

HOUSING DIVISION – MONTANA BOARD OF HOUSING

Fairmont Hot Springs – 1500 Fairmont Road – Anaconda, Montana 59711
September 11, 2017

ROLL CALL OF BOARD

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

STAFF: Bruce Brensdal, Executive Director
Ginger Pfankuch, Finance Program
Vicki Bauer, Homeownership Program
Mary Palkovich, Mortgage Servicing Program
Mary Bair, Multifamily Program
Penny Cope, Marketing
Todd Jackson, Marketing
Paula Loving, Executive Assistant

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

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

OTHERS: Dave Magistrelli, Habitat for Humanity
Melanie Lien
Gene Leuwer, GL Development
Sharon Allen

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., FILE 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

1:03 Chairman Pat Melby called the Montana Board of Housing (MBOH) meeting to order at 10:58 a.m.

- 1:08 Bruce BrensdaI welcomed everyone to the Webinar and introduce the attendees at the Montana Board of Housing office and those attending via conference call. Mr. BrensdaI reviewed the Webinar and location details for the meeting.
- 2:34 Introductions of Board and Attendees of the meeting were made.
- 4:44 Chairman Melby asked for public comment on items not listed on the agenda.

APPROVAL OF MINUTES

June 26, 2017 and August 14, 2017 MBOH Board Meeting Minutes – page 3 and 14 of the packet

5:01 Motion: Sheila Rice moved to approve June 26, 2017 and August 14, 2017 MBOH Board meeting minutes.

Second: Bob Gauthier

June 26, 2017 and August 14, 2017 MBOH Board meeting minutes were approved unanimously.

FINANCE PROGRAM

Investment Policy – page 16 of the packet

6:14 Presenters: Ginger Pfankuch

Motion: Bob Gauthier moved to approve the MBOH Investment Policy.

Second: Sheila Rice

MBOH Investment Policy was approved unanimously.

Financial Update – page 22 of the packet

7:56 Ginger Pfankuch provided the Finance program update.

HOMEOWNERSHIP PROGRAM

Habitat Loan Portfolio – page 25 of the packet

11:52 Presenters: Vicki Bauer, Dave Magistrelli

Motion: Jeanette McKee to approve the purchase of the Flathead Valley Habitat for Humanity loan portfolio.

Second: Amber Sundsted

The purchase of the Flathead Valley Habitat for Humanity loan portfolio was approved unanimously.

Mortgage Credit Certificate Fee Increase – page 26 of the packet

20:00 Presenters: Vicki Bauer

Motion: Sheila Rice to approve the MBOH fee increase to \$500 for the Mortgage Credit Certificate.

Second: Jeanette McKee

The MBOH fee increase to \$500 for the Mortgage Credit Certificate was approved unanimously.

Lender Pool Setaside Allocation – page 27 of the packet

22:28 Presenters: Vicki Bauer

Motion: Bob Gauthier to approve the allocation of an additional \$7 million of setaside funds for the Lender Pool.

Second: Johnnie McClusky

The Lender Pool additional \$7 million setaside allocation was approved unanimously.

Homeownership Program Update – page 28 of the packet

24:37 Vicki Bauer provided the Board with the Homeownership program update.

25:41 Mina Choo, RBC Capital, provided an update on the 2017B Bond issuance

MORTGAGE SERVICING PROGRAM

Mortgage Servicing Program Update – page 33 of the packet

36:53 Mary Palkovich provided the Board with the Mortgage Servicing program update.

MULTIFAMILY PROGRAM

Multifamily Program Update – page 47 of the packet

41:00 Mary Bair provided the Multifamily program update.

EXECUTIVE DIRECTOR UPDATE

Executive Update

45:00 Bruce Brensdaal provided the Board with the Executive Director's update, including Operations and Marketing.

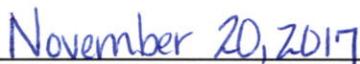
49:32 Gene Leuwer, GL Development, provided an update on his Tax Credit projects.

MEETING ADJOURNMENT

50:24 With no objection, the September 11, 2017 MBOH Board meeting adjourned at 11:48 A.M.



