



HOUSING DIVISION – MONTANA BOARD OF HOUSING

Best Western Plus Heritage Inn – Great Falls, Montana 59404
May 8, 2017

ROLL CALL OF BOARD

MEMBERS: Pat Melby, Chairman (Present)
Bob Gauthier (Present)
Johnnie McClusky (Present via phone)
Jeanette McKee (Present)
Sheila Rice (Present)
Eric Schindler (Present)
Amber Sundsted (Present)

STAFF: Bruce Brensdaal, Executive Director
Vicki Bauer, Homeownership Program
Mary Palkovich, Mortgage Servicing Program
Mary Bair, Multifamily Program
Stacy Collette, Operations Manager
Penny Cope, Marketing
Todd Jackson, Marketing
Paula Loving, Executive Assistant
Ashly Amato, Administrative Assistant
Cindy Maxwell, Administrative Assistant
Julie Hope, Homeownership Program
Hannah Rotter, Homeownership Program
Kellie Guariglia, Multifamily Program

COUNSEL: Greg Gould, Luxan and Murfitt
John Wagner, Kutak Rock

UNDERWRITERS: Patrick Zhang, RBC Capital

OTHERS: Don St. Peter, St. Peter Law Offices
Rena Williams, Fort Peck Housing Authority – Poplar
Doris McKay, Fort Peck Housing Authority – Poplar
Amanda Moats, Alternatives, Inc.
Jan Traynor, MT DES
Dianne Hunt, Syringa Housing Corporation
Adelneide Nest, City of Missoula
Jason Marby, St Peter Law Offices
Jim Morton, District XI HRDC
Eileen Piekarz, RCAC
Alex Burkhalter, Housing Solutions, Inc.

These written minutes, together with the audio recordings of this meeting and the Board Packet, constitute the official minutes of the referenced meeting of the Montana Board of Housing (MBOH). References in these written minutes to tapes (e.g., Tape 1 – 4:34) refer to the location in the audio recordings of the meeting where the discussion occurred and the page numbers refer to the page in the Board Packet. The audio recordings and Board Packet of the MBOH meeting of this date are hereby incorporated by reference and made a part of these minutes. The referenced audio recordings and Board Packet are available on the MBOH website at Meetings and Minutes.

CALL MEETING TO ORDER

- 2:42 Vice Chairwoman Jeanette McKee called the Montana Board of Housing (MBOH) meeting to order at 8:30 a.m.
- 3:00 Bruce Brensdal reviewed the Webinar and location details for the meeting.
- 5:00 Introductions were made, including the newly appointed Board members, Eric Schindler, Amber Sundsted, Johnnie McClusky and reappointed, Pat Melby.

APPROVAL OF MINUTES

March 14, 2017 Board Meeting Minutes – page 3 of the packet

- 9:22 Sheila Rice moved to approve the March 14, 2017 MBOH Board meeting minutes and Bob Gauthier seconded the motion.
- The March 14, 2017 MBOH Board minutes were approved unanimously.
- 10:05 Vice-Chairwoman McKee asked for public comment on items not listed on agenda.

BOARD OFFICER ELECTION

Officer Election – page 10 of the packet

- 10:15 Bruce Brensdal brought to the Board the Officer Election. The Governor had reappointed Pat Melby and recommended Mr. Melby serve as the Board Chairman. The previous Officers included, Jeanette McKee as Vice Chairwoman, Bruce Brensdal as Treasurer and Sheila Rice as Secretary.
- 12:45 Bob Gauthier moved and Amber Sundsted seconded the motion to approve the following slate of officers:
Pat Melby – Chairman
Jeanette McKee – Vice Chairwoman
Bruce Brensdal – Treasurer
Sheila Rice – Secretary
- The Board approved the motion unanimously.
- 13:14 Newly elected Board Chairman Pat Melby took over the meeting.

FINANCE PROGRAM

Financial Update – page 11 of the packet

- 14:00 In Ginger Pfankuch's absence, who was attending a State training, Bruce Brensdal provided the Finance program update.

HOMEOWNERSHIP PROGRAM

Homeownership Program Update – page 13 of the packet

- 16:30 Vicki Bauer provided the Board with the Homeownership program update. The balance of Series 2017A is approximately \$4.8 million and a new bond issuance will need to take place June to July 2017.

MORTGAGE SERVICING PROGRAM

Mortgage Servicing Program Update – page 17 of the packet

- 24:35 Mary Palkovich provided the Board with the Mortgage Servicing program update.

MULTIFAMILY PROGRAM

Administrative Rule Approval – page 18 of the packet

- 30:15 Mary Bair introduced Greg Gould, Luxan & Murfitt, who reviewed the Montana Administrative Register (MAR) Notice No. 8-111-151, Notice of Public Hearing on Proposed Amendment and Repeal of certain Board Administrative Rules of Montana.
- 32:00 *8.11.303 Financing Programs* - The proposed amendments to ARM 8.111.303 are necessary to update the rule consistent with current board programs and practice to permit qualifying persons and families to obtain a down payment assistance loan in addition to a first priority mortgage loan on the same property. Down payment assistance loans are relatively small in amount and such loans are subordinate to the first priority mortgage loan. The lack of sufficient resources to make a down payment presents a significant obstacle for many lower income persons and families in purchasing a home. The board's down payment assistance programs have proven successful in overcoming this hurdle for many such borrowers and are an essential component of the board's single family housing program.
- 32:40 *8.11.304 Conditions of Financial Assistance* - The proposed amendments to ARM 8.111.304 are necessary to provide for greater administrative flexibility in establishing, maintaining, and making available a current fee schedule for the board's programs. Fees and charges for the board's programs generally are recommended or set by board staff based upon the costs of program operations and the fee and charge amounts necessary to fund program operations. Such fees and charges remain subject at all times to the oversight of the board.
- 33:40 *8.111.305 Approved Lenders* - The proposed amendments to ARM 8.111.305 are necessary to update the board's errors and omissions insurance coverage requirements for participating lenders. The board's minimum coverage requirement is inconsistent with requirements generally used in the mortgage lending industry, as evidenced by the requirements of the Federal National Mortgage Association (Fannie Mae). Required coverage amounts under these programs are not a single amount for all lenders, but vary depending upon the lender's portfolio of loans. This approach better addresses the need for such coverages, by assuring that lenders

are appropriately insured for the risks presented by their portfolios rather than either under- or over-insured based upon a one-size-fits-all coverage amount.

- 33:54 *8.11.305A Approved Loan Servicers* - The proposed amendments to ARM 8.111.305A are necessary to update the board's errors and omissions insurance coverage requirements for participating loan servicers. The board's minimum coverage requirement is inconsistent with requirements generally used in the mortgage lending industry, as evidenced by the requirements of the Federal National Mortgage Association (Fannie Mae). Required coverage amounts under these programs are not a single amount for all servicers, but vary depending upon the servicer's portfolio of loans. This approach better addresses the need for such coverages, by assuring that servicers are appropriately insured for the risks presented by their portfolios rather than either under- or over- insured based upon a one-size-fits-all coverage amount.
- 34:40 *8.111.403 Counseling Requirements* - The proposed amendments to ARM 8.111.403 are necessary to revise the rule to update the directions regarding where potential borrowers may obtain information regarding required counseling.
- 34:50 *8.11.404 Eligibility Requirements* - The proposed amendments to ARM 8.111.404 are necessary to revise the rule to update the directions regarding where potential borrowers may obtain information regarding required counseling.
- 35:00 *8.11.406 Repayment of the Loan* - The proposed amendments to ARM 8.111.406 are necessary to conform the provisions of the rule to the provisions of the statute and the board's reverse annuity mortgage (RAM) loan program requirements. Previously, RAM loan documents defined loan maturity as the time at which scheduled advances were completed, although under Montana law the loan was not payable at that time.

Previous loan documents also required the borrower to request and receive board approval to defer loan repayment. Montana law at 90-6-506, MCA, however, specifically provides that the borrower may continue to reside in the property without repayment until the death of the borrower or another specified event occurs.

Accordingly, the board proposes to remove the requirement that borrowers request and obtain a repayment deferral.

The proposed amendments are also necessary to more accurately and completely describe the conditions under which a RAM loan becomes due and payable.

Montana law at 90-6-506, MCA, lists the events under which the loan becomes due and payable. This includes "any other occurrence that materially decreases the value of the property securing the loan or that will have the likely effect of causing the loan to not be repaid." The statute provides that such occurrences must be recited in the mortgage instrument. Current (1)(d) references an "other act or occurrence which in the opinion of the board causes, or is likely to cause, a material decrease in the value of the property."

Such events are described in the mortgage instrument and other loan documents through terms, conditions and requirements that are usual and customary in similar loan transactions or that address specific RAM program requirements, and which are designed to protect the value of the property securing the loan or to assure repayment of the loan. Proposed (3) reflects the board's authority to include such loan terms, conditions and requirements in its documents. Accordingly, consistent with the statute, proposed (4)(d) provides that the loan will become due and payable upon an act or occurrence which constitutes an event of default under the mortgage instrument.

The proposed rule also adds new (2), which corresponds to 90-6-506, MCA and provides that the borrower may pay the outstanding loan balance in full at any time without penalty. Other proposed revisions are necessary to clarify the rule provisions.

36:40 *8.11.602 Definitions* - The proposed amendments to ARM 8.111.602 are necessary to update the Qualified Allocation Plan (QAP) definition to reference the 2018 Qualified Allocation Plan for the Montana Housing Credit Program.

Federal low income housing tax credits are allocated by the federal government to the states, according to their population, for allocation to particular buildings. Each state's share of federal low income housing tax credits is allocated to particular buildings under programs administered by the respective state's housing credit agencies. The Montana Board of Housing is Montana's housing credit agency for purposes of administering the tax credit program and allocating tax credits in the state of Montana. In Montana, the program is known as the Montana Housing Credit Program. Federal law requires that tax credits allocated to the state by the federal government must be allocated by the state pursuant to a "qualified allocation plan" or "QAP."

