



Board of Directors

Agenda Item #2

Resolution accepting the parameter term proposal for the purchase of not exceeding One Hundred Million Dollars (\$100,000,000) of Louisiana Housing Corporation Single Family Convertible Option COBs in one or more series or subseries; fixing the parameter terms of said COBs and otherwise providing with respect to said COBs; approving the form and directing the execution of the COB Purchase Contract for said COBs; and providing for other matters in connection with the foregoing.

December 13, 2017

LOUISIANA HOUSING CORPORATION

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

RESOLUTION

A resolution accepting the parameter term proposal for the purchase of not exceeding One Hundred Million Dollars (\$100,000,000) of Louisiana Housing Corporation Single Family Convertible Option COBs in one or more series or subseries; fixing the parameter terms of said COBs and otherwise providing with respect to said COBs; approving the form and directing the execution of the COB Purchase Contract for said COBs; 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 November 8, 2017, adopted a resolution (the “**Authorizing Resolution**”) approving and authorizing the issuance of not exceeding One Hundred Million Dollars (\$100,000,000) of Louisiana Housing Corporation Single Family Convertible Option COBs (the “**COBs**”) in one or more series to finance mortgage loans for first- time homebuyers throughout the State; and

WHEREAS, the Corporation did meet on December 13, 2017 at ____ p.m., Louisiana time, for the purpose of receiving and considering the proposal of Raymond James & Associates, Inc., as underwriter (the “**Underwriter**”) and taking action with respect to the parameter sale of not exceeding One Hundred Million Dollars (\$100,000,000) of COB 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 Underwriter for the purchase of not exceeding One Hundred Million Dollars (\$100,000,000) of Single Family Convertible Option COBs (the “**COBs**”) in one or more series or subseries at interest rates not exceeding twelve percent (12%) per annum, and for a maturity not exceeding 45 years, authorized under and pursuant to the provisions of a Series Supplemental Trust Indenture (the “**COB Series Supplemental**”) to the Indenture of Trust dated as of May 1, 1998 (the “**Master Indenture**”, together with the COB Series Supplemental, the “**Indenture**”), by and between Hancock

Whitney Bank (the "Trustee"), and the Corporation be, and the same are hereby awarded to the Underwriter in accordance with the terms of the COB Purchase Contract referred to in Section 3 hereof. The sale and delivery of the COBs 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 COBs in accordance with said COB Purchase Contract is hereby authorized and approved. The Chairman and 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 Co-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. Hancock Whitney Bank shall be designated as Trustee and Paying Agent with respect to the COBs.

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

SECTION 4. The COBs will be dated, will be in the denominations and will have all the terms set forth in the Indenture and the COB Purchase Contract. The COBs shall be secured by the Trust Estate as defined in the Indenture 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 COBs which may be offered to the public, 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 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 COBs to the Underwriter or deemed by any of them necessary or advisable to implement this resolution, the Indenture or the COB Purchase Contract, or to facilitate the sale of the COBs pursuant to a public offering or a private placement.

SECTION 8. The Chairman and Executive Director of the Corporation shall cause to be executed for and on behalf of the Corporation the aforementioned COBs in accordance with the

Indenture, and shall effect the delivery thereof to the Underwriter in accordance with the COB Purchase Contract. The Secretary of the Corporation shall receive from the Underwriter for the account of the Corporation the purchase price of the COBs 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 13th day of December, 2017.

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 pages constitute a true and correct copy of a resolution adopted by said Board of Directors on December 13, 2017, entitled: “A resolution accepting the parameter term proposal for the purchase of not exceeding One Hundred Million Dollars (\$100,000,000) of Louisiana Housing Corporation Single Family Convertible Option COBs in one or more series or subseries; fixing the parameter terms of said COBs and otherwise providing with respect to said COBs; approving the form and directing the execution of the COB Purchase Contract for said COBs; 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 13th day of December, 2017.

Secretary

(SEAL)

EXHIBIT A

\$ 100,000,000
Louisiana Housing Corporation
Single Family Mortgage Revenue Convertible Option Bonds
Series 2017

