

colorado housing and finance authority

Joint Finance Committee Presentation

March 11, 2009

financing the places where people live and work

CHFA History

- ▼ Created by General Assembly in 1973
- ▼ Began operations in 1974
- ▼ CHFA is a self-supporting quasi governmental authority

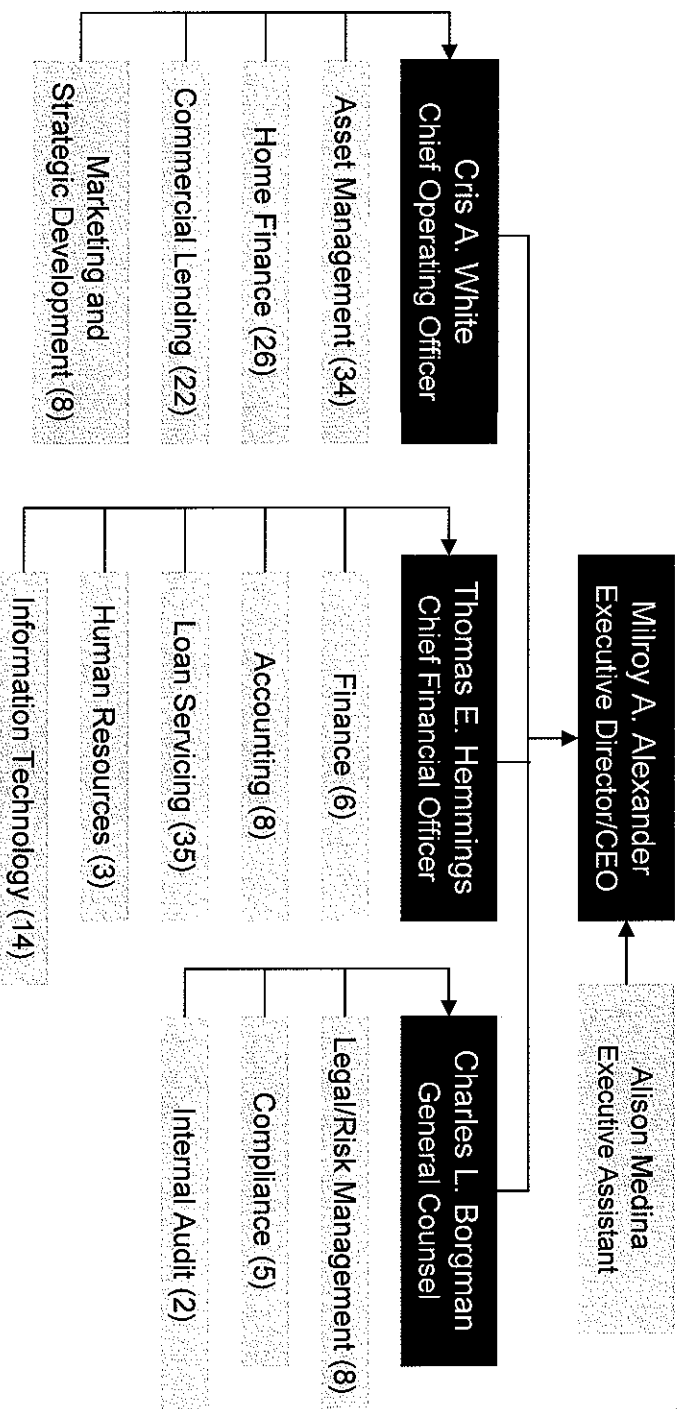


Oversight

- ▼ 11 Member Board of Directors:
 - ▼ Member of the General Assembly
 - ▼ State Auditor
 - ▼ Executive Director of Principal Dept. of State Gov't.
 - ▼ Remaining are appointed by Governor, confirmed by State Senate & represent public at large
 - ▼ Member experienced in mortgage lending
 - ▼ Member experienced in real estate



CHFA Staffing Chart



CHFA has 176 employees as of December 31, 2008

() = Number of Employees in each department



What CHFA Does

- ▼ Builds Healthy Communities
- ▼ Single Family Home Finance
- ▼ Multi Family Rental Finance
- ▼ Business Finance
- ▼ Military Housing



35 Years of Impact

- ▼ 67,000 single family homes financed
- ▼ 53,000 multifamily rental units in portfolio
- ▼ 34,000 jobs supported
- ▼ 3,027 military housing units financed
- ▼ All 64 counties served



