

1 BOARD OF DIRECTORS
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY

3
4 RESOLUTION NO. 22-20
5 RESOLUTION AMENDING RESOLUTION 22-08 TO AUTHORIZE HEDGING
6 INSTRUMENTS FOR MBS BONDS
7

8 WHEREAS, the California Housing Finance Agency (the "Agency") has
9 determined that there exists a need in California for providing financial assistance, directly or
10 indirectly, to persons and families of low or moderate income to enable them to purchase or
11 refinance moderately-priced single family residences ("Residences");
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13 WHEREAS, the Agency has determined that it is in the public interest for the
14 Agency to assist in providing such financing by means of various programs, including whole
15 loan and mortgage-backed securities programs (collectively, the "Program") to make loans to
16 such persons and families, or to developers, for the acquisition, development, construction and/or
17 permanent financing of Residences (the "Loans");
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19 WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety
20 Code of the State of California (the "Act"), the Agency has the authority to issue bonds to
21 provide sufficient funds to finance the Program, including the purchase of mortgage-backed
22 securities ("MBSs") secured by Loans, the payment of capitalized interest on the bonds, the
23 establishment of reserves to secure the bonds, and the payment of other costs of the Agency
24 incident to, and necessary or convenient to, the issuance of the bonds;
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26 WHEREAS, the Agency, pursuant to the Act, has from time to time issued
27 various series of its Home Mortgage Revenue Bonds (the "HMP Bonds"), its Housing Program
28 Bonds (the "HP Bonds"), and its Residential Mortgage Revenue Bonds (the "RMR Bonds"), and
29 is authorized pursuant to the Act to issue additional HMP Bonds, HP Bonds, and RMR Bonds
30 (collectively with bonds authorized under this resolution to be issued under new indentures, the
31 "Bonds") to provide funds to finance the Program;
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33 WHEREAS, the Bonds may be issued for the primary purpose of purchasing
34 MBSs ("MBS Bonds") or for debt management purposes of the Agency ("Debt-Management
35 Bonds"); and
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37 WHEREAS, the Agency has determined that hedging instruments could be used
38 to address interest rate risk in the current market should the Agency issue MBS Bonds.
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40 NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "Board") of the
41 California Housing Finance Agency as follows:
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43 Resolution 22-08, "Resolution authorizing the Agency's single family bond indentures, the
44 issuance of single family bonds, credit facilities for home ownership purposes, and related
45 financial agreements and contracts for services" is amended as follows:
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1 Article II, Section 10 is restated:
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3 Section 10. **Fixed-Rate Bonds Only.** MBS Bonds shall be issued only as
4 fixed-rate bonds.

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7 Article II, Section 22 is added as an addendum:
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9 Section 22. **Authorization of Other Financial Agreements Related to**
10 **Bonds.** The Executive Director is hereby authorized to enter into, for and in the name and on
11 behalf of the Agency, any and all agreements and documents designed to (i) reduce or hedge the
12 amount or duration of any payment, interest rate, spread or similar risk, (ii) result in a lower cost
13 of borrowing when used in combination with the issuance or carrying of bonds or investments, or
14 (iii) enhance the relationship between risk and return with respect to the Program or any portion
15 thereof. To the extent authorized by law, including Government Code Section 5922, such
16 agreements or other documents may include, but are not limited to, (a) interest rate swap
17 agreements; (b) forward payment conversion agreements; (c) futures or other contracts providing
18 for payments based on levels of, or changes in, interest rates or other indices; (d) contracts to
19 exchange cash flows for a series of payments; (e) contracts, including, without limitation, interest
20 rate floors or caps, options, puts or calls to hedge payment, interest rate, spread or similar
21 exposure; or (f) contracts to obtain guarantees, including guarantees of mortgage-backed
22 securities or their underlying loans; and in each such case may be entered into in anticipation of
23 the issuance of bonds at such times as may be determined by such officers. Such agreements and
24 other documents are authorized to be entered into with parties selected by the Executive
25 Director, after giving due consideration for the creditworthiness of the counterparties, where
26 applicable, or any other criteria in furtherance of the objectives of the Program.
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SECRETARY'S CERTIFICATE

I, Claire Tauriainen, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 22-20 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 21st day of July, 2022, at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES: Avila Farias, Cabildo, Castro Ramirez, Cervantes, Imbasciani, Prince, Starr (for Ma), Russell, Sotelo, White, Velasquez


NOES: None

ABSTENTIONS: None

ABSENT: None

IN WITNESS WHEREOF, I have executed this certificate hereto this 21st day of July, 2022.

ATTEST:



CLAIRE TAURIAINEN
Secretary of the Board of Directors of the
California Housing Finance Agency