Sheila Rice, Secretary



Date



Meeting Location:
Fairmont Hot Springs Resort
1500 Fairmont Rd
Anaconda MT 59711
(406) 797-3241

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](#)

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

Date: Monday, September 11, 2017

Time: 11:00 a.m.

Chairperson: Pat Melby

AGENDA ITEMS

- ❖ Meeting Announcements
- ❖ Introductions - Sign in on our attendance sheet.
- ❖ 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.

Minutes

- ❖ Approve Prior Board Meeting Minutes

Finance Program (Manager: Ginger Pfankuch)

- ❖ Approval of Investment Policy
- ❖ Financial Update

Homeownership Program (Manager: Vicki Bauer)

- ❖ Habitat Loan Portfolio Purchase
- ❖ Mortgage Credit Certificate Fee Increase
- ❖ Lender Pool Set-aside Allocation
- ❖ Homeownership Program 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.

Mortgage Servicing (Manager: Mary Palkovich)

- ❖ Servicing Update

Multifamily Program (Manager: Mary Bair)

- ❖ Reverse Annuity Mortgage Exceptions (if needed)
- ❖ Bond Resolutions (if needed)
- ❖ Multifamily Program Update

Operations (Stacy Collette)

- ❖ Operations Update

Marketing Update (Penny Cope and Todd Jackson)

- ❖ Update

Executive Director (Bruce Brensdal)

- ❖ Update

Miscellaneous

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)

| | | |
|-------------------------------|-------------------------------------|----------------------------------|
| November 20, 2017: Helena | April 9, 2018: No meeting | September (9) 10, 2018: Missoula |
| December 11, 2017: No meeting | April 30, 2018: Butte (Hsing Conf.) | October 15, 2018: No meeting |
| January 8, 2018: webinar | June 25, 2018: Helena | November 19, 2018: Helena |
| February 12, 2018: No meeting | July 9, 2018: No meeting | December 11, 2018: No meeting |
| March (12) 13, 2018: Billings | August 13, 2018: Webinar | January 7, 2019: Webinar |

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HOUSING DIVISION – MONTANA BOARD OF HOUSING

Radisson Colonial Hotel – 2301 Colonial Drive – Helena, Montana 59601
June 26, 2017

ROLL CALL OF BOARD

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

STAFF: Bruce Brensdal, Executive Director
Ginger Pfankuch, Finance Program
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
Cindy Maxwell, Administrative Assistant
Julie Hope, Homeownership Program
Hannah Rotter, Homeownership Program
Kellie Guariglia, Multifamily Program
Charlie Brown, Multifamily Program
Justin Schedel, Finance Program
Rena Oliphant, Multifamily Program

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

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

OTHERS: Eileen Piekarz, Rural Community Assistance Corporation
Marney McCleary, Community Action Partnership of NWMT
Beki Brandborg, Echo Enterprises
Glen Meier, Nemont Manor
Jim Rector, Nemont Manor
Kirk Bruce, Affiliated Developers
Joe Mueller, American Building Co
Robin Haidle, CAPNWMT
Gene Leuwer, GL Development
Caleb Burton, Deer Lodge City Council

Michael Blakely, Powell County Chamber
Laura Burrowes, CAPNWMW
Tracy Diaz, CAPNWMW
Alex Burkhalter, Housing Solutions, Inc.
Andrea Davis, Homeword
Heather McMilin, Homeword
Steve Dymoke, GMD Development
Kyle Hopsted, Broadwater Health Center
Revonda Stordahl, Butte Affordable Housing
Erica Duhamel, Butte Affordable Housing
Tom Mannschreck, Thomas Development
Barbara Mannschreck, Thomas Development
Dianne Hunt, Syringa Properties, LLC
Taylor Hunt, Syringa Housing Corp.
David Magistralli, Habitat for Humanity Gallatin Valley
Jim Morton, District XI HRDC
Robert Robinson, Human Resources Council XI
Michael Wojdylak, Park County Board of Realtors
Teri Gottlob, Cut Bank Villas
Jeff Gottlob, Cut Bank Villas
Jessica Stillman, Befrienders
Denise Posey, Summit Housing Group
Sam Long, Summit Housing Group
Michael DesRosier, Glacier County Commissioner
Ron Rides At The Door, Glacier County Commissioner
Carla Adair, RMDC
Lori Ladas, RMDC
Don Sterhan, Mountain Plains Equity Group
Sue Carothers, RMDC
Brian Bender, City of Deer Lodge
Del Schubring, Townsend
Tracy Menezes, HRDC IX
Carson Taylor, City of Bozeman
Zane Cozby, City of Deer Lodge
Kate Weaver, MSU Park Co Extension
Bill Kerns, State Bank of Townsend
Mary Upton, Townsend Chamber of Commerce
Bob Saxby, Townsend
Laura Obert, Broadwater County – Townsend.
Greg Dunfield, GMD Development
Ashley Grant, Homeword
Jacqueline Isaly
Jarod Nygren
Bonnie Craige
Julie Stiteler