Prior to publication of this notice, the board conducted several public meetings to consider suggestions and comments regarding the provisions of the 2018 QAP. Thereafter, at its February 13, 2017 meeting, the board considered and approved public notice and distribution of the proposed 2018 QAP. After public notice of the proposed 2018 QAP and of the opportunity for public comment was published and distributed, a public hearing on the proposed 2018 QAP was held on February 28, 2017 and written comments were also received. At its March 14, 2017 meeting, after considering all written and oral comments on the proposed 2018 QAP, staff recommendations, additional public comment and various proposed revisions in response to comments, the board approved the 2018 QAP for submission to and approval by the Montana Governor, as required by the federal tax credit statute, 26 U.S.C. § 42. Montana Governor Steve Bullock approved the 2018 QAP by written approval dated March 21, 2017.

A copy of the 2018 QAP is available on the internet at <http://housing.mt.gov/MFQAP> or by requesting a copy from: Mary Bair, Board of Housing, Department of Commerce, 301 South Park Avenue, P.O. Box 200528, Helena, Montana, 59620-0528; telephone (406) 841-2845; fax (406) 841-2841; or e-mail mbair@mt.gov.

- 37:25 *8.111.603 Housing Credit Allocation Procedure* - The proposed amendments to ARM 8.111.603 are necessary to revise the rule to correspond to changes in the 2018 QAP, as approved by the Governor and proposed to be incorporated by reference in ARM 8.111.602, for purposes of allocating low-income housing tax credits. These revisions make minor changes in the procedures for board consideration of the housing credit letters of intent and applications for purposes of awarding housing credits, including the timing of board meetings at which various steps of the process are conducted, whether staff or applicants present information to the board and the scope of responses allowed by applicants to the information presented. These provisions were developed through collaborative discussions and public hearings.
- 37:58 *8.111.705 Lender and Servicer Requirements and Limits* - The proposed amendments to ARM 8.111.705 are necessary to provide the board with flexibility to revise its purchasing and servicing guide and to adjust servicing fees promptly in response to market changes. Removing the specific citations to inapplicable guide sections allows greater flexibility in revising the guide without the need to amend the rule. Similarly, with the servicing fee amount specified in rule, the fee cannot be adjusted without undertaking a rule amendment process, preventing the board from making timely adjustments in the fee amount.
- 40:00 *8.111.707 Loan Terms and Conditions* - The proposed amendments to ARM 8.111.707 are necessary to revise the rule to comply with the Montana Veteran's Home Loan Mortgage Program Act. Current (1) provides that the agreed purchase price for the property may not exceed the specified amount. This incorrectly implements the provisions of the statute, which provides that the amount of the loan may not exceed the standard. The proposed amendment corrects this error. The proposed amendments are also necessary to allow the board flexibility, where allowed by law, to permit borrowers to use their minimum cash contribution to pay closing costs and to borrow the maximum loan amount allowed by the mortgage insurer for the loan. This loan authority is currently under consideration by the Legislature in Senate Bill 303, which if enacted will be effective on passage and approval. This would be permitted only if SB 303 becomes law.
- 41:50 *8.111.203 Confidentiality and Disclosure of Information* - The rule proposed for repeal establishes procedures to address confidentiality and disclosure of information submitted to the board. This rule is separate from and in addition to the procedures established and followed generally by the Department of Commerce. The board is administratively attached to the department, and the confidentiality of information and handling of public information requests are subject to department rules and handled by and through the department. This separate rule is therefore redundant and unnecessary.
- Further, the rule is outdated because the 2015 Montana Legislature substantially revised Montana's statutory scheme governing public information and public information requests. See Ch. 348, L. 2015. This revision included repeal of former section 2-6-102, MCA, the statute that authorized adoption of the rule.

Accordingly, the board proposes to repeal the rule and instead rely upon the department's policies and procedures. The board will maintain on its website a general policy advising the public that information submitted to the board is subject to Montana's Constitutional and statutory provisions requiring disclosure of information, subject to the narrow exceptions provided by law, and that requests for such information will be handled in accordance with the applicable provisions of Montana law and the department's policies and procedures.

- 43:44 Bob Gauthier moved to approve MAR Notice No. 8-111-151 as published and to authorize staff to process and adopt such amendments without further Board approval provided no substantial comments are received concerning such. If substantial comments are received, the Board must consider such comments and determine the specific rule amendments to be adopted. Jeanette McKee seconded the motion.

Chairman Melby asked for comments.

The MAR Notice No. 8-111-151 as published was approved unanimously.

Reverse Annuity Mortgage Exception – page 29 of packet

- 44:40 Mary Bair brought the Board a Reverse Annuity Mortgage (RAM) Exception for an eligible client in Western Montana who is seeking an exception for \$20,000 to pay off medical bills and taxes.

- 50:20 Jeanette McKee moved to approve the RAM Exception in the amount of \$20,000 and Bob Gauthier seconded the motion.

Chairman Melby asked for public comment.

The Reverse Annuity Mortgage Exception was approved unanimously.

Freedoms Path Proof of Ownership Extension Request

- 51:00 Mary Bair brought to the Board a request from Freedoms Path for an additional three months to complete and submit proof of ownership for the Housing Credit Property.

- 54:10 Sheila Rice moved to approve the Proof of Ownership Extension for an additional three months to Freedoms Path and Bob Gauthier seconded the motion.

Chairman Melby asked for comments.

The Freedoms Path Proof of Ownership three-month extension was approved unanimously.

Multifamily Program Update – page 30 of packet

- 55:05 Mary Bair provided the Multifamily Program update.

EXECUTIVE DIRECTOR UPDATE

- 1:07:35 Bruce Brensdal provided the Board with the Executive Director's update. Bruce reviewed the Board meeting schedule. The next Board meeting will be June 26, 2017, which will include the Housing Credits Letter of Intent process.

Operations Update

1:00:10 Stacy Collette provided the Board with the Operations update. Montana Board of Housing is fully staffed and the Section 8 program is in the hiring process for the one outstanding Contract Manager position.

Marketing Update

1:02:37 Penny Cope provided the Board with several Grand Opening and Groundbreaking ceremonies taking place in the next month. Invitations will be sent and the Board is encouraged to attend.

1:05:16 Todd Jackson updated the Board on the public relations of MBOH and press releases which are scheduled for every two weeks.

Meeting adjourned at 9:42 a.m.



Sheila Rice, Secretary

Date



Thank you for attending this public meeting and for your support of affordable housing.

Date: Monday, May 8, 2017

Time: 8:30 a.m.

Vice Chairperson: Jeannette McKee

Meeting Location:
Best Western Plus Heritage Inn

1700 Fox Farm Rd
Great Falls MT 59404
(406) 761-1900

Board Offices:
301 S Park Ave., Room 240
Helena MT 59601
(406) 841-2840

Remote Attendance Information:
You may join our meetings from your office or home via webinar and phone.

Dial (877) 273-4202
Access Code: 7233056#
Webinar: [Click here to register](#)

AGENDA ITEMS

Public Comments - Public comment is welcome on any public matter that is not on the agenda and that is within the jurisdiction of the agency. Please sign in on our attendance sheet.

Minutes

- ❖ Approve Prior Board Meeting Minutes
- ❖ Board Officer Election

Finance Program (Manager: Ginger Pfankuch)

- ❖ Financial Update

Homeownership Program (Manager: Vicki Bauer)

- ❖ Homeownership Program Update

Mortgage Servicing (Manager: Mary Palkovich)

- ❖ Servicing Update

The Board of Housing's mission is to create affordable housing opportunities for Montanans whose needs are not met by the market. We value people, families, communities, fairness, teamwork, mutual respect, integrity. We are committed and passionate about collaborating with our partners to make sure Montana's families and communities have attainable, affordable, accessible and sustainable homes.

Multifamily Program (Manager: Mary Bair)

- ❖ Administrative Rule Approval
- ❖ Freedoms Path Extension Request
- ❖ Resolutions (if needed)
- ❖ Reverse Annuity Mortgage Exceptions (if needed)
- ❖ Multifamily Program Update

Operations (Stacy Collette)

- ❖ Operations Update

Marketing Update (Penny Cope and Todd Jackson)

- ❖ Update

Executive Director (Bruce Brensda)

- ❖ Update

Miscellaneous

Board Training and Montana Statewide Housing Partnership Conference Meeting Adjourns

*All agenda items are subject to Board action after public comment requirements are fulfilled.

*We make every effort to hold our meetings at fully accessible facilities. Any person needing reasonable accommodation must notify the Housing Division at (406) 841-2840 or TDD (406) 841-2702 before the scheduled meeting to allow for arrangements.

Future Meeting Dates and Locations (subject to change)

June 26, 2017: Helena	July 10, 2017: no meeting	August 14, 2017: TBD
September (10) 11, 2017: Fairmont	October 16, 2017: no meeting	November 20, 2017: Helena
December 11, 2017: no meeting	January 8, 2018: Webinar	

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HOUSING DIVISION – MONTANA BOARD OF HOUSING

Best Western Plus Grantree Inn
1325 N 7th Ave, Bozeman, MT 59715
March 14, 2017

ROLL CALL OF BOARD

MEMBERS: Bob Gauthier (Present)
Jeanette McKee (Present)
Pat Melby (Present)
Sheila Rice (Present)

STAFF: Bruce Brensdal, Executive Director
Vicki Bauer, Homeownership Program
Mary Bair, Multifamily Program
Stacy Collette, Operations Manager
Mary Palkovich, Mortgage Servicing Program
Penny Cope, Marketing
Todd Jackson, Marketing
Paula Loving, Executive Assistant
Ashly Amato, Assistant
Kellie Guariglia, Multifamily Program
Julie Hope, Homeownership Program

COUNSEL: Greg Gould, Luxan and Murfitt
John Wagner, Kutak Rock
Drew Page, Kutak Rock

UNDERWRITERS: Mina Choo, RBC Capital
Patrick Zhang, RBC Capital

OTHERS: Sam Long
Paul Hoek, Wilmington Trust
Jeff Philp, Orrick
Greg Dunfield, GMD Development
Steve Dymoke, GMD Development
David Magistrelli, Habitat for Humanity, Gallatin Valley
Ron Reyes, Wilmington Trust
Heather McMilin, Homeward
Andrea Davis, Homeward
John Firehammer

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audio recordings of the meeting where the discussion occurred and the page numbers refer to the page in the Board Packet. The audio recordings and Board Packet of the MBOH meeting of this date are hereby incorporated by reference and made a part of these minutes. The referenced audio recordings and Board Packet are available on the MBOH website at [Meetings and Minutes](#).

