



Board of Directors

Agenda Item #10

**Resolution for the Issuance of not exceeding
Thirty Million Dollars of Louisiana Housing
Corporation Single Family Mortgage Revenue
Refunding Bonds**

March 15, 2017

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LOUISIANA HOUSING CORPORATION

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

RESOLUTION

A resolution approving and authorizing the issuance of not exceeding Thirty Million Dollars (\$30,000,000) of Louisiana Housing Corporation Single Family Mortgage Revenue Refunding Bonds (Taxable) in one or more series or subseries; approving the form of a Series Supplemental Trust Indenture in connection with the aforesaid Refunding Bonds; requesting the State Bond Commission to approve the issuance, sale and delivery of the Refunding Bonds; and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Corporation (the “**Corporation**”) was created as a public body corporate and politic and an instrumentality of the State of Louisiana (the “**State**”) pursuant to Act 408 of the 2011 Louisiana Legislature (the “**Housing Reorganization Law**”) which enacted the Louisiana Housing Corporation Act, contained in Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended (R.S.40:600.1 through R.S.40:600.24) (the “**LHC Act**”); and

WHEREAS, pursuant to the Housing Reorganization Law, the Corporation is the successor to the Louisiana Housing Finance Agency (the “**Agency**”); and

WHEREAS, as of midnight, June 30, 2012, the Housing Reorganization Law terminated the Agency and mandated that the Corporation assume and complete the activities, authority, power, duties, functions, programs, obligations, operations and responsibilities and any pending or unfinished business of the Agency with the same power and authority as the Agency; and

WHEREAS, there remain outstanding multiple series of single family mortgage revenue bonds of the Agency (the “**Outstanding Prior Bonds**”) identified in **Schedule I** hereto that are now obligations of the Corporation and that may now be refunded by the Corporation to provide significant present value benefits to the Corporation; and

WHEREAS, the Corporation desires to authorize the issuance of not exceeding Thirty Million Dollars (\$30,000,000) of Louisiana Housing Corporation Single Family Mortgage Revenue Refunding Bonds (Taxable) in one or more series or sub-series (the “**Refunding Bonds**”) to refund all or a portion of the Outstanding Prior Bonds and to deliver the Refunding Bonds pursuant to the terms of a Series Supplemental Trust Indenture (the “**Indenture**”), by and between the Corporation and Whitney Bank (the “**Trustee**”).

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

SECTION 1. The issuance of not exceeding Thirty Million Dollars (\$30,000,000) of the Refunding Bonds in one or more series or subseries of the Corporation pursuant to the LHC Act and/or pursuant to Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the “**Refunding Act**”), and other constitutional and statutory authority (collectively, the “**Authorizing Law**”) at interest rates not exceeding 8% per annum, and for a maturity not exceeding 30 years be, and the same is, hereby approved, along with the Indenture substantially identical to the form thereof on file. The Refunding Bonds are hereby authorized to be delivered to refund all or a portion (i.e., one or more series) of the Outstanding Prior Bonds as recommended by the Corporation’s Financial Advisor and Underwriters.

The Chairman and Executive Director are hereby authorized to execute the Indenture and such other documents, certificates and agreements as may be necessary or convenient to accomplish the objectives of this resolution.

The Chairman and Executive Director are authorized and directed for and on behalf of and in the name of the Corporation to execute, deliver and approve such additional supplemental Indentures to the Indenture of Trust dated as of May 1, 1998 (the “**Master Indenture**”) as may be appropriate to deliver such Refunding Bonds, and such other additional instruments, documents and certificates as may be otherwise 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 the Authorizing Law and are approved by Co-Bond Counsel.

SECTION 2. The Refunding Bonds shall be sold by the Corporation on such date as may be determined by the Chairman of the Corporation, in accordance with the requirements of the Authorizing Law. The Refunding Bonds shall be secured by the Trust Estate as defined in the Indenture, inclusive of mortgage-backed securities transferred (“**Transferred Securities**”) from indentures of the Outstanding Prior Bonds which are being refunded by the Refunding Bonds and shall be subject to redemption in accordance with the Indenture.

SECTION 3. Application be and the same is hereby made to the State Bond Commission for approval of the documents described in Section 1 hereof in substantially the form filed with the minutes of this meeting and for further approval of the authorization, sale and delivery of the Refunding Bonds in one or more series or subseries by the Corporation pursuant to the provisions of the Authorizing Law. The not-to-exceed costs of issuance attached hereto as **Exhibit A** for the Refunding Bonds is hereby approved; provided, however, that the Corporation agrees to provide a report on the costs of issuance of each subsequent sub-series to the Bond Commission prior to the delivery thereof for approval of the Bond Commission if requested to do so.