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CALL MEETING TO ORDER

- FILE 1** Chairman Pat Melby called the Montana Board of Housing (MBOH) meeting to order
4:15 at 8:30 a.m.
- 4:26 Bruce Brensdal reviewed the Webinar and location details for the meeting.
- 7:12 Chairman Pat Melby asked for public comment on items not listed on agenda.
- 7:38 Andrea Davis, Homeword Inc., informed the Board that Homeword, Inc., is in the process of purchasing the Creekside Apartments in Missoula.
- 11:04 Introductions of Board and Attendees of the meeting were made.

APPROVAL OF MINUTES

May 8, 2017 Board Meeting Minutes – page 3 of the packet

- 17:31 Bob Gauthier moved to approve the May 8, 2017 MBOH Board meeting minutes and Jeanette McKee seconded the motion.
- The May 8, 2017 MBOH Board minutes were approved unanimously.

FINANCE PROGRAM

Financial Update – page 11 of the packet

- 18:10 Ginger Pfankuch provided the Finance program update.

HOMEOWNERSHIP PROGRAM

Set-aside Program Approval – Habitat for Humanity – page 15 of the packet

- 22:40 Vicki Bauer brought to the Board the Habitat for Humanity proposal which requested a set-aside for FY2018 of \$2 million with an expiration date of June 30, 2018.
- 24:40 Vicki Bauer introduced Dave Magistralli, Habitat for Humanity, who provided an update of Habitat for Humanity.
- 28:30 Bob Gauthier moved to approve the set-aside of \$2 million for FY2018 to Habitat for Humanity and Sheila Rice seconded the motion.
- Chairman Melby asked for Board and public comment.
- The requested \$2 million set-aside for FY 2018 was approved unanimously.

Income and Purchase Price Approval – page 19 of the packet

- 29:00 Vicki Bauer brought to the Board the Purchase Price Limit review and Income Limit approval.

- 32:10 Bond Counsel, John Wagner, Kutak Rock, supports the staff's recommendation of the 2017 HUD median income numbers and income limits.
- 32:29 Bob Gauthier questioned whether the numbers reflected a reduction of household income and housing prices.
- 33:32 John Wagner explained the numbers are based by HUD and do not reflect housing values.
- 35:00 Bruce Brensdal asked for clarification on the charts. Discussion followed.
- 38:20 Sheila Rice moved to approve the Income Limits based on the 2017 HUD median income numbers. Jeanette McKee seconded the motion.
Chairman Melby asked for Board and public comment.
The Income limits were approved unanimously.

2017B Bond Resolution Approval – page 25 of the packet

- 41:43 Vicki Bauer brought to the Board the 2017B Bond Resolution No. 17-0626-S1, in the amount not to exceed \$75 million to finance loans, refund outstanding bonds or both.
- 43:15 John Wagner, Kutak Rock, stated this is the standard resolution used by MBOH.
- 43:48 Mina Choo, RBC Capital, stated the monitoring of the market and communication with MBOH staff continues.
- 44:38 Chairman Melby asked for Board discussion.
- 44:44 Johnnie McClusky asked for a background of how the issuance of Bonds works for MBOH and the investors. Discussion followed.
- 46:25 Sheila Rice moved to approve Bond Resolution No. 17-0626-S1 in the amount not to exceed \$75 million to finance loans, refund outstanding bonds or both. Bob Gauthier seconded the motion.
Chairman Melby asked for Board and public comment.
The Bond Resolution No. 17-0626-S1 was approved unanimously.