CALL MEETING TO ORDER

Before Vice Chairwoman Jeanette McKee called the Montana Board of Housing (MBOH) tape meeting to order at 8:37 a.m. Introductions were made. recording

TAPE 1 Bruce Brensdal updated the attendance of Housekeeping items and Webinar 0:28 procedures.

3:20 Vice Chairwoman McKee started the attendee introduction.

7:51 Vice Chairwoman McKee asked for any public comment that is not listed on the agenda.

APPROVAL OF MINUTES

January 23, 2017 Board Meeting Minutes – page 3 of the packet

6:30 Sheila Rice moved to approve the January 23, 2017 MBOH Board meeting minutes, noting the incorrect date of December 12, 2016 to be changed, and Bob Gauthier seconded the motion.

7:12 Vice Chairwoman McKee asked for comments.

The amended January 23, 2017 MBOH Board minutes were approved unanimously.

FINANCE PROGRAM

Finance Program Update – page 14 of packet.

8:10 Ginger Pfankuch provided the Finance Program update.

HOMEOWNERSHIP PROGRAM

Additional Habitat for Humanity Allocation – page 16 of packet

11:05 Vicki Bauer brought to the Board the request for additional \$500,000 set aside funds for the Fiscal Year 2017 Habitat for Humanity.

12:44 Vicki Bauer introduced Dave Magistrelli, Habitat for Humanity, who provided an update of the program.

17:55 Bob Gauthier moved to approve an additional \$500,000 to bring the FY2017 allocation to 1,500,000. Sheila Rice seconded the motion.

18:10 Vice Chairwoman McKee asked for public comment.

The \$500,000 additional set aside funds was approved for the FY2017 Habitat for Humanity.

Homeownership Program Update – page 17 of the packet

19:08 Vicki Bauer provided the Board with the Homeownership program update.

MORTGAGE SERVICING PROGRAM

Mortgage Servicing Program Update – page 20 of the packet

21:20 Mary Palkovich provided the Mortgage Servicing Program update.

***Meeting was place on hold and Webinar and recording was restarted due to technical issues.**

TAPE 2 Vice Chairwoman McKee called the meeting back to order.

0:14

MULTIFAMILY PROGRAM

2018 Qualified Allocation Plan – page 22 – 117 of the packet

- 0:16 Mary Bair presented the 2018 Qualified Allocation Plan (See Attachment I), based on public comment and staff review. Mary presented a Guide to the changes. See Attachment II
- 1:38 Bruce Brensdal and Vice Chairwoman McKee reviewed the process for reviewing the 2018 Qualified Allocation Plan.
- 1:57 Bob Gauthier moved to approve the 2018 Qualified Allocation Plan as presented for public comment, allowing staff to correct clerical errors and Sheila Rice seconded the motion.
- 2:22 Mary Bair reviewed the highlighted Public comments and changes. See Attachment II.
- 3:30 Page 2 - Revise definition of Applicable QAP to apply fees amounts existing at time of Award to same Project through 8609.
- 6:30 Page 5 - Hard costs change shown needs to be removed, should be referred to in hard to soft cost ratio.
- 7:38 Greg Gould, Luxan & Murffit, suggested looking at the soft cost and ratio definition together.
- 10:12 Bob Gauthier moved to approve the Soft and Hard Cost definition outlined. Sheila Rice seconded the motion.
- The Soft and Hard Cost definitions were approved unanimously.
- 10:47 Page 7 and 28 - Revise Small Rural Project definition to remove limit on number of units and increase Project cost cap from 10% to 12.5 % of ceiling.
- 12:14 Page 8 - Soft costs change shown needs to be removed, should be referred to in hard to soft cost ratio.

“Soft-Cost-to-Hard-Cost Ratio” or “Soft Cost Ratio” means total Soft Costs minus the Letter of Intent fee, Application Fee, Reservation Fee, 10% Cost Certification Fee and Final Allocation (8609) fee, as required in the Applicable QAP. divided by the sum of total Hard Costs (as calculated in the UniApp) and land value (as shown by a comparative market analysis or appraisal). Land value is added regardless of whether land is donated, leased, purchased or otherwise acquired.

- 12:36 Page 14 - Increase limit on Total Project Cost Per Unit from \$230,000 to \$235,000.
- 14:55 Page 15 and 44 - Staff Limitation on Soft Costs. Projects must meet this limit at Letter of Intent, Application, 10% Cost Certification and Final Cost Certification. If this limit is exceeded at Final Cost Certification, negative points will be assessed with respect to future Applications as provided in Section 9, Item 9, Developer Knowledge and Responsiveness.
- 16:33 Sheila Rice moved to approve that projects must meet the limit at Letter of Intent, Application, 10% Cost Certification and Final Cost Certification and will allow staff to assess negative points with respect to future applications. Bob Gauthier seconded the motion.
- The amendment was approved unanimously.
- 18:00 Mary Bair and the Board made clarification the above mention was for 2018 Applications and future application.
- 20:49 Heather McMilin, Homeword, provided public comment on the above amendment.
- 23:06 Page 16 - Provide for decrease in Credit amount if Debt Coverage Ratio is outside specified range at Application. Provide for Negative Point assignment if DCR changes significantly after Application.
- 23:56 Bob Gauthier moved to add language to include ‘for 2018 applications or later’ and Sheila Rice seconded the motion.
- The Motion passed unanimously.
- 24:35 Page 17 - Increase reserves trending from 0% to the amount proposed in application, not to exceed 3%, for MBOH underwriting purposes
- 26:29 Page 17 and 18 - Clarify applicability of certain accessibility items and change required height of switches, thermostats, etc.
- 28:21 Page 21 - Tighten criteria for discretionary basis boost.
- 29:09 Page 23 - Clarify application process for combined 9%/4% Projects and scattered site Projects.
- 30:04 Bob Gauthier moved to insert additional language in Section 4, Competitive 9% Credit Applications to assure clarity regarding this requirement and Sheila Rice seconded the motion.
- This motion was approved unanimously.
- 30:38 Page 23 and 29 - Establish schedule of dates and deadlines for First Award Round.

- 31:47 Sheila Rice moved to remove the Application Workshop from Section 4, Award Schedule, and Section 8, Application Process. Bob Gauthier seconded the motion. The motion was approved unanimously.
- 32:54 Page 24 - Revise provision for number of Projects invited to submit full Applications.
- 33:32 Page 25 - Establish fee for issuance of 42M letter and require Letter of Intent submission for 4% credit projects.
- 34:26 Page 25 - Clarify application process for combined 9%/4% Projects.
- 36:12 Sheila Rice moved to approve the addition 'or funding portal' to the Application Submission Method for 4% and 9% Letter of Intent and Credit Applications. Bob Gauthier seconded the motion. The motion was approved unanimously.
- 36:30 Page 26 - Increase Letter of Intent Fee and Reservation Fee.
- 39:12 Page 28 and 8 - Revise Small Rural Project definition to remove limit on number of units and increase Project cost cap from 10% to 12.5 % of ceiling.
- 39:24 Page 29 - Provide for Application Workshop prior to Application submission – staff suggests not putting in QAP until done at least once.
- 39:51 Page 31 - Revise requirements for threshold utility documentation.
- 41:12 Bob Gauthier moved to add 3. Include a market study or mini-market; 4. Include the completed market study summary Form posted on the MBOH website; and Sheila Rice seconded the motion. The motion was approved unanimously.
- 42:00 Page 32 – Threshold Requirement #13.
- 43:25 Bob Gauthier and Staff discussed the rationale of this requirement.
- 49:30 Bob Gauthier moved to insert to #13 'A CMA or appraisal is not required to be submitted for projects within the exterior boundaries of a reservation. To qualify for this exception, the Application must include documentation demonstrating that the property is located within the exterior boundary of a reservation. For Projects located partly on tribal trust land and partly on fee land, the CMS/appraisal requirement applies to fee land included in the project.' Sheila Rice seconded the motion. The motion was approved unanimously.
- 51:20 Page 33 – Threshold Requirement #28.
- 51:39 Bob Gauthier moved to approve the replace "with" to "that will have" on threshold requirement #28. Sheila Rice seconded the motion. The motion was approved unanimously.
- 52:00 Page 33- Removed 5 working days after due date on public notice.

- 52:31 Bob Gauthier moved to remove “or not more than 5 work days after” and Sheila Rice seconded the motion.
The motion was approved unanimously.
- 53:10 Page 36 - Limit partial funding of Applications.
- 57:12 Page 39 - Remove appropriate development type scoring criteria.
- 59:58 Page 42 and 43 - Provide for notice and opportunity to respond in the event of a Negative Point assignment.
- 1:01:24 Page 48 - Increase fee for 10% test underwriting and clarify that deadline extensions are not available for submission of 10% test information.
- 1:02:40 Page 49 - Increase fee for 8609 underwriting and set fees for corrections and re-underwriting.
- 1:03:17 Page 52 - Provide for periodic compliance fee adjustments and fee posting by MBOH and increase fee amount for late correction submissions, Late fee for management change not reported, time period lengthened.
- 1:04:37 Page 54 - Increase fee amount for late submission of substantial change notification.
- 1:06:22 Page 57 and 7 - Incorporate Qualified Contract Process into QAP.
- 1:12:38 Sheila Rice moved to amend the original motion to approve the 2018 Qualified Allocation Plan to include the amended changes and the Qualified Contract Process. Bob Gauthier seconded the motion.
The amended 2018 Qualified Allocation Plan and the Qualified Contract Process was approved unanimously.
- 1:13:20 Greg Gould explained the need for the Administrative Rules approval, along with a public hearing.
- 1:16:10 Sheila Rice moved that Staff to publish the Administrative Rules and Bob Gauthier seconded the motion.
- 1:17:30 Bruce Brensdal thanked Greg Gould, Mary Bair, and Kellie Guariglia for their efforts on the processing of public comments.
- 1:18:20 Sheila Rice thanked the Developers for their involvement in review and input of the process.
- 1:19:28 Heather McMilin, Homeword, voiced positive feedback on the process and Greg Gould’s participation.

