

DRAFT MINUTES
FINANCE/AUDIT COMMITTEE OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
REGULAR MEETING
November 19, 2020

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

Committee Members

Absent: Glendowlyn Thames, representing David Lehman, Commissioner of the
Department of Economic & Community Development

Staff Present:

Theresa Caldarone, General Counsel
John Chilson, Director, Portfolio Management
Joyce Ciampi, Director, Internal Audit
Sherry Lambert, Manager, Planning, Development and Evaluation
Allison Murphy, Director, Financial Reporting & Control
Ed Myskowski, Director, Investment & Debt Management
Hazim Taib, Chief Financial Officer

By teleconference due to the COVID-19 public health crisis and in accordance with Governor Lamont's Executive Order 7B, the meeting was called to order at 9:05 a.m. Commissioner Seila Mosquera-Bruno, Chair of the CHFA Board of Directors, announced the resignation of Chairperson of the Finance/Audit Committee, Jared Schmitt, who has accepted a new position, and further announced that Sarah Sanders has accepted the role of Committee Chair.

Mr. Myskowski presented the Resolution for the Commencement of Necessary Preparations for the 2020 Series A Bond Sale to authorize the issuance of bonds to continue financing single-family homeownership. Mr. Myskowski stated that this will be the first issuance for the 2021 calendar year for single family. The resolution is for the issuance of up to \$150 million of Housing Mortgage Finance Program Bonds. The actual amount of bonds to be issued for lendable proceeds is expected to be approximately \$120 million. The remainder of the issuance authorization will be used for funding previously issued bonds. The bond issue is expected to close by the end of February depending on market conditions and the bookrunner is Citigroup.

Upon a motion made by Mr. Abrahams and seconded by Ms. MacKinnon, the members voted by roll call in favor of recommending to the Board the adoption of the Resolution for Commencement of Necessary Preparations for the 2020 Series A Bond Issue (Single Family). The item passed unanimously.

Mr. Taib presented the Resolution Regarding the Adoption of the Annual Budget and Plan of Operations for 2021. Mr. Taib provided an overview of the changes made since presenting members with the draft Budget and Plan of Operations during the previous meeting and based on feedback from the full Board.

Upon a motion made by Ms. MacKinnon and seconded by Mr. Hodges, the members voted by roll call and all members present were in favor of recommending to the Board the adoption of the Annual Budget and Plan of Operations for 2021. The item passed unanimously.

Mr. Taib presented the 2021 Finance/Audit Committee Calendar of Meetings for consideration and feedback by members. Some members expressed agreement regarding the duration and time of the meetings. There was no further feedback.

Mr. Taib introduced Bank of America representative's Ms. Barbara Feldman and Mr. Joseph Monitto to describe the 2020 Series E bond sale that occurred in October. Ms. Feldman briefly described the context of the market at the time of the sale before introducing Mr. Monitto to provide highlights from the transaction, including a brief history of events leading up to the sale, and a general timeline.

Ms. Murphy presented the financial reports for October, 2020. She stated mortgage loan and investment interest revenue shortfalls continue to be driven by the reduction in single-family loan production and an increase in single-family loan prepayments. Investment interest shortfalls are also being driven by the decrease in short-term investment rates. Ms. Murphy outlined the expenses through October, highlighting the areas with variances.

Mr. Chilson reported on the single-family whole loans purchased for the month of September, as well as the loans securitized. He stated that the average loan size was approximately \$190,000. The Authority saw a month-end mortgage security portfolio decrease from the previous month as well as a decrease in the whole loan portfolio. Mr. Chilson indicated that the overall delinquency rate for month over month decreased by .06% to 3.00%. Mr. Chilson reported that the Authority funded 60 downpayment assistance loans with an average of \$6,400 per borrower for the month of October. Mr. Chilson indicated that as of the end of September, whole loan borrowers in forbearance declined from the prior month, and declined further by the end of October.

Mr. Chilson stated the Authority closed seven new multifamily loans in the month of October. The portfolio increased to 550 loans, and the permanent loan delinquencies increased by one loan to a total of eight; construction loan delinquencies increased by one to a total of two. Mr. Chilson stated that there were no new multifamily forbearances signed in October.

Ms. Lambert reported the monthly tracking report for November. She announced one multifamily development on the agenda for financing. Ms. Lambert announced that in October, the Authority purchased 106 first mortgage loans and 60 Downpayment Assistance loans, both a decrease from the same reporting period last year. Ms. Lambert stated that for both first mortgage and DAP loans, prepayments have increased from the same reporting period last year.

Ms. Sanders requested that the minutes reflect that this Committee wishes to thank Jared Schmitt for his distinguished service as chair of the committee and wish him well in his new position.

Ms. Sanders requested a motion to approve the minutes of the October 29, 2020 Finance/Audit Committee meeting.

Upon a motion made by Mr. Hodges, seconded by Ms. MacKinnon the members voted by roll call to adopt the minutes from the October 29, 2020 meeting. Motion passed unanimously.

There being no further business to discuss, upon a motion made by Mr. Hodges, seconded by Mr. Abrahams and unanimously approved, the meeting was adjourned at 9:55 a.m.