

On Thursday, March 23, 2017, New Hampshire Housing Finance Authority held its monthly Board meeting at the Authority's offices located at 32 Constitution Drive, Bedford, NH. Chair Ensign called the meeting to order at 10:13 a.m. The meeting adjourned at 2:01 p.m.

Members Present:

Stephen W. Ensign
Kendall Buck
John Cuddy
Pauline Ikawa
Connie Lane
Amy Lockwood
Mary Beth Rudolph
Stephanye Schuyler
Donald Shumway

Members Absent:

N/A

Authority Counsel Present:

John Deachman, General Counsel
Thomas Collins, Bond Counsel
Chelsea Tryder, McCarter & English

Others Present:

Andy Boyle
Andy Cadorette
Dean Christon
Jessica Daniels
Pat Donahue
Ben Frost
Debi Granfield
Dave Hebert
Ginny Larkin
Jane Law
Grace Lessner
Ignatius MacLellan
Heather McCann
Gloria Paradise
Dee Pouliot
Colette Provencher
Bill Ray
George Reagan
David Sargent
Melanie Toscano

Tim Cadigan, TD Bank
Barbara Feldman, BAML
Brian Foley, William H. Craig Fellow
Matt Menning, Elm Grove Companies

Chair Ensign called the meeting to order at 10:13 a.m.

Approval of the Minutes of the February 23, 2017 Meeting: Ms. Ikawa moved, seconded by Mr. Buck, and the Board unanimously approved the following motion:

2017-09 The minutes of the February 23, 2017 meeting are approved as presented.

COMMITTEE REPORTS:

Finance and Administration Committee

Approval: Appointment of Multi-Family Bond Trustee: Ms. Schuyler discussed the request to appoint U.S. Bank National Association as trustee for the Authority's multi-family bond issues, noting the request for proposals (RFP) issued and evaluation process. Ms. Schuyler moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2017-10 The Board of Directors appoints U.S. Bank National Association as trustee for the Authority's multi-family bond issues.

Approval: Lead Paint Hazard Control Program: Ms. Schuyler briefly discussed the Lead Paint Hazard Control Program and staff's request for matching funds for the purpose of applying for a Housing and Urban Development (HUD) Lead-Based Paint Hazard Control Grant. She commented on the success of the Authority's lead paint control program, noting staff continues to exceed all benchmarks. Ms. Paradise reported on the grant process, providing details of the grant funding and the proposed use of funds. She also discussed the requirement of matching funds from property owners for the program and answered members' questions. Ms. Schuyler moved, seconded by Ms. Ikawa, and the Board unanimously approved the following motion:

2017-11 The Board of Directors authorizes the commitment of up to \$600,000 of New Hampshire Housing operating funds over a three-year period as matching funds for the purpose of applying for a HUD Lead-Based Paint Hazard Control Grant. The expenditures of the funds would be contingent upon receipt of a lead paint hazard control grant of up to \$2.5 Million in lead control funds and an additional \$400,000 in healthy homes program funds from the Department of Housing and Urban Development (HUD) as well as matching funds from other partners as available.

Homeownership Committee

Approval: Homeownership Program Rules: Ms. Lockwood reported on the overview of rules which was presented to the Homeownership Committee in February, which included new rules, rules that have been clarified and edited, and rules that should be repealed. She provided details, noting the Committee's recommendation. Mr. Christon briefly discussed the comprehensive effort by staff to clarify and improve rules going forward and reported the effective date of the rules will be set when they are ready to be filed with the Office of Legislative Services. Ms. Lockwood moved, seconded by Ms. Rudolph, and the Board unanimously approved the following motion:

2017-12 The Board of Directors approves the repeal of the rules listed in Exhibit A and approves the new and revised rules in Exhibit B (collectively "New Rules").

The repeal of any rule shall not affect any existing loans or other agreements that were established under those repealed rules. Borrowers under such programs remain bound by those rules even if the rules have been repealed. Staff shall create and maintain a list and a copy of those rules.

Consistent with New Hampshire Housing rulemaking policy, the Executive Director will determine an effective date for the New Rules; and the repeals list and New Rules shall be filed with the Office of Legislative Services, see RSA 204-C:53.

