

1 BOARD OF DIRECTORS
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY

3
4 RESOLUTION NO. 21-07

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 not purchase first
8 lien whole loans using Agency funds.

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10 Section 2. Funding of Subordinate Loans. The Agency may purchase a maximum of
11 Twenty-Five Million (\$25,000,000.00) of subordinate loans using Agency funds.

12
13 Section 3. Other Loans. The Agency may purchase or fund a maximum of Twenty-
14 Five Million (\$25,000,000.00) of other loans for the purpose of incentivizing affordable
15 homeownership in disadvantaged communities to generate intergenerational wealth for families
16 who have experienced government regulated discrimination.

17 ARTICLE III

18 PROVISIONS APPLICABLE TO ALL SINGLE FAMILY 19 LOAN PRODUCT ACTIVITIES

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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:

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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;

43
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

12
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, together with any extensions or other amendments thereto, for the
23 purposes of financing the purchase of Loans and/or mortgage-backed securities on an interim
24 basis. The Agency may pledge its General Obligation as a credit support for said Credit Facilities
25 Any such credit facility may be from any appropriate source as determined by the Director of
26 Financing and approved by the Executive Director, provided, however, that the aggregate
27 outstanding principal amount of credit facilities authorized under this resolution and the other
28 financing resolutions adopted at the same meeting, as amended from time to time, may not at any
29 time exceed \$700,000,000.

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

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

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46 Section 4. Authorization of Related Actions and Agreements. The Executive
47 Director and Authorized Employees of the Agency and any other persons authorized in writing

1 by the Executive Director are hereby authorized and directed, jointly and severally, to do any and
2 all things and to execute and deliver any and all agreements and documents which they deem
3 necessary or advisable in order to consummate the purchase and sale of residential home loans
4 and mortgage-backed securities.

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

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11 Section 5. Additional Delegation. All actions by the Executive Director approved or
12 authorized by this Resolution may be taken by the Chief Deputy Director of the Agency, the
13 Director of Financing of the Agency or any other person specifically authorized in writing by the
14 Executive Director, and except to the extent otherwise taken by another person shall be taken by
15 the Chief Deputy Director during any period in which the office of the Executive Director is
16 vacant.

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18 Section 6. Duration of Authority. The authority granted under this Resolution shall
19 remain in full force and effect until the day 60 days after the first date after March 1, 2021 on
20 which is held a meeting of the Board of Directors of the Agency at which a quorum is present.

1 SECRETARY'S CERTIFICATE

2
3 I, Claire Tauriainen, the undersigned, do hereby certify that I am the duly authorized
4 Secretary of the Board of Directors of the California Housing Finance Agency, and hereby
5 further certify that the foregoing is a full, true, and correct copy of Resolution No. 21-07 duly
6 adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency
7 duly called and held on the 25th day of March, 2021, at which meeting all said directors had due
8 notice, a quorum was present and that at said meeting said resolution was adopted by the
9 following vote:

10
11 AYES: Avila Farias, Gallagher, Gunning, Hunter, Imbasciani, Johnson-Hall, Starr
12 (for Ma), Seeley (for Velasquez), von Koch-Liebert (for Castro Ramírez),
13 Russell, White

14
15 NOES: None

16
17 ABSTENTIONS: None

18
19 ABSENT: Prince, Sotelo

20
21 IN WITNESS WHEREOF, I have executed this certificate hereto this 25th day of
22 March 2021.

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24
25 ATTEST: 
26 CLAIRE TAURIAINEN
27 Secretary of the Board of Directors of the
28 California Housing Finance Agency
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