



Board of Directors

Agenda Item #8

**Resolution purchasing \$30M LHC SFMRRB
(Taxable)**

August 10, 2016

Table of Contents

Resolution for Mortgage Revenue Bonds Series 2016 Refunding Sale	3
Resolution for MRB Series 2016 Refunding Sale – Exhibit A	8

LOUISIANA HOUSING CORPORATION

The following resolution was offered by Board Member _____ and seconded by Board Member _____:

RESOLUTION

A resolution accepting the parameter term proposal for the purchase of not exceeding Thirty Million Dollars (\$30,000,000) of Louisiana Housing Corporation Single Family Mortgage Revenue Refunding Bonds (Taxable) in one or more series or subseries; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; approving the form and directing the execution of the Bond Purchase Agreement for said Refunding Bonds; and providing for other matters in connection with the foregoing.

WHEREAS, the Board of Directors (the “**Board**”) of the Louisiana Housing Corporation (the “**Corporation**”) on July 13, 2016, adopted a resolution approving and authorizing the issuance of not exceeding Thirty Million Dollars (\$30,000,000) of Louisiana Housing Corporation Single Family Mortgage Revenue Refunding Bonds (Taxable) in one or more series or subseries (the “**Refunding Bonds**”) to refund all or a portion of the Louisiana Housing Finance Agency Single Family Mortgage Revenue Bonds, Series 2006D and Series 2007A (the “**Outstanding Prior Bonds**”) and to deliver the Refunding Bonds pursuant to the terms of a Series Supplemental Trust Indenture; and

WHEREAS, the Corporation did meet on August 10, 2016, at 11:00 a.m., Louisiana time, for the purpose of receiving and considering the proposal of George K. Baum & Company, JPMorgan Securities, LLC and Raymond James as purchasers (the “**Underwriters**”) and taking action with respect to the parameter sale of not exceeding Thirty Million Dollars (\$30,000,000) of the Refunding Bonds pursuant thereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Louisiana Housing Corporation, acting as the governing authority of said Corporation, that:

SECTION 1. The parameter written terms submitted this day by the Underwriters for the purchase of bonds designated “Louisiana Housing Corporation Single Family Mortgage Revenue Refunding Bonds, Series 2016 (Taxable)” in the aggregate principal amount of not exceeding par amount of Thirty Million Dollars (\$30,000,000), in one or more sub-series at an interest rate not exceeding 8% per annum, and for a maturity not exceeding 30 years, authorized under and pursuant to the provisions of a Thirty-Fifth (35th) Series Supplemental Trust Indenture (the “**35th**

Series Supplemental”) to the Indenture of Trust dated as of May 1, 1998 (the “**Master Indenture**”, together with the 35th Series Supplemental, the “**Indenture**”), by and between Whitney Bank, a state banking corporation, as trustee (the “**Trustee**”), and the Corporation be, and the same are hereby awarded to the Underwriters in accordance with the terms of the Bond Purchase Agreement referred to in Section 3 hereof. The sale and delivery of the Refunding Bonds are further conditioned upon approval by and compliance with any and all approvals and/or certifications required by the Louisiana Attorney General. The sale of the Refunding Bonds in accordance with said Bond Purchase Agreement is hereby authorized and approved. The Chairman and Interim Executive Director are hereby authorized and directed for, on behalf of and in the name of the Corporation, to execute, deliver and approve such instruments, documents and certificates as may be required or necessary, convenient or appropriate to the financing described herein. The aforesaid officers are additionally authorized to approve any changes in the aforementioned documents provided such changes are in accordance with Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the “**Act**”) and Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the “**Refunding Act**”) and with the approval of Counsel to the Corporation or Bond Counsel.

By virtue of the Corporation’s application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission’s approval resolved and set forth herein, the Corporation resolves that it understands and agrees that such approvals are expressly conditioned upon, and the Corporation further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the “State Bond Commission Policy on Approval of Proposed Swaps, or other forms or Derivative Products Hedges, Etc.”, adopted by the Commission on July 20, 2006, as to borrowings and other matters subject to

approvals, including subsequent application and approval under said Policy of the implementation or use of any swaps or other products or enhancements covered thereby.

