

NOTICE OF CONNECTICUT STATE AGENCIES

Connecticut Housing Finance Authority

Notice of Intent to Amend Procedures

In accordance with Section 1-121 of the Connecticut General Statutes, NOTICE IS HEREBY GIVEN that the Connecticut Housing Finance Authority proposes to amend Procedures:

Statement of Purpose:

To amend the Procedures of the Authority, specifically Section 1. “Administration”, as described below.

Summary of Proposed Procedures Change:

The Administration Procedures are being amended to address the administrative practices of the Authority with respect to operations, rule-making functions and purchasing and personnel procedures.

Copies of the proposed Procedures (I. Administration) may be obtained by visiting www.chfa.org. All interested persons may submit written data, views and arguments in connection with the above-stated proposed Procedures by email to PublicComment@chfa.org or by mail to attention of Maura Martin, Connecticut Housing Finance Authority, 999 West Street, Rocky Hill, CT 06067 no later than 30 days after the publication of this notice.

I

ADMINISTRATION

A. DESCRIPTION OF ORGANIZATION

A-1. Description

The Connecticut Housing Finance Authority (the "Authority") derives its authority primarily from Chapter 134 of the Connecticut General Statutes (the "Act"). The board of directors, their number, their appointing authorities and the selection of a chairperson are designated by statute.

A-2. Meetings

The Authority shall hold regular meetings monthly and may hold special meetings from time to time. Notice of all meetings shall be filed in advance with the office of the secretary of state as provided in [section 1-21](#) of the [Connecticut](#) General Statutes. All regular and special meetings shall, except as the notice of a meeting states otherwise, be held at the offices of the Authority [or virtually in accordance with the Connecticut General Statutes](#). All regular and special meetings, except executive sessions, shall be open to the public.

A-3. Purposes

The Authority exists for the purpose of alleviating the shortage of housing for low and moderate income families and persons by encouraging and assisting the purchase, development, financing, rehabilitation, and construction of such housing; for the purpose of restoring eligible urban areas in the state by financing mortgage loans for families and persons without regard to income limitations; and for certain other purposes related to housing as more particularly set forth in the Act.

A-4. Executive Director and Staff

The Authority shall appoint an Executive Director, who shall be the chief administrative officer and shall serve at the pleasure of the Board. The Executive Director shall not be a member of the Board. The Executive Director shall hire and supervise the Authority's staff and shall approve all accounts for salaries, all allowable expenses of the Authority, its employees, and consultants, and all expenses incidental to the operation of the Authority.

A-5. Official Address

The Authority maintains its offices and its principal place of business at 999 West Street, Rocky Hill, Connecticut 06067.

A-6. Public Information

The public may inspect the procedures, policy statements, bulletins, guidelines, interpretations, operating manuals, forms, and public records of the Authority at its office in Rocky Hill during regular business hours to the extent permitted by law. ~~Requests for information about the Authority's programs shall be submitted in writing to the Executive Director at the Authority's offices. Requests for review of any Authority action shall be submitted in writing by any person affected to the Executive Director at the Authority's offices.~~

B. OPERATION OF ORGANIZATION

B-1. Authority Programs

(a) The Authority shall operate a multifamily housing program to provide financing for rental housing of more than four units.

(b) The Authority shall operate a home mortgage program to provide financing for owner-occupied housing of one to four units for families and persons of low and moderate income and for families and persons of all income levels in certain urban areas of the state.

(c) In addition to its continuing programs, the Authority may, pursuant to the powers contained in the Act, undertake pilot and experimental programs and demonstration projects designed to carry out the policies and purposes of the Act. The duration, scope, and cost for any pilot or experimental program shall be limited to what is reasonably necessary to determine whether the pilot or experimental program should be adopted as a continuing program or terminated. The scope and cost for any demonstration project shall be limited to what is reasonably necessary to demonstrate that the type of project promotes the policies and purposes of the Act. Any pilot or experimental program or demonstration project shall be authorized by resolution adopted at a regular or special meeting.