2008 Performance

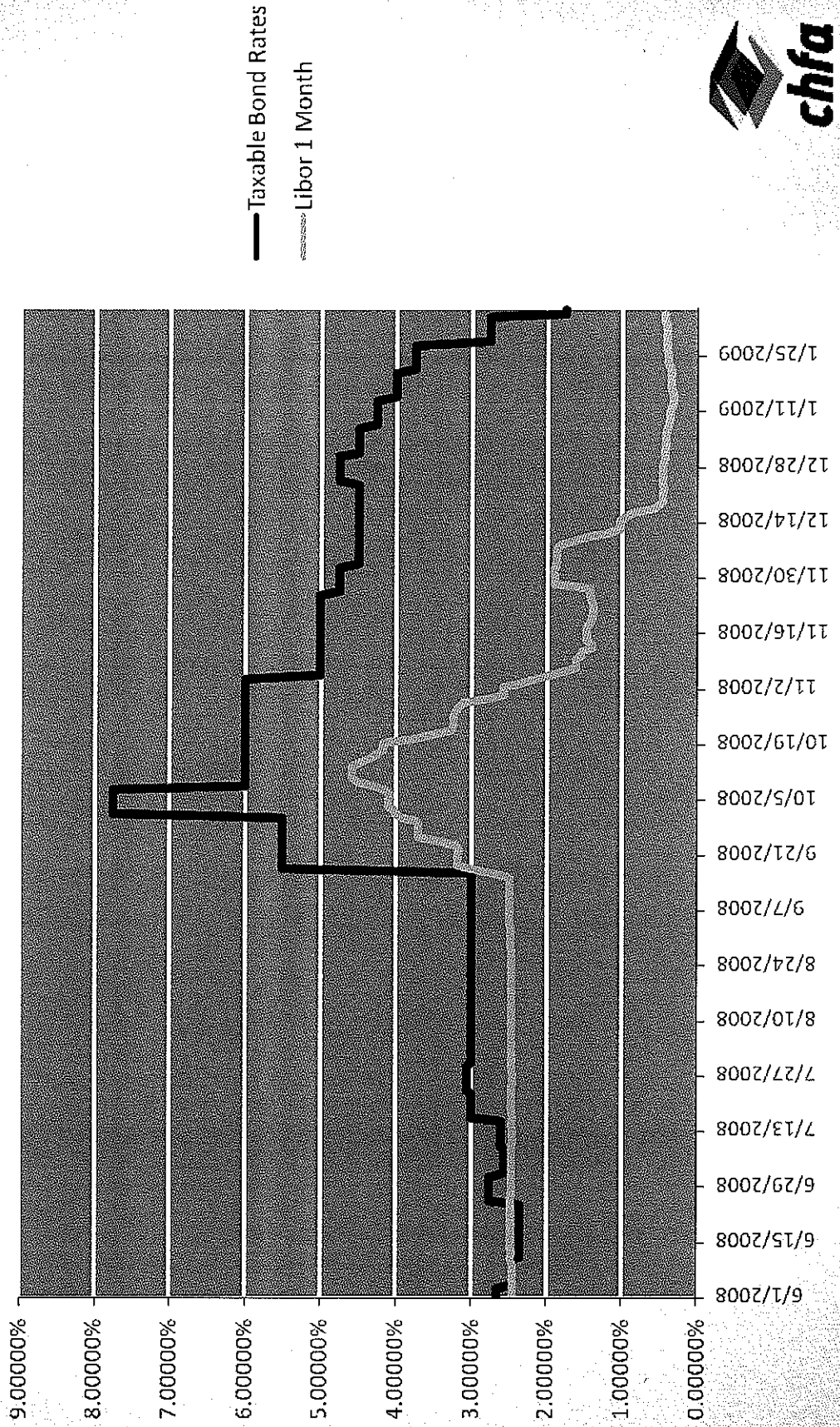
- ▼ 3,224 single family loans originated
- ▼ 993 multi family project units financed
- ▼ 934 units received tax credits
- ▼ 3,100 jobs impacted
- ▼ Total Production: \$575 million