SECTION 2. Whitney Bank, a state banking corporation, shall be designated as Trustee and Paying Agent with respect to the Refunding Bonds.

SECTION 3. In order to accomplish the sale of the Refunding Bonds in accordance with the terms of this resolution, either the Chairman and Interim Executive Director, be and they are hereby authorized and directed to execute and deliver, for and on behalf of the Corporation, the Bond Purchase Agreement in substantially the form thereof which is now before this Corporation and filed with the Secretary of this Board of Directors.

SECTION 4. The Refunding Bonds will be dated, will be in the denominations and will have all the terms set forth in the Indenture and the Bond Purchase Agreement. The Refunding Bonds shall be secured by the Trust Estate as defined in the Indenture, inclusive of mortgage-backed securities transferred (“**Transferred Securities**”) from indentures of the Outstanding Prior Bonds which are being refunded by the Refunding Bonds and shall be subject to redemption in accordance with the Indenture.

SECTION 5. The Costs of Issuance schedule attached hereto as **Exhibit “A”** is approved.

SECTION 6. The contents of the Official Statement with respect to the Refunding Bonds, copies of the form of which have been placed on file with the Corporation, are hereby approved substantially in such form.

SECTION 7. The Chairman and Interim Executive Director are hereby approved, authorized and directed to execute and deliver or cause to be executed and delivered all documents required to be executed on behalf of the Corporation and delivered to effect delivery of the Refunding Bonds to the Purchaser or deemed by any of them necessary or advisable to implement

this resolution, the Indenture or the Bond Purchase Agreement, or to facilitate the sale of the Refunding Bonds.

SECTION 8. The Chairman and Interim Executive Director of the Corporation shall cause to be executed for and on behalf of the Corporation the aforementioned Refunding Bonds in accordance with the Indenture, and shall effect the delivery thereof to the Purchaser in accordance with the Bond Purchase Agreement. The Secretary of the Corporation shall receive from the Purchaser for the account of the Corporation the purchase price of the Refunding Bonds and shall deposit the same with the Trustee under the Indenture in accordance with the provisions thereof.

SECTION 9. This resolution shall take effect immediately.

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

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 10th day of August, 2016.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation (the “**Corporation**”), do hereby certify that the foregoing four (4) pages constitute a true and correct copy of a resolution adopted by said Board of Directors on August 10, 2016, entitled: “A resolution accepting the parameter term proposal for the purchase of not exceeding Thirty Million Dollars (\$30,000,000) of Louisiana Housing Corporation Single Family Mortgage Revenue Refunding Bonds (Taxable) in one or more series or subseries; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; approving the form and directing the execution of the Bond Purchase Agreement for said Refunding Bonds; and providing for other matters in connection with the foregoing.”

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Corporation on this, the 10th day of August, 2016.

Secretary

(SEAL)

**LOUISIANA HOUSING CORPORATION
SINGLE FAMILY MORTGAGE REFUNDING BONDS
SERIES 2016 (Federally Taxable)**

BOND SUMMARY

PURPOSE:

The Corporation's Single Family Mortgage Revenue Refunding Bonds, Series 2016 (Federally Taxable) will be issued for the purpose of refunding the Corporation's Series 2006D and 2007A outstanding single family bond issues.

KEY TARGET DATES:

- Wed., July 13 – Board Meeting to Authorize Refunding
- Wed., August 10 – Board Meeting to Approve Sale Resolution
- Thurs., August 18 – State Bond Commission Approval
- Late August – Pricing
- Late September – Closing

PROJECTED SOURCES & USES

Sources:

Proceeds of the Series 2016 Taxable Bonds	29,995,153.64
Funds Released from Prior Bonds	5,024,922.56
TOTAL SOURCES	34,980,076.20

Uses:

Redemption of 2006D Bonds – Total costs	13,893,625.00
Redemption of 2007A Bonds – Total costs	14,322,866.25
Est. Costs of Issuance	409,385.00
Excess Cash Released to Issuer	6,354,199.95
TOTAL USES	34,980,076.20

* Subject to Change. Amounts above based on current balances and NTE COI.