B-2. Authority-Approved Forms

Loan applications, notes, mortgages, and other documents required by the Authority shall be executed on forms approved by the Authority, which forms shall not be changed without the prior written approval of the Authority.

B-3. Fees

The Authority may charge reasonable fees for processing mortgage applications and loans. Participating lenders may charge fees approved by the Authority as being reasonable to cover the costs of processing mortgage applications and loans.

B-4. Federal Preemption

In order to carry out its purpose to provide housing for low and moderate income families with proceeds from tax-exempt bonds, the Authority must comply with federal law and regulations as modified from time to time. Therefore, to the extent that any provisions of federal law and regulations are in conflict with the provisions of these procedures, the provisions of federal law and regulations shall be deemed to be controlling.

B-5. Trust Funds

All moneys received by the Authority, whether as proceeds of the sale of its bonds, as revenues, or otherwise, shall be deemed to be trust funds to be held and applied solely as provided by law. Any officer with whom or any bank or trust company with which such moneys shall be deposited shall act

as trustee of such moneys and shall hold and apply them for the public purposes of the Authority subject to the provisions of any relevant resolution authorizing the sale of revenue bonds or of any relevant trust agreement.

B-6 Non-Discrimination

The Authority shall not engage in any unlawful discriminatory practice or policy in providing financing or other assistance for any housing. Financing for such housing and occupancy therein shall be equally available to all qualified persons, ~~regardless of race, creed, color, national origin, ancestry, sex, gender identity or expression, marital status, families with children, age, lawful source of income, familial status, learning disability or physical or mental disability, sexual orientation or civil union status. without regard to race, color, religious creed, age, sex, sexual orientation, gender identity or expression, marital status, national origin, ancestry, present or past history of mental disability, intellectual disability, learning disability, physical disability, including, but not limited to, blindness or status as a veteran, pregnancy or pregnancy related conditions, or any other characteristic that is protected under applicable state or federal law.~~

~~In accordance with Connecticut General Statutes section 8-265c, the Authority shall require that occupancy of all housing financed or otherwise assisted under Chapter 134 of the Connecticut General Statutes be open to all persons regardless of race, creed, color, national origin or ancestry, sex, sexual orientation, gender identity or expression or erased criminal history record information, as defined in Connecticut General Statute section 46a-80a., and The Authority shall require that the contractors and subcontractors engaged in the construction or rehabilitation of such housing shall take affirmative action to provide equal opportunity for employment without discrimination as to race, creed, color, national origin or ancestry, sex, sexual orientation, gender identity or expression or erased criminal history record information.~~

~~The Authority shall require that contractors or subcontractors engaged in the construction or rehabilitation of housing with construction financing by the Authority provide equal employment opportunity to all persons, regardless of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, sexual orientation or civil union status and comply with the affirmative action requirements of section I, E 7 entitled "Affirmative Action Policy" of these procedures as amended.~~

B-7. Reports

Pursuant to section 8-260 of the Connecticut General Statutes, within the first ninety (90) days of each calendar year, the Authority shall report on its operations for the preceding calendar year to the Governor. The Authority shall make a report to the General Assembly on or before March 15 in each year that the General Assembly meets in general session. The report shall include a summary of the activities of the Authority, a complete operating and financial statement, and recommendations of legislation to promote the public purposes of the Authority. The accounts of the Authority shall be subject to annual audits of the state auditors of public accounts.

B-8. Security for Authority Loans

Whenever the Authority makes or purchases loans to implement its programs, such loans shall be secured as required by the Act, with such additional security as the Authority deems appropriate, including, but not limited to, personal guarantees, letters of credit, bonds, leases, escrow arrangements, pledges, reserves, security interests, mortgage interests, insurance agreements, indemnities, warranties, assignments, or other forms of security.

C. RULE-MAKING FUNCTIONS

C-1. Authority to Adopt Procedures

Statutory authority to adopt, amend or repeal procedures is derived from the Act and Section 1-120 et seq. of the General Statutes.