Homeownership Program Update – page 33 of the packet

- 46:50 Vicki Bauer provided the Board with the Homeownership program update.

MORTGAGE SERVICING PROGRAM

Mortgage Servicing Program Update – page 37 of the packet

- 51:00 Mary Palkovich provided the Board with the Mortgage Servicing program update.

EXECUTIVE DIRECTOR UPDATE

Operations Update

- 54:54 Stacy Collette provided the Board with the Operations update.

Marketing Update

- 59:20 No Marketing update was provided. Bruce Brensdal stated the Administrative Dashboard has the recent events coordinated by Marketing.
- 59:30 Bruce Brensdal reviewed the Board calendar. The next Board meeting will be in September at Fairmont. This will include strategic planning session on the Sunday before. The NCSHA Annual Conference takes place in October. The November 20th meeting will be the 2018 Housing Credits allocation meeting.
- 1:01:18 Bruce reviewed the Section 8 program Dashboard.

MULTIFAMILY PROGRAM

Multifamily Program Update – page 47 of the packet

- 1:07:00 Mary Bair provided the Multifamily program update.
- 1:08:44 Sheila Rice updated the Board on the River Run Apartments in Great Falls.

2018 Housing Credits – Letter of Intent – page 49 of the packet

- 1:10:00 Chairman Melby asked Bruce Brensdal to review the 2018 Housing Credits – Letter of Intent process.
- 1:28:24 After a break, Chairman Melby asked for public comment on any project before the project presentation process started.
- 1:29:12 Glen Myer made public comment on Nemont Manor.
- 1:31:06 Jim Rector made public comment on Nemont Manor.
- 1:35:10 Sheila Rice made a few comments. Sheila clarified that there is no relationship between Neighborworks Montana and Neighborworks Great Falls. Sheila disclosed that Neighborworks Great Falls is in a partnership with GMD Development for a prior approved project, Rockcross Apartments. However, this partnership shouldn't affect any discussion today.
- 1:36:25 Mary Bair and Bruce Brensdal reviewed the demographic information and the project details within the Board packet. Open discussion included the Board.

Cut Bank Villas

- 1:50:34 Beki Brandborg (Echo Enterprises) presented Cut Bank Villas in Cut Bank. This is an acquisition/rehabilitation project of 19 senior units, requesting \$2,710,000 in Housing Credits.
- 1:56:50 Mike DesRosier (Glacier County Commissioner) made public comment for Cut Bank Villas
- 1:58:30 Ron Rides At The Door (Glacier County Commissioner) made public comment for Cut Bank Villas.
- 1:59:40 Chairman Melby asked for any more public comment for Cut Bank Villas.
- 1:59:54 Teri Gottlob (Cut Bank Villas co-manager) made public comment for Cut Bank Villas.

2:03:30 Beki Brandborg played a video public comment from Glacier Community Health Center.

2:09:55 Chairman Melby asked for Board comments or questions.

2:10:00 Sheila Rice asked if there were any reserves on this project. Discussion followed.

Nicole Court

2:11:03 Jim Morton (HRC District XI) presented Nicole Court in Stevensville. This is a new construction project of 16 senior units, requesting \$3,387,500 in Housing Credits.

2:21:55 Beki Brandborg provided public comment for Nicole Court

2:22:43 Chairman Melby asked for Board comments or questions.

2:22:46 Sheila Rice pointed out this project was on the high end of the cost per unit. Discussion followed.

Meadows Senior Apartments

2:26:25 Kent Mortimer (Thies and Talle) presented Meadows Senior Apartments in Lewistown. This is an acquisition/rehabilitation project of 35 senior units, requesting \$2,984,910 in Housing Credits.

2:33:50 Carrie Von made public comment on Meadows Senior Apartments.

2:35:45 Courtney Amal made public comment on Meadows Senior Apartments.

2:37:07 Chairman Melby asked for Board comments or questions.

2:37:10 Sheila Rice inquired about the current owner and any reserves. Discussion followed.

Heights Senior Apartments

2:41:17 Steve Dymoke (GMD Development) presented Heights Senior Apartments in Billings. This is a new construction project of 38 senior units, requesting \$6,775,000 in Housing Credits.

2:52:38 Chairman Melby asked for Board comments or questions.

