

**S.E.C. RULE 15c2-12**

**NOTICE OF SPECIFIED EVENT**

Pursuant to the Continuing Disclosure Undertaking in connection with the below-listed issues, the California Housing Finance Agency (“CalHFA”) hereby provides notice of the events described below (the “Specified Events”) related to certain of the following bonds:

**California Housing Finance Agency Home Mortgage Revenue Bonds**

Irrevocable letter of credit (LOC) provided by MUFG Bank, Ltd.

2005 Series A dated January 20, 2005

**Specified Event:**

On July 16, 2020, Moody’s Investors Service (“Moody’s”) upgraded its long-term underlying ratings of the above-captioned bonds to “Aa3” from “A1”. The outlook on these ratings is stable.

The long-term ratings of the Bonds continue to be based on JDA reflecting Moody’s approach to rating jointly supported transactions.

- As a result of underlying rating upgrade, on July 21, 2020, Moody's upgraded the long-term rating on the bonds backed by MUFG Bank, Ltd. Irrevocable letter of credit to "Aa1" from "Aa2"

The short-term VMIG1 rating on all the above-captioned bonds remain unchanged.

These ratings do not constitute any recommendation by CalHFA as to the purchase or sale of any bonds. Prospective purchasers or sellers of bonds should contact Moody’s Investors Service to obtain further explanation of the meaning and significance of such rating. There is no assurance that such ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by Moody’s Investors Service, if in the judgement of Moody’s Investors Service, circumstances so warrant.

**Other Matters:**

This notice is provided pursuant to the respective Continuing Disclosure Agreements executed by CalHFA in connection with the issuance of the Bonds. The filing of this notice does not constitute or imply any representation regarding any other financial or operating information about CalHFA or the Bonds or any representation that no other circumstances or events have occurred which may have a bearing on the CalHFA’s financial condition or an investor’s decision to buy, sell or hold the Bonds.

Dated: July 21, 2020

**California Housing Finance Agency**



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Timothy Hsu, Interim Director of Financing

**Rating Action: Moody's upgrades to Aa1 LOC-backed California Housing Finance Agency Home Mortgage Revenue Bonds, Series 2005 A**

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21 Jul 2020

New York, July 21, 2020 -- Moody's Investors Service (Moody's) has upgraded to Aa1 from Aa2 the letter of credit backed rating of California Housing Finance Agency, Home Mortgage Revenue Bonds (AMT) (Variable), Series 2005 A (the Bonds). The short-term VMIG 1 rating assigned to the Bonds remains unchanged.

**RATINGS RATIONALE**

Moody's reviewed the long-term rating of the Bonds following Moody's upgrade of the California Housing Finance Agency Home Mortgage Revenue Bonds rating to Aa3 from A1 on July 16, 2020. For more information on that rating action please see the press release published on such date.

The long-term enhanced rating of the Bonds is based upon joint default analysis (JDA) which reflects Moody's approach to rating jointly supported transactions. The JDA rating is based on the long-term Counterparty Risk (CR) Assessment of MUFG Bank, Ltd. (the Bank), A1(cr), as provider of the Letter of Credit, the underlying rating of the Bonds, and the structure and legal protections of the transaction which provide for timely debt service payments to investors. Moody's long-term underlying rating on the Bonds is Aa3.

**FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING**

- Moody's upgrades the long-term CR Assessment of the Bank or the long-term underlying rating of the Bonds.

**FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING**

- Moody's downgrades the underlying rating of the Bonds or the long-term CR Assessment of the Bank.
- Moody's determines that the default dependence between the California Housing Finance Agency and the Bank increased.

The principal methodology used in this rating was Rating Transactions Based on the Credit Substitution Approach: Letter of Credit-backed, Insured and Guaranteed Debts published in May 2017 and available at [https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC\\_1068154](https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_1068154) . Alternatively, please see the Rating Methodologies page on [www.moody's.com](http://www.moody's.com) for a copy of this methodology.

**REGULATORY DISCLOSURES**

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: [https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC\\_79004](https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_79004).

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at [https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC\\_1133569](https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_1133569).

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