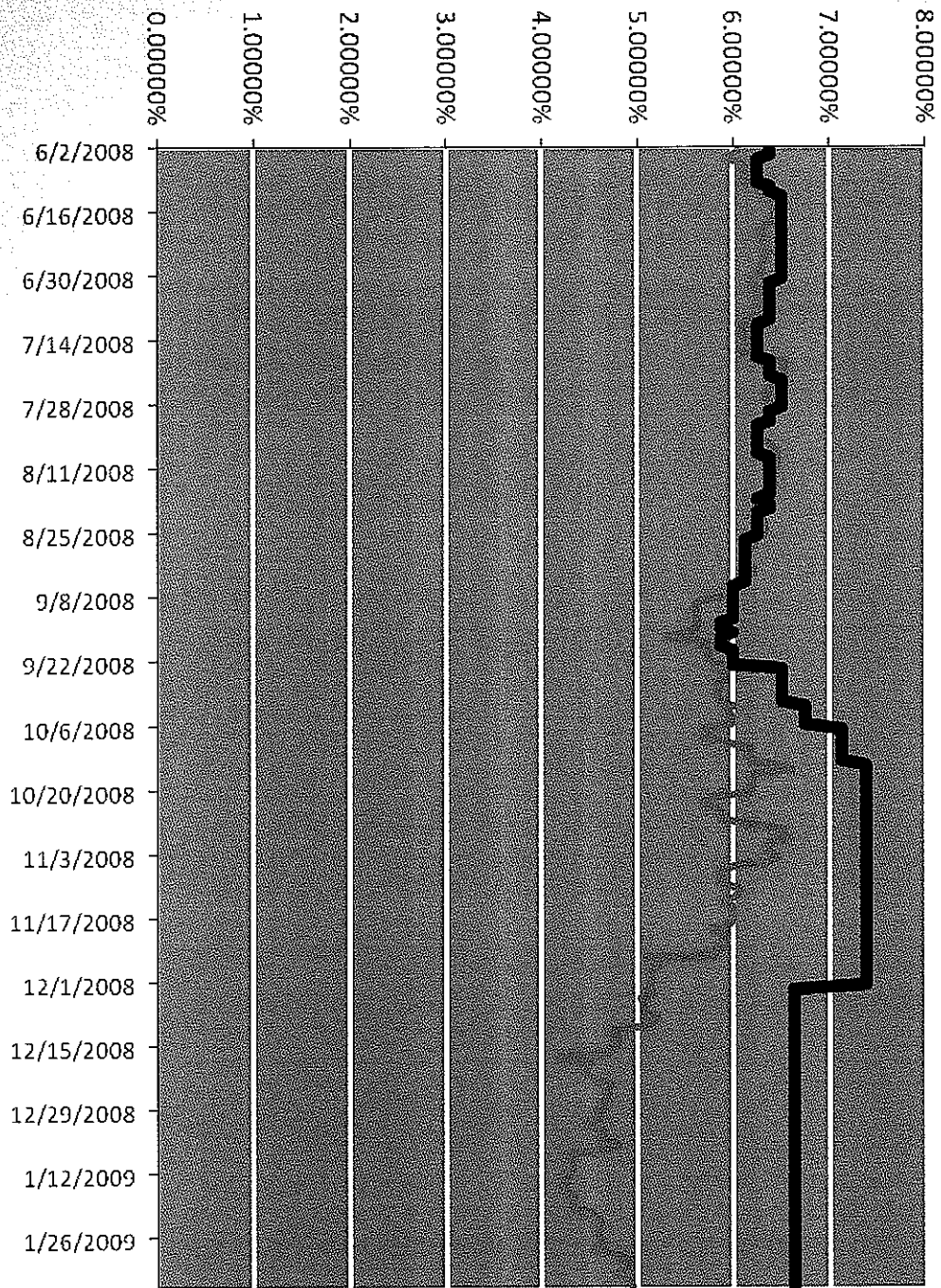
Update on CHFA's Financial Situation

- ▼ Current Market Conditions
- ▼ Municipal Debt Markets
- ▼ Short-term Projections

