MINUTES
FINANCE/AUDIT COMMITTEE OF THE
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)
REGULAR MEETING
March 29, 2018

Committee Members
Present: Timothy Hodges (by phone)
Catherine LaMarr representing Denise Nappier, State Treasurer (by phone)
Jorge Perez, Banking Commissioner
David Kooris representing Catherine Smith, Commissioner, Department of Economic & Community Development

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

Staff Present: 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
Ed Myskowski, Director, Investment & Debt Management
Hazim Taib, Chief Financial Officer

Others Present: 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 called the meeting to order at 9:06 a.m., in the Executive conference room of CHFA’s offices, 999 West Street, Rocky Hill, Connecticut 06067.

Mr. Taib reviewed the recommendation to authorize the commencement of necessary preparations for the 2018 Series E bond sale for the single-family program. Mr. Taib noted that through March 19, CHFA has reserved and committed about $108.3 million of single-family loans, and this issue will provide additional funds to purchase approximately 695 single-family first-time homebuyer loans and refund previously issued bonds. Mr. Taib mentioned that the resolution names Morgan Stanley & Co as the book running senior manager. CHFA anticipates pricing the bonds on or about April 24 and closing on or about May 10.

Upon a motion made by Mr. Hodges, seconded by Ms. LaMarr, the Committee members voted unanimously in favor of recommending to the Board for consideration the resolution authorizing the commencement of necessary preparations for the 2018 Series E bond sale.
Mr. Taib discussed the financial reports for February 2018 noting that interest on loans and investments are coming in as expected. He noted that interest on bonds has increased year over year due to a rise in short-term interest rates. A question arose about salaries being under budget, and Mr. Taib responded that CHFA currently has some vacancies due to turnovers but is not understaffed. Mr. Taib reviewed the delinquencies for CHFA’s loans and mentioned that the delinquency rate for the combined portfolios of mortgage-backed securities and whole loans is 4.98%. There was a brief discussion about information gathered from borrowers to help make assumptions and identify delinquencies. Staff was asked whether more can be done to help predict delinquencies (i.e. collect information about employers so that predictions can be made if a large employer moves out of state, has major layoffs and/or closes). Mr. Taib discussed the multifamily delinquencies and stated that CHFA did not close any multifamily loans in February, but two loans moved from construction to permanent status. Permanent loan delinquencies remain at nine.

Ms. Lambert reviewed the monthly tracking report. She summarized the recommendations that will be presented today at the Mortgage Committee and Board meetings for tax-exempt bonds for the Housing Authority of New Haven Rental Assistance Demonstration Program and for 9% low-income housing tax credits (LIHTCs). She noted that the reservations of LIHTCs will appear on the April report. Ms. Lambert discussed the homeownership program and mentioned that for the month of February, CHFA purchased 241 first-time homebuyer loans and 111 DAP loans, which is slightly lower than February 2017. Prepayments are lower than 2017 because interest rates are increasing.

Mr. Perez asked the Committee members to consider the minutes from the February 22, 2018 meeting.

Upon a motion made by Ms. LaMarr, seconded by Mr. Hodges, the Committee members voted in favor of adopting the minutes from the February 22, 2018 Committee meeting as presented (Mr. Kooris abstained from the vote).

There being no further business to discuss, upon a motion made by Ms. LaMarr, seconded by Mr. Hodges and unanimously approved, the meeting was adjourned at 9:25 a.m.