CREDIT RATINGS AND CAPITAL MARKETS UPDATE

AGENDA #5

JANUARY 22, 2026

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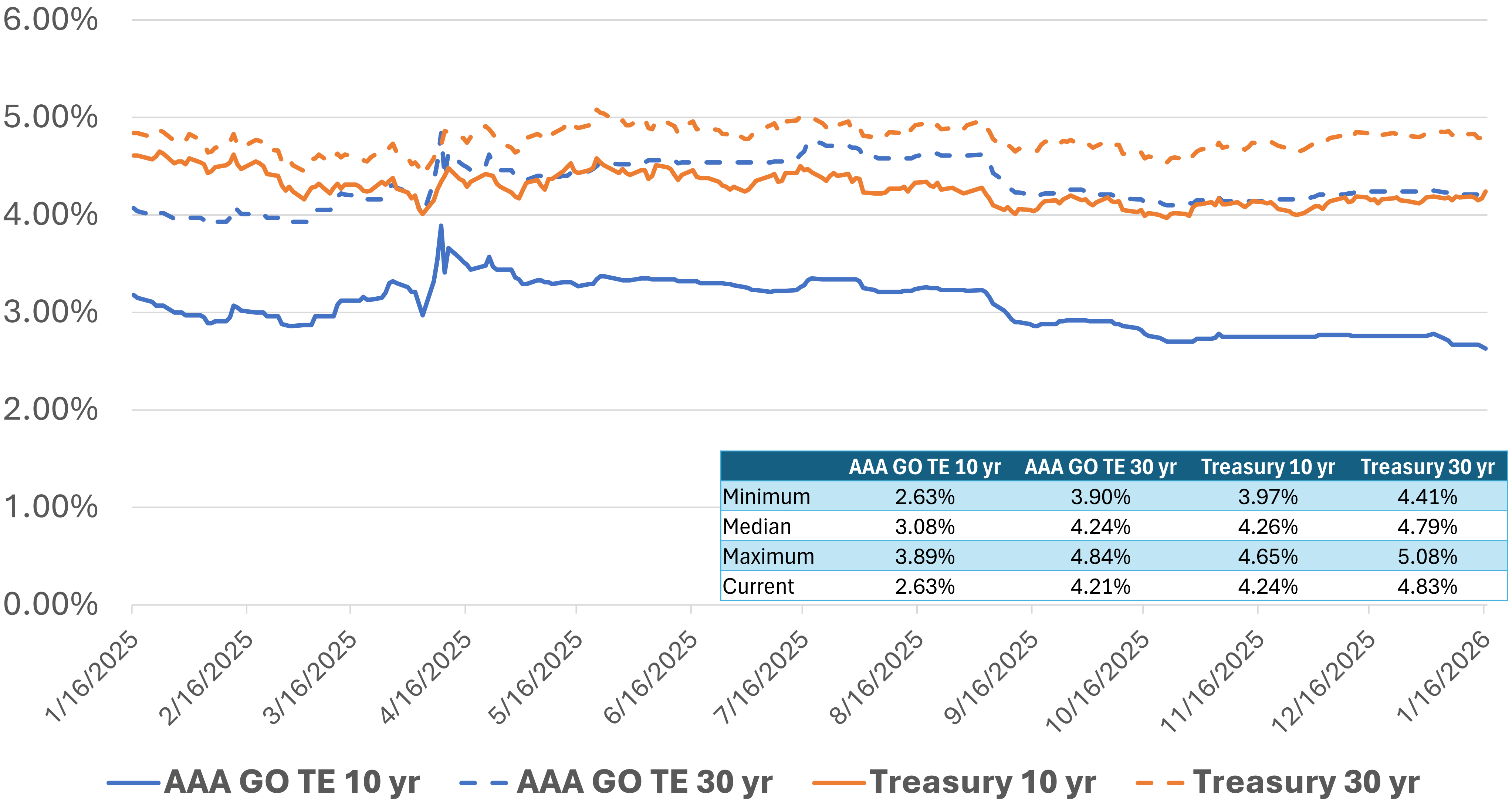
CalHFA Works Across Different Capital Markets