Market Update – CHFA Taxable Bond Costs



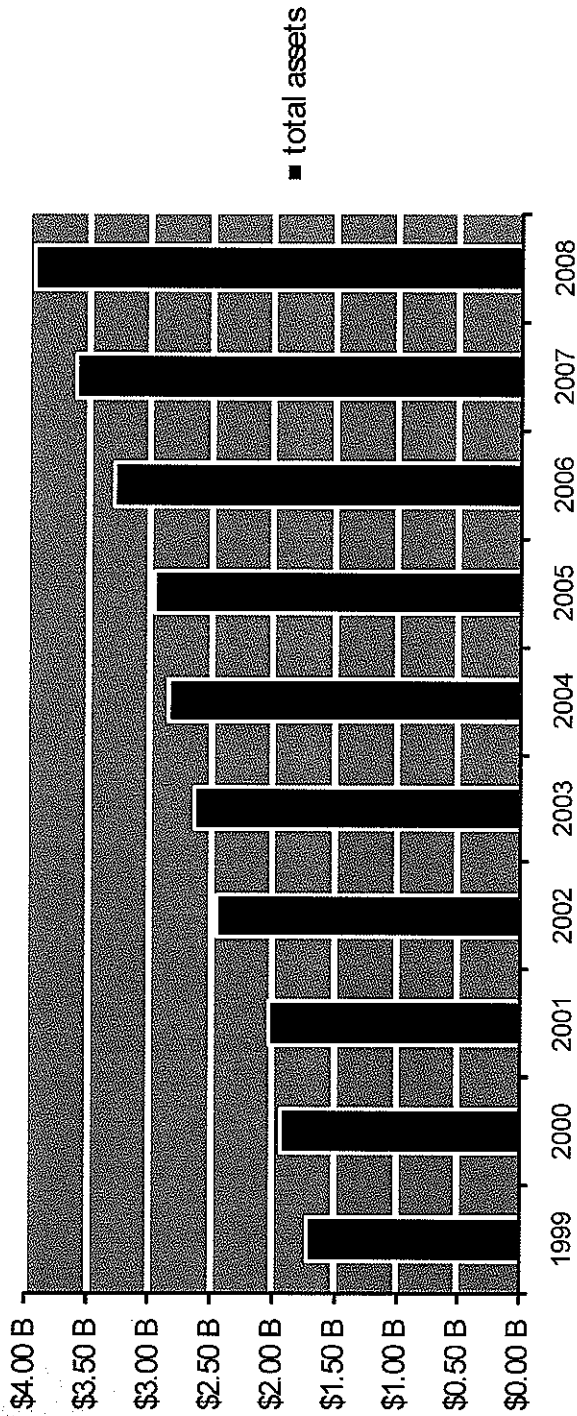
Market Update – CHFA SF Loan Rates



— Fannie
 — CHFA MRB



Total Assets

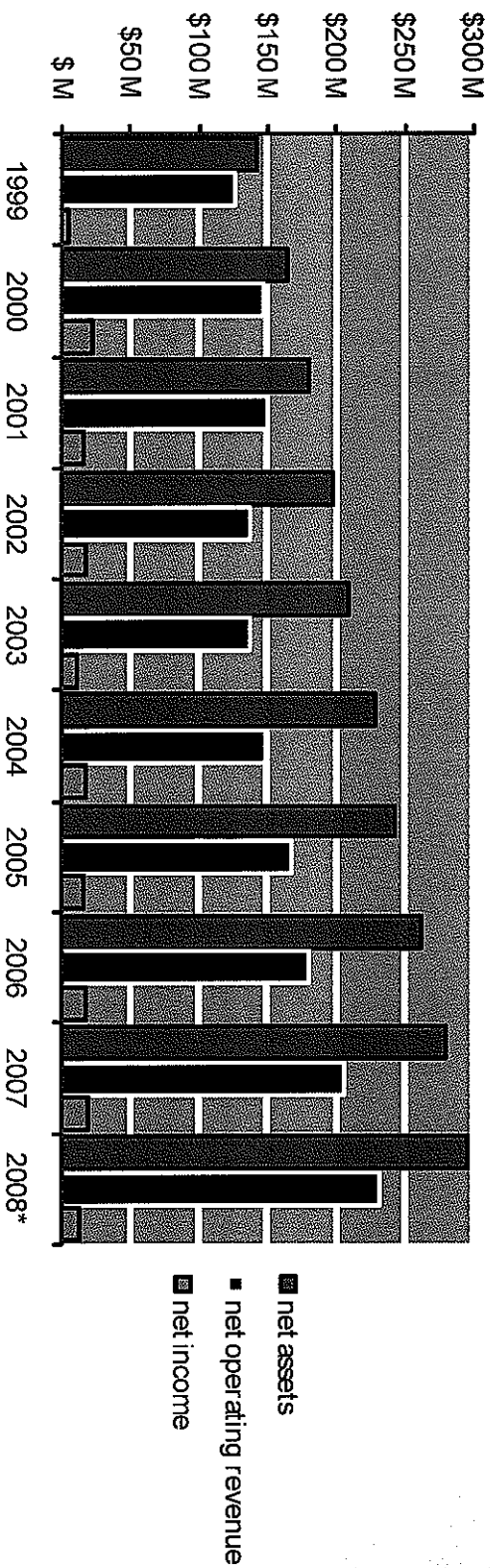


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008*
Total assets	\$1.72 B	\$1.94 B	\$2.04 B	\$2.45 B	\$2.64 B	\$2.85 B	\$2.96 B	\$3.29 B	\$3.60 B	\$3.94 B
% change	6.83%	12.79%	5.15%	20.10%	7.76%	7.95%	3.86%	11.15%	9.42%	9.44%

