agreement or document related to Bonds is authorized by this resolution. Such agreements  
12 may include, but are not limited to, remarketing agreements, tender agreements or similar  
13 agreements regarding any put option for the Bonds or Prior Bonds, broker-dealer agreements,  
14 market agent agreements, auction agent agreements or other agreements necessary or desirable in  
15 connection with the issuance of Bonds in, or the conversion of Bonds or Prior Bonds to, an  
16 indexed rate mode, agreements for the investment of moneys relating to the Bonds or Prior  
17 Bonds, reimbursement agreements, letters of credit, intercreditor agreements or other  
18 arrangements relating to any credit enhancement or liquidity support or put option provided for  
19 the Bonds or Prior Bonds, continuing disclosure agreements and agreements for necessary  
20 services provided in the course of the issuance of the bonds, including but not limited to,  
21 agreements with bond underwriters and placement agents, private placement purchasers, bond  
22 trustees, bond counsel and financial advisors and contracts for consulting services or information  
23 services relating to the financial management of the Agency, including advisors or consultants on  
24 interest rate swaps, cash flow management, and similar matters, and contracts for financial  
25 printing and similar services.

26                    This resolution shall constitute full, separate, complete and additional authority  
27 for the execution and delivery of all agreements and instruments described in this resolution,  
28 without regard to any limitation in the Agency’s regulations and without regard to any other  
29 resolution of the Board that does not expressly amend and limit this resolution.

30                    The Executive Director and the officers of the Agency and any other persons  
31 authorized in writing by the Executive Director are hereby authorized and directed, jointly and  
32 severally, in connection with the issuance of bonds authorized under this resolution, to use funds  
33 of the Agency to purchase MBSs, make a capital contribution with respect to such bonds,  
34 establish reserves to secure such bonds, and pay other costs of the Agency incident to, and  
35 necessary or convenient to, the issuance of such bonds.

36                    Section 20.    **Additional Delegation.**    All actions by the Executive Director  
37 approved or authorized by this resolution may be taken by the Chief Deputy Director of the  
38 Agency, the Director of Financing of the Agency, the Financing Risk Manager of the Agency or  
39 any other person specifically authorized in writing by the Executive Director, and except to the  
40 extent otherwise taken by another person shall be taken by the Chief Deputy Director during any  
41 period in which the office of the Executive Director is vacant.

1 SECRETARY'S CERTIFICATE

2 I, Victor James, the undersigned, do hereby certify that I am the duly authorized  
3 designee of Thomas C. Hughes, Secretary of the Board of Directors of the California Housing  
4 Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of  
5 Resolution No. 12-01 duly adopted at a regular meeting of the Board of Directors of the  
6 California Housing Finance Agency duly called and held on the 19th day of January, 2012, of  
7 which meeting all said directors had due notice; and that at said meeting said Resolution was  
8 adopted by the following vote:

9 AYES:

10 NOES:

11 ABSTENTIONS:

12 ABSENT:

13 IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of  
14 the Board of Directors of the California Housing Finance Agency hereto this 19th day of  
15 January, 2012.

16 [SEAL]

17 \_\_\_\_\_  
18 Victor James, for  
19 Thomas C. Hughes  
20 Secretary of the Board of Directors of the  
21 California Housing Finance Agency

SECRETARY'S CERTIFICATE

I, \_\_\_\_\_, Secretary of the Board of Directors of the California Housing Finance Agency, hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 12-01 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 19th day of January, 2012, of which meeting all said directors had due notice; and that at said meeting said Resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true, and correct copy of the original Resolution adopted at said meeting and entered in said minutes; and that said Resolution has not been amended, modified or rescinded in any manner since the date of its adoption, and the same is now in full force and effect.

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 \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

[SEAL]

\_\_\_\_\_  
Secretary of the Board of Directors of the  
California Housing Finance Agency