C-2. Petition for the Adoption, Amendment, or Repeal of Procedures

Petitions by interested persons requesting the adoption, amendment, or repeal of procedures by the Authority must be submitted in writing to the Executive Director at the Authority's offices. Such petitions shall set forth the following: a description of the proposed procedures or amendment or the request for repeal; an explanation of the petitioner's interest in the particular subject matter; and the reasons for the proposal. Within thirty (30) days of the receipt of the petition, the Authority shall either deny the petition in writing, stating reasons for the denial, or initiate adoption, amendment or repeal proceedings.

C-3. Declaratory Rulings

Requests for declaratory rulings should be submitted in writing to the Executive Director at the Authority's offices. Any declaratory rulings shall be adopted by resolution at a regular or special meeting. If the Authority fails to respond to such a request within sixty (60) days, the request shall be deemed denied

D. PURCHASING PROCUREMENT PROCEDURES

D-1. Introduction

Procedures for purchasing vary depending upon the value of the ~~item~~ good or service to be ~~purchase~~procured. A bidding process is generally used except as noted below in section D-3.

D-2. Bidding Process

(a) Bidding requirements for goods and services:

- (1) If the goods or services have a total value of less than \$50,000 in any calendar year, no bids required;
- (2) If the goods or services have a total value of between \$50,000 and ~~to~~ \$149,999 in any calendar year, written quotes are required from three or more qualified vendors; provided that in the event three quotes cannot be obtained, the Authority shall document its efforts made to comply with this provision;
- (3) If the goods or services have a total value of more than \$150,000 or more in any calendar year, bids or proposals by ~~via either newspaper or~~ electronic posting on the Authority's website and the State of Connecticut Department of Administrative Services Contracting portal on the internet are required;
- (4) in the case of purchases of a continuing nature, such as coffee, drinking water, or ongoing maintenance of REO properties, the requirements of this sub-section (a) will apply on an estimated annual basis;
- (5) There will be written agreements for goods and services that require bids under this sub-section (a).

(b) The solicitation and selection process and the criteria for selecting the winning bid will be documented. The criteria used may include but is not limited to price, quality, experience, reliability, proximity, delivery time, set-aside participation and the Authority's past experience with the vendor.

(c) Any consulting arrangement for professional services will be solicited through an RFP or contract form that clearly indicates the details of the work to be performed, the time within which the work is to be done, the amount of compensation, the method and timing of payments, and such other facts that will clearly define the basis of the arrangement.

(d) State contract prices will be solicited wherever possible. Any other state agencies or departments served are required to be included among vendors' references.

(e) Three years shall be the limitation on the term of agreements for the purchase of goods and services, except as noted below in subsection (f).

(f) Five years shall be the limitation on the term of agreements for the purchase of goods and services when utilizing State contracts available to quasi-public agencies/political subdivisions. Five years shall also be the limitation on the term of agreements with sub-servicers of the Authority's single family whole loans, for seller-servicers, and for externally procured software products and services.

(g) The Authority is not required to accept the lowest priced bid and may waive any irregularities in the bids or bid process in the best interests of the Authority.

D-3. Exceptions

(a) Expenditures for a sole source item; sole source items include such things as vendors that have a unique product, unique previous experience with the Authority, or some other unique capacity to provide quality or expeditious service.

(b) Expenditures of an emergency nature if approved in writing by the Executive Director.

(c) Expenditures of a non-emergency nature in an amount not to exceed \$250,000 provided: that the Executive Director has given notice of the essential terms of the proposed expenditure to all of the members of the Board's Executive Committee by email or delivery; the Board Chair has acknowledged receipt of such notification; and no member of the Executive Committee has objected to the expenditure. If any member of the Executive Committee objects to the proposed expenditure, the Executive Director shall consult with the Board Chair to determine further action by the Board or the Executive Committee.

(d) General office supplies.

(e) Expenditures for the maintenance of REO properties in emergency or time sensitive situations, where a bid process may be detrimental to the Authority's interests.

(f) Expenditures relating to servicing of single family mortgage loans for which the loan servicing services from the servicer were initially procured pursuant to these Procedures.