PRELIMINARY TRANSACTION COSTS

*The below costs of issuance reflect not-to-exceed amounts based on an initial projected issue size.
The final costs will be adjusted based on the actual par amount of the bonds.*

Underwriting Spread	\$'s / \$000	\$ Amount	GKB	JP Morgan	RJ
Management Fee	1.25	37,500.00	50%	25%	25%
Takedown	5.00	150,000.00	Designated: max. 60% / min. 10%		
Expenses	1.27	38,100.00	reimbursed as incurred		
TOTAL	7.52	225,600.00			

Expense Breakdown

UW Counsel Fee (incl. expenses)	Breazeale Sachse	29,000.00
Fees including, CUSIP, Dalnet, DTC & travel		9,100.00

Other Costs of Issuance (Not-to-Exceed Amounts)

		\$'s / \$000 of Bonds	\$ Amount
Bond Counsel Fee	Foley & Judell / Jones Walker		53,010.00
Bond Counsel Expenses			5,000.00
Financial Advisor Fee	Government Consultants		58,000.00
Trustee			
Acceptance and 1 st Annual	Whitney Bank		4,500.00
Trustee Counsel Fee	TBD		5,000.00
State Bond Commission			15,275.00
Rating Agency	Moody's		35,000.00
Printing	ImageMaster		3,000.00
Verification			2,500.00
LHC Expenses			
Publishing, Advertising, Recording			2,500.00
SUB - TOTAL		6.12	183,785.00



Louisiana Housing Corporation
Single Family Mortgage Revenue Bonds
Series 2006D & Series 2007A

Preliminary Refunding Analysis: Taxable Pass-Through

Projected to August 2016 Using July 2016 Balances
2006D & 2007A Balances Assume 200% PSA

Sources:

	Coupon	Approx. Yield	Price	Amount
6/1/2038 Term Bond ⁽¹⁾	2.60% ⁽²⁾	2.60%	100%	\$29,955,153.64
Est Cash Transferred from Series 2006D				\$3,399,857.69
Est Cash Transferred from Series 2007A				\$1,625,064.88
Issuer's Contribution				\$0.00
Total Sources				\$34,980,076.20

Uses:

Est 2006D Bond Payoff Requirements	\$13,893,625.00
Est 2007A Bond Payoff Requirements	\$14,322,866.25
Est. Costs of Issuance	\$300,000.00
Excess Cash Released to Issuer	\$6,463,584.95
Total Uses	\$34,980,076.20

Mortgages: ⁽³⁾

Type of Loans	Pass-Thru Rate	Mtg Rate	Est Aug Principal Amount
2006D (Assumes 200% PSA)			
Existing Home (2%)	2.00%	2.50%	\$187,522.33
Existing Home (4%)	4.00%	4.50%	\$446,349.52
Existing Low Rate Loans	5.00% - 5.10%	5.50% - 5.60%	\$1,568,079.14
Existing Taxables	5.05%	5.55%	\$2,624,857.58
Existing Teacher	5.15%	5.65%	\$463,046.91
Existing Assisted	5.36% - 5.49%	5.86% - 5.99%	\$8,641,680.89
2007A (Assumes 200% PSA)			
Existing Home Funds	2.00%	2.500%	\$2,930,085.21
Low Rate	5.10%	5.600%	\$1,838,838.91
Teacher Assisted	5.25%	5.750%	\$407,579.42
Assisted	5.49%	5.990%	\$9,654,635.91
Assisted - 6.30%	5.80%	6.300%	\$1,192,477.83
Total			\$29,955,153.64

Expenses:

Trustee Fee	0.03%
Guaranty/ Servicing Fee	0.50%

Net Economic Benefit to LHC (Present Values Assume a 3% Discount):

	100% PSA	200% PSA	300% PSA
Excess Cash Released to Issuer	\$6,463,584.95	\$6,463,584.95	\$6,463,584.95
External Distributions ⁽³⁾	\$4,708,498.92	\$3,409,200.76	\$2,580,356.90
Less: Issuer's Contribution	\$0.00	\$0.00	\$0.00
Net PV of Economic Benefit	\$11,172,083.87	\$9,872,785.71	\$9,043,941.85

⁽¹⁾ The 6/1/2038 bond has a 4.9 year average life at 250% PSA.

⁽²⁾ Bond rate as of July 8, 2016. Subject to change.

⁽³⁾ Surplus is released to LHC semi-annually.