PRELIMINARY COST OF ISSUANCE		
	(USD)	(USD/Bond)
Estimated Par Amount	\$ 100,000,000.00	
Underwriter's Discount		
Takedown - Raymond James	\$ 125,000.00	\$ 1.250
Management Fee - Raymond James	20,000.00	0.200
Underwriters' Expenses ⁽¹⁾	35,000.00	0.350
Gross Underwriter's Spread	\$ 180,000.00	1.800
(1) Underwriter's Expenses - Detail		
Underwriters' Counsel Fee - Breazeale Sache	\$ 20,000.00	0.200
Underwriters' Counsel Expenses - Breazeale Sache	1,500.00	0.015
Underwriters' Counsel Blue Sky Memo - Breazeale Sache	-	0.000
Dalnet/I-DEAL Book Running	6,180.00	0.062
Dalnet/I-DEAL Electronic Order Entry Charge	1,500.00	0.015
Dalnet/I-DEAL Wire Charges	135.00	0.001
DTC	350.00	0.004
CUSIP	173.00	0.002
Day Loan	2,777.78	0.025
Travel, FedEx, Other	2,384.22	0.024
Total U/D Expenses	\$ 35,000.00	0.347
Estimated Cost of Issuance - Detail		
Co-Bond Counsel Fee - Foley & Judell (Calculated at 70% of AG Schedule)	\$ 37,500.00	\$ 0.375
Co-Bond Counsel Expenses - Foley & Judell	2,500.00	0.025
Co-Bond Counsel Fee - Jones Walker (Calculated at 70% of AG Fee Schedule)	37,500.00	0.375
Co-Bond Counsel Expenses - Jones Walker	2,500.00	0.025
Financial Advisor - Government Consultants	25,000.00	0.250
Trustee Acceptance Fee and 1st Monthly Fee - Whitney Bank	5,000.00	0.050
Trustee's Counsel - Gregory A. Pletsch & Assoc.	5,000.00	0.050
State Bond Commission	41,775.00	0.418
Rating Agency - Moody's	7,750.00	0.078
Printing - Imagemaster	2,000.00	0.020
LHC Publishing, Advertising and Recording Expenses	2,500.00	0.025
LHC Misc. Expenses	0.000	
Total Other Estimated Cost of Issuance	\$ 169,025.00	1.690
Estimated Total Cost of Issuance & Underwriter's Discount	\$349,025.00	\$3.490

EXHIBIT GOVERNING LHC 2017A COB CONVERSION

GENERAL PROVISIONS APPLICABLE TO CONVERSION

Section 1.01. Definitions. Capitalized terms used in this Exhibit but not defined herein shall have the meanings ascribed thereto in the Thirty-Seventh Series Supplemental Indenture.

“COB” means the Convertible Option Bonds.

“COB Conversion” means the conversion of all or a portion of the COBs to a Long Term Rate.

“Convert,” “Converted” or “Conversion,” as appropriate, means the conversion of the interest rate on any of the COBs to a Long Term Rate.

“Election Certificate” means the certificate delivered to the Rating Agency, the Trustee, the Remarketing Agent, and Co-Bond Counsel, which sets forth for each Mandatory Tender Date, the Corporation’s selection to (i) establish a Subsequent Mandatory Tender Date for all or a portion of the COBs, (ii) Convert all or a portion of the COBs, and/or (iii) redeem all or a portion of the COBs; provided however, that a selection of (i) or (ii) shall require the Corporation to deliver on or prior to such Mandatory Tender Date (a) a Cash Flow Statement, (b) a non-adverse opinion of Co-Bond Counsel, and (iii) written confirmation from the Rating Agency that no-adverse affect on the current rating shall occur as a result of such “Election.”

“Long Term Rate” means a fixed rate of interest on Converted Bonds established through a remarketing of all or any portion of COBs on a Mandatory Tender Date in accordance with the Indenture for the purpose of providing funds to enable to the Corporation to purchase Guaranteed Mortgage Securities.

“Subsequent Mandatory Tender Date” means, for those COBs that have not been Converted, or redeemed on a Mandatory Tender Date, any Subsequent Mandatory Tender Date designated by the Corporation.

Section 1.02. COB Conversion. (A) The Corporation may elect any Option for the COBs on any Mandatory Tender Date.

(B) Any COBs that are Converted will bear interest at the Long Term Rates determined upon such Conversion until the maturity or prior redemption thereof. The Remarketing Agent shall determine the rates on the Long Term Rate Bonds as those rates which, in the determination of the Remarketing Agent, would enable the Remarketing Agent to sell the Converted Bonds on the Mandatory Tender Date at the principal amount thereof, or at such other price as to which the Trustee shall have received a no-adverse opinion of Co-Bond Counsel.

(C) Upon Conversion of all or any portion of a COB, the principal amount of COBs so Converted shall be allocated, in accordance with Section 1.03 hereof, to serial Bonds and term

Bonds, and to sinking fund installments for any such term Bonds, on the basis set forth in said Section.

(D) On any Mandatory Tender Date, all such COBs subject to such Conversion on such Mandatory Tender Date shall automatically, upon such Conversion, bear a new Subseries designation. The Corporation shall establish such other separate subaccounts within the Accounts as necessary to adequately segregate moneys and funds between COBs and such Converted COBs.