* November 30, 2008 Numbers



Net Assets, Operating Revenue, & Income



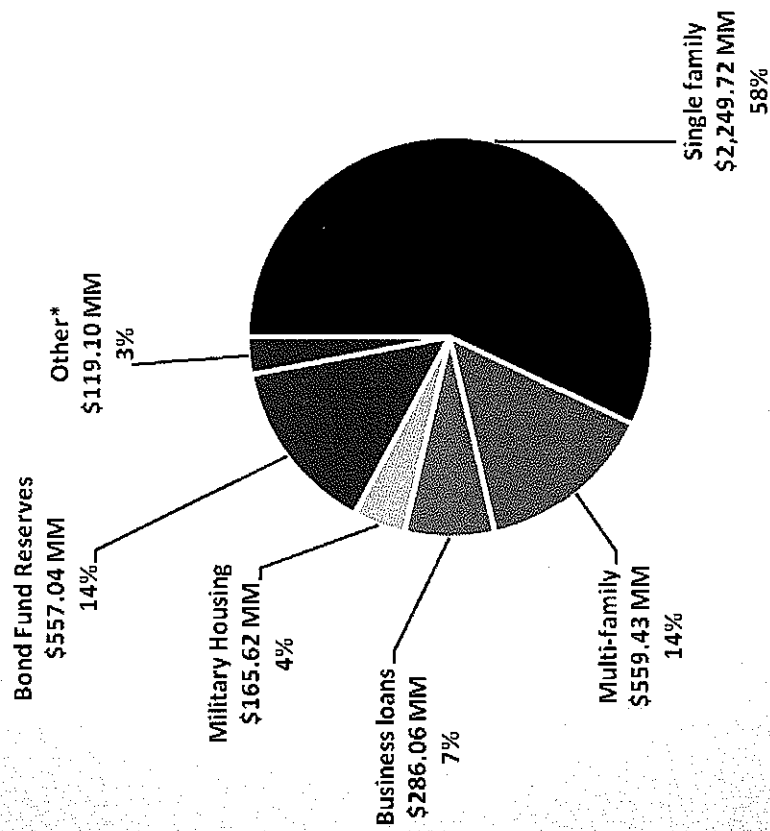
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008*
net assets	\$142.39 M	\$164.49 M	\$180.81 M	\$198.30 M	\$209.77 M	\$227.52 M	\$242.85 M	\$261.05 M	\$279.75 M	\$296.57 M
% change	N/A	15.52%	9.92%	9.67%	5.78%	8.46%	6.74%	7.49%	7.16%	5.66%
net operating revenue	\$125.47 M	\$146.17 M	\$149.64 M	\$137.38 M	\$137.69 M	\$147.63 M	\$167.75 M	\$180.84 M	\$206.05 M	\$231.44 M
% change	N/A	16.50%	2.38%	-8.20%	0.23%	7.22%	13.63%	7.80%	13.94%	12.32%
net income	\$5.20 M	\$22.10 M	\$16.32 M	\$17.49 M	\$11.47 M	\$17.73 M	\$15.33 M	\$18.19 M	\$19.34 M	\$13.00 M**
% change	N/A	325.00%	-26.15%	7.17%	-34.42%	54.58%	-13.54%	18.66%	6.32%	-18.68%

*November 30, 2008 Numbers
 **December 31, 2008 Estimate



CHFA's Total Asset Mix

2008

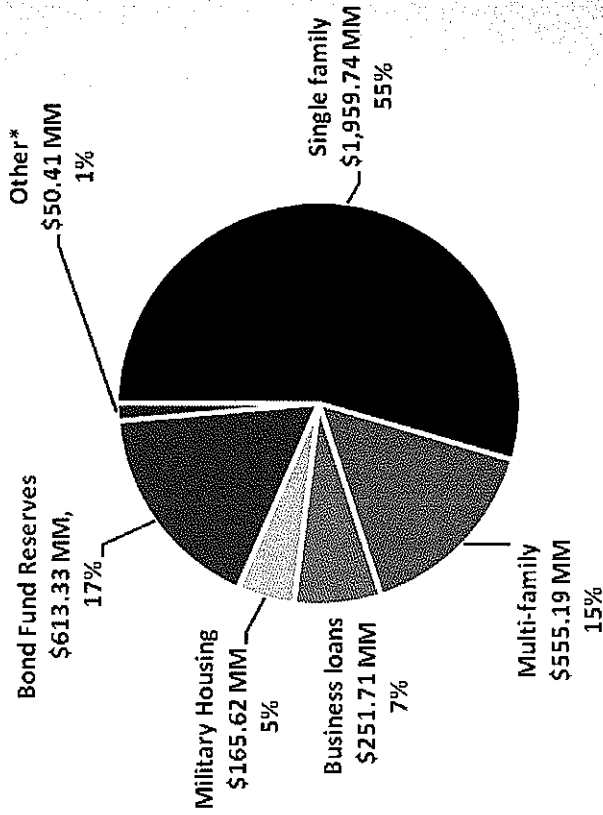


Year 2008 Total:

\$3,937MM

* Includes certain amortizations, fair market value adjustments, and loss reserves

