

NEW DIRECTIONS

As the California Housing Finance Agency wrapped up a challenging year in 2009 – in fact, the most difficult year the Agency has seen in its entire history – we were faced with two choices: either hold static, fearful of change and challenges, or look forward and turn a very tough time into an opportunity. We chose the latter and embraced new ideas, new strategies, new directions.

In fact, *New Directions* became more than just an idea at CalHFA; it became the Agency's philosophy, and fittingly, the title and theme of our 2008-2009 Annual Report.

New Directions describes how CalHFA was affected by turbulence and dramatic bond market changes, just like nearly every other HFA, and how we went to great lengths to continue to offer a selection of valuable programs to serve Californians purchasing their first home or renting an affordable apartment.

This report tells more than a story of numbers, facts and charts; it tells a story of what home really means to Californians. This meaning is illustrated throughout the pages of the document with images that could have been borrowed from any photo album ...a young couple standing proudly in front of their first real home, a father riding bikes with his daughters, school children getting ready for their first day of class.

New Directions stresses that change can be staggering; it can also be inspiring. Change can lead an individual or an organization to new ideas, new products, new ways of doing business.

CalHFA's Homeownership division embraced change and followed a new direction with a focus on new loan programs, while still offering safe, fixed rate mortgages for first-time homebuyers.

The Mortgage Insurance division rapidly expanded the capacity of its Single Family Portfolio Management section as well by offering new loss mitigation programs and alternatives to foreclosure for families in need.

CalHFA's Multifamily division continued to be committed to supporting the development of affordable housing, especially unique programs for those with special needs, ensuring that thousands of very low to low income Californians live in quality homes with rents they can afford.

Asset Management implemented a plan to use recycled Rental Housing Construction Program funds to add to the existing portfolio.

Our Financing division evaluated a variety of new alternatives, always balancing risk versus benefit, to generate low cost capital.

Fiscal Services worked with a re-platforming project to reprogram accounting applications to meet current and future financial requirements.

California Housing Finance Agency
New Directions -- California Housing Finance Agency Annual Report

It is sometimes difficult to deliver a review of a fiscal year that was less than positive, but we feel *New Directions* is an honest depiction of a challenging year. 2008 and 2009 brought many problems; they also brought many solutions. Our report outlines all of these ups and downs while holding on to hope for the coming year.

New Directions makes it clear that as we look forward and embrace new ideas and avenues, we understand fully that our success will be inextricably tied to our ability to adapt to changes in the market – many that may not even be visible to us today. With a talented team, we move forward, committed to our mission – and committed to making a difference for Californians.

Attachment – 2008-2009 Annual Report