Ms. 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.

Mr. Taib presented the resolution authorizing CHFA to adopt a new indenture allowing the issuance of up to $150 million to finance its single family and multifamily programs stating that the new indenture will supplement, not replace the existing general resolution, will not carry CHFA’s general obligation or the State’s Special Capital Reserve Fund. He outlined the new indenture’s features and differences with respect to the general resolution. Mr. Taib confirmed that CHFA will work with the State Treasurer’s Office to ensure that definitions of certain revenues that are pledged to these new bonds excludes any loans, revenues or MBS that are pledged through the Special Capital Reserve Fund bonds.

Upon a motion made by Mr. Perry, seconded by Ms. MacKinnon, Finance/Audit Committee members voted by roll call and were in favor of recommending to the Board of Directors for consideration the Resolution Authorizing the Adoption of a Housing Revenue Bond General Trust Indenture and the Issuance of Bonds.

Mr. Taib gave a report on the multifamily programs that would be offered under the new indenture. CHFA intends to increase its mission lending by introducing new multifamily products consisting of FHA, Fannie and Freddie insured loans. To accomplish this, CHFA
will engage one or more FHA, Fannie and Freddie approved lenders as its partners. Mr. Hazim outlined the benefits of the new indenture and stated that for the first two years Jefferies and Berkadia Commercial Mortgage will act as senior manager and lender for the program, respectively. After the first two years, the program will be made available for participation by other qualified partners.

Mr. Taib introduced Nicholas Fluehr from Wells Fargo who summarized the details of the 2022 Series D multifamily bond sale including the impact of market volatility on the transaction, the timing of the sale, pricing adjustments during the sale and level of retail and institutional participation.

Ms. Murphy presented the financial reports for September 2022 stating that mortgage loan and investment interest revenue are $3.7 million over budget through September 30th and $717,000 higher than last year. She reported that the current year variance is due in part to the increase in short-term investment rates. The bond interest expense is below budget by $8 million through September 30th and $3.8 million lower than last year. In addition to the premium amortization acceleration due to redemptions, the variance is due in part to the fact that outstanding bonds are $348 million lower than the same time last year. Ms. Murphy also reported that, excluding salaries and benefits or $20 million, current year-to-date expenses are $489,000 lower than last year’s administrative expenses. The change in net position is above target by $18 million.

Mr. Chilson presented the September 2022 delinquency and forbearance reports for the single-family and multifamily programs. He summarized the single-family whole loans purchased and loans securitized for September and noted that the month-end mortgage backed securities portfolio balance was $2.1 billion, which is an increase of $3.4 million from the prior month. The whole loan portfolio declined by 74 loans or $7.1 million with a total portfolio balance of $1.2 billion. The overall single family delinquency rate was unchanged at 2.38% and the carrying balance for loans in foreclosure year over year decreased by $8.7 million to $24 million. For the month of September, CHFA funded 123 Downpayment Assistance loans totaling $1.8 million with 99% of borrowers seeking Downpayment Assistance for September. CHFA also funded 105 Time To Own grants totaling $3.1 million with an average grant size of just under $30,000.

Mr. Chilson reported that there were 4 new loan closings in September in the multifamily portfolio bringing the total to 560 loans with an overall portfolio balance of $1.3 billion. There were 6 permanent loans in delinquency which is unchanged from the prior month. There were no construction loan delinquencies and the overall delinquency rate was 0.38%.

Mr. Taib presented the quarterly investment and swap report. The investment report reflects a decrease in book value by $5 million to approximately $3.4 billion. Quarter over quarter, the yield to maturity increased to 2.77% due to rising interest rates.

The swap report shows an increase of 1 swap totaling $935 million. The weighted pay rate by the Authority decreased slightly which is anticipated to go up in the future once CHFA enters a new swap. The mark to market value increased to a positive position of approximately $19.6 million.

Ms. Sanders requested a motion to approve the minutes of the September 29, 2022 Finance/Audit Committee meeting.
Upon a motion made by Ms. MacKinnon, seconded by Mr. Perez, the Finance/Audit Committee members voted by roll call and were in favor of adopting the September 29, 2022 Finance/Audit Committee minutes.

There being no further business to discuss, the meeting adjourned by unanimous consent at 9:54 a.m.