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 4. The Chairman and Executive Director of the Corporation are hereby authorized, empowered and directed to take any and all action required in order to implement the terms and provisions of this resolution and the Chairman is hereby further authorized and empowered, in his sole discretion, in order to expedite the sale of the Refunding Bonds, upon recommendations of the Corporation's Financial Advisor and Underwriters, to make such changes in the sale date and other terms (i.e., privately placed or negotiated) as will permit the timely sale and delivery of the Refunding Bonds, all in the best interests of the Corporation and the citizens of the State of Louisiana.

SECTION 5. That it is recognized that a real necessity exists for the employment of bond counsel in connection with the issuance of the Refunding Bonds, and accordingly, Foley & Judell, L.L.P. and Jones Walker LLP are hereby employed as Co-Bond Counsel to the Corporation to do and to perform comprehensive, legal and coordinate professional work with respect thereto. The fee to be paid Bond Counsel shall be an amount based on the Attorney General's current Bond Counsel Fee Schedule and other guidelines for comprehensive, legal and coordinate professional work in the issuance of revenue bonds applied to the actual aggregate principal amount issued, sold, delivered and paid for at the time the Refunding Bonds are delivered, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Refunding Bonds, subject to the Attorney General's written approval of said employment and fee.

SECTION 6. The Financial Advisor, Underwriter and other participants in the delivery of the Refunding Bonds referenced in **Exhibit A** attached hereto are hereby ratified and approved.

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

YEAS:

NAYS:

ABSENT:

ABSTAIN:

And the resolution was declared adopted on this, the ___ day of March, 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 five (5) pages (along with the attachments for Exhibit A and Schedule I) constitute a true and correct copy of a resolution adopted by said Board of Directors on March 15, 2017: “A resolution approving and authorizing the issuance of not exceeding Thirty Million Dollars (\$30,000,000) of Louisiana Housing Corporation Single Family Mortgage Revenue Refunding Bonds (Taxable) in one or more series or subseries; approving the form of a Series Supplemental Trust Indenture in connection with the aforesaid Refunding Bonds; requesting the State Bond Commission to approve the aforesaid documents and to approve the issuance, sale and delivery of the Refunding Bonds; 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 15th day of March, 2017.

Secretary

(SEAL)

EXHIBIT A

COSTS OF ISSUANCE

LOUISIANA HOUSING CORPORATION
Single Family Mortgage Revenue Refunding Bonds
(Mortgage-Backed Securities Pass-Through Program)
Series 2017
\$29,465,000

Estimated Costs of Issuance

UNDERWRITING SPREAD				
Item	<i>\$30,000,000 par</i>		<i>\$29,465,000 par</i>	
	\$/1,000	Total (\$)	\$/1,000	Total (\$)
Takedown (split 50/25/25; JPM/RJ/GKB)	5.000	150,000.00	5.000	147,325.00
Management Fee (split 50/25/25; JPM/RJ/GKB)	1.250	37,500.00	1.250	36,831.25
Expenses	1.232	36,972.06	1.253	36,923.74
Total Underwriting Spread	7.482	224,472.06	7.503	221,079.99

Expense Detail				
Item	<i>\$30,000,000 par</i>		<i>\$29,465,000 par</i>	
	\$/1,000	Total (\$)	\$/1,000	Total (\$)
Underwriters' Counsel Fee	0.833	25,000.00	0.848	25,000.00
Underwriters' Counsel Expenses	0.050	1,500.00	0.051	1,500.00
Underwriters' Counsel Blue Sky Memo	0.050	1,500.00	0.051	1,500.00
Day Loan	0.025	750.00	0.025	736.63
DALCOMP/DALNET	0.087	2,607.56	0.087	2,572.61
CUSIP	0.009	264.50	0.009	264.50
DTC	0.012	350.00	0.012	350.00
Travel and Other Expenses	0.167	5,000.00	0.170	5,000.00
Subtotal Expenses	1.232	36,972.06	1.253	36,923.74

OTHER COSTS OF ISSUANCE				
Item	<i>\$30,000,000 par</i>		<i>\$29,465,000 par</i>	
	\$/1,000	Total (\$)	\$/1,000	Total (\$)
Co-Bond Counsel Fee (Foley & Judel)	0.884	26,505.00	0.899	26,500.00
Co-Bond Counsel Expenses (Foley & Judel)	0.083	2,500.00	0.085	2,500.00
Co-Bond Counsel Fee (Jones Walker)	0.884	26,505.00	0.899	26,500.00
Co-Bond Counsel Expenses (Jones Walker)	0.083	2,500.00	0.085	2,500.00
Financial Advisor Fee	2.000	60,000.00	2.000	58,930.00
Trustee Acceptance and First Annual Fee	0.150	4,500.00	0.153	4,500.00
Trustee Counsel Fee	0.167	5,000.00	0.170	5,000.00
State Bond Commission	0.509	15,275.00	0.510	15,034.00
Rating Agency	0.933	28,000.00	0.950	28,000.00
Printing	0.100	3,000.00	0.102	3,000.00
LHC Expenses	0.083	2,500.00	0.085	2,500.00
Total Other Costs of Issuance	5.876	176,285.00	5.938	174,964.00