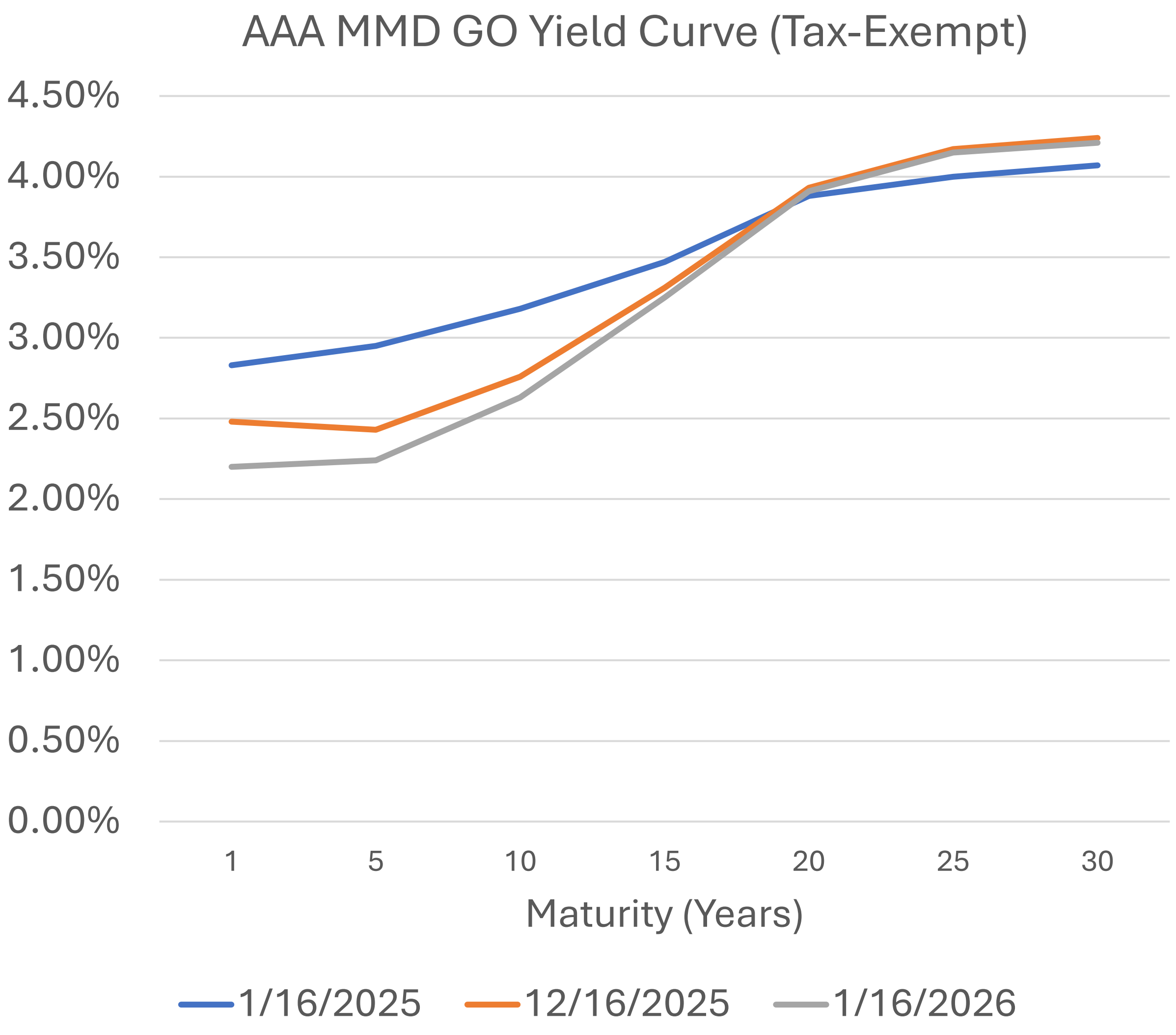
	Agency Specified MBS Market	Taxable Municipal Bond Market	Tax-Exempt Municipal Bond Market
Trading Volume (Est. Avg. Daily)	\$350 billion	\$1.4 trillion (US Treasury Market)	\$15 billion
CalHFA Purpose	Finances 1st lien loans for Single Family Programs	Finances 1st lien and subordinate loans for MyAccess Program	Finances permanent loans for Multifamily Programs
Key Drivers	Macroeconomic Factors Housing demand Former Fed QE Actions	Macroeconomic Factors Fiscal Policy Geopolitical Risk	Macroeconomic Factors Marginal Tax Rates Liquidity
Key Spot Maturities	n/a	5, 10, and 30 Year (Treasury)	15 and 30 Year

