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California Housing Finance Agency gets its best rating ever from Moody's Investors Service

Moody's announces an upgrade of CalHFA's rating to Aa2

SACRAMENTO, June 22, 2023 — Moody's Investors Service has recognized the improved financial strength of the California Housing Finance Agency by upgrading CalHFA's Issuer Rating to "Aa2." It is the highest rating in Agency history and is among the top ratings that Moody's assigns to housing finance agencies nationwide.

This also comes after another major credit rating agency, S&P Global Ratings, upgraded CalHFA's rating to "AA" in December of last year. These upgrades are a clear indication of the Agency's financial strength, and they empower CalHFA as it continues to develop new strategies to finance affordable housing opportunities for low- and moderate-income Californians.

According to Moody's, the upgrade is based on very strong metrics compared to Agency peers, including asset-to-debt ratio and margins, solid loan performance and strong governance by management.

"This rating has CalHFA well-positioned to explore creative new approaches to address the ongoing housing crisis in our state and, for that reason, this is great news for Californians who need a place to call home," said CalHFA Board Chair Jim Cervantes, a former Managing Director in the Public Finance Department with Stifel, Nicolaus & Co.

In announcing the rating increase, Moody's also noted CalHFA's significant reduction in longer-term constraints associated with variable rate debt and related interest rate swap contracts and also its favorable trends in loan performance resulting from low delinquency and program run-off.

Last Fiscal Year, CalHFA used \$112 million in down payment and closing cost assistance to help 5,600 low- and moderate-income homebuyers buy their first home and financed the creation and preservation of more than 3,500 units of affordable rental housing.

“CalHFA is committed to finding inventive ways to finance California’s continuum of housing needs, from people in danger of homelessness to first-time homebuyers who are taking the first step towards building generational wealth for their families,” said CalHFA Executive Director Tiena Johnson Hall. “The ratings upgrade also recognizes the hard work and progressive thinking of our team over the past decade that has put the Agency in position to fulfill that commitment.”

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The California Housing Finance Agency was created in 1975 with the goal of helping more Californians find a place to call home. CalHFA has helped more than 213,000 low- and moderate-income homebuyers with \$34.7 billion in first mortgages and used \$7.5 billion in financing for the construction and preservation of more than 73,000 affordable rental housing units throughout the state. CalHFA is a self-supported state agency that doesn't rely on taxpayer dollars for its operational costs but is currently administering various state and federal resources on behalf of the state through targeted programs. For more information on CalHFA programs, and how we are investing in diverse California communities, visit www.calhfa.ca.gov or call toll free at 877.9.CalHFA (877.922.5432).