



Louisiana Housing Finance Agency

The following resolution was offered by Commissioner Joseph M. Scontrino, III, and seconded by Commissioner Katie Anderson:

RESOLUTION

A resolution approving and authorizing an adjustment in the mix of HOME funds and bond proceeds under the single family mortgage revenue bond program; and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Finance Agency (the "Agency") has been ordered and directed to act on behalf of the State of Louisiana (the "State") under the authority given to it pursuant to La. Rev. Stat. Ann. 40:600.6; and

WHEREAS, Government Sponsored Enterprises (GSE) are increasing cost and fees associated with single family mortgage revenue bond program; and

WHEREAS, the Louisiana Housing Finance Agency (the "Agency") desires to offset the fee increase caused by the added guarantee and delivery costs imposed by government sponsored enterprises (GSE); and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency, acting as the governing authority of said Agency, that:

SECTION 1. The Agency staff, financial advisor, and bond counsel are directed to formulate a fee structure that will offset the increased cost to home buyers in accordance with attachment 'A'.

SECTION 2. Agency staff and counsel are authorized, empowered, and directed as may be necessary to create, change, amend, and revise any existing documents, agreements and/or commitments as may be necessary to effectuate this resolution.

SECTION 4. The Chairman, Vice Chairman, President, Vice President and /or Secretary of the Agency are hereby authorized, empowered and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Agency, the terms of which are materially consistent with the provisions of this board resolution.

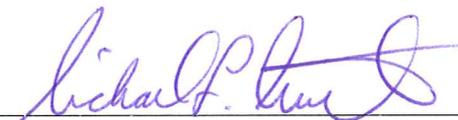
This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: Michael L. Airhart, J. Mark Madderra, Guy T. Williams, Mayson H. Foster, Donald B. Vallee, Walter O. Guillory, Joseph M. Scontrino, III, Katie Anderson, Elsenia Young, Jerome Boykin, Sr., Neal Miller

NAYS:

ABSENT: Allison A. Jones, John N. Kennedy, Tyrone A. Wilson, Susan W. Sonnier

And the resolution was declared adopted on this, the 12th day of May, 2010.


Chairman


Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Agency"), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on May 12, 2010, entitled " A resolution approving and authorizing an adjustment in the mix of HOME funds and bond proceeds under the single family mortgage revenue bond program; and providing for other matters in connection therewith."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 12th day of May, 2010.


Secretary

(SEAL)

Louisiana Housing Finance Agency**Adjustments to HOME Financing Model to
Accommodate Freddie Mac Fee Changes**

The attached summary shows proposed LHFA HOME program loan closing terms and purchase prices to achieve the following objectives:

1. Avoid requiring HOME borrowers to pay delivery fees imposed by Freddie Mac for securitization of mortgage pools after April 1, 2010. Delivery fees, depending on the type of loan, are as follows:
 - FHA, VA and RD loans 0.25%
 - Conventional loans 1.25%
2. Maintain a stable servicing fee without passing on to borrowers Freddie Mac's guarantee fee increase of 0.063% (from 0.187% to 0.25%).
3. Adjust the HOME program components to accomplish 1. and 2.

The Agency expects the average HOME loan grant to increase by the amount of the GSE delivery fees. A borrower's HUD-1 will reflect the delivery fee as a discount on the loan. A portion of the HOME loan grant will offset the amount of the discount such that the borrower's loan amount, net proceeds, and net costs will not be impacted by the GSE delivery fees.

Altering the Agency's recent practice of funding HOME loans 50% from bond proceeds and 50% from HOME money, the HOME-funded portion of each loan will increase slightly to provide a stable servicing fee of approximately 31 basis points on these loan pools, as reflected in the pricing in the attached summary.

Originator/Borrower Payments and Receipts		
-- All HOME Loans Pooled into Freddie Macs --		
HOME Loans (Average)	FHA, VA, RD	Conventional
Proceeds-Funded Portion of Loan	49.34%	49.34%
Discount for GSE Delivery Fee	-0.25%	-1.25%
Price Paid by Originator to Homebuyer	49.09%	48.09%
HOME-Funded Portion of Loan to Homebuyer	50.66%	50.66%
Part of HOME Grant to Homebuyer for GSE Delivery Fees	0.25%	1.25%
Origination Fee Paid by Homebuyer	-0.75%	-0.75%
Net to Homebuyer	99.25%	99.25%
Additional HOME Grant (Average) to Homebuyer	9.00%	9.00%
Originator Compensation Realized at Loan Closing	1.00%	2.00%

Master Servicer Payments		
-- All HOME Loans Pooled into Freddie Macs --		
HOME Loans (Average)	FHA, VA, RD	Conventional
Proceeds-Funded Portion of Loan	49.34%	49.34%
Additional Originator Compensation	1.00%	0.00%
Price Paid to Originator by Master Servicer	50.34%	49.34%
Delivery Fee Paid to GSE	0.25%	1.25%
Servicing Release Premium from Master Servicer	-1.25%	-1.25%
Trustee Payment to Master Servicer	49.34%	49.34%

Net Lender Compensation	2.00%
Servicing Release Premium	1.25%
GSE Delivery Fee for FHA, VA, RD Loans	0.25%
GSE Delivery Fee for Conventional Loans	1.25%
Average HOME Grant - FHA, VA, RD Loans	9.25%
Average HOME Grant - Conventional Loans	10.25%
Assisted Loan Downpayment Assistance	3.00%
Origination Fee (all loans)	0.75%
Net Borrower Assistance	2.25%