Multi-Family Housing Committee

Approval: FY 2018 Public Housing Authority Annual Plan: Mr. Cuddy provided a brief introduction of the FY 2018 Public Housing Authority Annual Plan. Ms. Granfield reviewed the annual plan and recommended changes, providing background and details of this annual HUD requirement. She discussed the public hearing held on the draft plan, noted comments were solicited by the Resident Advisory Board and answered members' questions. Mr. Cuddy moved, seconded by Ms. Lane, and the Board unanimously approved the following motion:

2017-13 The Board of Directors approves the Public Housing Authority (PHA) Annual Plan for FY 2018 as published.

Approval: Revised Housing Choice Voucher Administrative Plan: Mr. Cuddy provided a brief introduction of the Housing Choice Voucher Administrative Plan. Ms. Granfield reviewed the administrative plan, providing background and details, noting this is an internal document which clarifies policies. She briefly reviewed substantive revisions and answered members' questions. Mr. Cuddy moved, seconded by Mr. Shumway, and the Board unanimously approved the following motion:

2017-14 The Board of Directors approves amendments to the Housing Choice Voucher Administrative Plan as detailed in the April 2017 revision.

Executive Committee

The Executive Committee did not meet in March.

UNFINISHED BUSINESS:

There was no unfinished business to bring before the Board.

NEW BUSINESS:

Staff Presentation: Housing Market Update: Mr. Ray gave a housing Market Update, providing current information on New Hampshire's market, including sales activity, foreclosure and delinquency rates, and rental costs. He noted the housing market is affected by significant

economic and demographic shifts, and low rental vacancy rates and answered members' questions throughout the presentation.

EXECUTIVE DIRECTOR'S REPORT:

Mr. Christon provided an update on Legislative activities, reporting on the list of bills which may be of interest to the Authority. He reported on SB94, the appropriation of funds for the Affordable Housing Fund (AHF), and SB247, which appropriates state money to a special fund for the prevention of childhood lead poisoning. Mr. Christon reported the current version of the bill states that Health and Human Services (HHS) is required to consult with the Authority to administer this program. Staff will continue to watch this closely and will update members as necessary. Mr. Christon then provided an update on federal activity and noted indications of support for the tax credit program in the House and Senate.

Mr. Christon then reviewed the communication from NCSHA concerning the Trump Administration FY 2018 budget blueprint, noting the potential impact to key programs. He reviewed the memo and answered members' questions.

PROGRAM ACTIVITY REPORTS:

Mr. Christon reviewed the Single Family Mortgage Program reports noting volume remains stable and is on track to meet or exceed the program plan. He discussed the challenge of setting interest rates and also reported MCC activity remains strong.

Mr. Christon reviewed the Rental Assistance Program Report noting staff continues to wait for the budget to be received. He reported staff is preparing for the potential of a budget which is 94-97% of the previous year's budget, discussed the potential implications of a reduction and answered members' questions.

Mr. Christon then reviewed the Multi-Family Development Reports. He discussed the Qualified Allocation Plan (QAP) process reviewing discussions held with the Committee members with reference to a new, updated schedule and a potential delay in submitting the plan for Board approval. The QAP will not be brought to the Board in April. He noted staff will, however, be bringing adjusted 2017 tax credit allocations to the Board.

Finally, Mr. Christon discussed the financial reports noting the servicing portfolio continues to grow. He reported the delinquency numbers vary slightly from historical patterns, potentially due to slower tax returns and the REO portfolio continues to shrink. Mr. Christon noted the multi-family portfolio remains strong and there are no delinquencies although a few properties are experiencing occupancy issues.

COMMITTEE MEETING MINUTES:

The Board had no comments on the Committee minutes as presented.

Mr. Christon discussed the upcoming meetings and events, noting the upcoming conferences. He also noted the Executive Committee will likely be meeting in May to address the upcoming audit.

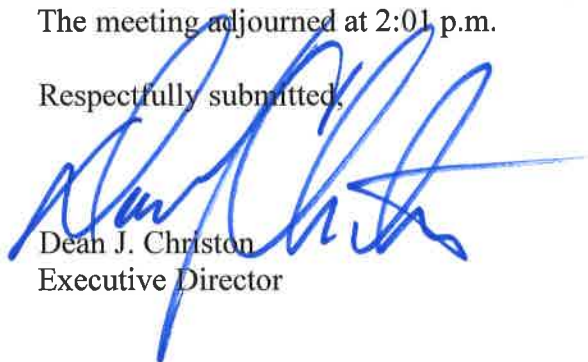
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There being no further business to bring before the Board, the meeting was recessed at 11:13 a.m.