D-4. Board Approval

The Executive Director may reallocate amounts within the Authority's overall operational budget of up to \$100,000. Any allocation is further limited to no more than 50% of any one budget line item. Any reallocations above these limitations will require prior Board approval. All budget reallocations made under this authority shall be reported to the Board at its next Board meeting.

Board approval is required for expenditures for any non-budgeted expenditure in excess of \$5,000.

D-5. Equal Employment Opportunity Compliance

(a) The Authority requires all vendors to be equal opportunity employers, in accordance with ~~section 4(a) 60 and 4(a) 60(a) of the~~ applicable Connecticut General Statutes.

(b) Information on goods or services purchased is quantified to ensure that the Authority complies with ~~section 4(a) 60 and 4(a) 60(a) of the~~ applicable Connecticut General Statutes. A quarterly report is prepared for review by the Authority.

D-6. Large State Contracts

(a) The Authority will comply with the requirements of C.G.S., sections 4-250 to 4-252 regarding large contracts: gift affidavits and certifications, as amended.

E. PERSONNEL PROCEDURES

E-1. Introduction

The procedures for hiring, dismissing, promoting and compensating employees are set forth herein. Also included is the affirmative action policy.

E-2. Hiring and, Promoting and Dismissing

The Executive Director is the chief administrative officer and responsible for the staffing of the Authority in a manner consistent with the Annual Budget and Plan of Operations adopted by the Authority and all other plans and policies of the Authority.

The Executive Director is authorized by the Board of Directors to take any and all action with respect to employment, salaries and other compensation, organization and duties of employees.

The Executive Director may consult the Board of Directors on all hirings which affect positions at a senior management level prior to such actions becoming effective, provided, hiring in the position of Internal Auditor shall require the approval of the Board of Directors.

~~All authorized new or vacant position postings shall be approved by the Executive Director. If approved by the Executive Director, the position is then advertised. Position vacancies are circulated within the Authority. The process is monitored throughout for adherence to the Authority's Affirmative Action Policy.~~

To support career paths for existing employees, the Executive Director may fill any newly created or vacant position without posting it after consultation, as necessary, with managers or supervisors. All other newly created or vacant positions should be posted only after approval by the Executive Director. If a position is advertised outside of the organization, it will be advertised in locations and sources to promote the diversity of the applicant pool.

E-3. Performance Management Process

The Authority has a performance management process. The objectives of the process are to:

- (a) provide clear communication between supervisor and employee;
- (b) identify employee's work objectives and expected results;
- (c) identify the employee's performance strengths and weaknesses;
- (d) assess the needs for training, and
- (e) aid in decisions about future work assignments.

The process financially rewards employees based on their performance and contributions to their departments and the Authority.

Performance assessments are conducted twice during an employee's six month introductory period. Once an employee has completed an introductory employment period of six months, formal written performance assessments are conducted on an annual basis, and performance is reviewed throughout the year as appropriate. An overall performance assessment of ~~"meets expectations"~~ satisfactory or better is required for an employee to be considered for a merit compensation award.

All performance assessments are reviewed by the assigned supervisor, manager and Director of ~~Business Services~~ Human Resources.

E-4. Progressive Discipline

The Authority's philosophy is to deal constructively with an employee's work performance, conduct and behavior on the job through a progressive discipline process for conduct that it deems correctible by progressive discipline. However, the Executive Director is authorized, in his or her sole discretion, to decide whether and what disciplinary action will be taken in a given situation, up to and including termination.

The steps in the progressive discipline process depending on the severity of the circumstances may include: (1) constructive consultation (with written documentation), (2) written warning, (3) suspension, (4) dismissal. Examples of the types of offenses which result in disciplinary action are given in the Authority's Employees' Handbook. However, the supervisor, in consultation with the department ~~head~~ Vice President and the Director of Human Resources ~~Business Services~~ shall determine the severity of the offense and steps to be applied. Prior approval of the Executive Director must be obtained before suspension or dismissal of an employee.