Section 1.03. Post COB Conversion Maturity Structure. COBs may be Converted into Long Term Rate Bonds based on any of the following options, each of which is a separate option and shall be specified in the Election Certificate delivered in connection with such COB Conversion:

(A) The Corporation may create serial Bonds and term Bonds for the COBs being Converted within a Bond amortization schedule as follows (or pursuant to such other method selected by the Corporation following delivery to the Trustee of a no-adverse opinion of Co-Bond Counsel):

(1) the principal amount shall be divided into tranches which shall be in amounts in each such year, commencing with the June 1 or December 1 which is at least six months subsequent to the applicable date of Conversion, which produce substantially equal semi-annual payments of principal, sinking fund redemption price and interest, subject to such adjustments as are necessary to accommodate the minimum Authorized Denomination, in a principal amount aggregating the principal amount of such maturity Converted.

(2) each tranche commencing with the first date following the date of Conversion or remarketing date through and including the tranche date that occurs no later than 10 years and 1 month following the applicable date of Conversion shall each be designated a serial Bond ("Serial Bond") due on the corresponding date;

(3) the tranches following the final Serial Bond maturity through and including the tranche date occurring no later than 15 years and 1 month following the Mandatory Tender Date shall be combined into a single term Bond ("Term Bond 1") with a maturity date corresponding to the tranche date occurring no later than 15 years and 1 month following the applicable date of Conversion and which shall have sinking fund installments which produce substantially equal annual payments of principal, redemption price and interest, subject to such adjustments as are necessary to accommodate the minimum Authorized Denomination, in a principal amount (equal in the case of each Long Term Rate Bond to an Authorized Denomination) aggregating the principal amount of such maturity converted on such date of Conversion;

(4) the tranches following the maturity date of Term Bond 1 through and including the tranche date occurring no later than 20 years and 1 month following the date of Conversion shall be combined into a single term Bond ("Term Bond 2") with a maturity date corresponding to the tranche date occurring no later than 20 years and 1

month following the applicable date of Conversion and which shall have sinking fund installments which produce substantially equal annual payments of principal, redemption price and interest, subject to such adjustments as are necessary to accommodate the minimum Authorized Denomination, in a principal amount (equal in the case of each Long Term Rate Bond to an Authorized Denomination) aggregating the principal amount of such maturity converted on such date of Conversion;

(5) the tranches following the maturity date of Term Bond 2 through and including the tranche date occurring no later than 25 years and 1 month following the date of Conversion shall be combined into a single term Bond ("Term Bond 3") with a maturity date corresponding to the tranche date occurring no later than 25 years and 1 month following the applicable date of Conversion and which shall have sinking fund installments which produce substantially equal annual payments of principal, redemption price and interest, subject to such adjustments as are necessary to accommodate the minimum Authorized Denomination, in a principal amount (equal in the case of each Long Term Rate Bond to an Authorized Denomination) aggregating the principal amount of such maturity converted on such date of Conversion; and

(6) the tranches following the maturity date of Term Bond 3 through and including the tranche date occurring no later than 30 years and 1 month following the date of Conversion shall be combined into a single term Bond ("Term Bond 4") with a maturity date corresponding to the tranche date occurring no later than 30 years and 1 month following the applicable date of Conversion and which shall have sinking fund installments which produce substantially equal annual payments of principal, redemption price and interest, subject to such adjustments as are necessary to accommodate the minimum Authorized Denomination, in a principal amount (equal in the case of each Long Term Rate Bond to an Authorized Denomination) aggregating the principal amount of such maturity converted on such date of Conversion; and

(7) the tranches following the maturity date of Term Bond 4 through and including the tranche date occurring no later than 35 years and 1 month following the date of Conversion shall be combined into a single term Bond ("Term Bond 5") with a maturity date corresponding to the tranche date occurring no later than 35 years and 1 month following the applicable date of Conversion and which shall have sinking fund installments which produce substantially equal annual payments of principal, redemption price and interest, subject to such adjustments as are necessary to accommodate the minimum Authorized Denomination, in a principal amount (equal in the case of each Long Term Rate Bond to an Authorized Denomination) aggregating the principal amount of such maturity converted on such date of Conversion; and

(8) the tranches following the maturity date of Term Bond 5 through and including the last sinking fund installment date on the Bond amortization schedule shall be combined into a single term Bond ("Term Bond 6") with a maturity date corresponding to the last tranche date on the Bond amortization schedule.

(9) In no event shall the final maturity of any serial or term Bonds exceed the Maturity Date.

(B) The final maturity of COBs being Converted (determined in accordance with subsection (A)) may be designated as **PAC Bonds**, and in such case shall be subject to redemption at par from **Mortgage Prepayments** from Guaranteed Mortgage Securities financed by such Subseries prior to the redemption of other Bonds of such Subseries, but only to the extent that the Outstanding principal amount of such Subseries following such redemption is not less than the hereinafter described PAC Bond Outstanding Applicable Amount (the “PAC Bond Outstanding Applicable Amount”) required to remain outstanding for each respective six month period indicated in an Election Certificate; such PAC Bond Outstanding Applicable Amounts are calculated based on the assumed receipt of Prepayments received with respect to the Federal Agency Certificates financed by that Subseries, at 100 percent of the mortgage prepayment experience of the Securities Industry and Financial Markets Association (“SIFMA”) (formerly Bond Markets Association) (“PSA” or “PSA Prepayment Model”).