At 11:30 a.m. the meeting resumed and Board and staff members discussed strategic issues related to the FY 2018 Program Plan and Budget. No additional votes were taken.

The meeting adjourned at 2:01 p.m.

Respectfully submitted,



Dean J. Christon
Executive Director

Attachments: Exhibit A – Rules Recommended for Repeal
Exhibit B – Rules Recommended for Revision

EXHIBIT A
Rules Recommended for Repeal

RULES RECOMMENDED FOR REPEAL - Details

Rule	Rule Title	Summary	Comments
HFA 303	Saco Woods Special Program Rules	Saco Woods Condominiums Project with special adjustable rate subsidy.	Program no longer active or funded.
HFA 304	Borrower Assistance Program Guidelines	Assistance for select NHHFA borrowers at risk of foreclosure.	Program no longer active or funded.
HFA 306	Housing Expense Loan Program (HELP) Rules	Provides financial assistance to lower income borrowers to meet closing costs associated with purchasing a home.	Program no longer active or funded.
HFA 307	Purchase/Rehabilitation Program Rules	MRB loan program that provided funds for home improvements that enhance livability, safety or energy efficiency.	Program no longer active or funded.
HFA 310	Direct Commitment Program	Provides low interest, permanent mortgage financing to builders of new homes for first time homebuyers.	Program no longer active or funded.
HFA 312	Low and Moderate Income Housing Loan Program	Provides low interest loans to qualified homebuyers to assist in purchasing single family homes.	Program no longer active or funded.
HFA 314	Mortgage Assistance Program	Provides first time homebuyers with at least 1 minor child in residence with monthly mortgage assistance for 9 years.	Program no longer active or funded.
HFA 315	Home Keeper Program	Assists NH residents 62 years or older who own their own homes with little or no debt convert home equity into cash.	Program no longer active or funded.
HFA 319	Home Access Program	Provides loans for low and moderate income borrowers to make accessibility modifications to an existing home for a permanently disabled household member.	Program no longer active or funded.

EXHIBIT A
Rules Recommended for Repeal

HFA 320	Voucher Assisted Mortgage Program	Targets Family Self Sufficiency and Housing to Work participants to provide monthly mortgage assistance in the form of vouchers.	Program to be rewritten as a "Fact Sheet" under our general single family mortgage program.
HFA 321	2-Under Option	Provides assistance for low income borrowers with at least 1 dependent child toward the purchase of their first home.	Program no longer active or funded.
HFA 322	Manufactured Housing Replacement Program	To provide financing for low and moderate-income borrowers to purchase a new manufactured home to be located in a NHHFA approved MF co-op.	Program no longer active or funded.
HFA 323	Affordable Construction Program	Provides temporary down payment loans to low and moderate income first time homebuyers during the construction process. Program is limited to new construction only.	Program no longer active or funded.
HFA 324	American Dream Program	Provides federal funds for down payment and closing cost assistance for low income first time homebuyers.	Program no longer active or funded.
HFA 325	New Production Initiative	Incentivizes developers to build affordable single family home ownership units by providing funds to end buyers of the units.	Program no longer active or funded.
HFA 327	Home Advantage Program	Uses funds provided by the New Hampshire Banking Department to assist with down payment and closing cost fees for families eligible.	Program no longer active or funded.

LIST OF RULES RECOMMENDED FOR REVISION

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| HFA 301 | General Homeownership Program Rules |
| HFA 311 | Participating Lenders and Participating Originators |
| HFA 320 | General Loan Programs |
| HFA 322 | MRB Loan Program: Occupancy, Rental and Assumption for Loans
Financed by Mortgage Revenue Bonds |
| HFA 331 | Emergency Home Repair |
| HFA 332 | Housing Loan Trust |
| HFA 333 | Scamman Estates |
| HFA 341 | Mortgage Credit Certificate Program |