

MINUTES  
FINANCE/AUDIT COMMITTEE OF THE  
CONNECTICUT HOUSING FINANCE AUTHORITY (CHFA)  
REGULAR MEETING  
November 21, 2024

Committee Members

Present: (In person) Jerry Abrahams  
Philip DeFronzo  
Timothy Hodges  
Catherine MacKinnon  
Jorge Perez, Banking Commissioner  
Sarah Sanders, Chairperson of Finance/Audit Committee and Deputy  
Treasurer, representing Erick Russell, State Treasurer  
(Virtual) Franklin Perry, II  
Chelsea Ross

CHFA Participants: John Chilson, Senior Director, Portfolio Management  
(In Person) Allison Murphy, Director, Financial Reporting and Control  
Nandini Natarajan, Chief Executive Officer – Executive Director  
Hazim Taib, Chief Financial Officer

Other Attendees: Geoff Proulx, Morgan Stanley  
(In person)

Deputy Treasurer Sanders, Chairperson of the Finance/Audit Committee, called the meeting to order at 9:01 a.m. A roll call of committee members was conducted and a quorum was present.

Mr. Taib presented the Resolution for the Commencement of Necessary Preparations for the 2024 Series O Bond Sale.

Upon a motion made by Mr. Hodges and seconded by Commissioner Perez, Finance / Audit Committee members voted unanimously in favor of recommending to the Board of Directors for consideration the Resolution for the Commencement of Necessary Preparations for the 2024 Series O Bond Sale.

Mr. Taib presented the Resolution Regarding the Adoption of the Annual Budget and Plan of Operations for 2025. Mr. Taib noted that he did not receive any comments on the budget, which was presented at the last Finance and Audit Committee meeting.

Upon a motion made by Mr. Abrahams and seconded by Mr. Hodges, Finance / Audit Committee members voted unanimously in favor of recommending to the Board of Directors for consideration the Resolution Regarding the Adoption of the Annual Budget and Plan of Operations for 2025.

Mr. Taib introduced Geoff Proulx of Morgan Stanley to discuss the 2024 Series F Bond Issue. Mr. Proulx explained the challenges that CHFA faced in this market. Because CHFA had to close this transaction by November 15<sup>th</sup>, the bonds had to be sold before that date and the election made the market very competitive. When the bonds were sold, the market was heavy with other housing bond sales.

Ms. Murphy presented the October financial reports stating that mortgage loan and investment interest revenue were \$25,400,000 above budget through October and \$31,500,000 higher than last year. The year-over-year revenue variances were driven by the increase in investment interest income due to the elevated interest rate environment. Fees and other income were \$7,900,000 above budget through October and \$8,500,000 higher than last year. The bond interest expense was \$14,400,000 above budget through October and \$26,100,000 higher than last year. The outstanding bonds as of October 31st were \$529,000,000 higher than the same time last year. Servicer fees were \$9,500,000 above budget through October and \$7,000,000 higher than last year. The increase in single family production drove this variance. Administrative expenses were \$5,800,000 below budget and \$336,000 higher than last year. Excluding salaries and benefits of \$24,600,000, current year-to-date expenses were \$112,000 lower than last year. The change in net position is above target by \$13,800,000.

Mr. Chilson presented the October 2024 production and delinquency reports for the single-family and multifamily programs. He summarized the single-family whole loans purchased and loans securitized for the month. The mortgage-backed security portfolio balance ended the month at \$3,300,000,000 which was a \$66,000,000 increase over September. The whole loan portfolio for September declined by 53 loans or approximately \$6,600,000 and ended with a portfolio balance of \$1,100,000,000. The whole loan delinquency rate was 5.3%, which is 55 basis points less than the state average. The carrying balance for loans in foreclosure year over year declined by \$1,100,000 to \$12,500,000 with 12 fewer foreclosures than a year ago. Also, for the month of October, the Authority funded 186 Downpayment Assistance loans totaling \$2,200,000 with an average loan size of \$11,700 and 96 Time To Own forgivable loans totaling approximately \$3,100,000 with an average loan size of \$32,000.

Mr. Chilson reported that for the multifamily loan portfolio, six loans closed in October increasing the portfolio by two loans to 595 loans totaling \$1,400,000,000. There were 6 permanent loan delinquencies, which was one less than last month. The overall delinquency rate for the multifamily portfolio was less than one half of one percent.

Ms. Sanders requested a motion to approve the minutes of the October 31, 2024 Finance/Audit Committee meeting.

Upon a motion made by Mr. Hodges, seconded by Commissioner Perez, the Finance/Audit Committee members were unanimously in favor of approving the October 31, 2024 Finance/Audit Committee minutes.

There being no further business to discuss, the meeting adjourned by unanimous consent at 9:59 a.m.