2:52:46 Sheila Rice inquired about the guarantee of the 4% part of the combination 4/9% Housing Credit projects. Discussion followed.

2:54:00 Pat Melby inquired about the return of Housing Credits for this project is 6.8. Discussion followed.

Copper Ridge Apartments

2:55:53 Thomas Mannschreck (Thomas Development) and Revonda Stordahl (Butte Affordable Housing) presented Copper Ridge Apartments in Butte. This is a new construction project of 32 family units, requesting 5,202,360 in Housing Credits.

3:04:30 Chairman Melby asked for Board comments or questions.

3:04:42 Sheila Rice inquired about the tax credit sale amount is higher than the other projects. Discussion followed.

Timber Ridge Apartments

- FILE 2** Sam Long (Summit Housing Group Inc.) presented Timber Ridge Apartments in Bozeman. This is a new construction project of 32 senior units, requesting \$6,775,000 in Housing Credits.
- 9:30
- 15:45 Carson Taylor (Mayor of Bozeman) made public comment on Timber Ridge Apartments
- 17:55 Tracy Menez (HRDC District IX) made public comment on Timber Ridge Apartments.
- 19:26 Jessica Stillman (Befrienders) made public comment on Timber Ridge Apartments.
- 21:25 A video was played as public comment on Timber Ridge Apartments.
- 25:04 Chairman Melby asked for Board comments or questions.
- 25:33 Johnnie McClusky inquired about the market study demographics. Discussion followed.

Livingston Memorial Hospital

- 30:04 Heather McMilin (Homeward, Inc.) presented the Livingston Memorial Hospital in Livingston. This is a new construction project of 34 family units, requesting \$5,900,000 in Housing Credits.
- 39:44 Kate Weaver (MSU Park County Extension) made public comment on Livingston Memorial Hospital.
- 48:10 Tracy Menez (HRDC District IX) made public comment on Livingston Memorial Hospital.
- 49:44 Michael Wojdylak (Park County Board of Realtors) made public comment on Livingston Memorial Hospital.
- 52:35 Chairman Melby asked for Board comments or questions.
- 52:40 Sheila Rice inquired about the high cost per unit. Discussion followed.

Evergreen Commons

- 54:40 Alex Burkhalter (Housing Solutions, LLC) presented Evergreen Commons in Evergreen. This is a new construction project of 24 family units, requesting \$5,300,000 in Housing Credits.
- 1:01:15 Chairman Melby asked for Board comments or questions.

Cottonwood Creek Apartments

- 1:01:26 Gene Leuwer (GL Development LLC) presented Cottonwood Creek Apartments in Deer Lodge. This is a new construction project of 24 family units, requesting \$4,320,000 in Housing Credits.
- 1:05:20 Zane Cozby (Mayor of Deer Lodge) made public comment on Cottonwood Creek Apartments.
- 1:06:54 Brian Bender, (Administrator for City of Deer Lodge) made public comment on Cottonwood Creek Apartments.

1:08:43 Caleb Burton (Deer Lodge City Council) made public comment on Cottonwood Creek Apartments.

1:11:25 Chairman Melby asked for Board comments or questions.

Homestead Lodge Apartments

1:11:32 Taylor Hunt and Dianne Hunt (Syringa Housing Corporation) presented Homestead Lodge Apartments in Absarokee. This is an acquisition/rehabilitation project of 32 senior units, requesting \$4,053,451 in Housing Credits.

1:18:50 Chairman Melby asked for Board comments or questions.

1:18:55 Bob Gauthier inquired about the Tax Credit history. Discussion followed.

1:20:19 Due to a scheduling conflict, Chairman Melby allowed for public comment for the Crow Creek Apartments. Kyle Hopsted (Broadwater Health Center Administrator) provided public comment for the Crow Creek Apartments

Fort Peck 4

1:22:05 Billy Lummus (RTHawk Housing Alliance LLC) presented Fort Peck 4 in Wolf Point and Poplar. This is a new construction project of 24 senior units, requesting \$6,428,120 in Housing Credits.

1:30:47 Chairman Melby asked for Board comments or questions.

1:30:55 Bob Gauthier pointed out this project has the lowest tax credit bidding price. Discussion followed.