E-5. Appeal Procedure

~~Any employee who has completed an introductory employment period of six months may appeal a supervisory action taken under the progressive discipline process, that he or she feels is unwarranted or unfair. The appeal procedure, as detailed in the Employees' Handbook shall include the requirement that the appeal be in writing, and that the supervisor give a written response. If the appeal is from a constructive consultation or written warning, the action shall be reviewed by the Executive Director or designee. In those cases, the decision of the Executive Director is final. If an employee wishes to appeal a suspension decision, the final appeal shall be to a committee comprised of three individuals, the Director of Business Services, the Executive Director, and a Vice President not from the employee's department.~~

Any employee who disagrees with any information contained in a documented disciplinary action, performance evaluation, or notice of termination has the right to submit a written statement explaining his or her position. Employees who have completed the introductory employment period may also request reconsideration of any disciplinary action at the time they submit their written statement explaining their position. The request for reconsideration of any disciplinary action does not extend to performance evaluations or terminations. The request for reconsideration of any disciplinary action will be considered by the Executive Director or her designee. In those cases, the decision of the Executive Director regarding the contested matter is final.

E-6. Compensation

Payment of Salary - Salaries are paid ~~by check~~ every other Thursday. Payment received on any pay day is for work during the pay period which ended on a Thursday two weeks prior. Thus, a new employee can expect to receive his or her first ~~payment for compensation~~~~check~~ up to four weeks after the first day he or she commenced working for the Authority.

Overtime and Overtime Pay ~~Under the federal Fair Labor Standards Act (the "Act"), employees who are covered by the Act shall be paid time and one-half for all hours worked in excess of 40 hours per week. Each position at the Authority is determined to be exempt or non-exempt from the Act by the Human Resources Officer in consultation with the appropriate Vice President. Those employees who are in positions which are non-exempt will be reimbursed for overtime following written approval by the supervisor (email will suffice as written approval). The Authority shall comply with all state and federal laws regarding fair labor standards and the payment of overtime.~~

Merit, COLA and other Incentive-Based Compensation - On an annual basis, the Executive Director will may recommend for approval ~~of by~~ the Board of Directors an allocation of funds for cost of living adjustments (COLA), merit compensation, and/or incentive-based increases for the staff. ~~A maximum percentage salary increase will be set for those employees with exceptional performance evaluations.~~ Employees shall be compensated according to job performance as determined through the performance management process. The Executive Director shall approve any compensation increase in advance of its implementation.

Connecticut State Employees' Retirement Plan - Employees are provided retirement benefits under the Connecticut State Employee's Retirement System. Each employee must join the plan. See the plan brochure for complete details concerning the plan.

Medical - There is broad coverage for medical benefits under a number of different insurance contracts. To determine the details of specific coverages, the plan brochures should be consulted.

Group Life Insurance - Upon completion of six months' employment, employees may apply for coverage under the State of Connecticut Group Life Insurance Plan. The amount of insurance available is in accordance with the schedule provided in the plan brochure. If this coverage is initially declined by the employee, it is necessary to provide evidence of insurability if any coverage is subsequently desired.

The Authority provides additional group coverage at no cost to the employee. The amount of coverage is in accordance with the plan brochure.

Deferred Compensation Plan - This plan provides for the tax deferral of income. Income is taxable at the time of receipt of the benefits upon retirement or other withdrawal from the plan. The plan has been approved by the Internal Revenue Service.

Severance Policy - ~~The Authority shall offer severance benefits in the following manner: (1) in the event of job layoffs or job elimination, the Executive Director shall negotiate severance agreements based on the employee's length of service, up to a maximum of six months; (2) a severance agreement~~

~~for the Executive Director shall be negotiated between the Executive Director and the Board of Directors. Severance payments may be payable over regular pay period intervals or in lump sum. The Executive Director may at her discretion negotiate severance agreements in the best interests of the Authority. The Board of Directors may at its discretion negotiate a severance agreement with the Executive Director in the best interests of the Authority. All severance agreements shall comply with section 1-125a of the Connecticut General Statutes, if applicable.~~