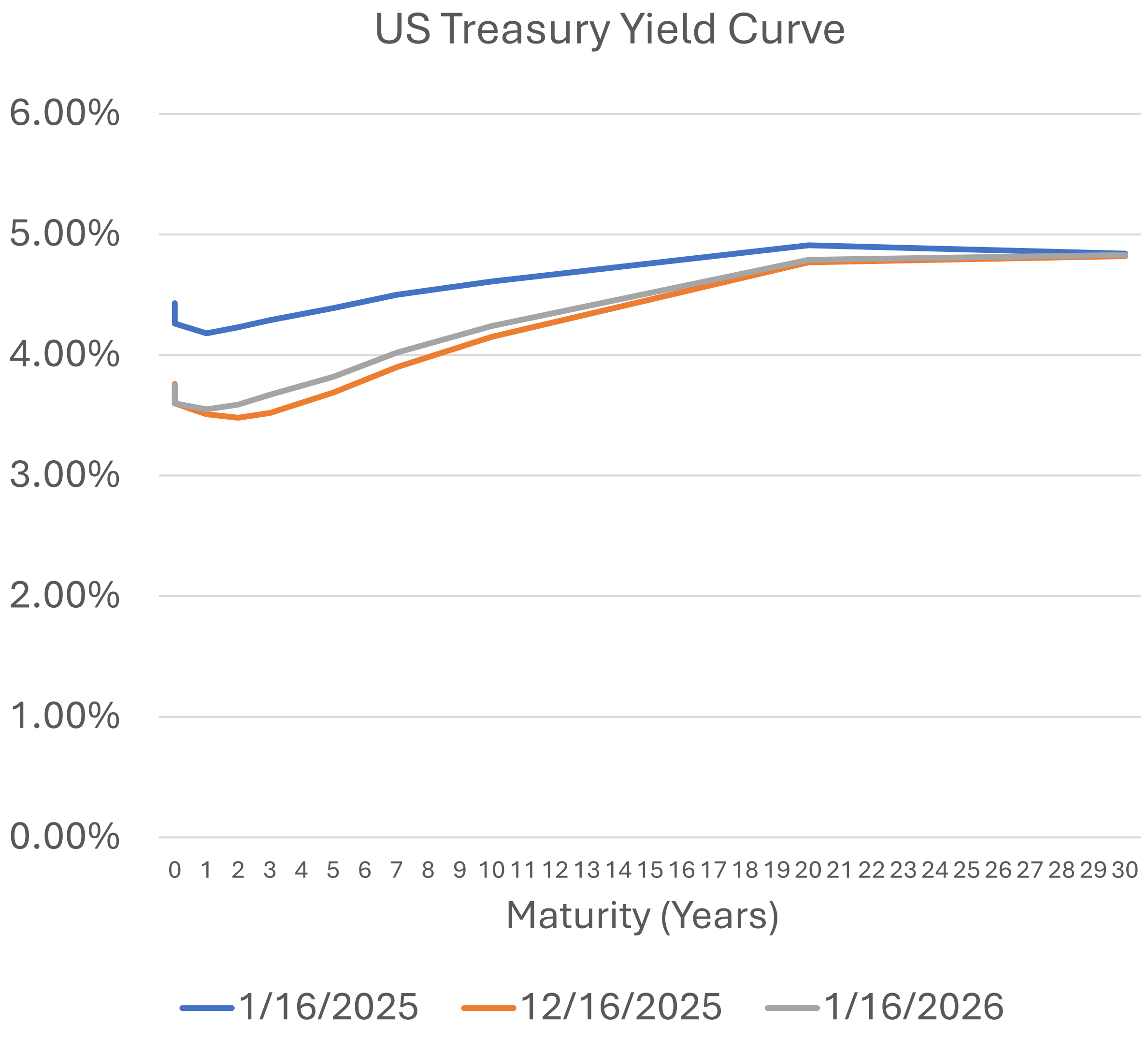
Historical Interest Rates (January 2025 – January 2026)



