

DRAFT MINUTES
FINANCE/AUDIT COMMITTEE OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
REGULAR MEETING
September 27, 2018

Committee Members

Present: Jared Schmitt, Chairperson of Finance/Audit Committee
Michael Cicchetti
Timothy Hodges (by phone)
David Kooris representing Catherine Smith, Commissioner, Department
of Economic & Community Development (by phone)
Catherine LaMarr representing Denise Nappier, State Treasurer (by
phone)
Jorge Perez, Banking Commissioner

Staff Present: Theresa Caldarone, Assistant Director – Legal
Joyce Ciampi, Director, Internal Audit
John Chilson, Director, Portfolio Management
William Dickerson, General Counsel
Sherry Lambert, Manager, Research and Analysis
Allison Murphy, Director, Financial Reporting and Control
Hazim Taib, Chief Financial Officer

Others Present: Robert Lamb, Lamont Financial Services, Financial Advisor
John Wagner, Kutak Rock, Co-Bond Counsel

Mr. Schmitt, noting the presence of a quorum, called the Finance/Audit Committee (the “Committee”) meeting to order at 9:00 a.m., in the Executive conference room of CHFA’s offices, 999 West Street, Rocky Hill, Connecticut 06067.

Mr. Taib presented the resolution authorizing the issuance of not to exceed \$200,000,000 of 2018 Series J Bonds to continue the financing of single-family mortgages for first-time homebuyers. This is the fourth issuance in 2018 for the program. Mr. Taib mentioned that through September 17, CHFA has reserved and committed approximately \$172,600,000 of loans with a weighted average mortgage rate of 3.97% for the year. He stated that as of August 31, CHFA purchased 2,007 single-family loans totaling \$354,700,000. The bonds, together with other funds, will generate about \$120,000,000 of lendable proceeds to finance and purchase approximately 662 single-family loans. Mr. Taib noted that the resolution names RBC Capital Markets as the book running senior manager for the bonds.

Upon a motion made by Mr. Cicchetti, seconded by Mr. Perez, the Finance/Audit Committee members voted in favor of recommending to the Board for consideration the resolution for the commencement of necessary preparations for the 2018 Series J Bond sale for the Housing Mortgage Finance Program (Ms. LaMarr abstained from the vote).

Mr. Taib discussed the recommendation to appoint bond underwriters for CHFA in response to the Request for Proposals that was issued in June. He summarized that staff, with the assistance of CHFA's financial advisor, reviewed the responses received and recommends 4 firms to act as senior manager, 10 firms to act as co-manager, and 14 firms to act as selling group members of the Housing Mortgage Finance Program Bonds. Mr. Taib stated that under the State-Supported Special Obligation Bonds, staff recommends 2 firms to act as senior manager, 1 firm to act as co-manager and 2 firms to act as selling group members. If approved by the Board, Mr. Taib noted that the effective date of the appointment would be January 1, 2019. The Committee discussed the performance of the selling group, and Ms. LaMarr offered to share contract language to use as a reference.

Upon a motion made by Mr. Cicchetti, seconded by Mr. Kooris, the Finance/Audit Committee members voted in favor of recommending to the Board the adoption of the resolution regarding the appointment of bond underwriters for CHFA (Mr. Perez voted no, and Ms. LaMarr abstained from the vote).

Mr. Taib reviewed the financial reports for August 2018. He stated that the change in net position is above target and he highlighted some of the areas with variances. Under the single-family program, Mr. Taib stated that assets have increased for the month of August, and the delinquency rate went down. Under the multifamily program, Mr. Taib stated that the portfolio increased, and permanent loan delinquencies remained unchanged.

Ms. Lambert reviewed the monthly tracking report. Ms. Lambert stated that under the homeownership program, CHFA purchased 306 first-time homebuyer loans in August and 103 downpayment assistance loans. Ms. Lambert mentioned that there were 391 reservations made for first-time homebuyers, which is slightly lower than the previous five months but still very strong. She summarized the multifamily proposals being presented to the Mortgage Committee and Board this month.

Mr. Schmitt asked the Committee members to consider the minutes from the July 26, 2018 meeting.

Upon a motion made by Mr. Perez, seconded by Mr. Cicchetti, the Committee members voted in favor of adopting the minutes from the July 26, 2018 meeting as presented (Mr. Cicchetti abstained from the vote).

There being no further business to discuss, upon a motion made by Mr. Perez, seconded by Mr. Cicchetti, and unanimously approved, the meeting was adjourned at 9:20 a.m.