

MINUTES  
FINANCE/AUDIT COMMITTEE OF THE  
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)  
REGULAR MEETING  
November 30, 2017

Committee Members

Present: Jared Schmitt, Chairperson of Finance/Audit Committee  
Nuala Droney  
Timothy Hodges  
Catherine LaMarr representing Denise Nappier, State Treasurer  
Matt Smith representing Jorge Perez, Banking Commissioner  
Tim Sullivan, representing Catherine Smith, Commissioner, Department  
of Economic & Community Development

Committee Members

Absent: Michael Cicchetti

Staff Present:

Karl Kilduff, Executive Director  
Joyce Ciampi, Director, Internal Audit  
John Chilson, Director, Portfolio Management  
William Dickerson, General Counsel  
Sherry Lambert, Manager, Research and Analysis  
Allison Murphy, Director, Financial Reporting and Control  
Ed Myskowski, Director, Investment & Debt Management

Others Present: Robert Lamb, Lamont Financial Services, Financial Advisor

Jared Schmitt called the meeting of the Finance/Audit Committee to order at 9:05 a.m., in the Executive conference room of CHFA's offices, 999 West Street, Rocky Hill, Connecticut 06067.

Mr. Kilduff presented the 2018 Annual Budget and Plan of Operations. The draft 2018 Annual Budget and Plan of Operations was provided to the Board in October, and questions received have been addressed by Mr. Taib, Chief Financial Officer. Mr. Schmitt asked if there were any additional questions, and there were none.

Upon a motion made by Ms. LaMarr, seconded by Mr. Hodges, the Finance/Audit Committee members voted in favor of recommending to the Board for consideration the resolution regarding the adoption of the Annual Budget and Plan of Operations for 2018 (Mr. Smith and Mr. Sullivan were not present for the vote).

Ms. Murphy discussed the financial reports for October 2017. She stated that because more loans are being securitized into mortgage-backed securities, interest on mortgage loans was less than budgeted while interest on investments was higher than budgeted. Ms. Murphy mentioned

that interest on bonds is above budget due to an increase in bonds payable while administrative expenses are coming in below budget. Ms. LaMarr asked a question about CHFA's LIBOR based exposure with regards to the derivative settlements. Mr. Myskowski responded that CHFA has participated in the past with regards to derivative settlements and is in the process of filling out the paperwork for a LIBOR-Based Instrument settlement.

Mr. Chilson spoke about the delinquencies for CHFA's loans. He stated that single-family delinquencies increased slightly from the prior month which is typical between August and September and that year-over-year delinquencies continued to reflect a gradual decline from the prior year. He also stated that multifamily delinquencies increased by one loan from six to seven loans in the permanent portfolio, and CHFA continued to have one delinquency in the construction loan portfolio.

Ms. Lambert reviewed the monthly tracking report. She mentioned that there were two multifamily projects being considered in November. Ms. Lambert stated that in the homeownership area, CHFA purchased 405 first-time homebuyer loans and 173 downpayment assistance loans in October. She discussed the single-family prepayments.

Mr. Schmitt asked the Committee members to consider the minutes from the September 28, 2017 meeting.

Upon a motion made by Mr. Smith, seconded by Ms. LaMarr, the Committee members voted in favor of adopting the minutes from the September 28, 2017 Finance Authority Committee meeting as presented (Ms. Dronney abstained from the vote).

There being no further business to discuss, upon a motion made by Ms. LaMarr, seconded by Mr. Smith and unanimously approved, the meeting was adjourned at 9:12 a.m.