

MINUTES
FINANCE/AUDIT COMMITTEE OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
REGULAR MEETING
September 29, 2022

Committee Members

Present: (In Person) Jerrold Abrahams

(Virtually) Alexandra Daum, representing David Lehman, Commissioner of the
Department of Economic & Community Development
Philip DeFronzo
Timothy Hodges
Catherine MacKinnon
Jorge Perez, Banking Commissioner
Franklin Perry, II
Sarah Sanders, representing Shawn Wooden, State Treasurer, Chairperson
of Finance/Audit Committee

CHFA Participants: Hazim Taib, Chief Financial Officer
(In Person)

(Virtually) John Chilson, Director, Portfolio Management
Allison Murphy, Director, Financial Reporting and Control

Other Participants: Robert Lamb, Lamont Financial Services
(Virtually)

Ms. Sanders, Chairperson of the Finance/Audit Committee (“the Committee”), called the meeting to order at 9:00 a.m. A roll call of committee members was conducted and a quorum was present.

Mr. Taib presented the resolution authorizing CHFA to issue up to \$200 million of housing mortgage finance program bonds. The sale will allow CHFA to raise \$150 million of lending proceeds for the first-time homebuyer program and recycle up to \$50 million of prepayments. The closing is expected to occur around November and Citigroup has been assigned as the book running manager for the bonds.

Upon a motion made by Mr. DeFronzo, 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 for the Commencement of Necessary Preparations for the 2022 Series N Bond Sale Housing Mortgage Finance Program. Mr. Perez abstained from voting.

Ms. Murphy presented the financial reports for August 2022, stating that mortgage loan and investment interest revenue are \$2.3 million over budget for the first eight months of the year and \$1.0 million lower than last year. She reported that the current year variance is due in part to the increase in interest rates on CHFA’s short-term investments. The bond interest expense is below budget by \$8.9 million and \$4.8 million lower than last year. Ms. Murphy also reported that,

excluding salaries and benefits or \$17.9 million, current year-to-date expenses are \$585,000 lower than last year's administrative expenses. The change in net position is above target by \$16.7 million.

Mr. Chilson presented the August 2022 delinquency and forbearance reports for the single-family and multifamily programs. He summarized the single-family whole loans purchased and loans securitized for August and noted that the month-end mortgage backed securities portfolio balance was \$2.1 billion, which is a decrease of \$3.8 million from the prior month. The whole loan portfolio through the end of July declined by 60 loans or \$5.9 million with a total portfolio balance of \$1.2 billion. The overall single family delinquency rate increased month over month by .08% to 2.38% and the carrying balance for loans in foreclosure year over year decreased by \$8.8 million to \$25.2 million. For the month of August, CHFA funded 101 Downpayment Assistance loans totaling \$1.6 million with 82% of August borrowers participating in the Downpayment Assistance Program. CHFA also funded 52 Time To Own grants totaling \$1.75 million.

Mr. Chilson reported that there were 5 new closings in the multifamily portfolio for August. The portfolio increased by 3 loans to 556 loans with a total portfolio balance of \$1.33 billion. Permanent loan delinquencies decreased by 2 loans to seven delinquent loans. There were no delinquent construction loans and the overall delinquency rate for the multifamily portfolio was 0.40%. Discussion ensued regarding the use of mission oriented funds to buy down interest rates for the single family or multifamily programs.

Ms. Sanders requested a motion to approve the minutes of the July 28, 2022 Finance/Audit Committee meeting.

Upon a motion made by Mr. Hodges, seconded by Mr. Abrahams, the Finance/Audit Committee members voted by roll call and were in favor of adopting the July 28, 2022 Finance/Audit Committee minutes. Mr. Perez abstained from voting.

There being no further business to discuss, the meeting adjourned by unanimous consent at 9:23 a.m.