Nemont Manor Retirement Residences

1:32:08 Kirk Bruce (Affiliated Developers, Inc.) presented Nemont Manor Retirement Residences in Glasgow. This is an acquisition/rehabilitation project of 100 senior units, requesting \$6,775,000 in Housing Credits.

1:44:57 Chairman Melby asked for Board comments or questions.

1:45:00 Bob Gauthier inquired about the relationship of Affiliated Developers to this existing project. Discussion followed.

1:46:08 Sheila Rice inquired on utilizing the 4% Housing Credits and the purchasing from nonprofit company. Discussion followed.

Courtyard Apartments

1:48:46 Marney McCleary (CAPNMT) and Eileen Pikartz (RCAC) presented Courtyard Apartments in Kalispell. This is an acquisition/rehabilitation project of 32 family units, requesting \$4,469,300 in Housing Credits.

1:57:04 Tracy Diaz (CAPMT) made public comment on Courtyard Apartments.

1:59:04 Laura Burrowes (CAPMT) made public comment on Courtyard Apartments.

2:00:10 Robin Haidle (CAPMT) made public comment on Courtyard Apartments.

- 2:01:44 Jarod Nygren (Senior Planner for City of Kalispell) for made public comment on Courtyard Apartments.
- 2:03:06 Krista Lammers (City of Kalispell) made public comment on Courtyard Apartments.
- 2:04:01 Chairman Melby asked for Board comments or questions.
- 2:04:04 Sheila Rice inquired about the ownership and why will this project go to market rates if not funded. Discussion followed.
- 2:05:19 Bob Gauthier asked about the Board's financing into this project. Discussion followed.

Alpine View

- 2:06:20 Alex Burkhalter (Housing Solutions, LLC) presented Alpine View in Columbia Falls. This is a new construction project of 24 family units, requesting \$5,425,000 in Housing Credits.
- 2:14:06 Chairman Melby asked for Board comments or questions.
- 2:14:12 Sheila Rice asked Alex Burkhalter to rank the three projects Housing Solutions submitted for 2018 Housing Credits. Discussion followed.

Whitefish Family Housing

- 2:26:22 Darren Murphy (Commonwealth Development Corporation of America) presented Whitefish Family Housing in Whitefish. This is a new construction project of 27 family units, requesting \$6,084,440 in Housing Credits.
- 2:35:20 Chairman Melby asked for Board comments or questions.
- 2:35:25 Sheila Rice pointed out Whitefish Family Housing is the highest cost per unit. Discussion followed.

Creekside Commons

- 2:36:50 Alex Burkhalter (Housing Solutions LLC) presented Creekside Commons in Kalispell. This is a new construction project of 40 senior units, requesting \$5,950,000 in Housing Credits.
- 2:44:13 Chairman Melby asked for Board comments or questions.

North Stone Residences

- 2:44:25 Lorrie Ladas (Rocky Mountain Development Council) and Don Sterhan (Mountain Plains Equity Group) presented North Stone Residences in Helena. This is a new construction project of 35 senior units, requesting \$6,667,000 in Housing Credits.
- 2:57:33 Chairman Melby asked for Board comments or questions.

Crow Creek Apartments

- 2:57:45 Beki Brandborg (Echo Enterprises LLC) presented Crow Creek Apartments in Townsend. This is a new construction project of 20 family units, requesting \$3,700,000.
- 3:03:17 Marsha Biber (Broadwater Health Center and Realtor) made public comment on Crow Creek Apartments.

