

MINUTES
FINANCE/AUDIT COMMITTEE OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
REGULAR MEETING
May 27, 2021

Committee Members

Present: Sarah Sanders, representing Shawn Wooden, State Treasurer, Chairperson
of Finance/Audit Committee
Jerrold Abrahams
Timothy Hodges
Catherine MacKinnon
Jorge Perez, Banking Commissioner
Franklin Perry, II
Glendowlyn Thames, representing David Lehman, Commissioner of the
Department of Economic & Community Development

Staff Present: Theresa Caldarone, General Counsel
Allison Murphy, Director, Financial Reporting & Control
Hazim Taib, Chief Financial Officer

Other Participants: Michael Baumrin, RBC Capital Markets
John Wagner, Kutak Rock

A roll call of committee members was conducted, and a quorum was present. By teleconference due to the COVID-19 public health crisis and in accordance with Governor Lamont's Executive Order 7B, Ms. Sanders, Chairperson of the Finance/Audit Committee ("the Committee"), called the meeting to order at 9:00 a.m.

Mr. Taib introduced RBC Capital Markets representative Michael Baumrin to describe the 2021 Series B Bond sale that occurred on May 12, 2021. Mr. Baumrin reported that the sale of \$197,570,000 in Housing Mortgage Finance Bonds went extremely well and the timing was terrific. Mr. Baumrin provided a presentation overview including key highlights of the transaction, describing each of the five Series B bond issues. Mr. Baumrin noted that the bond sale presented a number of firsts for the Authority, including the Authority's first issue to include social bond designation, what he described as a growing trend in the market. Mr. Baumrin provided an overview of the pricing comparison and buyer distribution. A discussion took place regarding how the Authority's pricing compared to other issuers with a similar credit rating.

Ms. Murphy presented the financial reports for April, 2021. Ms. Murphy stated that mortgage loan and investment interest revenue shortfalls continue to be driven by a reduction in the Authority's program assets, which is a result of higher rates of mortgage prepayments. Ms. Murphy stated that bond interest expense is lower than the previous year as a result of the Authority's having issued

more refunding bonds than long bonds. Ms. Murphy stated that administrative expenses are coming in \$2.4 million under budget and \$370 thousand higher than last year. Excluding salaries and benefits, current year-to-date expenses are higher than last year's administrative expenses. The majority of the year-over-year variance is due to an increase in foreclosure related costs. Ms. Murphy stated that although there is a foreclosure moratorium, the Authority still had properties in its REO portfolio prior to the moratorium that are still incurring costs. Ms. Murphy stated that the Change in Net Position is above target by \$7.9 million.

Mr. Taib presented the Delinquency and Forbearance Reports. Mr. Taib reported on the single-family whole loans purchased for the month of April, as well as the loans securitized. The portfolio as a whole decreased as a result of elevated prepayments. The funding ratio of borrowers seeking Downpayment Assistance was approximately 69%. The number of whole loan borrowers in forbearance declined by 50 loans as of the end of March, and an additional decline of 53 loans for the month of April.

Mr. Taib reported that the Authority closed one new multifamily loan for the month of April. Multifamily delinquency stands at approximately 2.35%. Based on the program established last April, 2020 with approval by the Board of Directors, the Authority has two multifamily projects in forbearance.

Mr. Hodges requested a motion to approve the minutes of the April 29, 2021 Finance/Audit Committee meeting.

Upon a motion made by Mr. Perez and seconded by Ms. MacKinnon the members voted by roll call to adopt the minutes from the April 29, 2021 meeting. Ms. Thames abstained. Motion passed.

There being no further business to discuss, a motion was made to adjourn the meeting. All members were in favor. The meeting adjourned at 9:50 a.m.