

MINUTES
FINANCE/AUDIT COMMITTEE OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
REGULAR MEETING
February 23, 2017

Committee Members

Present: Catherine LaMarr representing Denise Nappier, State Treasurer (by phone)
Jorge Perez, Banking Commissioner
Tim Sullivan representing Catherine Smith, Commissioner, Department of Economic & Community Development

Committee Members

Absent: Jared Schmitt, Chairperson of Finance/Audit Committee
Michael Cicchetti
Nuala Droney

Staff Present:

Joyce Ciampi, Director, Internal Audit
William Dickerson, General Counsel
John Chilson, Director of Portfolio Management
Sherry Lambert, Manager, Research and Analysis
Allison Murphy, Director, Financial Reporting and Control
Ed Myskowski, Director, Investment & Debt Management
Hazim Taib, Chief Financial Officer.

Others Present:

Barbara Feldman, Bank of America Merrill Lynch
Robert Lamb, Lamont Financial Services, Financial Advisor
Kathleen Orlandi, Hawkins, Delafield & Wood, Co-Bond Counsel
John Wagner, Kutak Rock, Co-Bond Counsel

In the absence of the Chairperson of the Finance/Audit Committee (the Committee), Mr. Perez, noting a presence of a quorum, called the meeting to order at 9:02 a.m., in the Executive conference room of CHFA's offices, 999 West Street, Rocky Hill, Connecticut 06067.

Mr. Taib introduced Barbara Feldman from Bank of America Merrill Lynch, book running manager for the 2017 Series A bond issue. Ms. Feldman provided an overview of the sale of the bonds. She explained that the bonds were sold to replace and refund outstanding bonds, finance newly originated mortgage loans for the single-family program and to pay certain costs of issuance. Ms. Feldman described the market at the time of the sale and summarized that despite the volatility in the market, CHFA's bonds were well received. She stated that the summary of orders and allotments and pricing is included in the pricing book.

Mr. Taib discussed the financial and delinquency reports for January 2017, noting the areas with large variances. He cautioned that this is the first operating month and that budgeted revenues and expenses are spread over 12 months. Mr. Taib stated that when combining the single-family mortgage-backed security and whole loan portfolios, the single-family delinquency rate is 6.54 percent. The delinquency rate for the multifamily portfolio is 1.89 percent. Noting a newspaper article about the high delinquency rate in Bridgeport and Meriden, Mr. Perez asked staff for more details on trends for loss prevention and ways to help mitigate delinquencies to determine whether CHFA should be doing more.

Ms. Lambert provided highlights from the monthly tracking report. She stated that the Mortgage Committee and Board will be considering Investment Trust Account funds, 4 percent low-income housing tax credits (LIHTCs), 9 percent LIHTCs and taxable bond funds for three multifamily developments. Ms. Lambert mentioned that CHFA purchased 252 first-time homebuyer loans in January which is higher than January 2016, and approximately 60 percent of all purchased loans in January 2017 also received Downpayment Assistance Program loans.

The Committee members considered the minutes from the January 26, 2017 meeting.

Upon a motion made by Mr. Sullivan, seconded by Ms. LaMarr, the Committee members voted unanimously in favor of adopting the minutes from the January 26, 2017 meeting as presented.

There being no further business to discuss, upon a motion made by Mr. Sullivan, seconded by Ms. LaMarr and unanimously approved, the meeting was adjourned at 9:29 a.m.