Reverse Annuity Mortgage Exception – page 195 of packet

- 1:32:20 Mary Bair brought to the Board a Reverse Annuity Mortgage exception from a female in northeastern Montana in a lump sum of \$57,000 to pay off her mortgage and medical bills.

1:32:56 Sheila Rice move to approved the Reverse Annuity Mortgage exception. Pat Melby seconded the motion.

The Reverse Annuity Mortgage exception was approved.

Rockcross Apartments – page 193 of packet

1:21:15 Mary Bair introduced Greg Dunfield, GMD Development, who provided an update and request changes on the Rockcross Apartments in Great Falls.

Sheila Rice recused herself from discussion, citing conflict of interest.

1:30:10 Bruce Brensdal stated due to lack of quorum, no vote can take place, however, the Board did approve previously for the Staff to have the ability to review changes and accept within the scope of project.

Multifamily Program Update – page 197 of packet

1:38:28 Mary Bair provided the Multifamily program update.

EXECUTIVE DIRECTOR UPDATE

1:35:43 Bruce Brensdal provided the Board an Executive Director Update. Mountain Plains Housing Summit will take place May 1 – 3, 2017 and two Board members are approved to attend. During the State Housing Conference, training will be provided for all Board members, including the new members.

1:38:42 Stacy Collette provided the Operations update. MBOH is fully staffed once again. Hannah Rotter was hired to replace Julie Hope in the Homeownership Origination. Section 8 has two openings which are currently posted.

1:42:45 Penny Cope provided the Marketing update. Penny showed the Board how to view the public comment sections on the Housing website. www.housing.mt.gov. Penny showed the Housing Resource Guide location on the website. Debbie Morrison worked to create a resource guide for reference, which includes links.

1:45:48 Todd Jackson updated the Board on the drive to make sure Housing news is public for everyone.

1:48:00 Bruce Brensdal provided the Legislative update on all matters which include Housing.

Meeting adjourned at 11:06 a.m.

Sheila Rice, Secretary

Date

BOARD AGENDA ITEM

PROGRAM

Board

AGENDA ITEM

Officer Elections

BACKGROUND

Per Montana Code Annotated 2-15-1814 (3) The Board shall elect a presiding officer and other necessary officers. As part of his appointment this year Governor Bullock indicated his preference in having Pat Melby serve as Chairman.

Currently these are the officers:

- Chair: Vacant
- Vice Chair: Jeannette McKee (willing to continue)
- Secretary: Sheila Rice (willing to continue)
- Treasurer: Bruce Brensdal

PROPOSED MOTION

I move the following slate of officers:

- Chair: Pat Melby
- Vice Chair:
- Secretary:
- Treasurer: Bruce Brensdal

BOARD AGENDA ITEM

PROGRAM

Finance Program

AGENDA ITEM

Financial Update

BACKGROUND

Investment Diversification:

MBOH continues to keep a well-diversified portfolio of investments with the majority in short-term investments or money market accounts. Some of these funds are kept in these short-term investments for purchase of new mortgage loans, as in the case of funds from the 2017 series A issuance. Other short-term investments are kept for daily operations and for debt service that is paid to our investors twice a year. Our next debt service payment will be on June 1, 2017.

The Weighted Average Yield:

This trend has rebounded from the lows in May of 2016 back to the January 2016 level. Part of this increase can be attributed to the higher Money Market rates currently occurring.

Portfolio Maturity:

MBOH portfolio maturity shows 74% of our portfolio available now in money market accounts or maturing in less than one year. Another 9% will mature within one to five years. The remaining 17% will mature in six years or more. The short-term investments, as already mention, are for operations and debt service. The long-term investments consist primarily of Debt Service Reserve accounts and Mortgage Reserve accounts that are required by each indenture as long as a series is active.

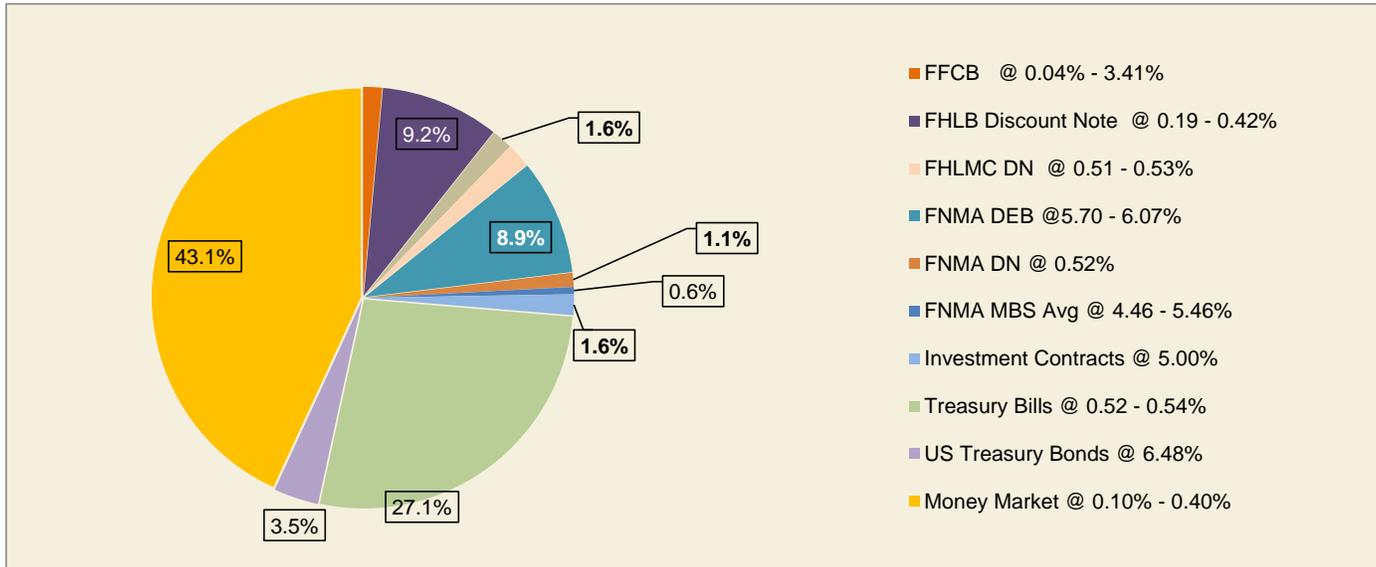
Investment Maturity Schedule:

This schedule show the breakdown of the maturities in the MBOH portfolio. As previously mentioned, most of the portfolio is available now or will mature soon to ensure our ability to pay operating expenses and debt service.

Accounting & Finance Dashboard

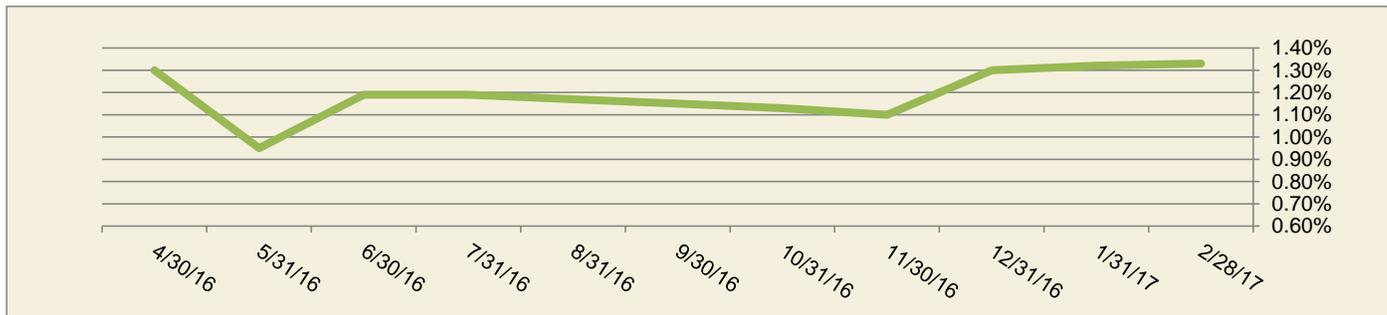
Data as of February 28, 2017

INVESTMENT DIVERSIFICATION



FNMA = Federal National Mortgage Association
 FHLB = Federal Home Loan Bank
 FHLMC = Federal Home Loan Mortgage Corporation
 FFCB = Federal Farm Credit Bank

WEIGHTED AVERAGE YIELD TREND



NOTE: Weight Average Yield in December should have been 1.29% not 0.79% as state in previous month.

PORTFOLIO MATURITY

For February 28, 2017

Available Now	Less than 1 year	1 to 5 years	6 to 10 years	11 to 15 years	16 to 20 years	21 to 25 years	Grand Total
\$ 59,561,704	\$ 43,071,000	\$ 12,350,000	\$ 17,919,000	\$ 2,225,000	\$ 2,563,679	\$ 411,831	\$ 138,102,214

Homeownership Program Dashboard

April 26, 2017

RATES

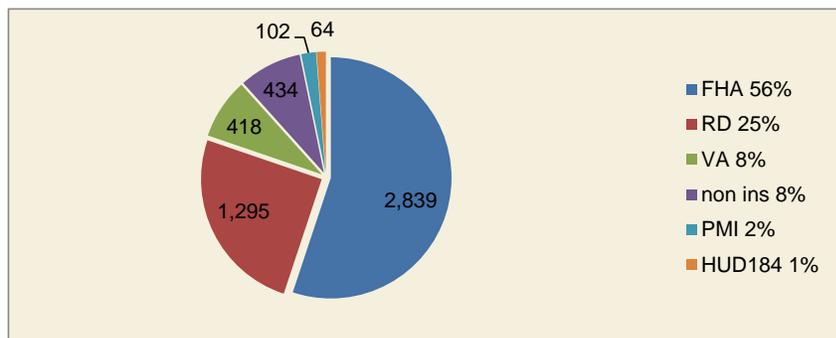
	<u>CURRENT</u>	<u>LAST MONTH</u>	<u>LAST YEAR</u>
MBOH	3.50	3.50	3.25
Market	4.22	4.22	3.56
10 yr treasury	2.32	2.40	1.94
30 yr Fannie Mae	3.64	3.71	3.26

