

MINUTES
FINANCE/AUDIT COMMITTEE OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
REGULAR MEETING
November 17, 2022

Committee Members

Present: (In Person) Darrell V. Hill, Deputy Treasurer, representing Shawn Wooden,
State Treasurer
(Virtually) Jerrold Abrahams
Alexandra Daum, representing David Lehman, Commissioner of the
Department of Economic & Community Development
Philip DeFronzo
Timothy Hodges
Catherine MacKinnon
Jorge Perez, Banking Commissioner

Absent: Franklin Perry, II
Sarah Sanders, Chairperson of Finance/Audit Committee

CHFA Participants: Hazim Taib, Chief Financial Officer
(In Person)
(Virtually) John Chilson, Director, Portfolio Management
Allison Murphy, Director, Financial Reporting and Control

Other Participants: Susan Jun, Citigroup
(Virtually) Michael Koessel, Citigroup

Mr. Taib introduced State Deputy Treasurer Darrell Hill, who chaired the meeting. Mr. Hill called the meeting to order at 9:01 a.m. A roll call of committee members was conducted and a quorum was present.

Mr. Taib presented the resolution regarding the adoption of the 2023 Annual Budget and Plan of Operations for CHFA. He provided a summary of the revisions made to the proposed budget since the previous meeting; noted that no comments were received from Board members since the draft budget overview presented at the October 27th meeting; and answered questions related to the budget.

Upon a motion made by Mr. Perez, seconded by Mr. Hodges, Finance/Audit Committee members voted by roll call and were unanimously in favor of recommending to the Board of Directors for consideration the Resolution Regarding the Adoption of the Annual Budget and Plan of Operations for 2023.

Mr. Taib presented the resolution to select financial advisors for CHFA's financial programs stating that, in accordance with State statute and CHFA procedures, CHFA is required to conduct and publish a Request for Proposal (RFP) for the selection of financial advisors once every three years. He reported that this appointment will be effective for calendar years 2023-2025 and that the last evaluation was done in 2019. Mr. Taib stated that five proposals were received and that

CHFA is recommending Caine Mitter & Associates, cfX and Mohanty Gargiulo to act as CHFA financial advisors and perform financial functions as determined by CHFA.

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 to the Board of Directors for consideration the resolution regarding the selection of financial advisors for CHFA.

Mr. Taib thanked and, on behalf of Ms. Sanders, acknowledged Bob Lamb of Lamont Financial Services for his many years of service as CHFA's financial advisor.

Mr. Taib introduced Mike Koessel and Susan Jun from Citigroup who summarized the details of the 2022 Series E single family bond sale including an overall review of the transaction and summary of the pricing strategy and financing results.

Ms. Murphy presented the financial reports for October 2022 stating that mortgage loan and investment interest revenue are \$5.7 million over budget through October 31st and \$2.5 million higher than last year. The bond interest expense is below budget by \$6.7 million through October 31st and \$2.1 million lower than prior year. Ms. Murphy also reported that, excluding salaries and benefits of \$22.2 million, current year-to-date expenses are \$525,000 lower than last year's administrative expenses. The change in net position is above target by \$22.4 million.

Mr. Chilson presented the October 2022 delinquency and forbearance reports for the single-family and multifamily programs. He summarized the single-family whole loans purchased and loans securitized for October and noted that the month-end mortgage backed securities portfolio balance was \$2.1 billion, which is an increase of \$10.7 million from the prior month. The whole loan portfolio through September declined by 65 loans or \$7.1 million with a total portfolio balance of \$1.1 billion. The overall single family delinquency rate increased to 2.39% and the carrying balance for loans in foreclosure year over year decreased by \$8.6 million to \$22.4 million. For the month of October, CHFA funded 122 Downpayment Assistance loans totaling \$1.9 million with 82% of October borrowers seeking Downpayment Assistance. CHFA also funded 131 Time To Own forgivable loans totaling \$4.1 million with an average loan size of just under \$31,000.

Mr. Chilson reported that there were 5 new multifamily loan closings in October increasing the portfolio size to 564 loans with a total portfolio balance of \$1.3 billion. There were 7 permanent loan delinquencies, no construction loan delinquencies and the overall delinquency rate was 0.55%.

Mr. Hill requested a motion to approve the minutes of the October 27, 2022 Finance/Audit Committee meeting.

Upon a motion made by Ms. MacKinnon, seconded by Mr. Hill, the Finance/Audit Committee members voted by roll call and were in favor of adopting the October 27, 2022 Finance/Audit Committee minutes. Mr. Abrahams and Mr. Hodges abstained from voting.

There being no further business to discuss, upon a motion by Mr. Hodges, seconded by Mr. Perez, the meeting adjourned by unanimous consent at 9:57 a.m.