

MINUTES
FINANCE/AUDIT COMMITTEE OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
REGULAR MEETING
February 23, 2023

Committee Members

Present: (Virtually) Jerold Abrahams
Alexandra Daum, Commissioner of the Department of Economic and
Community Development
Philip DeFronzo
Timothy Hodges
Catherine MacKinnon
Jorge Perez, Banking Commissioner
Sarah Sanders, Chairperson of Finance/Audit Committee representing Erick
Russell, State Treasurer

Absent: Franklin Perry, II

CHFA Participants: Theresa Caldarone, General Counsel, Legal Department
(Virtually) John Chilson, Director, Portfolio Management
Allison Murphy, Director, Financial Reporting and Control
Hazim Taib, Chief Financial Officer

Ms. Sanders, Chairperson of the Finance/Audit 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 presented the resolution authorizing CHFA to borrow directly from the Federal Home Loan Bank of Boston (FHLB) to fund program loans. Approval of the resolution will allow CHFA to borrow up to \$100,000,000 for a period of 3 years. Discussion ensued regarding the nature, purpose and duration of the borrowing.

Upon a motion made by Mr. Abrahams, seconded by Ms. MacKinnon, Finance/Audit Committee members voted by roll call and were unanimously in favor of recommending to the Board of Directors for consideration the Resolution Authorizing the Execution and Delivery of a Credit Facility with the Federal Home Loan Bank of Boston.

Ms. Murphy presented the financial reports for January 2023 stating that mortgage loan and investment interest revenue are slightly above budget for the month and \$4,000,000 higher than last year. The year-over year revenue variances are being driven by the increase in interest rates on CHFA's short-term investments. The bond interest expense is slightly below budget for the month and \$1,700,000 higher than last year. Ms. Murphy also reported that, excluding salaries and benefits of \$2,500,000, current year-to-date expenses are \$60,000 lower than last year's administrative expenses. Bond issuance costs are \$554,000 below budget to date. The majority of upcoming issuance costs will be recognized in March, when CHFA has its first bond sale. The change in net position is above target by \$1,700,000.

Mr. Chilson presented the January 2023 delinquency and forbearance reports for the single-family and multifamily programs. He summarized the single-family whole loans purchased and loans securitized for January and noted that the month-end mortgage backed securities portfolio balance was \$2,200,000,000, which is an increase of a little over \$35,000,000 from the prior month. The whole loan portfolio through December 2022 declined by 27 loans or less than \$17,000 in principal balance net ending with a total balance of \$1,100,000,000. The overall single family delinquency rate declined to 2.27% and the carrying balance for loans in foreclosure year over year decreased by \$8,400,000 to \$20,800,000. For the month of January, CHFA funded 235 Downpayment Assistance loans totaling \$3,400,000 with 92.5% of January borrowers taking advantage of the Downpayment Assistance program. CHFA also funded 197 Time To Own forgivable loans totaling \$6,000,000 with an average loan size of \$30,000.

Mr. Chilson reported that there were 2 new multifamily loan closings in January. The overall portfolio size declined by 3 loans to 561 loans with a total portfolio balance of \$1,300,000,000. Delinquencies in the multifamily portfolio were unchanged with 6 permanent loan delinquencies and 1 construction loan delinquency. The overall delinquency rate was 1.2%.

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

Upon a motion made by Mr. Hodges, seconded by Ms. Sanders, the Finance/Audit Committee members voted by roll call and were unanimously in favor of adopting the January 26, 2023 Finance/Audit Committee minutes.

There being no further business to discuss, the meeting adjourned at 9:35 a.m.