LOAN PROGRAMS

	<u>MAR/APR 2017</u>		<u>TOTAL</u>		<u>ORIGINAL</u>	
	<u>RESERVATIONS</u>	<u>AMOUNT</u>	<u>NUMBER</u>	<u>AMOUNT</u>	<u>AMOUNT</u>	<u>BALANCE</u>
REGULAR PROGRAM						
Series 2017A(10.21.16)	56	9,024,415	158	25,440,701	30,300,000	4,859,299
80% Combined (20+)	2	277,520	78	9,970,810	Funded w/ Reg	
OTHER PROGRAMS						
Veterans (Orig)	3	618,602	236	42,845,023	Revolving	6,000,414
909 Mrtg Cr Cert (MCC)	29	5,940,514	67	13,158,663	36,000,000	22,841,337
SET-ASIDE POOL						
Score Advantage	12	70,671	227	1,216,547	1,500,000	283,453
Set-aside Pool	17	2,456,185	312	43,310,975	50,000,000	6,689,025
Foreclosure Prevent	0	0	1	4,365	50,000	45,635
Disabled Accessible	0	0	226	16,358,432	Ongoing	862,950
Lot Refi	0	0	12	1,273,560	2,000,000	726,440
Habitat	0	0	12	1,201,801	1,500,000	298,199

MBOH PORTFOLIO AS OF FEBRUARY 2017

5,152 Loans* (4,331 serviced by MBOH)



Weighted Average
Interest Rate
4.44%

*This is a 4.58% decrease in portfolio size from February 2016 when we had 5,399 loans

DELINQUENCY AND FORECLOSURE RATES

	<u>MONTANA BOARD OF HOUSING</u>			<u>MORTGAGE BANKERS ASSOC. 12/2016</u> <small>(most recent available)</small>		
	<u>Feb-17</u>	<u>Jan-17</u>	<u>Feb-16</u>	<u>Montana</u>	<u>Region</u>	<u>Nation</u>
30 Days	1.96	1.66	1.83	1.57	1.96	2.59
60 Days	0.70	0.99	0.94	0.50	0.62	0.88
90 Days	<u>1.78</u>	<u>1.82</u>	<u>2.20</u>	<u>0.69</u>	<u>0.98</u>	<u>1.6</u>
Total Delinquencies	4.44	4.47	4.97	2.76	3.56	5.07
In Foreclosure	1.42	1.36	0.83	0.66	0.83	1.53

New!!

Montana Board of Housing MBOH Plus 0% Deferred Down Payment Assistance

The MBOH Plus 0% Deferred Down Payment Assistance Program offers assistance to homebuyers with down payment, pre-pays and closing costs. The funds are used in conjunction with our MBOH fixed-rate 1st mortgage insured by FHA, VA, RD or HUD184.

MBOH Plus 0% Deferred funds offer:

- 0% interest rate and NO MONTHLY PAYMENTS
*(0.30% APR based on a loan amount of \$6,500)
- Up to 5% of purchase price (Min \$1,500/Max \$6,500)
- Due upon sale\transfer\maturity or payoff of the 1st mortgage loan

Eligibility Requirements:

- Must meet Regular Bond Program Criteria
- Minimum cash investment at closing of \$1,000
- Minimum credit score of 620, Maximum Debt-to-Income ratio is 43%

www.mhousing.mt.gov

Montana Board of Housing, 301 S Park Avenue, Rm 240, Helena, MT 59601

800-761-6264

Montana Independent Bankers (MIB) has a quarterly magazine, The Community Banker. MBOH is their **Featured Associate Member** in the Spring 2017 issue and was asked to submit an article that serves as a one-time opportunity to introduce ourselves to their membership. This is the article we submitted.

Montana Board of Housing...Partnering with mortgage lenders for 40 years.

Montana Board of Housing (MBOH) was created by the Montana Housing Act of 1975 and issued its first bonds in 1977. It is a self-funded state agency located in Helena, working with housing partners to benefit homeowners and renters throughout the entire state. MBOH operates within the Department of Commerce for administrative purposes and receives no appropriations from the State general fund.

Executive Director and MBOH Treasurer, Bruce Brensdal, has been at the head of Montana Board of Housing since 2000. Prior to that he was the MBOH Multifamily Program Officer for five years. He also serves as the Administrator for the Housing Division within the Department of Commerce.

The Board consists of seven members who are appointed by the Governor and are subject to confirmation by the State Senate. The Board provides policy direction to MBOH staff, authorizes bond issues, approves development financing and evaluates MBOH housing programs. These programs include the Homeownership Program, Multifamily Program and the Servicing Department.

For 40 years, the Homeownership Program has acted as a secondary market, issuing tax-exempt bonds to provide low interest rate mortgage programs and down payment assistance to the borrowers of Montana. Since 1977, the Board has issued single family bonds totaling \$3,604,100,799 and financed 41,800 first and second mortgage loans for Montana borrowers.

Montana Board of Housing now services its own loans. MBOH is proud and excited to be able to serve its customers in this way, giving personal attention to each loan and keeping the money local.

MBOH partners with over 37 lenders statewide to offer a variety of low interest rate loan programs to eligible borrowers.

The Regular Mortgage Bond Program offers an interest rate lower than the market rate, which makes the client's purchasing power go farther. These loans are fixed rate, 30-year loans and insured or guaranteed by FHA, VA, RD or HUD 184. They provide an alternative to conventional loan products that often require large down payments.

The Set-aside Program is designed to assist lower income borrowers, typically 80% of median income. Often these buyers can afford a monthly payment but they struggle to save enough money for a down payment and to pay closing costs. Many of these borrowers face an "affordability gap", the difference between what they can afford to purchase and the cost of homes in their area. In this program, MBOH partners with cities, counties, non-profits, and others resources to assist a borrower with a home purchase. A participating lender will qualify the homebuyer for a MBOH loan for most of the purchase price and the non-profit steps in with the balance. The difference can be as little as \$1,500 or as much as \$45,000, depending on the location in the state and the needs of the buyer.

Montana Board of Housing is proud to provide additional programs such as the Montana Veteran's Home Loan Program and the Disabled Accessible Affordable Homeownership Program at greatly reduced interest rates. The Habitat for Humanity and 80% Combined Programs offer loans that require no mortgage insurance, therefore reducing the borrower's monthly mortgage payments.

MBOH also offers the Mortgage Credit Certificate (MCC) Program. The Mortgage Credit Certificate Program provides eligible homebuyers with the opportunity to buy a home by keeping more money in their pocket each month. An MCC reduces the amount of federal income tax homeowners pay, giving them more money to use toward their mortgage. Under this program, a homebuyer selects any non-MBOH loan and attaches a federal income tax credit to their loan. Lenders can use this tax credit to help qualify the buyer for the loan.

If you're interested in participating in MBOH Loan Programs or have questions, feel free to contact Charlie Brown at chbrown@mt.gov, 406-841-2850.

Mortgage Servicing Program Dashboard Effective 03/31/17

	Last Year	Last Month	This Month
MONTH	APRIL 2016	FEBRUARY 2017	MARCH 2017
PORTFOLIO TOTAL LOANS	4573	4652	4641
MBOH	4261	4344	4337
BOI	294	291	287
MULTI FAMILY	18	17	17
PRINCIPAL (all loans)	\$ 408,768,415.00	\$ 420,769,363.28	\$ 422,018,686.05
ESCROW (all loans)	\$ 6,321,370.00	\$ 5,549,230.78	\$ 6,066,864.46
LOSS DRAFT (all loans)	\$ 669,809.00	\$ 911,951.99	\$ 881,805.12
LOANS DELINQUENT (60+ days)	224	277	265
FORECLOSURES TOTAL 2017	14	6	8
ACTUAL FORECLOSURE SALES IN MONTH	11	5	2
DELINQUENT CONTACTS TO MAKE	951	796	717
LATE FEES - NUMBER OF LOANS	646	831	714
LATE FEES - TOTAL AMOUNT	\$ 18,533.78	\$ 23,160.03	\$ 20,364.23
PAYOFFS	40	37	50
NEW LOANS/TRANSFERS	53	12	23

May 2016 started phone payments 29
March 2017 phone payments 179

LOSS MITIGATION	FEBRUARY	Quarterly Servicing Newsletter "Mortgage Matters"
ACTIVE FINANCIALPACKETS	6	
REPAYMENT/FORBEARANCE	46	
HAMPS/PARTIAL CLAIMS & MODS PNDG	31	
PRESERVATION PROPERTIES	13	
REAL ESTATE OWNED PROPERTIES	7	
CHAPTER 13 BANKRUPTCIES	15	

BOARD AGENDA ITEM

PROGRAM

Multifamily, Homeownership and Reverse Annuity Mortgage Program

AGENDA ITEM

Review and Approval of proposed amendments and repeal of Administrative Rules of Montana

BACKGROUND

Please find attached Montana Administrative Register (MAR) Notice No. 8-111-151, Notice of Public Hearing on Proposed Amendment and Repeal of certain Board Administrative Rules of Montana. The Notice has been published and is currently out for comment. The highlighted area are the reasons for each proposed amendment. We will review these changes.

The public has an opportunity to comment on the proposal at the scheduled public hearing or by submission of written comments no later than May 26, 2017. Assuming the Board approves of the published proposal at the May 8 meeting, it may wish to authorize staff in advance to adopt the rules as proposed without a further Board meeting, in the event no substantial comments are received. If substantial comments are received, however, the Board must then consider the comments and decide whether or not to adopt the rules either as proposed or with modifications.

PROPOSED MOTION

I move to approve MAR Notice No. 8-111-151 as published and to authorize staff to process and adopt such amendments without further Board approval provided no substantial comments are received concerning such. If substantial comments are received, the Board must consider such comments and determine the specific rule amendments to be adopted.

