

1 BOARD OF DIRECTORS  
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY

3  
4 RESOLUTION NO. 19-05

5  
6 RESOLUTION AUTHORIZING THE AGENCY'S SINGLE FAMILY NON-BOND  
7 FINANCING MECHANISMS FOR HOMEOWNERSHIP PURPOSES, AND RELATED  
8 FINANCIAL AGREEMENTS AND CONTRACTS FOR SERVICES  
9

10 WHEREAS, the California Housing Finance Agency (the "*Agency*") has determined that  
11 there exists a need in California for providing financial assistance, directly or indirectly, to  
12 persons and families of low and moderate income to enable them to purchase or refinance  
13 moderately priced single family homes;

14  
15 WHEREAS, the Agency has determined that it is in the public interest for the Agency to  
16 assist in providing such financing by means of various programs, including whole loans and  
17 mortgage-backed securities programs (collectively, the "*Program*") to make or finance loans to  
18 such persons and families, to local public entities or to developers, for the acquisition,  
19 development, construction and/or permanent financing of homes (the "*Loans*");

20  
21 WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code  
22 of the State of California (the "*Act*"), the Agency may invest in, purchase, or make commitments  
23 to purchase, and take assignments from qualified mortgage lenders of mortgage loans, and  
24 purchase mortgage-backed securities ("*MBSs*") underlain by Loans; and

25  
26 WHEREAS, the Agency's single family lending division is seeking authorization to  
27 utilize the MBS securitization model as the Agency's non-bond single family lending platform.  
28 This model requires the Agency to engage a master servicer(s). A subset of MBS securitization,  
29 the TBA model, is an example of non-bond lending, the use of which was previously authorized  
30 by the Board in Resolution 13-09.

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32 NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "*Board*") of the  
33 California Housing Finance Agency as follows:

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35 **ARTICLE I**

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37 **AUTHORIZATION OF MBS SECURITIZATION STRATEGIES**  
38 **AND LOAN PRODUCTS**

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40 Section 1. The Agency's single family lending division is hereby authorized to utilize  
41 the MBS securitization model as the Agency's non-bond single family lending platform. The  
42 Agency's underwriting requirements shall conform to Fannie Mae, Freddie Mac, or Ginnie Mae  
43 ("*GSE*"), Federal Housing Administration ("*FHA*") products and programs, U.S. Department of  
44 Veterans Affairs ("*VA*"), and occasionally be combined with additional Agency overlays, such  
45 as those previously approved by the Board in Resolutions 13-18 and 14-08, which modified  
46 eligibility criteria and parameters for Conventional and FHA loan products, to determine loan  
47 product requirements. The Agency shall offer a variety of first loan options, consistent with

1 GSE, VA, and FHA guidelines. Agency staff shall periodically update the Board on program and  
2 product modifications.

## 3 ARTICLE II

### 4 FUNDING AUTHORIZATION FOR LOAN PRODUCTS

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7 Section 1. Funding of First Lien Whole Loans. The Agency may purchase up to Two  
8 Million and no/100s Dollars (\$2,000,000.00) of first lien whole loans using Agency funds as  
9 previously authorized by the Board in Resolution 16-12.

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11 Section 2. Funding of Subordinate and Other Loans. The Agency may purchase or  
12 make a maximum of Two Million and Five Hundred Thousand Dollars (\$2,500,000.00) of  
13 subordinate and other loans using Agency funds. The other loans may consist of loans to assist  
14 local public entities in providing or making affordable housing available to low- or moderate-  
15 income persons or families in accordance with Section 51065.5 of the California Health and  
16 Safety Code.

## 17 ARTICLE III

### 18 PROVISIONS APPLICABLE TO ALL SINGLE FAMILY 19 LOAN PRODUCT ACTIVITIES

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22  
23 Section 1. Authorization of Program Documents. The Executive Director and other  
24 employees authorized by Article III, Section 5 (“*Authorized Employees*”) are hereby authorized  
25 to enter into, for and in the name and on behalf of the Agency, all documents they deem  
26 necessary or appropriate in connection with the Program, including, but not limited to, the  
27 following:

28  
29 (i) One or more mortgage purchase and servicing agreements (including  
30 mortgage-backed security pooling agreements) and one or more loan servicing agreements with  
31 such lender or lenders or such servicer or servicers, as the Executive Director may select in  
32 accordance with the purposes of the Program, and any such selection of a lender or lenders or a  
33 servicer or servicers is to be deemed approved by this Board as if it had been made by this  
34 Board;

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36 (ii) One or more mortgage sale agreements with such purchasers as the  
37 Executive Director may select in accordance with the objectives of the Program, including but  
38 not limited to such agreements with GSEs or similar entity for such sales in bulk or otherwise.  
39 Any such sale of Loans may be on either a current or a forward purchase basis;