2007

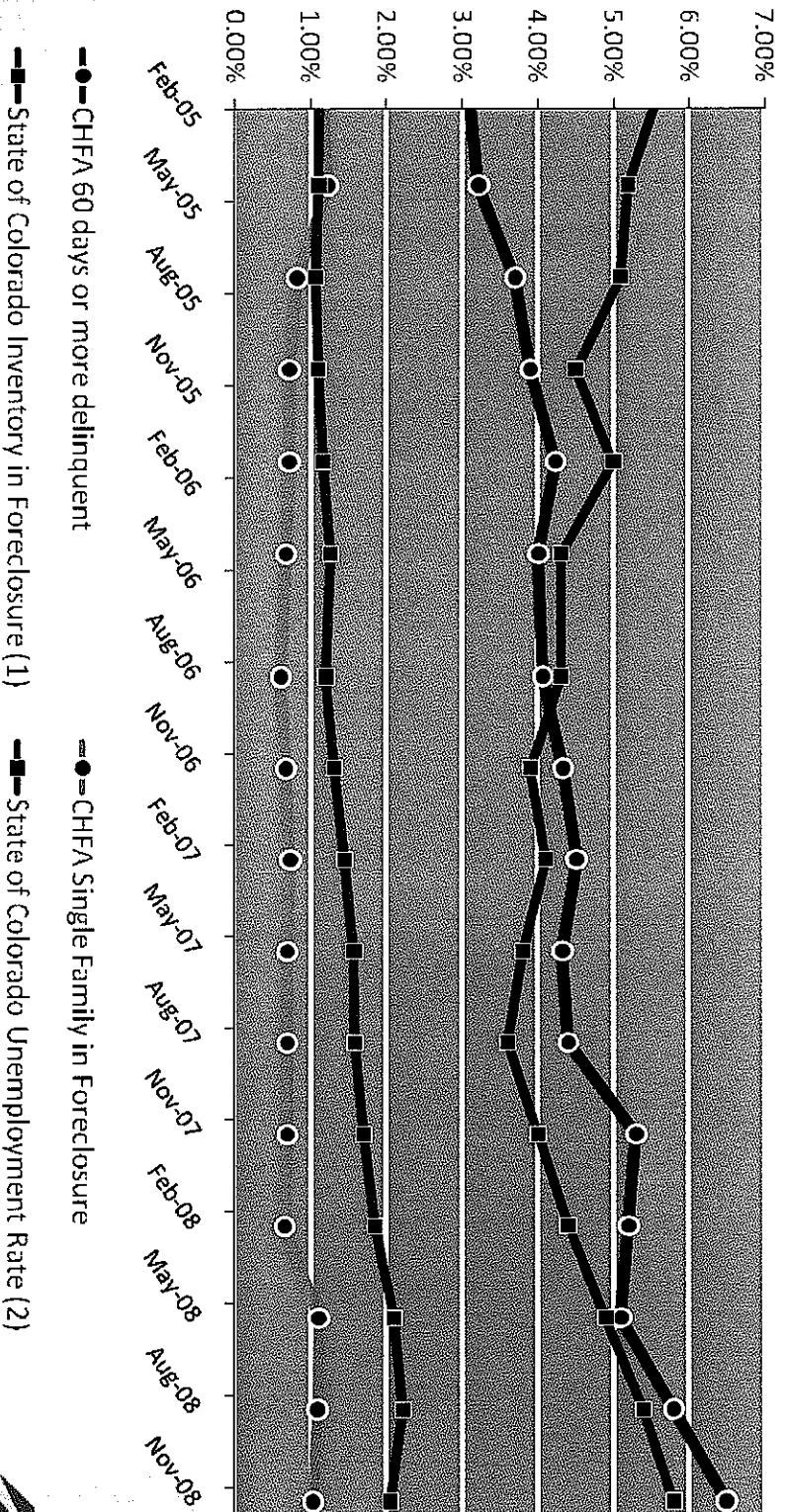


Year 2007 Total:

