

MINUTES  
FINANCE/AUDIT COMMITTEE OF THE  
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)  
REGULAR MEETING  
May 28, 2020

Committee Members

Present: Jared Schmitt, Chairperson of Finance/Audit Committee  
Jerrold Abrahams  
Timothy Hodges  
Catherine MacKinnon  
Jorge Perez, Banking Commissioner  
Franklin Perry II  
Sarah Sanders, representing Shawn Wooden, State Treasurer

Committee Members

Absent: Glendowlyn Thames, representing David Lehman, Commissioner of the  
Department of Economic & Community Development

Staff Present:

Joyce Ciampi, Director, Internal Audit  
Theresa Caldarone, General Counsel  
John Chilson, Director, Portfolio Management  
Sherry Lambert, Manager, Planning, Development and Evaluation  
Allison Murphy, Director, Financial Reporting & Control  
Hazim Taib, Chief Financial Officer  
Ed Myskowski, Director, Investment & Debt Management

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, Mr. Schmitt, Chairperson of the Finance/Audit Committee (the "Committee"), called the meeting to order at 9:05 a.m.

Ms. Murphy presented the financial reports for April, 2020. She summarized the variances in revenue stating that revenue is below budget to date and compared to 2019 with the shortfalls largely due to the decrease in Single Family loan production and increase in Single Family loan prepayments. Ms. Murphy outlined the expenses through April reporting that the bond interest expense is below budget and lower than the previous year. Administrative expenses are under budget year-to-date and lower than fiscal year 2019. She also summarized the expenses incurred by CHFA related to COVID-19, which included cleaning the building and purchasing laptops to allow employees to telework. In response to a question as to whether CHFA bought laptops solely to allow staff to telework because of COVID-19, staff stated that they would keep track of the costs of purchasing the laptops in the event the federal government reimburses a portion of COVID-19 related expenses. There was discussion of the decrease in single family loans over the past year and as a result of COVID-19 and the impact that economic conditions and unemployment will have on single family loan production going forward.

Mr. Chilson reported on the single family whole loans purchased for the month of April, as well as the loans securitized. He stated that the average loan size was \$176,000. He also reviewed the delinquency rate, which decreased by 30 basis points to 2.61%. Mr. Chilson reported that the Authority funded 44 Downpayment Assistance Program loans with an average of \$6,062 per borrower. For the month of April, 5.3% of whole loans received forbearance for the April payment. Mr. Chilson stated CHFA did not close any new multifamily loans for the month of April. He noted that permanent loan delinquencies remained at three loans, and construction loan delinquencies increased by one loan to two loans. There was a discussion of how forbearance will affect CHFA financials, the impact of permanent job loss and the assistance CHFA provides to individuals seeking forbearance. The Committee asked that a report analyzing forbearance and the projections going forward be provided monthly.

Mr. Myskowski provided a quarterly update of the investment and swap reports. He stated that the investment report reflects an increase in investments by approximately \$175 million to \$3.29 billion. The swap report shows a hedging position (38 swaps with 9 counterparties) totaling \$901.38 million, which is the same as last quarter. The weighted pay rate by the Authority remained the same at 3.281%. In response to a question as to whether we have language when LIBOR goes away, Mr. Taib reported that there will be a discussion of LIBOR at next month's meeting.

Ms. Lambert discussed the monthly tracking report stating that there are 3 new multifamily projects for the Board's consideration this month, all utilizing tax exempt bonds. To do these projects, \$22.5 million was transferred from the single family program to the multifamily program. Ms. Lambert stated that CHFA purchased 121 first mortgage loans and 44 Downpayment Assistance Program loans in April, both down from April 2019. Ms. Lambert noted that another lag in recovery of the homeownership programs is the impact that lower credit scores will have on new home purchases. In response to a question of whether more tax exempt bond funds will be transferred to the Multifamily rental program, Mr. Taib explained that the private activity cap is available for both the Single Family and Multifamily programs and that where CHFA can best allocate its resources will be part of the Board's strategic planning process.

Mr. Schmitt asked the Committee members to consider the minutes from the January 30, 2020 meeting.

Upon a motion made by Mr. Hodges, seconded by Mr. Perez, the Committee members voted unanimously in favor of adopting the minutes from the January 30, 2020 meeting.

There being no further business to discuss, upon a motion made by Mr. Perez, seconded by Mr. Hodges and unanimously approved, the meeting was adjourned at 9:44 a.m.