E-7. Affirmative Action and Equal Employment Opportunity Policy

~~The Board of Directors of the Authority has adopted an Affirmative Action and Equal Employment Opportunity Policy. The policy is updated by the Board on an ongoing basis, and it is on file at the office of the Vice President Administration. All employees are invited to review its contents; furthermore, all employees shall adhere to and further the policy.~~

~~The Authority recognizes both the purpose and need for a strong Affirmative Action Program to overcome the effects of past practices, policies or barriers to Equal Employment Opportunity. The Authority is committed to achieving the full and fair participation of women, blacks, hispanics and any other protected groups found to be underutilized in the workforce or affected by policies or practices having an adverse impact. The Authority will follow a policy of Equal Employment Opportunity throughout its employment process including, but not limited to, recruitment, hiring, training, upgrading and promotions, benefits, compensation, discipline, layoffs, and terminations. In addition, the Authority pledges that all the services and programs provided will be done in a fair and impartial manner.~~

~~The Authority will enforce this plan by the application of Connecticut General Statutes Section 46a-60(a)(1). Affirmative Action for equal opportunity is also mandated by federal constitutional provisions, laws, regulations, guidelines and executive orders that prohibit or outlaw discrimination and identifies each class of persons protected thereunder, which the Authority will abide by.~~

~~The Authority does, and will continue to, take aggressive affirmative action to make sure that applicants and employees are treated fairly and in accordance with law. The Authority recruits qualified or qualifiable candidates including protected class persons for positions that become vacant within the Authority. The Authority shall use as recruitment sources: State Personnel Office, majority and minority newspapers, all other avenues deemed necessary (e.g., community contact agencies).~~

~~The Authority recognizes the hiring difficulties experienced by the physically disabled and by many older persons and sets program goals to achieve the full and fair utilization of such persons in the workforce.~~

~~All appointments to positions are made after evaluating the established goals of the Affirmative Action Plan. The Director of Business Services counsels new employees on Authority Policy and the Affirmative Action Plan and employee rights under the Plan. The Director of Business Services also counsels employees regarding promotion opportunities, upward mobility and grievance procedure at various times during their employment. Upon termination of employment with the Authority, the~~

Director of Business Services, Personnel/Affirmative Action conducts an exit interview with the employee.

In accordance with Connecticut General Statute section 8-249, the Board of Directors of the Authority has adopted this Affirmative Action and Equal Employment Opportunity Policy.

The Authority is committed to providing equal employment opportunities to all employees and applicants for employment without regard to race, color, religious creed, age, sex, **sexual orientation**, gender identity or expression, marital status, national origin, ancestry, present or past history of mental disability, intellectual disability, learning disability, physical disability, including, but not limited to, blindness or status as a veteran, pregnancy or pregnancy-related conditions, or any other characteristic that is protected under applicable state or federal law. In addition, the Authority complies with applicable state and local laws governing nondiscrimination in employment. The policy applies to all terms and conditions of employment including, but not limited to, hiring, placement, promotion, termination, lay-off, re-hire, transfer, leaves of absence, compensation, and training.

If a position is advertised outside of the organization, the Authority takes steps to maximize the diversity of the applicant pool.

The Authority will implement best practices that encourage and support Diversity, Equity and Inclusion in the work environment.

Administration
Last Revised: 10/29/2015

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C. RULE-MAKING FUNCTIONS

C-1. Authority to Adopt Procedures

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- (4) in the case of purchases of a continuing nature, such as coffee, drinking water, or ongoing maintenance of REO properties, the requirements of this sub-section (a) will apply on an estimated annual basis;
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(d) State contract prices will be solicited wherever possible. Any other state agencies or departments served are required to be included among vendors' references.

(e) Three years shall be the limitation on the term of agreements for the purchase of goods and services, except as noted below in subsection (f).

(f) Five years shall be the limitation on the term of agreements for the purchase of goods and services when utilizing State contracts available to quasi-public agencies/political subdivisions. Five years shall also be the limitation on the term of agreements with sub-servicers of the Authority's single family whole loans, for seller-servicers, and for externally procured software products and services.

(g) The Authority is not required to accept the lowest priced bid and may waive any irregularities in the bids or bid process in the best interests of the Authority.

