The following resolution was offered by Board Member Willie Spears and seconded by Vice-Chairman Mayson H. Foster:

RESOLUTION

A resolution to authorize and direct the Finance Team of Louisiana Housing Corporation ("Corporation") to implement a homeownership financing and/or refinancing program; and providing for other matters in connection therewith.

WHEREAS, the Corporation’s homeownership loan products financed with tax-exempt bonds without any assistance from federal or state program funds ("Program Funds") have been at a competitive disadvantage compared to other market homeownership loan products for the duration of the low-interest rate policies currently maintained by the Federal Reserve Board; and

WHEREAS, the Finance Team has recommended that the Corporation explore non-bond financed initiatives to finance or to refinance mortgage loans throughout the State by sponsoring mortgage origination through the Corporation’s network of lenders (the "Lenders") using mortgage interest rates within specified periods in the to-be-announced market (the "TBA Market") for the delivery mortgage loans originated during such periods; and

WHEREAS, the Corporation desires to manage assets and debts in a manner which provides the best economic benefit to the Corporation and has received recommendations from members of the Corporation’s Finance Team.

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

SECTION 1. The Corporation’s Finance Team is hereby authorized and directed to implement the homeownership financing strategies described in Exhibit A
hereto that permits the Corporation to maintain a continuous homeownership financing program in all market interest rate environments or conditions.

SECTION 2. The Corporation’s staff and Financing Team are authorized and directed to prepare any documents, agreements and take appropriate actions, as may be necessary, to implement the homeownership financing program described in Exhibit A hereto.

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


NAYS: None

ABSTAIN: None

ABSENT: Dr. Daryl V. Burckel

And the resolution was declared adopted on this, the 8th day of August 2012.

Chairman

Secretary
STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation, do hereby certify that the foregoing two (2) pages constitutes a true and correct copy of a resolution adopted by said Board of Directors on August 8, 2012, entitled: “A resolution to authorize and direct the Finance Team of Louisiana Housing Corporation ("Corporation") to implement a homeownership financing and/or refinancing 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 Corporation on this, the 8th day of August 2012.

[Signature]
Secretary

(SEAL)
PROPOSED STRATEGY

CURRENT PROGRAM 2012A – SCENARIO A

1.) Reduce Assisted rate from 3.99% to 3.49%
2.) Introduce Targeted Unassisted Rate (utilizing CDBG funds) for the 11 parishes poorest parishes* to 1.99% - will also include the residual parishes from OCD Initiative.
3.) Reduced General Unassisted Rate from 3.49% to 2.99%
4.) Reduce HOME/MRB from 2.95% to 2.45%

Lenders will continue to be compensated at 1.50% for the Assisted and HOME/MRB Program however for the reduced rate at 1.99% the compensation is 1%.

Implement a TBA Program (TO BE ANNOUNCED PROGRAM)

Begin implementation of the Morgan Keegan TBA** and pursuit of George K. Baum Program*** to be able to run concurrently.

*See spreadsheet attached on selection of 11 parishes. Note: The request was for 10 parishes however there was a tie with two components therefore the recommendation is to allow 11 parishes to participate.

**See attached description.

***See attached description.
Below list is in no particular order.

**Ten Poorest Parishes in Louisiana**
Poverty Status of Families (PSF) 2010 5 Year Estimate

10. Evangeline, Louisiana
9. Franklin, Louisiana
8. Morehouse Parish, Louisiana
7. Washington Parish, Louisiana
6. Sabine Parish, Louisiana
5. Caddo Parish, Louisiana
4. Grant Parish, Louisiana
3. Madison Parish, Louisiana
2. Allen Parish, Louisiana
1. West Carroll Parish, Louisiana

Per Capita Personal Income (PCI) 2010

Median Family Income (MFI) - 5 Year Estimate

Ten Poorest Parishes in Louisiana

10. Bienville Parish, Louisiana
9. Calcasieu Parish, Louisiana
8. Morehouse Parish, Louisiana
7. St. Landry Parish, Louisiana
6. Natchitoches Parish, Louisiana
5. Franklin Parish, Louisiana
4. Concordia Parish, Louisiana
3. Tensas Parish, Louisiana
2. Madison Parish, Louisiana
1. East Carroll Parish, Louisiana