

MINUTES
FINANCE/AUDIT COMMITTEE OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
REGULAR MEETING
May 26, 2022

Committee Members

Present: (In Person) Jerrold Abrahams
(Virtually) Philip DeFronzo
Timothy Hodges
Catherine MacKinnon
Franklin Perry, II
Sarah Sanders, representing Shawn Wooden, State Treasurer, Chairperson
of Finance/Audit Committee

Committee Members

Absent: Alexandra Daum, representing David Lehman, Commissioner of the
Department of Economic & Community Development
Jorge Perez, Banking Commissioner

CHFA Participants: Hazim Taib, Chief Financial Officer
(In Person)
(Virtually) John Chilson, Director, Portfolio Management
Allison Murphy, Director, Financial Reporting and Control

Other Participants: Robert Lamb, Lamont Financial Services
(Virtually) Geoff Proulx, Morgan Stanley
Alex Vlamis, Morgan Stanley

Ms. Sanders, Chairperson of the Finance/Audit Committee (“the Committee”), called the meeting to order at 9:02 a.m. A roll call of committee members was conducted and a quorum was present.

Mr. Taib presented the Resolution for the Commencement of Necessary Preparations for the 2022 Series J Bond Sale Housing Mortgage Finance Program which authorizes CHFA to issue up to \$100,000,000 of Housing Mortgage Finance Program Bonds to raise additional lending proceeds for the first-time homebuyer program and to preserve prepayments. Mr. Taib stated that CHFA will utilize fixed rate and floating rate structures and overlay with a swap for this transaction. The sale is expected to close in July and Bank of America is assigned as book running manager for the bonds. Discussion ensued regarding the structure of the transaction.

Upon a motion made by Mr. Abrahams, seconded by Mr. Perry, Finance/Audit Committee members voted by roll call and were unanimously in favor of recommending to the Board of Directors for consideration the Resolution for the Commencement of Necessary Preparations for the 2022 Series J Bond Sale Housing Mortgage Finance Program.

Mr. Taib introduced Geoff Proulx of Morgan Stanley who summarized the details of the 2022 Series B Bond sale.

Ms. Murphy presented the financial reports for April 2022 stating that mortgage loan and investment interest revenue are \$3.0 million below budget for the first four months of the year and \$4.6 million lower than last year. She stated that, although program assets are lower than last year, prepayment rates continue to decline. The bond interest expense is below budget by \$5.7 million through April 30th and \$5.8 million lower than last year. Ms. Murphy also reported that, excluding salaries and benefits, current year-to-date expenses are \$522,000 lower than last year's administrative expenses. The change in net position is above target by \$7.1 million.

Mr. Chilson presented the delinquency and forbearance reports summarizing the single-family whole loans purchased and loans securitized for April. He stated that the month-end mortgage backed securities portfolio balance stood at \$2.1 billion decreasing by \$9 million from the prior month and the whole loan portfolio through March declined by 103 loans totaling \$12.8 million ending with a portfolio balance of \$1.2 billion. The overall delinquency rate decreased by .14% to 2.43% and the carrying balance for loans in foreclosure year over year decreased by \$6.5 million to \$30 million. CHFA funded 63 Downpayment Assistance loans in April with about two thirds of April borrowers taking advantage of the Downpayment Assistance Program. As of the end of March, the number of whole loan borrowers in forbearance was 122.

Mr. Chilson also reported that there was one new loan closing in the multifamily portfolio for April with the overall total portfolio size remaining at 556 loans totaling \$1.35 billion. Permanent loan delinquencies increased by two loans from last month and there were no construction loan delinquencies or multifamily loans in forbearance. The overall delinquency rate was 0.7%.

Ms. Sanders requested a motion to approve the minutes of the April 28, 2022 Finance/Audit Committee meeting.

Upon a motion made by Mr. Hodges, seconded by Ms. MacKinnon, the Finance/Audit Committee members voted by roll call and were in favor of adopting the April 28, 2022 Finance/Audit Committee minutes. Mr. Perry abstained from voting.

Ms. Sanders invited Board members to provide her with topics of interest for discussion at future meetings.

There being no further business to discuss, the meeting adjourned by unanimous consent at 9:31 a.m.