- 3:04:54 Bryan Norborg (Broadwater County Economic Development) made public comment on Crow Creek Apartments.
- 3:06:15 Donna Harper (Broadwater Health Center Auxiliary President) made public comment on Crow Creek Apartments.
- 3:08:43 Bob Saxby (Mustang Hotel Owner) made public comment on Crow Creek Apartments.
- 3:09:50 Ernie Flourey (Broadwater County Development Corporation) made public comment on Crow Creek Apartments.
- 3:11:10 Laura Obert (Broadwater County Commissioner) made public comment on Crow Creek Apartments.
- 3:13:32 Mike Gallagher made public comment on Crow Creek Apartments.
- 3:15:01 Kellie McBride made public comment on Crow Creek Apartments.
- 3:16:25 Dell Schubring made public comment on Crow Creek Apartments.
- 3:19:15 Bill Kerns (State Bank of Townsend) made public comment on Crow Creek Apartments.
- 3:19:42 Marie Keller (former Mayor of Townsend) read a letter from the current Mayor of Townsend. Ms. Keller made public comment on Crow Creek Apartments.
- 3:22:47 Chairman Melby asked for Board comments or questions.
- 3:22:50 Sheila Rice questioned the ability to have this as a small rural project. Discussion followed.
- 2:24:08 Chairman Melby asked for any public comment on any project that has been presented.
- 3:24:26 Greg Dunfield (GMD Development) made comment on page 67 – comparative data.
- 3:26:34 Marney McCleary (CAPNMT) made clarification that the two loans with MBOH have been paid off.
- 3:26:55 Chairman Melby asked for Board comment or questions for any project presented.
- 3:27:05 Jeanette McKee inquired if there were any compliance issues with any of projects of the Developers. Discussion followed.
- FILE 3** Chairman Melby asked for each Board members to discuss their top two or three projects and after discussion the Board would come to a consensus of eight projects.
- 1:03
- 19:00 Chairman Melby confirmed the consensus of the top eight projects by the Board's personal preference, and would entertain a motion as such, with the discussion of replacing projects.
- 19:45 Sheila Rice moved the following eight projects be approved to submit the full application for the 2018 Housing Credits:
- Senior Heights Apartments
Copper Ridge Apartments

Livingston Memorial Hospital
Courtyard Apartments
Creekside Commons
Meadows Senior Apartments
Fort Peck 4

Eric Schindler seconded the motion.

The above-mentioned projects were approved unanimously.

24:11 Bob Gauthier moved to adjourn and Sheila Rice seconded the motion. Meeting was adjourned

Meeting adjourned at 3:42 p.m.

Sheila Rice, Secretary

Date

HOUSING DIVISION – MONTANA BOARD OF HOUSING

Webinar and 301 S. Park Avenue, Suite 240 - Helena, Montana 59601
August 14, 2017

ROLL CALL OF BOARD

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

STAFF: Bruce Brensdal, Executive Director
Ginger Pfankuch, Finance Program
Mary Bair, Multifamily Program
Stacy Collette, Operations Manager
Penny Cope, Marketing
Paula Loving, Executive Assistant

COUNSEL: Greg Gould, Luxan and Murfitt
Nick Mazanec, Luxan and Murfitt

UNDERWRITERS: Mina Choo, RBC Capital

OTHERS: Andrea Davis, Homeward
Heather McMilin, Homeward
Andrew Schank, Thomas Development
Steve Dymoke, GMD Development
Tom Mannschreck, Thomas Development
Ashley Grant, Homeward
Julie Stiteler, Homeward

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., FILE 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

0:05 Bruce Brensdal welcomed everyone to the Webinar and introduce the attendees at the Montana Board of Housing office and those attending via conference call. Mr. Brensdal reviewed the Webinar and location details for the meeting.

3:20 Chairman Pat Melby called the Montana Board of Housing (MBOH) meeting to order at 8:34 a.m., and asked for public comment on items not listed on the agenda.

MULTIFAMILY PROGRAM

Billings Heights Senior Inducement Resolution – page 3 of the packet

3:40 Presenters: Mary Bair, Steve Dymoke and Andrea Davis

Motion: Sheila Rice moved to approve Resolution No. 17-0814-MF01.

Second: Jeanette McKee

Resolution No. 17-0814-MF01 was approved unanimously.

Copper Ridge Inducement Resolution – page 5 of the packet

13:05 Presenters: Mary Bair

Motion: Bob Gauthier moved to approve Resolution No 17-0814-MF02.

Second: Sheila Rice

Resolution No. 07-0814-MF02 was approved unanimously.

15:37 Motion: Sheila Rice moved to adjourn

Second: Johnnie McClusky

Meeting was adjourned at 8:52 A.M.

Sheila Rice, Secretary

Date

BOARD AGENDA ITEM

PROGRAM

Accounting and Finance

AGENDA ITEM

Investment Policy

BACKGROUND

The Board investment policy is based on section 90-6-104 of the Montana Code Annotated (MCA). The investment committee of the Board and their requirements and the requirements of the above section of the MCA are outlined in the investment policy.

