

MINUTES
FINANCE/AUDIT COMMITTEE OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
REGULAR MEETING
November 30, 2023

Committee Members

Present: (In Person) Jerry Abrahams
Jorge Perez, Banking Commissioner
Sarah Sanders, Chairperson of Finance/Audit Committee and Deputy
Treasurer, representing Erick Russell, State Treasurer
(Virtually) Alexandra Daum, Commissioner of the Department of Economic and
Community Development
Philip DeFronzo
Catherine MacKinnon
Franklin Perry, II
Chelsea Ross

Committee Members

Absent: Timothy Hodges

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

Other Participants: Cory Hoeppe, RBC Capital Markets
(Virtually)

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

Mr. Taib provided an overview of CHFA’s 2024 Annual Budget and Plan of Operations. He outlined two minor revisions made to the proposed budget since the previous meeting noting that the first revision was to finalize the transfer of the amount into the ITA and Opportunity Fund of \$28.2 million and \$11.1 million respectively. The second revision was to update the proposed lending plan by increasing the allocation for the 9% LIHTCs and the private activity bond volume cap to account for the newly released 2024 per capita rates by the IRS. The annual budget amount remained unchanged as previously presented and no comments were received from Board members since the draft budget presentation last month. Mr. Taib stated that, other than salaries and benefits which includes an adjustment of 5.5%, the overall ongoing general and administrative budget remained flat year over year.

Upon a motion made by Mr. Abrahams, seconded by Mr. Perry, 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 2024.

Mr. Taib presented the resolution adopting amendments to the CHFA Finance Procedures stating that, following the Board's approval of the recommended changes at its September meeting, the amendments were shared with the public and no comments were received during the comment period.

Upon a motion made by Mr. Perez, seconded by Mr. Perry, Finance/Audit Committee members voted by roll call and were unanimously in favor of recommending to the Board of Directors for consideration the Resolution Adopting Amendments to the Connecticut Housing Finance Authority Finance Procedures.

Mr. Taib introduced Mr. Cory Hoepfner of RBC Capital Markets, who summarized the positive results of the 2023 Series D bond sale and noted that CHFA fared well with pricing in a tough market.

Ms. Murphy presented the financial reports for October 2023 stating that they continue to show the same revenue and expense trends seen throughout the year. Mortgage loan and investment revenue are \$16,800,000 above budget for the current year and \$40,700,000 higher than prior year. The revenue variances continue to be driven by an increase in CHFA's short-term investment rates. The bond interest expense is just under budget by \$200,000 through October and \$26,000,000 higher than last year. Outstanding bonds are \$308,000,000 higher than the same time last year and the interest rates on CHFA's variable rate bonds have increased compared to last year. Servicer fees are \$5,300,000 above budget year-to-date and \$7,100,000 higher than last year with the main driver being the significant increase in Single Family production. Administrative expenses are \$5,700,000 below budget and \$2,200,000 higher than last year. Excluding salaries and benefits of \$24,200,000, current year-to-date expenses are \$287,000 higher than last year. The change in net position is above target by \$20,500,000.

Mr. Chilson presented the October 2023 production and delinquency reports for the single family and multifamily programs. He summarized the single-family whole loans purchased and loans securitized for October noting that the month-end mortgage backed security portfolio balance was \$2,500,000,000, which is a \$56,400,000 increase over September. The whole loan portfolio through September ended the month with 6 fewer loans, but the overall portfolio dollar value increased by \$6,000,000 ending with a balance of \$1,100,000,000. The overall single family delinquency rate between the two portfolios was 1.53% which is a 7 basis point drop from the prior month. The year over year carrying balance for loans in foreclosure declined by \$8,800,000 to \$13,600,000 and the number of loans in foreclosure year over year declined by 78.

In the month of October, CHFA funded 279 Downpayment Assistance loans totaling \$4,500,000 with an average loan size of \$16,300 and 277 Time To Own forgivable loans totaling \$8,600,000 with an average loan size of \$31,100.

There were 5 multifamily loan closings in October increasing the net change in loan count by 4 to 573 loans totaling \$1,300,000,000. The multifamily delinquency rate decreased by 7 loans to a

total of 6 loans. There were no construction loan delinquencies. The overall delinquency rate for the multifamily portfolio is less than one half of 1%.

Ms. Sanders thanked Commissioner Daum for her service on the Finance/Audit Committee. She noted that Commissioner Daum will be assuming another opportunity in New Haven.

Ms. Sanders requested a motion to approve the minutes of the October 26, 2023 Finance/Audit Committee meeting.

Upon a motion made by Mr. Perez, seconded by Mr. Perry, the Finance/Audit Committee members voted by roll call and were unanimously in favor of approving the October 26, 2023 Finance/Audit Committee minutes.

Discussion ensued regarding the agenda of the upcoming Strategic Plan Working Session.

There being no further business to discuss, the meeting adjourned by unanimous consent at 9:27 a.m.