\$3,596MM



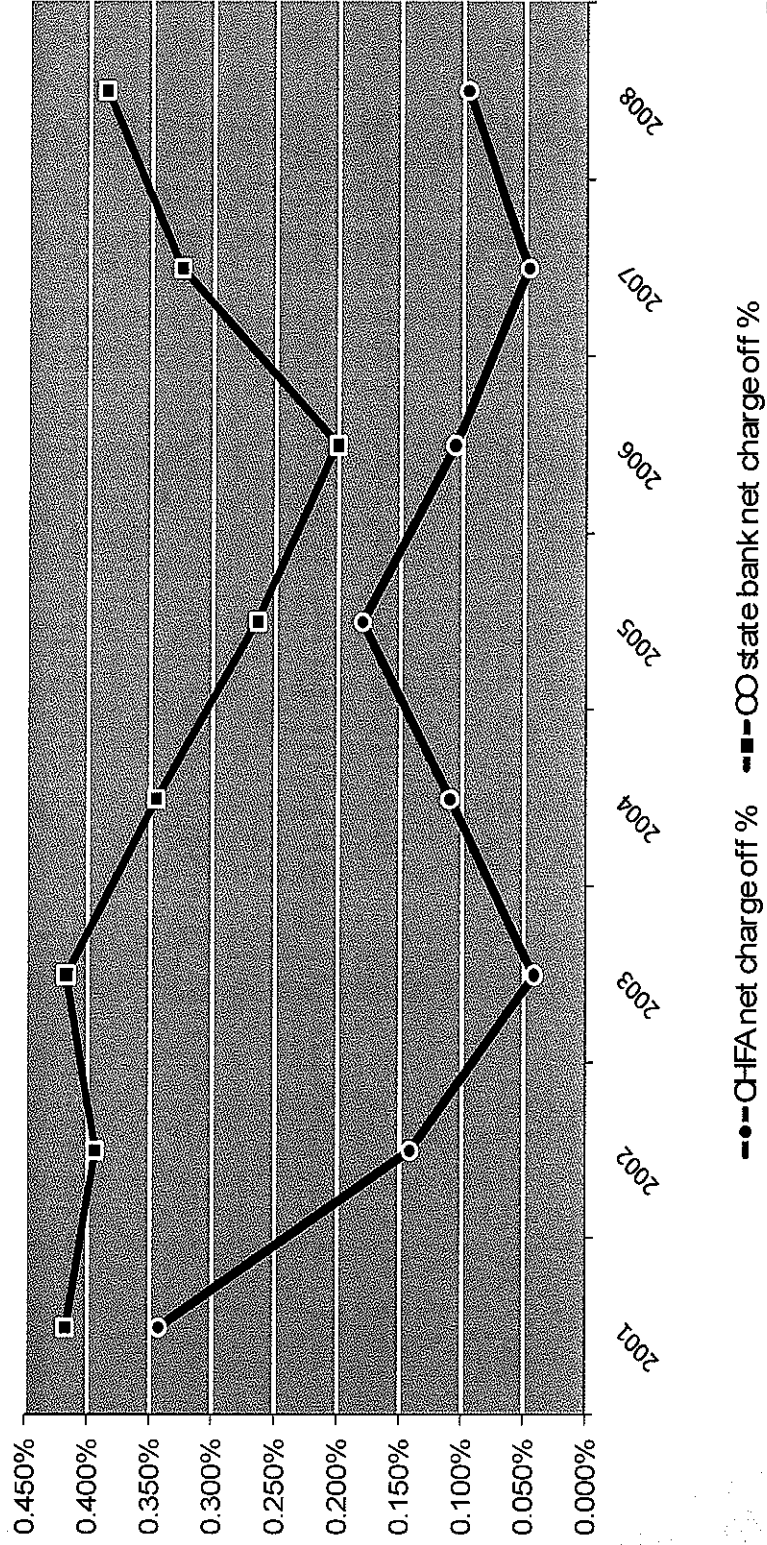
Single Family Delinquency & Foreclosure Statistics



(1) Mortgage Bankers Association National Delinquency Survey
 (2) Colorado Department of Labor and Employment



Net Charge-Off Analysis as of 12/31/08 CHFA & Colorado Banks



Colorado bank data from FDIC banking statistics



Bond Program Indentures

- ▼ Single Family Mortgage Bonds Indenture
- ▼ Multi-Family Project Bonds Indenture
- ▼ Multi-Family Housing Insured Mortgage Revenue Bonds Indenture
- ▼ Single Family Senior and Subordinate Bonds Indenture



Single Family Mortgage Bonds Indenture

Parity Indenture:
Asset composition:

Established in 2001
 FHA, VA, conventional insured and uninsured
 single family mortgage loans
 Active with three tranches

Status:
Overall Assets:
Overall Liabilities:
Fund Balance:
Overall Parity:
Class I Parity:
Class II Parity:
Class III Parity:
% Variable rate bonds:
% Fixed rate bonds:
% of Variable rate bonds hedged:

\$2.356 Billion
 \$2.284 Billion
 \$71.836 Million
 103.10%
 117.98%
 107.68%
 103.14%
 86.89%
 13.11%
 79.83%

Ratings:	S&P	Moody's	Fitch
Class I	AAA	Aaa	None
Class II	AA	Aa2	None
Class III ¹	A+	A1	None

¹ Note: Class III ratings based on GO pledge of CHFA and Issuer Credit Rating
 Analysis is as of November 1, 2008



Multifamily/Project Bonds Indenture

Parity Indenture:

Established in 2000

Asset composition:

FHA insured multifamily mortgage loans, uninsured multifamily mortgage loans and business loans

Status:

Active multi-tranche indenture

Overall Assets:

\$943.599 Million

Overall Liabilities:

\$889.270 Million

Fund Balance:

\$54.329 Million

Overall Parity:

106.11%

% Variable rate bonds:

90.21%

% Fixed rate bonds:

9.79%

% of Variable rate bonds hedged:

81.31%

Ratings:

Class I

AAA

Aaa

None

Class II

AA

Aa2

None

Class III¹

A+

A1

None

¹ Note: Class III ratings based on GO pledge of CHFA and Issuer Credit Rating Analysis is as of October 1, 2008

Multifamily Housing Insured Mortgage Revenue Bonds Indenture

Parity Indenture:

Asset composition:

Established in 1996
100% insured multi-family mortgage loans
(Consists of FHA Insured- 542 (c), 221(d)(4),
and 221(d)(3))

Status:

In runoff (no longer originating loans but are
actively refunding bonds)

Overall Assets:

\$144.014 Million

Overall Liabilities:

