

S.E.C. RULE 15c2-12

NOTICE OF SPECIFIED EVENT

Pursuant to the Continuing Disclosure Undertaking in connection with the below-listed issues, the California Housing Finance Agency ("CalHFA") hereby provides notice of the events described below (the "Specified Events") related to certain of the following bonds:

California Housing Finance Agency Home Mortgage Revenue Bonds

2007 Series B, dated May 30, 2007
2007 Series C, dated June 28, 2007
2007 Series N, dated November 29, 2007
2008 Series H, dated May 14, 2008
2016 Series A, dated June 30, 2016
2017 Series A, dated June 29, 2017

Specified Event:

On July 16, 2020, Moody's Investor Services upgraded its long-term rating of the above-captioned bonds to "Aa3" from "A1". The outlook on these ratings is stable. These ratings do not constitute any recommendation by CalHFA as to the purchase or sale of any bonds. Prospective purchasers or sellers of bonds should contact Moody's to obtain further explanation of the meaning and significance of such ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by Moody's Investors Service, if in the judgement of Moody's Investors Service, circumstances so warrant.

Other Matters:

This notice is provided pursuant to the respective Continuing Disclosure Agreements executed by CalHFA in connection with the issuance of the Bonds. The filing of this notice does not constitute or imply any representation regarding any other financial or operating information about CalHFA or the Bonds or any representation that no other circumstances or events have occurred which may have a bearing on the CalHFA's financial condition or an investor's decision to buy, sell or hold the Bonds.

Dated: July 16, 2020

California Housing Finance Agency



Timothy Hsu
Interim Director of Financing

Rating Action: Moody's upgrades to Aa3 from A1 California Housing Finance Agency's Home Mortgage Revenue Bond Program; outlook stable

16 Jul 2020

Approximately \$551 million in debt affected

New York, July 16, 2020 -- Moody's Investors Service has upgraded all outstanding California Housing Finance Agency's Home Mortgage Revenue Bonds (HMRB) (\$551 million as of December 31, 2019) rating to Aa3 from A1. The outlook on the rating has been revised to stable from positive. In addition, Moody's has affirmed all outstanding VMIG 1 ratings in the program.

RATINGS RATIONALE

The Aa3 rating reflects the bond program's very strong collateralization levels (1.55x PADR), and margins (50%), strong portfolio composition, solid loan performance as well as skilled program management.

The affirmations of each VMIG 1 rating is based on the applicable standby bond purchase agreement(s) ("SBPA") provided by the applicable bank(s) as well as the bond program's rating.

We regard the coronavirus outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety. The coronavirus crisis is not a key driver for this rating action. We do not see any material immediate credit risks for the Agency. However, the situation surrounding Coronavirus is rapidly evolving and the longer term impact will depend on both the severity and duration of the crisis. If our view of the credit quality of the Agency changes, we will update the rating and/or outlook at that time.

RATING OUTLOOK

Moody's outlook is stable based on the strong financial performance which will help mitigate any potential weakening of the loan portfolio due to the COVID-19 pandemic.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

For the long term rating:

- A continuing decline in percentage of VRDOs and corresponding termination of swaps
- A continuation of the current trend of improved financial performance, including very high growth of PADR and profitability
- Continued and sustained reduction in delinquencies and loan losses

For the short term rating:

- Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

For the long term rating:

- A reversal of the trend in financial performance, including significantly reduced PADR and/or profitability
- A reversal in improving trends of mortgage loan performance, through increased delinquencies or foreclosures leading to increasing losses to the program

For the short term rating:

- Downgrade of the short term rating of the applicable Bank(s) and/or of the bond program's rating

LEGAL SECURITY

The bonds are special limited obligations of the Agency, payable solely from the revenues, reserves, assets and properties pledged under the Indenture, including the single family mortgage loans financed under the Indenture and certain reserve accounts. All of the

mortgage loans and other assets are pledged to secure all of the bonds, equally and ratably. The bonds are not backed by the State of California.

USE OF PROCEEDS

Not applicable

PROFILE

HMRB was CalHFA's single family mortgage finance program from 1982 to 2008 and remains CalHFA's largest obligation with bonds outstanding totaling \$551 million as of 12/31/19). HMRB's performance represents a key driver of CalHFA's overall performance. Bond proceeds in this program were used to finance single family mortgages for low and moderate income households in the State of California. All of the bonds under the Indenture are secured equally and ratably by all of the mortgage loans.

HMRB is not a general obligation of CalHFA; however, CalHFA is responsible for payments on interest rate hedges, with reimbursement by HMRB.

METHODOLOGY

The principal methodology used in the long-term ratings was US Housing Finance Agency Single-Family Housing Methodology published in October 2019 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1154478 . The principal methodology used in the short-term rating was Variable Rate Instruments Supported by Conditional Liquidity Facilities published in March 2017 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1057134 . Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of these methodologies.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

The ratings have been disclosed to the rated entity or its designated agent(s) and issued with no amendment resulting from that disclosure.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1133569 .

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