

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

Committee Members

Present: Jared Schmitt, Chairperson of Finance/Audit Committee  
Michael Cicchetti  
Catherine LaMarr representing Denise Nappier, State Treasurer (by phone)  
Tim Sullivan representing Catherine Smith, Commissioner, Department of Economic & Community Development

Committee Members

Absent: Nuala Droney  
Jorge Perez, Banking Commissioner

Staff Present:

Joyce Ciampi, Director, Internal Audit  
William Dickerson, General Counsel  
John Chilson, Director of Portfolio Management  
Sherry Lambert, Manager, Research and Analysis  
Allison Murphy, Director, Financial Reporting and Control  
Ed Myskowski, Director, Investment & Debt Management  
Hazim Taib, Chief Financial Officer.

Others Present:

Kathleen Orlandi, Hawkins, Delafield & Wood, Co-Bond Counsel  
John Wagner, Kutak Rock, Co-Bond Counsel

Mr. Schmitt, noting a presence of a quorum, called the meeting to order at 9:03 a.m., in the Executive conference room of CHFA's offices, 999 West Street, Rocky Hill, Connecticut 06067.

Mr. Taib discussed the recommendation to authorize the issuance of up to \$300,000,000 of 2017 Series D Housing Mortgage Finance Program Bonds to generate approximately \$175,000,000 of lendable proceeds for the single-family program and to refund approximately \$125,000,000 of previously issued bonds. He noted that this is the second issue for the single-family program for the year. Mr. Taib stated that through March 19, CHFA has reserved and committed about \$89,700,000 of loans. Subject to market conditions, CHFA intends to sell the bonds on or about April 24 and close on the bonds or about May 11. The resolution names J.P. Morgan Securities as the book running senior manager for the issue. In response to a question, Mr. Taib stated that Hawkins, Delafield & Wood is the bond counsel for the issue, and CHFA does not prequalify or select underwriter's counsel.

Upon a motion made by Mr. Cicchetti, seconded by Ms. LaMarr, the Committee members voted unanimously in favor of recommending to the Board for consideration the resolution authorizing the commencement of necessary preparations for the 2017 Series D bond issue.

Mr. Taib discussed the financial and delinquency reports for February 2017, noting that as requested by the Committee members, additional information and analysis has been added, including a year over year comparison. Mr. Taib pointed out some of the areas with large variances and explained the reasons.

Mr. Taib mentioned that there continues to be more interest in shifting from whole loans to mortgage-backed securities. When combining the mortgage-backed securities with the whole loan portfolio, the single-family delinquency rate is 6.35 percent. The delinquency rate for the multifamily portfolio is 1.92 percent.

Ms. Lambert provided highlights from the monthly tracking report. She stated that the Mortgage Committee and Board will be considering Investment Trust Account funds for one multifamily development. Ms. Lambert mentioned that CHFA purchased 309 first-time homebuyer loans in February which is higher than February 2016. She noted that prepayments for the last several months remain stable.

The Committee members considered the minutes from the February 23, 2017 meeting.

Upon a motion made by Mr. Cicchetti, seconded by Mr. Sullivan, the Committee members voted in favor of adopting the minutes from the February 23, 2017 meeting as presented (Mr. Cicchetti and Mr. Schmitt abstained from the vote).

There being no further business to discuss, upon a motion made by Mr. Cicchetti, seconded by Mr. Sullivan and unanimously approved, the meeting was adjourned at 9:09 a.m.