BEFORE THE DEPARTMENT OF COMMERCE
OF THE STATE OF MONTANA

In the matter of the amendment of)	NOTICE OF PUBLIC HEARING ON
ARM 8.111.303 financing programs,)	PROPOSED AMENDMENT AND
8.111.304 conditions of financial)	REPEAL
assistance, 8.111.305 approved)	
lenders, 8.111.305A approved)	
servicers, 8.111.403 counseling)	
requirements, 8.111.404 eligibility)	
requirements, 8.111.406 repayment)	
of the loan, 8.111.602 definitions,)	
8.111.603 housing credit allocation)	
procedure, 8.111.705 lender and)	
servicer requirements and limits, and)	
8.111.707 loan terms and conditions,)	
and repeal of ARM 8.111.203,)	
confidentiality and disclosure of)	
information)	

TO: All Concerned Persons

1. On May 19, 2017, at 10:00 a.m., the Department of Commerce will hold a public hearing in Room 226 of the Park Avenue Building at 301 South Park Avenue, Helena, Montana, to consider the proposed amendment and repeal of the above-stated rules.

2. The Department of Commerce will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact Department of Commerce no later than 5:00 p.m. on May 17, 2017, to advise us of the nature of the accommodation that you need. Please contact Bonnie Martello, Paralegal, Department of Commerce, 301 South Park Avenue, P.O. Box 200501, Helena, Montana, 59620-0501; telephone (406) 841-2596; fax (406) 841-2771; TDD (406) 841-2702; or e-mail bmartello@mt.gov.

3. The rules as proposed to be amended provide as follows, new matter underlined, deleted matter interlined:

8.111.303 FINANCING PROGRAMS (1) through (2)(e) remain the same.

(3) No person or family qualifying for a loan under the board's single family program may obtain more than one loan at a time under the board's programs, except that a person or family may qualify for a board down payment assistance loan in addition to a first priority mortgage loan on the same property.

(4) through (6) remain the same.

AUTH: 90-6-104, 90-6-106, MCA

IMP: 90-6-104, 90-6-106, 90-6-108, 90-6-109, 90-6-116, MCA

REASON: The proposed amendments to ARM 8.111.303 are necessary to update the rule consistent with current board programs and practice to permit qualifying persons and families to obtain a down payment assistance loan in addition to a first priority mortgage loan on the same property. Down payment assistance loans are relatively small in amount and such loans are subordinate to the first priority mortgage loan. The lack of sufficient resources to make a down payment presents a significant obstacle for many lower income persons and families in purchasing a home. The board's down payment assistance programs have proven successful in overcoming this hurdle for many such borrowers and are an essential component of the board's single family housing program.

8.111.304 CONDITIONS OF FINANCIAL ASSISTANCE (1) through (4) remain the same.

(5) Subject to board oversight, board staff ~~The board~~ will establish a schedule of fees and charges for each specific program as required to cover board expenditures of operating the program. The board's schedule of fees and charges is available on the board's website.

(6) through (9) remain the same.

AUTH: 90-6-104, 90-6-106, MCA

IMP: 90-6-106, 90-6-108, 90-6-110, MCA

REASON: The proposed amendments to ARM 8.111.304 are necessary to provide for greater administrative flexibility in establishing, maintaining, and making available a current fee schedule for the board's programs. Fees and charges for the board's programs generally are recommended or set by board staff based upon the costs of program operations and the fee and charge amounts necessary to fund program operations. Such fees and charges remain subject at all times to the oversight of the board.

8.111.305 APPROVED LENDERS (1) through (2)(b) remain the same.

(c) evidence of errors and omissions insurance and fidelity insurance, each of which must be in an amount not less than ~~\$300,000~~ the amount required by the Federal National Mortgage Association (FNMA) for its participating lenders;

(d) through (6) remain the same.

AUTH: 90-6-104, 90-6-106, MCA

IMP: 90-6-106, 90-6-108, MCA

REASON: The proposed amendments to ARM 8.111.305 are necessary to update the board's errors and omissions insurance coverage requirements for participating lenders. The board's minimum coverage requirement is inconsistent with requirements generally used in the mortgage lending industry, as evidenced by the requirements of the Federal National Mortgage Association (Fannie Mae). Required coverage amounts under these programs are not a single amount for all lenders, but

vary depending upon the lender's portfolio of loans. This approach better addresses the need for such coverages, by assuring that lenders are appropriately insured for the risks presented by their portfolios rather than either under- or over-insured based upon a one-size-fits-all coverage amount.

8.111.305A APPROVED LOAN SERVICERS (1) through (2)(d) remain the same.

(e) evidence of errors and omissions insurance and fidelity insurance, each of which must be in an amount not less than ~~\$300,000~~ the amount required by the Federal National Mortgage Association (FNMA) for its participating servicers;

(f) through (8) remain the same.

AUTH: 90-6-104, 90-6-106, MCA

IMP: 90-6-106, 90-6-108, MCA

REASON: The proposed amendments to ARM 8.111.305A are necessary to update the board's errors and omissions insurance coverage requirements for participating loan servicers. The board's minimum coverage requirement is inconsistent with requirements generally used in the mortgage lending industry, as evidenced by the requirements of the Federal National Mortgage Association (Fannie Mae). Required coverage amounts under these programs are not a single amount for all servicers, but vary depending upon the servicer's portfolio of loans. This approach better addresses the need for such coverages, by assuring that servicers are appropriately insured for the risks presented by their portfolios rather than either under- or over-insured based upon a one-size-fits-all coverage amount.

8.111.403 COUNSELING REQUIREMENTS (1) remains the same.

(2) Information as to the required counseling is available ~~at the Governor's Office or through the board~~ by contacting the Board of Housing by mail at P.O. Box 200528, Helena, MT 59620-0528 or by telephone at (406) 841-2845 or (406) 841-2838.

AUTH: 90-6-507, MCA

IMP: 90-6-502, MCA

REASON: The proposed amendments to ARM 8.111.403 are necessary to revise the rule to update the directions regarding where potential borrowers may obtain information regarding required counseling.

8.111.404 ELIGIBILITY REQUIREMENTS (1) remains the same.

(a) ~~successfully complete the required counseling (information about required counseling is available at the Governor's Office and the board's offices~~ by contacting the Board of Housing by mail at P.O. Box 200528, Helena, MT 59620-0528 or by telephone at (406) 841-2845 or (406) 841-2838);

(b) through (i) remain the same.

AUTH: 90-6-507, MCA

IMP: 90-6-505, 90-6-506, MCA

REASON: The proposed amendments to ARM 8.111.404 are necessary to revise the rule to update the directions regarding where potential borrowers may obtain information regarding required counseling.

8.111.406 REPAYMENT OF THE LOAN (1) Repayment of the reverse annuity mortgage loan is payable on the maturity date as set forth in the loan agreement, except when the borrower has made a written request for a deferral of such payment and been granted the request. Upon maturity, the borrower may remain in the property without having to make any repayment on the loan. not required so long as the borrower, or the last surviving borrower, has not permanently vacated the secured property and no event of default has occurred as provided in the loan documents.

(2) The borrower may pay the outstanding loan balance in full at any time without penalty.

(3) The board may include in the reverse annuity mortgage loan documents such terms, conditions, and requirements as are usual and customary in similar loan transactions and which are designed to protect the value of the property securing the loan or to assure repayment of the loan.

(4) The loan becomes due and payable and any remaining advances terminate upon the occurrence of any of the following events:

- (a) the death of the last surviving borrower;
- (b) sale or transfer of the property to anyone other than the an original borrower;
- (c) permanent vacation of the secured property by the borrower; or
- (d) any other act or occurrence which constitutes an event of default under the mortgage instrument securing the loan which in the opinion of the board causes, or is likely to cause, a material decrease in the value of the property.

AUTH: 90-6-507, MCA

IMP: 90-6-506, MCA

REASON: The proposed amendments to ARM 8.111.406 are necessary to conform the provisions of the rule to the provisions of the statute and the board's reverse annuity mortgage (RAM) loan program requirements. Previously, RAM loan documents defined loan maturity as the time at which scheduled advances were completed, although under Montana law the loan was not payable at that time. Previous loan documents also required the borrower to request and receive board approval to defer loan repayment. Montana law at 90-6-506, MCA, however, specifically provides that the borrower may continue to reside in the property without repayment until the death of the borrower or another specified event occurs. Accordingly, the board proposes to remove the requirement that borrowers request and obtain a repayment deferral.

The proposed amendments are also necessary to more accurately and completely describe the conditions under which a RAM loan becomes due and payable.

Montana law at 90-6-506, MCA, lists the events under which the loan becomes due and payable. This includes "any other occurrence that materially decreases the value of the property securing the loan or that will have the likely effect of causing the loan to not be repaid." The statute provides that such occurrences must be recited in the mortgage instrument. Current (1)(d) references an "other act or occurrence which in the opinion of the board causes, or is likely to cause, a material decrease in the value of the property."

Such events are described in the mortgage instrument and other loan documents through terms, conditions and requirements that are usual and customary in similar loan transactions or that address specific RAM program requirements, and which are designed to protect the value of the property securing the loan or to assure repayment of the loan. Proposed (3) reflects the board's authority to include such loan terms, conditions and requirements in its documents. Accordingly, consistent with the statute, proposed (4)(d) provides that the loan will become due and payable upon an act or occurrence which constitutes an event of default under the mortgage instrument.

The proposed rule also adds new (2), which corresponds to 90-6-506, MCA and provides that the borrower may pay the outstanding loan balance in full at any time without penalty. Other proposed revisions are necessary to clarify the rule provisions.

8.111.602 DEFINITIONS When used in these rules, unless the context clearly requires a different meaning:

(1) and (2) remain the same.

(3) "QAP" means the board's "Housing Credit Program ~~2017~~ 2018 Qualified Allocation Plan," which sets forth the application process and selection criteria used by the board for evaluation and selection of projects to receive awards for allocation of housing credits for calendar year ~~2017~~ 2018, copies of which may be obtained by contacting the Board of Housing by mail at P.O. Box 200528, Helena, MT 59620-0528, by telephone at (406) 841-2845 or (406) 841-2838, or at the board's web site www.housing.mt.gov.

(4) remains the same.

AUTH: 90-6-106, MCA

IMP: 90-6-104, MCA

REASON: The proposed amendments to ARM 8.111.602 are necessary to update the Qualified Allocation Plan (QAP) definition to reference the 2018 Qualified Allocation Plan for the Montana Housing Credit Program.