	AAA GO TE 10 yr	AAA GO TE 30 yr	Treasury 10 yr	Treasury 30 yr
Minimum	2.63%	3.90%	3.97%	4.41%
Median	3.08%	4.24%	4.26%	4.79%
Maximum	3.89%	4.84%	4.65%	5.08%
Current	2.63%	4.21%	4.24%	4.83%

US Treasury and Tax-exempt Yield Curves





CalHFA Recent Single-Family Rates

- Short-term policy actions produced only a temporary rate impact. On January 8, 2026, the President announced purchases of $200 billion in MBS to lower mortgage rates, causing conventional rates to briefly decline before retracing

- Despite federal support for MBS markets, broader interest-rate pressures (Treasury yields, inflation expectations, and risk premiums) pushed conventional rates back to 6.0%. Overall governmental rates have generally remained flat

	01/05	01/06	01/07	01/08	01/09	01/12	01/13	01/14	01/15	01/16	01/20
30 Year Conv. (no DPA)	6.000%	6.000%	6.000%	6.000%	5.875%	5.750%	5.875%	5.875%	5.875%	5.875%	6.000%
30 Year FHA	5.875%	5.875%	5.875%	5.875%	5.875%	5.625%	5.625%	5.875%	5.625%	5.875%	6.000%
30 Year FHA (MyAccess)	6.750%	6.750%	6.750%	6.750%	6.750%	6.750%	6.750%	6.750%	6.750%	6.750%	6.750%

