

MINUTES
FINANCE/AUDIT COMMITTEE OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
REGULAR MEETING
May 25, 2023

Committee Members

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

Committee Members

Absent: Jerrold Abrahams
Franklin Perry, II

CHFA Participants: John Chilson, Director, Portfolio Management
(Virtually) Hazim Taib, Chief Financial Officer

Deputy Treasurer Sanders, Chairperson of the Finance/Audit Committee (“the Committee”), called the meeting to order at 9:01 a.m. A roll call of committee members was conducted and a quorum was present.

Deputy Treasurer Sanders thanked Nandini Natarajan, Commissioner Mosquera-Bruno and Commissioner Daum for presenting at the first Investor Conference and also thanked Board members and CHFA staff who attended the conference.

Mr. Taib presented the Resolution for the Commencement of Necessary Preparations for the 2023 Series K Bond Sale which authorizes CHFA to issue up to \$150,000,000 of housing mortgage finance program bonds to raise additional lendable proceeds for the first-time homebuyer program. CHFA will utilize a fixed rate bond structure and expects to close around August. Citigroup has been assigned as the book running manager for the bonds.

Upon a motion made by Ms. MacKinnon, seconded by Mr. Perez, Finance/Audit Committee members voted by roll call and were unanimously in favor of recommending to the Board of Directors for consideration the Resolution for the Commencement of Necessary Preparations for the 2023 Series K Bond Sale Housing Mortgage Finance Program.

Mr. Taib presented the financial reports for April 2023 stating that mortgage loan and investment interest revenue are \$3,200,000 above budget. The year over year revenue variance is basically being driven by higher returns from CHFA short-term investments. Administrative expenses are

\$2,700,000 below budget and \$532,000 higher than prior year. Excluding salaries and benefits, current year-to-date expenses are \$124,000 lower than the prior year's administrative expenses. Overall, the change in net position is above target by \$3,100,000.

Mr. Chilson presented the April 2023 delinquency and forbearance reports for the single-family and multifamily programs. He summarized the single-family whole loans purchased and loans securitized for April noting that the month-end mortgage backed security portfolio balance was \$2,300,000,000, which is an increase of \$16,700,000 over the prior month. The whole loan portfolio through March declined by 22 loans with a total principal balance increase of \$255,000 net for a total of \$1,100,000,000. The overall delinquency rate for the single family portfolio declined month over month by 24 basis points to 1.64% and the carrying balance for loans in foreclosure year over year declined by \$14,200,000 to \$16,000,000. The number of loans in foreclosure declined year over year by 115 loans. For the month of April, CHFA funded 138 Downpayment Assistance loans totaling \$2,100,000 with approximately 93% of April borrowers taking advantage of the Downpayment Assistance Program. CHFA also funded 103 Time To Own forgivable loans totaling \$2,900,000 with an average loan balance of \$28,000.

For the multifamily portfolio, there were two multifamily new loan closings in April which increased the total number of loans to 563 with a portfolio balance of \$1,330,000,000. Permanent loan delinquencies increased by one permanent loan to a total of seven loans. There was one ongoing construction loan delinquency and the overall delinquency rate was 1.24%.

Ms. Sanders requested a motion to approve the minutes of the April 27, 2023 Finance/Audit Committee meeting.

Upon a motion made by Ms. MacKinnon, seconded by Ms. Daum, the Finance/Audit Committee members voted by roll call and were unanimously in favor of approving the April 27, 2023 Finance/Audit Committee minutes.

There being no further business to discuss, the meeting adjourned by unanimous consent at 9:20 a.m.