

MINUTES
FINANCE/AUDIT COMMITTEE OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
REGULAR MEETING
November 18, 2021

Committee Members

Present: Jerrold Abrahams
(In Person) Catherine MacKinnon

(Virtually) Sarah Sanders, representing Shawn Wooden, State Treasurer, Chairperson
of Finance/Audit Committee
Jorge Perez, Banking Commissioner
Franklin Perry, II

Committee Members

Absent: Timothy Hodges

Staff Present: Theresa Caldarone, General Counsel
(In Person) Hazim Taib, Chief Financial Officer

(Virtually) John Chilson, Director, Portfolio Management
Joyce Ciampi, Director, Internal Audit
Andrea Cowan, Financial Analyst 2
Ningyan Li, Manager 1, Financial Management
Allison Murphy, Director, Financial Reporting and Control

Other Participants: Robert Lamb, Lamont Financial Services
(Virtually) 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 Adoption of the Annual Budget and Plan of Operations for 2022. He provided a summary of the changes made to the proposed budget since the previous meeting which include a revision to the fee paid to lenders for originating single family loans, finalization of the amounts transferred to the Investment Trust Account (ITA) and the Opportunity Fund Account (OFA) and an update to the lending plan adjusting the amount of the 9% low-income housing tax credit per capita rate based on the recent IRS revenue procedures announcement. He noted that no comments were received from committee members since the budget overview presented at the last meeting. Discussion ensued regarding the change in the lender compensation fee, the salary and net income line items, the status of launching a refinancing product for single family, the funding allocation and usage of the OFA, and CHFA expenses compared to peers.

Upon a motion made by Mr. Abrahams, seconded by Ms. MacKinnon, the members voted by roll call and were unanimously in favor of recommending to

the Board of Directors for adoption the Resolution Regarding the Adoption of the Annual Budget and Plan of Operations for 2022.

Mr. Taib presented the proposed 2022 Board and Committee meeting calendar for review and feedback by members. He stated that Mortgage Committee meetings have been scheduled to convene on Tuesday prior to the Board meeting giving Directors the opportunity to attend both Finance/Audit and Mortgage Committee meetings. Discussion ensued regarding the level of participation allowed by non-committee members. It was noted that the Bylaws do allow, at the discretion of the Committee Chairperson, Directors who are not members of a committee to attend any committee meeting and participate in discussions.

Ms. Murphy presented the financial reports for October 2021. She stated that mortgage loan and investment interest revenue are below budget year-to-date and short-term investment rates remain lower than last year. Fees and other income are over budget through the end of October. Ms. Murphy noted that the bond interest expense is below budget year-to-date and lower than last year. She reported that, excluding salaries and benefits, current year-to-date expenses are lower than last year's administrative expenses. The change in net position is above target by \$22.0 million.

Mr. Chilson presented the delinquency and forbearance reports summarizing the single-family whole loans purchased and loans securitized for October. He stated that the Authority's Mortgage Backed Securities portfolio balance and whole loan portfolio declined from the previous month. The overall delinquency rate decreased by five basis points and the carrying balance for loans in foreclosure decreased. The total number of loans in foreclosure also decreased. The Authority funded eighty-six Downpayment Assistance loans in October with 57% of borrowers taking advantage of the Downpayment Assistance Program for the month. The number of whole loan borrowers in forbearance declined from the previous month.

Mr. Chilson also reported that the Authority closed one new multifamily loan for the month of October and permanent loan delinquencies declined from the prior month. He stated that there were no construction loans in delinquency and no multifamily loans in forbearance for the month of October.

Ms. Sanders requested a motion to approve the minutes of the October 28, 2021 Finance/Audit Committee meeting.

Upon a motion made by Ms. MacKinnon, seconded by Mr. Abrahams, the Finance/Audit Committee members voted by roll call and were unanimously in favor of adopting the October 28, 2021 Finance/Audit Committee minutes.

There being no further business to discuss, the meeting adjourned by unanimous consent at 9:38 a.m.