SCHEDULE I

OUTSTANDING PRIOR BONDS

Series 2007B	\$ _____
Series 2007C	\$ _____

NTE \$30,000,000
LOUISIANA HOUSING CORPORATION
SINGLE FAMILY MORTGAGE REFUNDING BONDS
(Mortgage-Backed Securities Pass-Through Program), Series 2017
(Federally Taxable)

BOND SUMMARY

PURPOSE:

The Corporation's Single Family Mortgage Revenue Refunding Bonds, Series 2017 (Federally Taxable) will be issued for the purpose of refunding the Corporation's Series 2007B and 2007C outstanding single family bond issues. This refinancing follows 2 similar refinancings done in 2015 and 2016. The structure is to overcollateralize the refunding with MBS and reduce the interest rate. Currently estimated at 3.05%, refunding bonds with rates ranging from 4.850% to 6.00%. Resulting in significant savings to the Corporation of a "net benefit of refunding" of \$2MM over a "do nothing" scenario at 200 PSA speed.

KEY TARGET DATES:

- Wed., March 15 – Board Meeting to Authorize Refunding and Approve Sale Resolution
- Thurs., March 16 – State Bond Commission Approval
- Wed., April 19 – Pricing
- Thurs., April 27 – Closing

PROJECTED SOURCES & USES

SOURCES:

Series 2017 Proceeds	29,465,000.00
Funds Released from 2007B Bonds	982,393.94
Funds Released 2007C Bonds	736,536.87
Total Funds Released from Prior Bonds	<u>1,718,930.81</u>
TOTAL SOURCES	\$31,183,930.81

USES:

Redemption of 2007B Bonds – Par from Proceeds	13,315,000.00
Redemption of 2007B Bonds – Redemption Premium from Prior Funds	422,500.00
Redemption of 2007B Bonds – Interest Due on 6/1/2017 from Prior Funds	378,795.00
Redemption of 2007B Bonds – Total Costs	<u>14,116,295.00</u>
Redemption of 2007C Bonds – Par Proceeds	16,150,000.00
Redemption of 2007B Bonds – Redemption Premium from prior fund	71,150.00
Redemption of 2007B Bonds – Interest Due on 6/1/2017 from prior fund	445,728.75
Redemption of 2007B Bonds – Total Costs	<u>16,666,878.75</u>
Est. Costs of Issuance	400,757.06
TOTAL USES	31,183,930.81

* Subject to Change. Amounts above based on current balances and NTE COI on \$30MM par.
 * Currently, the MBS to be transferred are \$35,638,381.

PRELIMINARY TRANSACTION COSTS

The below costs of issuance reflect not-to-exceed amounts based on an initial projected issue size of NTE \$30MM. The final costs will be adjusted based on the actual par amount of the bonds which is estimated to go down.

Underwriting Spread	\$'s / \$000	\$ Amount	JP Morgan	RJ	GKB
Takedown	5.000	150,000.00	50%	25%	25%
Management Fee	1.250	37,500.00			
Expenses	1.232	36,972.06			<i>reimbursed as incurred</i>
TOTAL	7.482	224,472.06			

Expense Breakdown

UW Counsel Fee (incl. expenses and Blue Sky), Day Loan, DALCOMP/DALNET, CUSIP, DTC, & Travel	Breazeale Sachse	28,000.00
		8,972.06
TOTAL		36,972.06

Other Costs of Issuance (Not-to-Exceed Amounts)

		\$'s / \$000 of Bonds	\$ Amount
Co-Bond Counsel Fee	Foley & Judell / Jones Walker		53,010.00
Co-Bond Counsel Expenses			5,000.00
Financial Advisor Fee	Government Consultants		60,000.00
Trustee			
Acceptance and 1 st Annual	Whitney Bank		4,500.00
Trustee Counsel Fee	Gregory A. Pletsch & Associates		5,000.00
State Bond Commission			15,275.00
Rating Agency	Moody's		28,000.00
Printing	ImageMaster		3,000.00
LHC Expenses			2,500.00
SUB - TOTAL		5.876	176,285.00