

MINUTES
FINANCE/AUDIT COMMITTEE OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
REGULAR MEETING
October 28, 2021

Committee Members

Present: (Virtually) Sarah Sanders, representing Shawn Wooden, State Treasurer, Chairperson of Finance/Audit Committee
Jerrold Abrahams
Timothy Hodges
Catherine MacKinnon
Jorge Perez, Banking Commissioner

Committee Members

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

Staff Present:
(Virtually)

Theresa Caldarone, General Counsel
Joyce Ciampi, Director, Internal Audit
Liisa Koeper, Assistant Director, Finance
Ningyan Li, Manager 1, Financial Management
Maura Martin, Managing Director, Administration
Hazim Taib, Chief Financial Officer

Other Participants:
(Virtually)

Peter Cannava, Wells Fargo
Brent Chandaria, J.P. Morgan Securities LLC
Barbara Feldman, Bank of America Securities, Inc.
Robert Lamb, Lamont Financial Services
Joseph Monitto, Bank of America Securities, Inc.
Kathleen Orlandi, Hawkins Delafield & Wood, LLP
Geoff Proulx, Morgan Stanley & Co. LLC
Rebecca Reape, Wells Fargo
Alex Vlamis, Morgan Stanley & Co. LLC
John Wagner, Kutak Rock LLP

A roll call of committee members was conducted, and a quorum was present. Ms. Sanders, Chairperson of the Finance/Audit Committee (“the Committee”), called the meeting to order at 9:00 a.m.

Mr. Taib presented the Resolution Regarding the Appointment of Bond Underwriters. Mr. Taib noted that State statute requires that CHFA conduct and publish a Request for Proposal every three years and that the appointment period for this engagement will be effective for calendar years 2022-2024. Mr. Taib reported that twenty-four proposals were received, two of which were from new firms. He stated that staff, with the assistance of CHFA’s financial advisor, reviewed and evaluated the responses and recommends five firms to act as senior managers on a rotational basis and by program; five firms to act as co-senior managers where each firm will partner with a senior

manager on a rotational basis and by program; eight firms to act as co-managers split by program and six firms to act as selling group members for the Housing Mortgage Finance Program Bonds. Under the State-Supported Special Obligation Bonds, staff recommends one firm to act as senior manager, one firm to act as co-senior manager, two firms to act as co-managers and two firms to act as selling group members. Discussion ensued regarding the diversity of the underwriting group compared to the last engagement, the ability to remove or suspend an appointed firm from engagement and how transaction costs factor into the selection of the underwriting firms.

Upon a motion made by Mr. Abrahams, seconded by Ms. MacKinnon, the Finance/Audit Committee members voted by roll call and were unanimously in favor of recommending the Resolution Regarding the Appointment of Bond Underwriters to the Board of Directors for consideration.

Mr. Taib introduced Bank of America representatives Barbara Feldman and Joseph Monitto, who both reported on the 2021 Series E Bond issue for multifamily and single family housing.

Mr. Taib presented the financial report through September 2021 reporting that the reduction in new volume is contributing to the increase in the revenue variance. He noted that the bond interest expense is favorable due to the current rate environment, allowing CHFA to take advantage of refunding opportunities. He also reported that, excluding salaries and benefits, Administrative expenses are \$72,000 higher than last year.

Mr. Taib presented the delinquency and forbearance reports stating that, for the month of September, CHFA purchased about \$20 million of loans and securities for Single Family compared to \$25 million during the same period last year. The delinquency rate is less than 3%. The Downpayment Assistance Program continues to see high participation with a current average loan amount of about \$14,000. There are currently 249 borrowers in the forbearance program compared to 873 during the same time last year.

For Multifamily, the bond portfolio remains the same at \$1.3 billion. Overall, the delinquency rate has dropped to less than 1% due to payoff of the 333 State Street loan. Mr. Taib reported that, beginning next month, there will no longer be any projects in the forbearance program.

Mr. Taib provided a quarterly summary of the investment and swap reports, stating that the book value of the investment increased by \$210 million mostly due to mortgage receipt. The interest rate quarter over quarter saw a reduction in yield from 1.93% to 1.73%. The swap report shows no change from last quarter due to the fact that CHFA has been issuing fixed rate bonds for 2021.

Ms. Sanders requested a motion to approve the minutes of the September 30, 2021 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 unanimously in favor of adopting the minutes of the September 30, 2021 Finance/Audit Committee meeting.

There being no further business to discuss, the meeting adjourned by unanimous consent at 9:51 a.m.