

MINUTES  
FINANCE/AUDIT COMMITTEE OF THE  
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)  
REGULAR MEETING  
April 25, 2024

Committee Members

Present: (Virtually) Jerry Abrahams  
Philip DeFronzo  
Timothy Hodges  
Jorge Perez, Banking Commissioner  
Chelsea Ross  
Sarah Sanders, Chairperson of Finance/Audit Committee and Deputy  
Treasurer, representing Erick Russell, State Treasurer

Committee

Members Absent: Catherine MacKinnon  
Franklin Perry, II

Directors Present: Seila Mosquera-Bruno  
(Virtually)

CHFA Participants: John Chilson, Director, Portfolio Management  
(In Person) Ningyan Li, Capital Markets Operations Manager  
Allison Murphy, Director, Financial Reporting and Control  
Nandini Natarajan, Chief Executive Officer – Executive Director  
Hazim Taib, Chief Financial Officer  
(Virtually) Theresa Caldarone, General Counsel

Other Attendees: Thomas Goldfuss, Whittlesey  
(Virtually)

Deputy Treasurer 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 Amending Resolution to the Resolution to Enter Into Revolving Credit Facilities and Issue Revolving Credit Obligations. He stated that, in July 2021, the Board authorized CHFA to procure additional credit lines totaling \$100,000,000 to preserve single family loan prepayments for future loan originations and that the resolution is set to expire on July 29<sup>th</sup> of this year. CHFA is requesting that the resolution be extended for another three years.

Upon a motion made by Mr. Abrahams, seconded by Mr. DeFronzo, Finance/Audit Committee members were unanimously in favor of recommending to the Board for consideration the Amending Resolution to the Resolution to Enter into Revolving Credit Facilities and Issue Revolving Credit Obligations.

Mr. Taib reviewed the financial statements and introduced Mr. Thomas Goldfuss of Whittlesey, who presented a summary of the 2023 audit results. Mr. Goldfuss provided an overview of audit engagement team membership and responsibilities and audit results stating that Whittlesey has issued unmodified opinions on the financial statements, major Federal and State programs and a clean report on internal controls over financial reporting and compliance.

Ms. Murphy presented the financial reports for March 2024 stating that mortgage loan and investment interest revenue are \$4,000,000 above budget through the end of March and \$9,200,000 higher than last year. The bond interest expense is \$3,600,000 above budget through quarter-end and \$5,800,000 higher than last year. Outstanding bonds as of March 31<sup>st</sup> are \$327,000,000 higher than the same time last year. Servicer fees are \$2,900,000 above budget through the end of March and \$2,200,000 higher than last year. The increase in single family production is driving this variance. Administrative expenses are \$2,200,000 below budget and \$151,000 higher than last year. Ms. Murphy also reported that, excluding salaries and benefits of \$7,300,000, current year-to-date administrative expenses are \$28,000 higher than last year. The change in net position is above target by \$480,000.

Mr. Chilson presented the March 2024 production and delinquency reports for the single-family and multifamily programs. He summarized the single-family whole loans purchased and loans securitized for March. The March month-end mortgage backed security portfolio balance was \$2,900,000,000 which was a \$75,000,000 increase over February. The whole loan portfolio declined by 33 loans or \$5,500,000 ending with a portfolio balance of \$1,100,000,000. The combined single family portfolio balance, both mortgage backed securities and whole loans, is \$4,000,000,000. The single family delinquency rate continues to run very low at 1.25% as does the number of loans in foreclosure. The year over year balance is just under \$11,000,000 which is less than \$9,000,000 over last year and the number of foreclosures decreased year over year by 71. The Authority funded 180 Downpayment Assistance loans for \$2,200,000 with an average loan size of \$12,000 and 184 Time To Own forgivable loans of \$5,700,000 with an average loan size of \$31,000.

Mr. Chilson reported that the multifamily loan portfolio increased by two loans in March to 583 loans totaling \$1,300,000,000. There were 6 permanent loan delinquencies and no construction loan delinquencies. The overall delinquency rate for the multifamily portfolio was less than one half of one percent.

Ms. Li presented the quarterly investment report which shows an overall increase in book value of \$347,000,000 to \$4,200,000,000 and an increase in program assets of \$266,000,000 to \$2,900,000,000 at the end of the first quarter. Quarter over quarter the weighted yield to maturity for the investment portfolio increased from 4.06% to 4.25%. The swap report shows a hedging position of \$924,800,000 notional amount, which is the same as last quarter. There are currently 42 swaps with 8 counterparties. The weighted average pay rate remained the same as the prior quarter at 2.961%. The mark-to-market value increased from \$24,960,000 to \$45,410,000.

Mr. Taib presented a bond pricing result comparison of the 2024 Series A issuance to all deals closed in 2023.

Ms. Sanders requested a motion to approve the minutes of the March 28, 2024 Finance/Audit Committee meeting.

Upon a motion made by Mr. Hodges, seconded by Mr. DeFronzo, the Finance/Audit Committee members were in favor of approving the March 28, 2024 Finance/Audit Committee minutes. Mr. Perez abstained from voting.

There being no further business to discuss, upon a motion made by Ms. Sanders, the meeting adjourned by unanimous consent at 9:54 a.m.