Economic Forecast

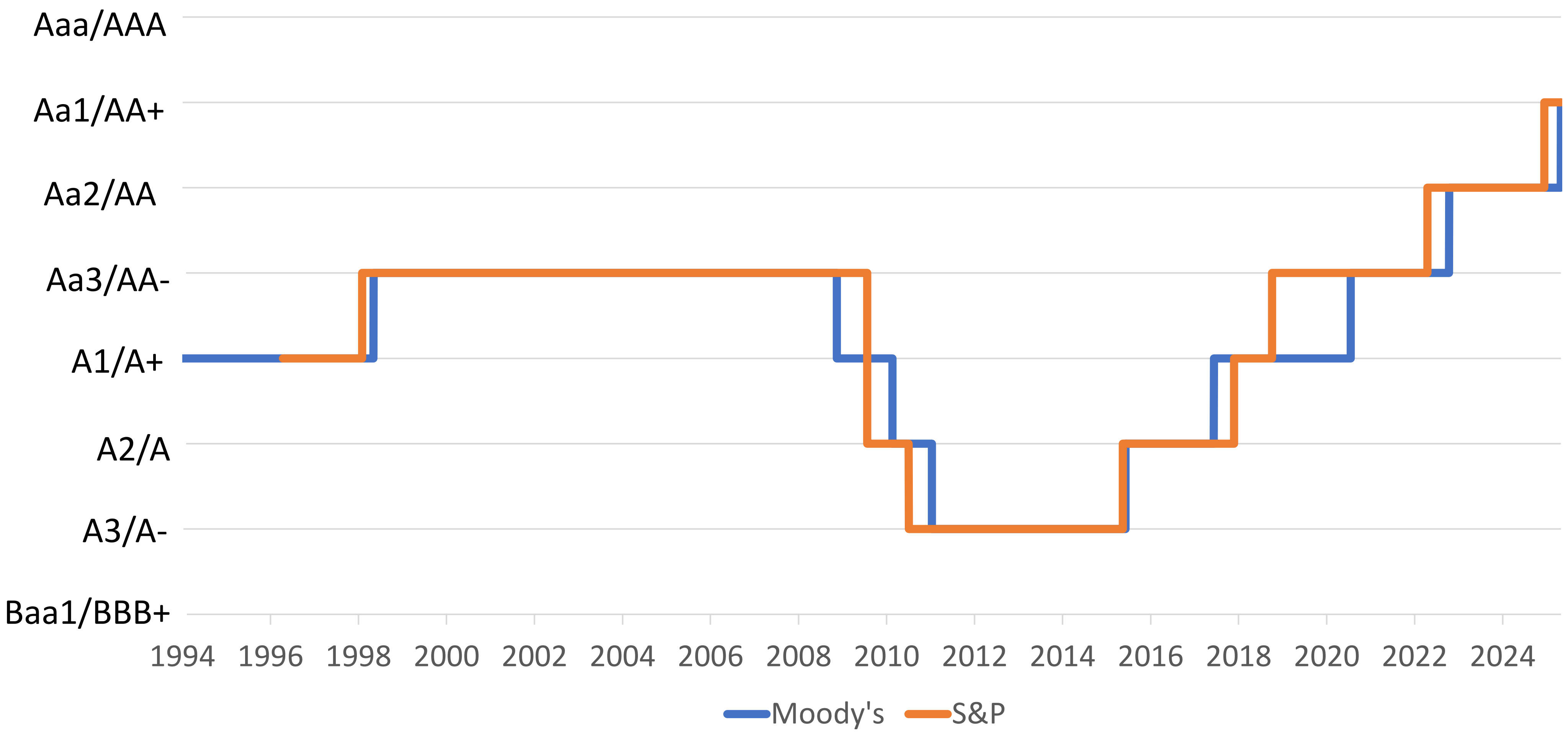
- The Fed is projected to cut gradually, with 2 cuts in calendar year 2026
- Economic growth moderates to 2% annually but remains resilient
- Yield curve steepens as rate cuts occur

	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	1Q27E
Fed Funds Rate	4.25%	4.25%	4.25%	4.00%	3.75%	3.60%	3.40%	3.40%	3.15%	2.90%
2 Year Note	4.2%	4.0%	4.1%	4.0%	3.8%	3.7%	3.6%	3.45%	3.2%	3.0%
10 Year Note	4.0%	3.8%	4.0%	4.0%	4.1%	4.3%	4.2%	4.2%	4.1%	4.0%
GDP (QoQ)	2.5%	2.5%	2.5%	3.0%	4.3%	2.5%	2.3%	2.2%	2.1%	2.0%
CPI YoY	3.0%	3.0%	3.0%	2.7%	2.7%	2.78%	2.7%	2.6%	2.5%	2.4%
Unemployment	3. 8%	3.9%	4.0%	4.2%	4.5%	4.4%	4.5%	4.6%	4.7%	4.8%