The PAC Bond Outstanding Applicable Amount for each period shall be calculated based upon assumptions (the “PAC Bond Assumptions”) concerning the receipt of Mortgage Prepayments with respect to the Guaranteed Mortgage Securities representing First Mortgage Loans acquired or financed with proceeds of such Subseries, at a rate equal to 100% of PSA (the minimum PAC Bond Outstanding Applicable Amount) but not greater than 400% of PSA (the maximum PAC Bond Outstanding Applicable Amount), as further described below. One hundred percent PSA assumes prepayment rates of 0.2 percent per year of the then-unpaid principal balance of such pool of mortgage loans in the first month of the life of such mortgage loans and an additional 0.2 percent per year in each month thereafter (for example, 0.4 percent per year in the second month) until the 30th month. Beginning in the 30th month and in each month thereafter during the life of the mortgage loans in such pool, 100% PSA assumes a constant prepayment rate of the mortgage loans in such pool of six percent per year. Multiples will be calculated from this prepayment rate sequence; e.g., 400% PSA assumes prepayment rates will be 0.8 percent per year in month one, 1.6 percent per year in month two, reaching 24 percent per year in month 30 and remaining constant at 24 percent per year thereafter.

The PAC Bond options described above may also utilize, in lieu of 100% of PSA, 75% or 125%, and in lieu of 400% of PSA, [____]% or [500]%. Such calculation shall also assume that: (i) First Mortgage Loans acquired or financed with proceeds of the related Subseries of the Bonds will have 30-year terms with level principal amortization, (ii) all Converted Bond proceeds will be used to acquire Guaranteed Mortgage Securities, (iii) all scheduled **Principal Payments**, scheduled interest payments, and Prepayments on the First Mortgage Loans financed by such Converted Bonds will be timely received and no foreclosure losses occur on such First Mortgage Loans.

(C) The PAC Bonds determined in accordance with subsection (B) may have a rate designated by the Remarketing Agent resulting in a remarketing of such PAC Bonds at a premium, if the Remarketing Agent determines that the yield on such PAC Bonds is lower than the yield on such PAC Bonds if such PAC Bonds were otherwise remarketed at par, but only upon the delivery to the Trustee of a no-adverse opinion of Co-Bond Counsel.

(D) To the extent that PAC Bonds are remarketed at a premium, Converted PAC Bonds of such Subseries shall be repurchased and cancelled in an amount no less than the amount of such premium.

(E) The Corporation may create pass-through term Bonds ("Pass-Through Bonds") for the COBs being converted, in Authorized Denominations of \$1.00 or any multiple thereof, which, commencing on the first day of the month following the COB Conversion (the "Initial Redemption Date"), shall be subject to special mandatory redemption, in whole or in part, on the first day of each month (each an "Interest Payment Date"), at par, in the principal amount equal to all scheduled **Principal Payments** and **Mortgage Prepayments** from the Guaranteed Mortgage Securities financed by that portion of the COBs so Converted [net of any amounts required to otherwise pay debt service on such COBs or replenish any reserves], received by or on behalf of the Corporation in the immediately preceding calendar month (including, with respect to the Initial Redemption Date, amounts received by or on behalf of the Corporation in the month immediately preceding Conversion). If any Pass-Through Bonds are to be redeemed in part upon any such special mandatory redemption or upon any optional redemption under the Indenture, each Pass-Through Bond then outstanding shall be redeemed in part, pro rata, in proportion to the outstanding principal amount of such Pass-Through Bond to the aggregate principal amount of all outstanding Pass-Through Bonds, notwithstanding any other provision of the Indenture requiring selection of Bonds by lot. To effect such pro rata redemptions while such Pass-Through Bonds are held in the DTC book-entry-only system, such redemptions are to be made as a "Pro-Rata Pass-Through Distribution of Principal" by DTC.

Notwithstanding any other provision of the Indenture:

- (1) No notice of redemption will be given to any Bondholders of the date or amount of the mandatory special redemption of Pass-Through Bonds;
- (2) Pass-Through Bonds shall be redeemed in denominations of \$1.00 or any multiple thereof;
- (3) Pass-Through Bonds are not subject to mandatory sinking fund redemption; and
- (4) The Corporation hereby covenants that it will not use revenues attributable to any other Subseries of Bonds for special mandatory redemption of a particular Subseries of Pass-Through Bonds.