Federal low income housing tax credits are allocated by the federal government to the states, according to their population, for allocation to particular buildings. Each state's share of federal low income housing tax credits is allocated to particular buildings under programs administered by the respective state's housing credit agencies. The Montana Board of Housing is Montana's housing credit agency for

purposes of administering the tax credit program and allocating tax credits in the state of Montana. In Montana, the program is known as the Montana Housing Credit Program. Federal law requires that tax credits allocated to the state by the federal government must be allocated by the state pursuant to a "qualified allocation plan" or "QAP."

Prior to publication of this notice, the board conducted several public meetings to consider suggestions and comments regarding the provisions of the 2018 QAP. Thereafter, at its February 13, 2017 meeting, the board considered and approved public notice and distribution of the proposed 2018 QAP. After public notice of the proposed 2018 QAP and of the opportunity for public comment was published and distributed, a public hearing on the proposed 2018 QAP was held on February 28, 2017 and written comments were also received. At its March 14, 2017 meeting, after considering all written and oral comments on the proposed 2018 QAP, staff recommendations, additional public comment and various proposed revisions in response to comments, the board approved the 2018 QAP for submission to and approval by the Montana Governor, as required by the federal tax credit statute, 26 U.S.C. § 42. Montana Governor Steve Bullock approved the 2018 QAP by written approval dated March 21, 2017.

A copy of the 2018 QAP is available on the internet at <http://housing.mt.gov/MFQAP> or by requesting a copy from: Mary Bair, Board of Housing, Department of Commerce, 301 South Park Avenue, P.O. Box 200528, Helena, Montana, 59620-0528; telephone (406) 841-2845; fax (406) 841-2841; or e-mail mbair@mt.gov.

8.111.603 HOUSING CREDIT ALLOCATION PROCEDURE (1) remains the same.

(2) Letters of intent and applications shall be submitted to the board on the dates specified in or otherwise designated according to the QAP. The board may extend or change any of the submission, ~~or presentation, or meeting~~ dates or deadlines specified in the QAP if circumstances warrant, and in such event, the board will provide notice of such extension or change by posting on its web site.

(3) remains the same.

(a) ~~At the board's meeting in the month after the letter of intent submission deadline specified in or established in accordance with the QAP,~~ board staff will present letters of intent to the board and the board will provide an opportunity for applicants to make a presentation regarding their projects and letters of intent and for public comment on proposed projects and letters of intent, all according to the provisions of the QAP. The board may ask questions of applicants and discuss proposed projects for purposes of assisting the board in determining which projects it will invite to submit applications and assisting applicants in presenting better applications, but such questions, answers, and discussion shall not be binding upon the board in any later award determination or other board process.

(b) and (4) remain the same.

(5) ~~At the board's award determination meeting in the month of application submission,~~ board staff will ~~present applications~~ provide application information to the board and the board will provide an opportunity for public comment on proposed

projects and applications, all according to the provisions of the QAP. The board may ask questions of applicants and discuss proposed projects but there will be no applicant presentations.

(6) and (7) remain the same.

(8) At the award determination meeting provided under (7), applicants should be available to the board to answer questions regarding their respective applications and shall be provided ~~an opportunity to respond to any negative comments regarding their respective projects or applications~~ a brief opportunity to make comments and respond to any information presented regarding their applications.

(9) remains the same.

AUTH: 90-6-106, MCA

IMP: 90-6-104, MCA

REASON: The proposed amendments to ARM 8.111.603 are necessary to revise the rule to correspond to changes in the 2018 QAP, as approved by the Governor and proposed to be incorporated by reference in ARM 8.111.602, for purposes of allocating low-income housing tax credits. These revisions make minor changes in the procedures for board consideration of the housing credit letters of intent and applications for purposes of awarding housing credits, including the timing of board meetings at which various steps of the process are conducted, whether staff or applicants present information to the board and the scope of responses allowed by applicants to the information presented. These provisions were developed through collaborative discussions and public hearings.

8.111.705 LENDER AND SERVICER REQUIREMENTS AND LIMITS

(1) through (2)(b) remain the same.

(c) the sections of the guide pertaining to requirements of the Internal Revenue Service and the bond indentures, as more specifically identified in the guide, (~~currently sections 2.01(a), 2.04(a)(i) and (ii), 2.05, 2.05.1, 2.06, 2.11 and 2.12~~) shall not apply for purposes of the veteran's loan program.

(3) and (4) remain the same.

(5) Veteran's loans will be serviced by the board or its designee. Servicing fees shall be ~~0.375% per annum~~ as set by the board and posted in the program terms and conditions and on the board's website. A servicing release premium will be paid by the board to the lender.

(6) remains the same.

AUTH: 90-6-104, 90-6-106, MCA

IMP: 90-6-104, 90-6-106, MCA

REASON: The proposed amendments to ARM 8.111.705 are necessary to provide the board with flexibility to revise its purchasing and servicing guide and to adjust servicing fees promptly in response to market changes. Removing the specific citations to inapplicable guide sections allows greater flexibility in revising the guide without the need to amend the rule. Similarly, with the servicing fee amount

specified in rule, the fee cannot be adjusted without undertaking a rule amendment process, preventing the board from making timely adjustments in the fee amount.

8.111.707 LOAN TERMS AND CONDITIONS (1) The purchase price for the property, as agreed upon in a written buy-sell agreement, amount of a loan may not exceed 95% of the value of the statewide allowable purchase price determined by the board.

(2) remains the same.

(3) The lender may charge and collect lender fees not exceeding the amount allowable under the board's regular bond program. No points may be charged. Except as permitted by law, all All fees must be paid by the borrower or seller and will not be paid or financed by the board. Where permitted by law, a borrower may use the minimum contribution to pay closing costs and may borrow the maximum loan amount allowed by the mortgage insurer for the loan.

(4) through (9) remain the same.

AUTH: 90-6-104, 90-6-106, MCA

IMP: 90-6-104, 90-6-106, MCA

REASON: The proposed amendments to ARM 8.111.707 are necessary to revise the rule to comply with the Montana Veteran's Home Loan Mortgage Program Act. Current (1) provides that the agreed purchase price for the property may not exceed the specified amount. This incorrectly implements the provisions of the statute, which provides that the amount of the loan may not exceed the standard. The proposed amendment corrects this error. The proposed amendments are also necessary to allow the board flexibility, where allowed by law, to permit borrowers to use their minimum cash contribution to pay closing costs and to borrow the maximum loan amount allowed by the mortgage insurer for the loan. This loan authority is currently under consideration by the Legislature in Senate Bill 303, which if enacted will be effective on passage and approval. This would be permitted only if SB 303 becomes law.

4. The board proposes to repeal the following rule:

8.111.203 CONFIDENTIALITY AND DISCLOSURE OF INFORMATION

AUTH: 90-1-106, 90-6-104, MCA

IMP: 2-6-102, MCA

REASON: The rule proposed for repeal establishes procedures to address confidentiality and disclosure of information submitted to the board. This rule is separate from and in addition to the procedures established and followed generally by the Department of Commerce. The board is administratively attached to the department, and the confidentiality of information and handling of public information requests are subject to department rules and handled by and through the department. This separate rule is therefore redundant and unnecessary.

Further, the rule is outdated because the 2015 Montana Legislature substantially revised Montana's statutory scheme governing public information and public information requests. See Ch. 348, L. 2015. This revision included repeal of former section 2-6-102, MCA, the statute that authorized adoption of the rule.

Accordingly, the board proposes to repeal the rule and instead rely upon the department's policies and procedures. The board will maintain on its website a general policy advising the public that information submitted to the board is subject to Montana's Constitutional and statutory provisions requiring disclosure of information, subject to the narrow exceptions provided by law, and that requests for such information will be handled in accordance with the applicable provisions of Montana law and the department's policies and procedures.

5. Concerned persons may submit their data, views, or arguments either orally or in writing, at the hearing. Written data, views, or arguments may also be submitted to: Mary Bair, Board of Housing, Department of Commerce, 301 South Park Avenue, P.O. Box 200528, Helena, Montana, 59620-0528; telephone (406) 841-2845; fax (406) 841-2841; or e-mail mbair@mt.gov, and must be received no later than 5:00 p.m., May 26, 2017.

6. Mary Bair, Department of Commerce, has been designated to preside over and conduct this hearing.

7. The department maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies for which program the person wishes to receive notices. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to the contact person in paragraph 5 above or may be made by completing a request form at any rules hearing held by the department.

8. An electronic copy of this proposal notice is available through the Secretary of State's web site at <http://sos.mt.gov/ARM/Register>. The Secretary of State strives to make the electronic copy of the notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. In addition, although the Secretary of State works to keep its web site accessible at all times, concerned persons should be aware that the web site may be unavailable during some periods, due to system maintenance or technical problems.

9. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

10. With regard to the requirements of 2-4-111, MCA, the department has determined that the amendment and repeal of the above-referenced rules will not significantly and directly impact small businesses.

/s/ G. Martin Tuttle
G. Martin Tuttle
Rule Reviewer

/s/ Pam Haxby-Cote
Pam Haxby-Cote
Director
Department of Commerce

Certified to the Secretary of State April 17, 2017.

BOARD AGENDA ITEM

PROGRAM

Multifamily Program

AGENDA ITEM

RAM Exception

BACKGROUND

Female in Western Montana is seeking an exception for \$15,000 to pay off medical bills and taxes. Annual income is \$16,956.