D-3. Exceptions

(a) Expenditures for a sole source item; sole source items include such things as vendors that have a unique product, unique previous experience with the Authority, or some other unique capacity to provide quality or expeditious service.

(b) Expenditures of an emergency nature if approved in writing by the Executive Director.

(c) Expenditures of a non-emergency nature in an amount not to exceed \$250,000 provided: that the Executive Director has given notice of the essential terms of the proposed expenditure to all of the members of the Board's Executive Committee by email or delivery; the Board Chair has acknowledged receipt of such notification; and no member of the Executive Committee has objected to the expenditure. If any member of the Executive Committee objects to the proposed expenditure, the Executive Director shall consult with the Board Chair to determine further action by the Board or the Executive Committee.

(d) General office supplies.

(e) Expenditures for the maintenance of REO properties in emergency or time sensitive situations, where a bid process may be detrimental to the Authority's interests.

(f) Expenditures relating to servicing of single family mortgage loans for which the loan servicing services from the servicer were initially procured pursuant to these Procedures.

D-4. Board Approval

The Executive Director may reallocate amounts within the Authority's overall operational budget of up to \$100,000. Any allocation is further limited to no more than 50% of any one budget line item. Any reallocations above these limitations will require prior Board approval. All budget reallocations made under this authority shall be reported to the Board at its next Board meeting.

Board approval is required for expenditures for any non-budgeted expenditure in excess of \$5,000.

D-5. Equal Employment Opportunity Compliance

(a) The Authority requires all vendors to be equal opportunity employers, in accordance with applicable Connecticut General Statutes.

(b) Information on goods or services purchased is quantified to ensure that the Authority complies with applicable Connecticut General Statutes. A quarterly report is prepared for review by the Authority.

D-6. Large State Contracts

(a) The Authority will comply with the requirements of C.G.S., sections 4-250 to 4-252 regarding large contracts: gift affidavits and certifications, as amended.

E. PERSONNEL PROCEDURES

E-1. Introduction

The procedures for hiring, dismissing, promoting and compensating employees are set forth herein. Also included is the affirmative action policy.

E-2. Hiring and Promoting

The Executive Director is the chief administrative officer and responsible for the staffing of the Authority in a manner consistent with the Annual Budget and Plan of Operations adopted by the Authority and all other plans and policies of the Authority.

The Executive Director is authorized by the Board of Directors to take any and all action with respect to employment, salaries and other compensation, organization and duties of employees.

The Executive Director may consult the Board of Directors on all hirings which affect positions at a senior management level prior to such actions becoming effective, provided, hiring in the position of Internal Auditor shall require the approval of the Board of Directors.

To support career paths for existing employees, the Executive Director may fill any newly created or vacant position without posting it after consultation, as necessary, with managers or supervisors. All other newly created or vacant positions should be posted only after approval by the Executive Director. If a position is advertised outside of the organization, it will be advertised in locations and sources to promote the diversity of the applicant pool.

E-3. Performance Management Process

The Authority has a performance management process. The objectives of the process are to:

- (a) provide clear communication between supervisor and employee;
- (b) identify employee's work objectives and expected results;
- (c) identify the employee's performance strengths and weaknesses;
- (d) assess the needs for training, and
- (e) aid in decisions about future work assignments.

The process financially rewards employees based on their performance and contributions to their departments and the Authority.

Performance assessments are conducted twice during an employee's six month introductory period. Once an employee has completed an introductory employment period of six months, formal written performance assessments are conducted on an annual basis, and performance is reviewed throughout the year as appropriate. An overall performance assessment of satisfactory or better is required for an employee to be considered for a merit compensation award.

All performance assessments are reviewed by the assigned supervisor, manager and Director of Human Resources.

E-4. Progressive Discipline

The Authority's philosophy is to deal constructively with an employee's work performance, conduct and behavior on the job through a progressive discipline process for conduct that it deems correctible by progressive discipline. However, the Executive Director is authorized, in his or her sole discretion, to decide whether and what disciplinary action will be taken in a given situation, up to and including termination.

