

MINUTES  
FINANCE/AUDIT COMMITTEE OF THE  
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)  
REGULAR MEETING  
July 28, 2022

Committee Members

Present: (In Person) Jerrold Abrahams  
(Virtually) Alexandra Daum, representing David Lehman, Commissioner of the  
Department of Economic & Community Development  
Timothy Hodges  
Catherine MacKinnon  
Jorge Perez, Banking Commissioner  
Sarah Sanders, representing Shawn Wooden, State Treasurer, Chairperson  
of Finance/Audit Committee

Committee Members

Absent: Philip DeFronzo  
Franklin Perry, II

CHFA Participants: Hazim Taib, Chief Financial Officer  
(In Person)

(Virtually) Theresa Caldarone  
John Chilson, Director, Portfolio Management  
Allison Murphy, Director, Financial Reporting and Control

Other Participants: Barbara Feldman, Bank of America Securities  
(Virtually) Joseph Monitto, Bank of America Securities

Ms. Sanders, Chairperson of the Finance/Audit Committee (“the Committee”), called the meeting to order at 9:07 a.m. A roll call of committee members was conducted and a quorum was present.

Mr. Taib presented the resolution authorizing the selection of an external auditor. Discussion ensued regarding the number of responses this year compared to previous years, respondents’ experience with CHFA and the fees being proposed by the firm.

Upon a motion made by Mr. Abrahams, seconded by Ms. MacKinnon, the Board members voted by roll call and were unanimously in favor of recommending to the Board for consideration the Resolution Regarding External Auditor for the Authority.

Mr. Taib introduced Barbara Feldman and Joseph Monitto from Bank of America Securities who summarized the details of the 2022 Series C Bond sale including the impact of current market conditions on the transaction and a brief overview of the public sale and bank purchase private placement.

Ms. Murphy presented the financial reports for June 2022, stating that mortgage loan and investment interest revenue are \$801,000 below budget for the first six months of the year and \$3.4 million lower than last year. She reported that the increase in short-term investment rates is helping close the revenue gap and there continues to be a decline in prepayment rates with a 50% decrease in June 2022 compared to June 2021. The bond interest expense is below budget by \$8.6 million through June 30<sup>th</sup> and \$8.9 million lower than last year. Ms. Murphy also reported that, excluding salaries and benefits or \$13.4 million, current year-to-date expenses are \$538,000 lower than last year's administrative expenses.

Mr. Chilson presented the June 2022 delinquency and forbearance reports for the single-family and multifamily programs. He summarized the single-family whole loans purchased and loans securitized for June and noted that the month-end mortgage backed securities balance was \$2.1 billion, which is an increase of \$2.4 million from the prior month. The whole loan portfolio declined by 100 loans or \$11 million with a total portfolio balance of \$1.2 billion. The overall delinquency rate increased by .01% to 2.32% and the carrying balance for loans in foreclosure year over year decreased by \$10.4 million to \$27.3 million. For the month of June, CHFA funded 87 Downpayment Assistance loans totaling \$1.34 million with 58% of June borrowers participating in the Downpayment Assistance Program.

Mr. Chilson also reported that there were no new closings in the multifamily portfolio for June. The portfolio decreased by 2 loans to 552 loans with a portfolio balance of \$1.3 billion. Permanent loan delinquencies remained at 6. There were no delinquent construction loans and the overall multifamily delinquency rate was 0.60%.

Mr. Taib presented the investment quarterly and swap report stating that the investment reflects a decrease in book value of approximately \$247 million to \$3.4 billion due to bond debt service. Quarter over quarter, the yield to maturity increased to 2.21% from 1.77%.

The swap report still shows a position of 40 swaps with 9 counterparties and a notional amount of \$920 million which reflects a decrease of \$10 million due to amortization. The pay rate by the Authority decreased from 3.050% to 3.026% and the mark-to-market value increased from negative \$71.3 million to negative \$21.2.

Ms. Sanders requested a motion to approve the minutes of the June 30, 2022 Finance/Audit Committee meeting.

Upon a motion made by Ms. MacKinnon, seconded by Mr. Perez, the Finance/Audit Committee members voted by roll call and were unanimously in favor of adopting the June 30, 2022 Finance/Audit Committee minutes.

There being no further business to discuss, the meeting adjourned by unanimous consent at 9:59 a.m.