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41 (iii) Agreements required for CalHFA to participate in the GSE’s loan  
42 programs;

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44 (iv) Inter-Agency agreements, monitoring agreements, memoranda of  
45 understanding, and similar such agreements for the facilitation of cooperative partnerships with  
46 other public entities;

1 (v) Contracts to conduct foreclosures of mortgages owned or serviced by the  
2 Agency with such attorneys or foreclosure companies as the Executive Director may select in  
3 accordance with the objectives of the Program;

4  
5 (vi) Contracts for the sale of foreclosed properties with such purchasers as the  
6 Executive Director may select in accordance with the objectives of the Program. Any such sale  
7 of foreclosed properties may be on either an all cash basis or may include financing by the  
8 Agency. The Executive Director and Authorized Employees of the Agency are also authorized to  
9 enter into any other agreements, including but not limited to real estate brokerage agreements  
10 and construction contracts necessary or convenient for the rehabilitation, listing and sale of such  
11 foreclosed properties; and

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13 (vii) Master trade confirmation or similar agreements with a hedge facilitator;  
14 contracts and agreements with broker-dealers to hedge the Agency's loan commitments and all  
15 related documents required to carry out the activities described in the Agency's Master Hedge  
16 Policy; and such other program documents as are necessary or appropriate for the operation of a  
17 program of mortgage-backed securities.

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19 Section 2. Authorization of Credit Facilities. The Executive Director and Authorized  
20 Employees of the Agency are hereby authorized to enter into, for and in the name and on behalf  
21 of the Agency, one or more short-term or long-term credit facilities, including but not limited to  
22 repurchase agreements, for the purposes of financing the purchase of Loans and/or mortgage-  
23 backed securities on an interim basis. The Agency may pledge its General Obligation as a credit  
24 support for said Credit Facilities.

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26 Section 3. Ratification of Prior Actions; Not a Repeal of Prior Resolutions. All  
27 actions previously taken by the Agency relating to the implementation of the Program, the  
28 execution and delivery of related financial agreements and related program agreements and the  
29 implementation of any credit facilities as described above, including, but not limited to, such  
30 actions as the distribution of the Agency's Lender Program Manual, Mortgage Purchase and  
31 Servicing Agreement, Servicing Agreement, Developer Agreement, Servicer's Guide, Program  
32 Bulletins and applications to originate and service loans, and the sale of any foreclosed property,  
33 are hereby ratified.

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35 This Resolution is not intended to repeal in whole or in part any prior Resolution  
36 of the Agency with respect to the authority granted to the Executive Director and Authorized  
37 Employees of the Agency in relation to related agreements, including but not limited to the  
38 authority to determine in furtherance of the objectives of the Program those matters required to  
39 be determined.

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41 Section 4. Authorization of Related Actions and Agreements. The Executive  
42 Director and Authorized Employees of the Agency and any other persons authorized in writing  
43 by the Executive Director are hereby authorized and directed, jointly and severally, to do any and  
44 all things and to execute and deliver any and all agreements and documents which they deem  
45 necessary or advisable in order to consummate the purchase and sale of residential home loans  
46 and mortgage-backed securities.

1 This Resolution shall constitute full, separate, complete and additional authority  
2 for the execution and delivery of all agreements and instruments described in this Resolution,  
3 without regard to any limitation in the Agency’s regulations and without regard to any other  
4 resolution of the Board that does not expressly amend and limit this Resolution.  
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6 Section 5. Additional Delegation. All actions by the Executive Director approved or  
7 authorized by this Resolution may be taken by the Chief Deputy Director of the Agency, the  
8 Director of Financing of the Agency or any other person specifically authorized in writing by the  
9 Executive Director, and except to the extent otherwise taken by another person shall be taken by  
10 the Chief Deputy Director during any period in which the office of the Executive Director is  
11 vacant.  
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13 Section 6. Duration of Authority. The authority granted under this Resolution shall  
14 remain in full force and effect until the day 60 days after the first date after March 1, 2020 on  
15 which is held a meeting of the Board of Directors of the Agency at which a quorum is present.  
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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. 19-05 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 18<sup>th</sup> day of March, 2019, 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, Agee (for Ma), Gallagher, Johnson Hall, Metcalf, Podesta, Sotelo, Russell, Gunning
- NOES: None
- ABSTENTIONS: None
- ABSENT: Hunter, Imbasciani

IN WITNESS WHEREOF, I have executed this certificate hereto this 18<sup>th</sup> day of March 2019.

ATTEST: Claire Tauriainen  
CLAIRE TAURIAINEN  
Secretary of the Board of Directors of the  
California Housing Finance Agency