The steps in the progressive discipline process depending on the severity of the circumstances may include: (1) constructive consultation (with written documentation), (2) written warning, (3) suspension, (4) dismissal. Examples of the types of offenses which result in disciplinary action are given in the Authority's Employees' Handbook. However, the supervisor, in consultation with the department head and the Director of Human Resources shall determine the severity of the offense and steps to be applied. Prior approval of the Executive Director must be obtained before suspension or dismissal of an employee.

E-5. Appeal Procedure

Any employee who disagrees with any information contained in a documented disciplinary action, performance evaluation, or notice of termination has the right to submit a written statement explaining his or her position. Employees who have completed the introductory employment period may also request reconsideration of any disciplinary action at the time they submit their written statement explaining their position. The request for reconsideration of any disciplinary action does not extend to performance evaluations or terminations. The request for reconsideration of any disciplinary action will be considered by the Executive Director or her designee. In those cases, the decision of the Executive Director regarding the contested matter is final.

E-6. Compensation

Payment of Salary - Salaries are paid every other Thursday. Payment received on any pay day is for work during the pay period which ended on a Thursday two weeks prior. Thus, a new employee can expect to receive his or her first payment for compensation up to four weeks after the first day he or she commenced working for the Authority.

Overtime and Overtime Pay The Authority shall comply with all state and federal laws regarding fair labor standards and the payment of overtime.

Merit, COLA and other Incentive-Based Compensation - On an annual basis, the Executive Director may recommend for approval by the Board of Directors an allocation of funds for cost of living adjustments (COLA), merit compensation, and/or incentive-based increases for the staff. Employees shall be compensated according to job performance as determined through the performance management process. The Executive Director shall approve any compensation increase in advance of its implementation.

Connecticut State Employees' Retirement Plan - Employees are provided retirement benefits under the Connecticut State Employee's Retirement System. Each employee must join the plan. See the plan brochure for complete details concerning the plan.

Medical - There is broad coverage for medical benefits under a number of different insurance contracts. To determine the details of specific coverages, the plan brochures should be consulted.

Group Life Insurance - Upon completion of six months' employment, employees may apply for coverage under the State of Connecticut Group Life Insurance Plan. The amount of insurance available is in accordance with the schedule provided in the plan brochure. If this coverage is initially declined by the employee, it is necessary to provide evidence of insurability if any coverage is subsequently desired.

The Authority provides additional group coverage at no cost to the employee. The amount of coverage is in accordance with the plan brochure.

Deferred Compensation Plan - This plan provides for the tax deferral of income. Income is taxable at the time of receipt of the benefits upon retirement or other withdrawal from the plan. The plan has been approved by the Internal Revenue Service.

Severance Policy -

The Executive Director may at her discretion negotiate severance agreements in the best interests of the Authority. The Board of Directors may at its discretion negotiate a severance agreement with the Executive Director in the best interests of the Authority. All severance agreements shall comply with section 1-125a of the Connecticut General Statutes, if applicable.

E-7. Affirmative Action and Equal Employment Opportunity Policy

In accordance with Connecticut General Statute section 8-249, the Board of Directors of the Authority has adopted this Affirmative Action and Equal Employment Opportunity Policy.

The Authority is committed to providing equal employment opportunities to all employees and applicants for employment without regard to race, color, religious creed, age, sex, sexual orientation, gender identity or expression, marital status, national origin, ancestry, present or past history of mental disability, intellectual disability, learning disability, physical disability, including, but not limited to, blindness or status as a veteran, pregnancy or pregnancy-related conditions, or any other characteristic that is protected under applicable state or federal law. In addition, the Authority complies with applicable state and local laws governing nondiscrimination in employment. The policy applies to all terms and conditions of employment including, but not limited to, hiring, placement, promotion, termination, lay-off, re-hire, transfer, leaves of absence, compensation, and training.

If a position is advertised outside of the organization, the Authority takes steps to maximize the diversity of the applicant pool.

The Authority will implement best practices that encourage and support Diversity, Equity and Inclusion in the work environment.