PROPOSAL

Presentation for the Board to consider the exception

Multifamily & RAM Program Dashboard

February 15, 2017

LOAN PROGRAMS

	<u>Applications</u>	<u>Active Loans</u>	<u>Outstanding Balance</u>	<u>Available Balance</u>
Reverse Annuity (RAM)				
RAM		76	\$3,414,107	\$1,107,560
Housing Montana Fund				
TANF		62	\$338,460	337,220
Revolving Loans		3	\$450,662	pledged
AHP		8	\$1,512,117	NA
Bond Programs				
Regular Program	-	-	11	\$1,653,445
Conduit (2006-2016)	6	\$26,250,000		
Risk Share	-	-	8	\$7,367,800
Housing Credits Assets Administered/Protected				
Total Housing Credits Allocated			\$485,499,960	
Number of Projects			240	
Number of Units/Families Served			7,444	

HOUSING CREDITS (HCs) ALLOCATION

<u>Project</u>	<u>City</u>	<u>Award</u>	<u>HC Year</u>	<u>Status</u>
Chippewa Cree Homes I	Box Elder	13-Dec	2014	rehab finished
Antelope Court	Havre	14-Nov	2015	leasing up one building to finish
Guardian Apartments	Helena	14-Nov	2015	received 8609 paperwork
Stoneridge Apartments	Bozeman	14-Nov	2015	waiting for 8609 paperwork
Sweet Grass Commons	Missoula	14-Nov	2015	leasing up - Grand opening week of June 12th
River Ridge	Missoula	14-Mar	2015	completed - Grand reopening June 1st
Larkspur	Bozeman	15-Dec	bond deal	consturction completed
Big Sky Villas	Belgrade	16-Jan	2016	rehab underway
Valley Villas	Hamilton	16-Jan	2016	rehab underway
NorthStar	Wolf Point	16-Jan	2016	construction started
Little Jons	Big Fork	16-Jan	2016	rehab underway
Red Fox	Billings	16-Jan	2016	preconstruction mtg Feb 2017
Freedoms Path	Fort Harrison	16-Jan	2016	working on closing & transfer from VA; approved National Historic site
Vista Villa/River Run	Great Falls	16-Dec	bond deal	rehab undeerway

HOUSING CREDITS (HCs) COMPLIANCE

	<u>Year to Date</u>	<u>Last Year</u>
Project Site Visits	31	85
Units Inspected	401	2,536
	-	

<u>Projects w/Comp</u>	<u>Owner</u>	<u>Management</u>	<u>Audit Done</u>	<u>Explanation</u>
in MF update				

2017 CALENDAR

January 2017						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February 2017						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

March 2017						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April 2017						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May 2017						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June 2017						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July 2017						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August 2017						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September 2017						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

October 2017						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November 2017						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December 2017						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April 2017

- No Board Meeting

May 2017

- 1-3 – Mountain Plains Housing Summit – Boise (Staff and 2 Board Members)
- 8 - Board Meeting and Training – Great Falls
- 8-11 – Annual Housing Conference – Great Falls

June 2017

- 20-23 – Housing Credit Connect – Atlanta (Staff)
- 26 – Board Meeting - Letter of Intent Presentation and Invitations to submit full application

July 2017

- No Board Meeting

August 2017

- No Board Meeting

September 2017

- 10-11 – Strategic Planning, Board Meeting - Fairmont Hot Springs

October 2017

- 13-17 – Annual Conference – Denver (Staff & 2 Board members)

November 2017

- 20 – Board Meeting – Helena Housing Credit Final Allocations

December 2017

- No Board Meeting

January 2018

- 8 - Webinar Board Meeting

Administrative Dashboard

April 20, 2017

Board Meetings

The May Board Meeting will be on the 8th starting at 8:30 AM in Great Falls at the Best Western Plus Heritage Inn in connection with the statewide housing conference. We will hold a short meeting and provide Board member training as we officially have new members.

The June Board meeting will be on the 26th starting at 8:30 AM in Helena at the Radisson Colonial Hotel. This meeting will have presentations from all Letter of Intent submissions and the Board will decide the 8 applications that will move forward to full application.

Board News

May 1 – 3, 2017 is the Mountain Plains Housing Summit in Boise, Idaho. This is an annual event which allows Regional Housing Finance Agencies to share insight and visions of Housing.

May 8 – 11, 2017 is the Annual Housing Conference in Great Falls. A Board meeting is scheduled for the morning of May 8 with conference starting in the afternoon. Board members are encouraged to attend the Housing Conference.

Legislative Update

Bill #	LC #	Sponsor	Short Title	Status
HB0026	LC0169	Rep Tom Welch	Revise MBOH Servicing Laws	Passed
SB0303	LC0055	Sen Edward Buttrey	Revise Veteran Home Loan	Passed
HB0260	LC1158	Rep Susan Webber	Generally Revise VHLP	Died
SB0330	LC1102	Sen Chas Vincent	Property Clean Energy Finance	Died
HJ0016	LC2227	Rep Shane Morigeau	Interim Study homeless reduction	Died

Marketing Update: Grand Openings, Ground Breakings and other Public Events

After the March Bond Closing, we sent out a press release to explain and celebrate this accomplishment. It was picked by some outlets and Bruce received several interview requests. Click image for story.



April was Fair Housing Month. We planned several ways to use this opportunity for telling our story. First was a media alert with links to two videos. The videos were testimonials of folks who live in affordable housing and shared how this resource has brought independence to their life. [Click here to see this story.](#)

The next event was a media tour of Guardian Apartments in Helena. This gave us the occasion to both introduce the new Montana Department of Commerce Director Pam Haxby-Cote, and to show the significance of the preservation of this 118 units of accessible and affordable housing. [Click here to see this story.](#)



We also took advantage of the opportunity to remind folks across the state about the fantastic resource that is at their fingertips, absolutely free, to search for or list rental housing. We are celebrating the eighth anniversary of MTHousingSearch and it is being used by more landlords and more renters each year. [Click here for the story.](#)

Bruce Brensdaal and Jennifer Olsen, E.D. of Community Development Division also wrote an Op-Ed about the great work done at the Montana Department of Commerce to alleviate the barriers that were identified in the Analysis of Impediments to Fair Housing, a survey and report done for HUD several years ago. [Click here to read the story.](#)

Upcoming Events:

- June 1 - River Rock Grand Opening in Missoula
- June 15 - Sweetgrass Commons Grand Opening in Missoula

Operations Update

The program managers and senior leadership staff have been developing their strategic plans and developing work plans to address the items from the Board planning session. In the upcoming months, anticipate seeing updates in the dashboards as well as the Board's strategic planning document.

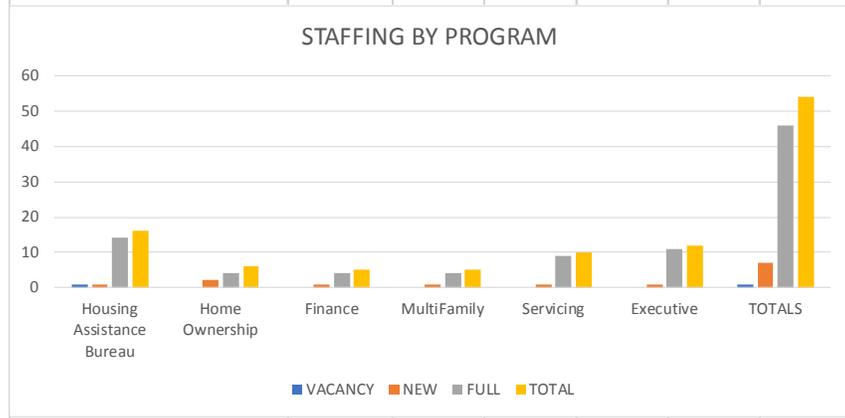
HOUSING DIVISION STAFFING				
	VACANCY	NEW	FULL	TOTAL
Housing Assistance Bureau	1	1	14	16
Home Ownership		2	4	6
Finance		1	4	5
MultiFamily		1	4	5
Servicing		1	9	10
Executive		1	11	12
TOTALS	1	7	46	54

Recruitment and Selection: The Division has one vacancy in Section 8 which is currently in process. There were several candidates and interviews are complete. We anticipate being fully staffed by the end of April.

We have selected First Interstate Bank as our local lockbox solution for mortgage servicing. This will ensure compliance with requirements for separate escrow accounts and will increase the ease of payment for clients across the state.

We are also engaging an outside accounting firm to review our financial statement footnotes to ensure compliance with GASB.

Our efforts to complete our application to become a Fannie Mae Seller/Service continue.



Section 8 Program Dashboard

April 20, 2017

TENANT BASED, VETERANS' VOUCHERS, MOD REHAB, SHELTER PLUS CARE I and II, 811 PRA DEMO PROGRAMS:

CURRENT PERIOD: APRIL 2017

SECTION 8 PROGRAMS	<u>Previous Month</u>	<u>Month</u>	<u>Change</u>	<u>Year</u>	<u>HUD</u>	<u>Date</u>	
	<u>Mar-2017</u>	<u>Apr-2017</u>		<u>HAP</u>	<u>Budget</u>	<u>Fees</u>	<u>Term</u>
Housing Choice Voucher (HCV)					15,426,099	480,980	CY 2016
PBS8 Opt-Out Conversion Funding					88,595		
Paid Units (3625 Agency contracts)	3,433	3,406	-27				
Current Month Payment Amount	1,662,833	1,654,226	-8,606	6,612,003		121,037	
Veterans Affairs Supportive Housing (VASH)							CY2016
Number Units Paid (306 Authorized)	295	289	-6				
Payment Amount	159,688	158,645	-1,043	630,714			
Moderate Rehabilitation (ModRehab)					2,012,728		7-1-16-6-30-17
Number Contracts	18	18	0				
Paid Units (297 Authorized)	264	263	-1				
Payment Amount	141,730	142,356	626	556,966		34,997	
Shelter Plus Care I (Individual) FY13 Grant Funds					195,488		8-1-16-7-31-17
Number Units Paid (28 Authorized)	27	27	0		Grant Balance		
Payment Amount	13,242	13,242	0	34,639	195,488		
Shelter Plus Care II (Family)					36,606		7-1-16-6-30-17
Number Units Paid (5 Authorized)	5	5	0		Grant Balance		
Payment Amount	3,224	3,224	0	6,448	27,291		
Project-Based (PBS8)							Admin Earnings Fed Fiscal
Contracts	87	87	0			71,521	
Units Paid (4132 Authorized with 8bb)	3,675	3,663	-12				Contract Extension
Payment Amount	1,702,051	1,691,573	-10,478				Expires June 30 2016
Calendar Year Admin Earnings						357,604	
811 Project Rental Assistance Demo (FY12 \$)					1,900,000	157,000	Five Year
Rental Assistance Contracts (RAC)	48	48	0				
Units (grant requires 82)	9	9	0			8 Units Kalispell	
Payment Amount	4,568	5,058	490	9,626		40 Units Missoula	
						48	

TOTALS

	<u>Previous Month</u>	<u>Current Month</u>	<u>Change</u>
Paid Units:	7,699	7,653	-46
Budgeted Units:		8,317	
All Section 8 HAPs	3,682,768	3,663,267	-19,501