

MINUTES
FINANCE/AUDIT COMMITTEE OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
REGULAR MEETING
March 25, 2021

Committee Members

Present: Sarah Sanders, representing Shawn Wooden, State Treasurer, Chairperson
of Finance/Audit Committee
Jerrold Abrahams
Timothy Hodges
Catherine MacKinnon
Franklin Perry, II
Glendowlyn Thames, representing David Lehman, Commissioner of the
Department of Economic & Community Development

Committee Members

Absent: Jorge Perez, Banking Commissioner

Staff Present:

Theresa Caldarone, General Counsel
John Chilson, Director, Portfolio Management
Joyce Ciampi, Director, Internal Audit
Allison Murphy, Director, Financial Reporting & Control
Hazim Taib, Chief Financial Officer

A roll call of committee members was conducted, and a quorum was present. By teleconference due to the COVID-19 public health crisis and in accordance with Governor Lamont's Executive Order 7B, Ms. Sanders, Chairperson of the Finance/Audit Committee, called the meeting to order at 9:00 a.m.

Mr. Taib presented the Resolution for the Commencement of Necessary Preparations for the 2021 Series C Bond Sale Housing Mortgage Finance Program. Mr. Taib stated that the Resolution authorizes up to \$190 million of Housing Mortgage Finance Program Bonds, allowing the Authority to raise up to \$100 million of lending proceeds for the first-time homebuyers program and to refund about \$90 million of outstanding bonds. Mr. Taib stated that this is the second issuance for Single Family in 2021 for the Program. The bond issue is expected to close by the middle of May and the book running manager is RBC Capital Markets.

Upon a motion made by Mr. Hodges and seconded by Mr. Perry, the members voted by roll call in favor of recommending to the Board the adoption of the Resolution for Commencement of Necessary Preparations for 2021 Series C Bond Issues (Single Family). The item passed unanimously by those present.

Mr. Taib presented the Resolution to Enter into Revolving Credit Facilities and Issue Revolving Credit Obligations. The Resolution authorizes the Authority to procure a credit facility to help manage its interest expense and preserve volume cap on taxes and financing. Mr. Taib indicated that this measure is more efficient and less expensive than issuing bonds at this time and explained that the aggregate amount of the facility would not exceed seventy-five million at any time and the term would not exceed three years.

Upon a motion made by Mr. Abrahams and seconded by Mr. Hodges, the members voted by roll call in favor of recommending to the Board the adoption of the Resolution to Enter into Revolving Credit Facilities and Issue Revolving Credit Obligations. The item passed unanimously.

Ms. Murphy presented the financial reports for February, 2021. Ms. Murphy stated that mortgage loan and investment interest revenue shortfalls have resulted from a reduction in the Authority's program assets (home loans and Mortgage-Backed Securities (MBS's)), and higher rates of mortgage prepayments. Ms. Murphy stated that bond interest expense is lower than the previous year as a result of the Authority having issued more refunding bonds than long bonds. Ms. Murphy stated administrative expenses have decreased from the previous year and current year-to-date expenses (excluding salaries and benefits) were lower than the previous year.

Mr. Taib stated that he would present the Delinquency and Forbearance Reports in place of John Chilson who has recently been named Interim Deputy Managing Director for Multifamily. Mr. Taib reported on the single-family whole loans purchased for the month of February, as well as the loans securitized. Mr. Taib stated that the average loan size was \$203,168. Mr. Taib reported that the Authority funded fifty-five downpayment assistance loans for the month of February with an average loan of \$8,515. The overall delinquency rate for month over month decreased by 0.08% to less than 3%. Mr. Taib stated that as of the end of January, the number of whole loan borrowers in forbearance declined and that a further decline is projected for the month of February.

Mr. Taib reported that the Authority closed fourteen new multifamily loans for the month of February, thirteen of which were for group homes and one was for Market Square. The portfolio increased to 559 loans or \$1.26 billion. Permanent loan delinquencies increased by two loans to twelve loans and construction loan delinquencies remained at one loan. Mr. Taib stated that last year CHFA executed forbearance agreements with seven projects across eight loans and this year the Board granted CHFA the authority to provide a second forbearance of up to six months for two multifamily projects.

Ms. Sanders requested a motion to approve the minutes of the February 25, 2021 Finance/Audit Committee meeting.

Upon a motion made by Mr. Hodges and seconded by Ms. MacKinnon the members voted by roll call to adopt the minutes from the February 25, 2021 meeting. Motion passed unanimously.

There being no further business to discuss, a motion was made to adjourn the meeting. All members were in favor. The meeting adjourned at 9:27 a.m.