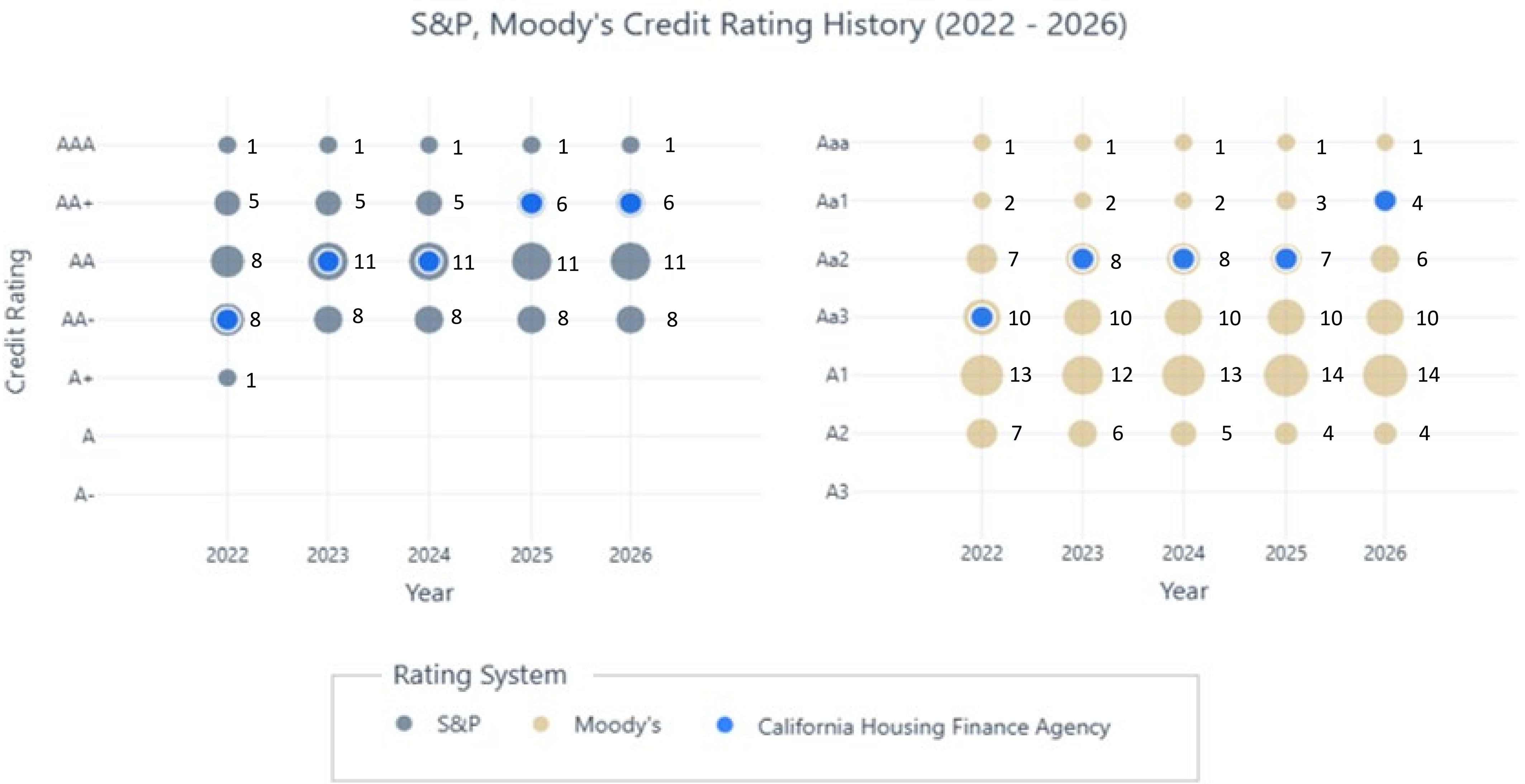
CalHFA's Credit Ratings

- CalHFA maintains both issuer and issue credit ratings with S&P Global Ratings and Moody's Ratings
- **Issuer Rating**: Opinion of CalHFA's overall creditworthiness, ability to meet financial commitments
  - S&P: AA+ (Stable)
  - Moody's: Aa1 (Stable)
- **Issue Rating**: Opinion of the creditworthiness of a specific financial obligation issued by CalHFA
  - Affordable Housing Revenue Bonds (Multifamily): AA (Stable) / Aa2 (Stable)
  - Homeownership Mortgage Revenue Bonds (Single Family): AA+ (Stable)/ Aa1 (Negative)

CalHFA Historical Issuer Credit Ratings (Moody's and S&P Ratings)



Credit Ratings



Governance and Management Remain Key Criteria

S&P 2025 Issuer Credit Rating Report:

- "We view CalHFA's management team as extremely strong, with experienced, dedicated senior staff and guided by detailed strategic plans, initiatives, and policies."

Moody’s 2026 Issuer Credit Rating Report:

- “The upgrade is based on very strong metrics compared to Agency peers, including asset-to-debt ratio and margins, solid loan performance and strong governance by management.”