\$128.820 Million

Fund Balance:

\$15.194 Million

Overall Parity:

111.79%

% Variable rate bonds:

22.81%

% Fixed rate bonds:

77.19%

% of Variable rate bonds hedged:

100.00%

Ratings:

Enhanced ¹

Underlying ¹

<u>S&P</u>	<u>Moody's</u>	<u>Fitch</u>
AAA	Aaa	None
AA+	Aa2	None

¹ 2002 Series AA Bonds (Short term rating of 'A-1+'); All other series have no
variable rate bonds and have a long term rating of 'AA+'
Analysis is as of October 1, 2008



Single Family Program Senior & Subordinate Bonds Indenture

Stand alone Indenture:
Asset composition:

Status:

Overall Assets:
Overall Liabilities:
Fund Balance:
Overall Parity:
% Fixed rate bonds:

Ratings:
Senior Bonds
Subordinate Bonds ¹

Established in 1995
 FHA (78% requirement of Indenture), VA,
 conventional insured and uninsured single-
 family mortgage loans
 In run off (no longer acquiring loans under
 this indenture)

\$96.990 Million
 \$73.167 Million
 \$23.876 Million
 132.56%
 100.00%

S&P	Moody's	Fitch
None	Aaa	None
None	A1	None

¹ Subordinate bonds ratings based on GO pledge of CHFA and issuer credit rating
 Analysis is as of November 1, 2008



Interest Rate Swaps as of 12/31/08

CHFA SWAP Counterparty Summary

counterparty	notional amount	concentration	ratings Moody's/S&P
Barclays Bank PLC	751,420,000	32.70%	Aa1/AA-
RBC	205,515,000	8.94%	Aaa/AA-
JPMorgan	333,700,000	14.52%	Aa1/Aa-
AIG	402,845,000	17.53%	A3/A-
Bayerische	45,640,000	1.99%	Aaa/AAA
Bank of America	386,685,000	16.83%	Aa2/AA-
Morgan Stanley	6,150,000	0.27%	Aaa/AAA
UBS	40,870,000	1.78%	Aa2/A+
Citi	124,865,000	5.43%	Aa3/A+
total	2,297,690,000	100.00%	

- ▶ Outstanding notional of Single Family swaps is \$1,605,985,000
- ▶ Outstanding notional of Multi Family swaps is \$691,705,000



Bond Reserve Investments as of 12/31/08

Institution	Description	Rating Moody's/S&P	Amount	Concentration
AEGON	Guaranteed Investment Contract (GIC)	Aaa/AAA	7,894,849	1.42%
BAYERISCHE LANDESBANK	Guaranteed Investment Contract (GIC)	Aaa/AAA	2,458,906	0.44%
FGIC CAPITAL MARKETS	Guaranteed Investment Contract (GIC)	Aaa/AAA	13,094,976	2.35%
HSBC	Guaranteed Investment Contract (GIC)	AA1/AA	811,159	0.15%
MBIA	Guaranteed Investment Contract (GIC)	Baa1/AA	116,105	0.02%
NATIXIS	Guaranteed Investment Contract (GIC)	Aa3/AA	64,276,838	11.54%
RABOBANK	Guaranteed Investment Contract (GIC)	Aaa/AAA	5,500,000	0.99%
RBC	Guaranteed Investment Contract (GIC)	Aaa/AA-	9,613,500	1.73%
TRANSAMERICA	Guaranteed Investment Contract (GIC)	Aa3/AA	48,099,866	8.63%
TRINITY	Guaranteed Investment Contract (GIC)	Aaa/AAA	64,601,704	11.60%
WESTLB AG	Guaranteed Investment Contract (GIC)	Aa1/AA+	15,504,781	2.78%
CHFA INVESTMENT AGMT	Collateralized Investment Agreement	N/A	332,200	0.06%
COLOTRUST	Money Market Fund	Aaa/AAA	2,629,036	0.47%
HERITAGE M MKT	Money Market Fund	Aaa/AAA	22,985,194	4.13%
DREYFUS M MKT	Money Market Fund	Aaa/AAA	106,320,063	19.09%
CHFA VARIABLE BONDS	CHFA Issued Mortgage Rev Bonds	A1/A+ or Higher	109,280,000	19.62%
MUNICIPAL BONDS	US Municipal Bonds	Aa/AA or Higher	9,786,279	1.76%
US TREASURY BONDS	US Treasury Bonds	Aaa/AAA	428,381	0.08%
US GOV'T AGENCY BONDS	US Government Agency Bonds	Aaa/AAA	73,313,090	13.16%
Total			557,046,928	100.00%



CHFA's Plan of Action

- ▼ Federal Level
 - ▼ NCSHA, Economic Stimulus, TARP II
- ▼ State Level
 - ▼ Working with Governor, Legislature
- ▼ Internal
 - ▼ New programs for all lines of business
 - ▼ Plan of Finance strategies



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