

DRAFT MINUTES
FINANCE/AUDIT COMMITTEE OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
REGULAR MEETING
September 30, 2021

Committee Members

Present: (Virtually) 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
(Virtually) John Chilson, Director, Portfolio Management
Joyce Ciampi, Director, Internal Audit
Allison Murphy, Director, Financial Reporting & Control
Hazim Taib, Chief Financial Officer

Other Participants: Robert Lamb, Lamont Financial Services
(Virtually) Geoff Proulx, Morgan Stanley
Grace Chionuma, Morgan Stanley
Alex Vlamis, Morgan Stanley

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

Mr. Taib introduced Mr. Proulx from Morgan Stanley to provide a summary regarding the 2021 Series D Bond Sale for Single Family Housing of which Mr. Taib stated the financing is set to close on Tuesday, October 5, 2021. Mr. Proulx provided highlights of the transaction, including pricing and noting that there was strong retail and institutional demand for the bonds.

Ms. Murphy presented the financial reports for August, 2021. Ms. Murphy stated that the mortgage loan and investment interest revenue shortfalls continue to be driven by a reduction in the Authority’s program assets. Ms. Murphy reported that short term interest rates are significantly lower than the previous year and that the Authority has reallocated some of its investments into higher yielding securities. Ms. Murphy stated that the Authority’s Fees and Other Income are over budget through the month end of August. Ms. Murphy noted that the bond interest expense is lower than the previous year and that administrative expenses are coming in \$4.9 million under

budget and \$642 thousand higher than last year. Excluding salaries and benefits, current year-to-date expenses are higher than last year's administrative expenses.

Mr. Chilson presented the Delinquency and Forbearance Reports. Mr. Chilson reported on the single-family whole loans purchased for the month of August, as well as the loans securitized. Loans for the month of August averaged \$212,000. The Authority's August MBS balance declined from the prior month and the Authority's whole loan portfolio declined from the prior month. Overall delinquency rate decreased by .12% to 2.99%. The carrying balance for loans in foreclosure year-over-year decreased while the total number of loans in foreclosure decreased by 23. Mr. Chilson stated that 74% of borrowers took advantage of the Downpayment Assistance program for the month of August. As of the end of July, the number of whole loan borrowers in forbearance declined.

Mr. Chilson reported that the Authority closed two new multifamily loans for the month of August. The number of loans in the portfolio decreased by one loan. Permanent loan delinquencies remained unchanged from the prior month. Mr. Chilson reported that one multifamily loan is in forbearance.

Ms. Sanders requested a motion to approve the minutes of the July 29, 2021 Finance/Audit Committee meeting.

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

Mr. Taib made a presentation on how the Authority approaches single family loans versus Mortgage Backed Securities (MBS).

There being no further business to discuss, a motion was made to adjourn the meeting. All members were in favor. The meeting adjourned at 9:57 a.m.