Proposal

We propose that the supplied investment policy be approved for use by the Board staff.

MONTANA BOARD OF HOUSING
INVESTMENT POLICY
Effective ~~August 15, 2016~~
Board Reviewed ~~August 15, 2016~~

The Investment Policy of the Board of Housing is as follows:

- I. Investment Committee:
 - A. The Board shall have an Investment Committee which shall be responsible for oversight of the investment of the assets of the Montana Board of Housing.
 - B. Membership of the Committee:
All Board members will be on the committee with the Board Chairman designating the Chairman of the committee.
 - C. Frequency of Meetings:
The committee shall meet at least once a year.
 - D. Functions of the Investment Committee of the Board shall be:
 1. To review compiled investment reports;
 2. To review the functioning of the investment policy for potential enhancement;
 3. To review the return on assets of the Board; including reviewing a report that shows the status of any negative or positive rebate earnings for each bond series.
 4. To address any staff concerns regarding investments or the investment policy; and,
 5. To monitor compliance with the investment policy.
- II. Section 90-6-104, Montana Code Annotated, which outlines the general powers of the Board, includes subsection 13 which states:
“The Board may invest any funds not required for immediate use, **subject to any agreements with its bondholders and note holders**, as provided in Title 17, Chapter 6, except all investment income from funds of the Board less the cost for investment as prescribed by law shall be deposited in the housing authority enterprise fund.” (Emphasis added)
- III. All investments shall be made in accordance with the prudent expert principle as contained in Chapter 17, Part 6, Montana Code Annotated, the requirements of the particular indenture, and the Internal Revenue Code.
- IV. Permissibility of investments, security, liquidity and rate of return on investments are of primary concern. The Board has a responsibility in the investment of funds to

seek the highest rate of return available in the market consistent with the legality, security, liquidity, cash flow and programmatic requirements of each fund for which they are invested. The Board also has a responsibility to diligently monitor and calculate (or cause to be calculated) any arbitrage rebate required to be remitted to the federal government.

- V. The Board shall not invest in leveraged investments, including but not limited to derivative investments which involve leveraging. Investments are to be made with the expectation that they will be held to maturity; investments are not to be made with the intention of participating in trading activities to generate investment return.

Sales of securities should be limited to the following:

1. A sale and subsequent purchase would improve the quality or yield of the portfolio.
2. Liquidity needs of the portfolio require that the security be sold.
3. A sale of an investment is necessary as a result of refunding a bond issue.

Sales other than the abovementioned should be approved by the Executive Director.

- VI. The Board may invest in the following securities providing such securities meet the requirements of Section 17-6-103, MCA:

- A. Direct obligations of or obligations guaranteed by the United States of America, which includes certificates of ownership in the guaranteed portion of loans guaranteed by the Rural Housing and Community Development Service of the United States Department of Agriculture (formerly the Farmers Home Administration), participation certificates in obligations of the General Services Administration, obligations guaranteed by the U.S. Maritime Administration pursuant to Title XI, Small Business Administration guaranteed participation certificates and guaranteed pool certificates, mortgage-backed securities and pool certificates guaranteed by the Government National Mortgage Association, and Veterans Administration guaranteed REMIC securities and passthrough certificates;
- B. Obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following:
1. Farm Credit System or predecessors (the Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives);
 2. Federal Home Loan Bank System;
 3. Export-Import Bank of the United States;
 4. Federal National Mortgage Association, (only senior debt obligations or mortgage-backed securities, but excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts and excluding interest-only strips);

5. Federal Home Loan Mortgage Corporation, (only senior debt obligations and participation certificates, but excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts and excluding interest-only strips);
 6. Tennessee Valley Authority;
 7. Federal Financing Corporation;
- C. Certificates of deposit issued by, or time deposits with any financial institution (including a trustee, a lender or a paying agent) insured by the Federal Deposit Insurance Corporation (FDIC) and provided further that such time deposits or certificates of deposit, to the extent not insured by the FDIC, are fully secured by obligations of the type specified in parts A and B above which have a market value, exclusive of accrued interest, at least equal to the amount of such deposits. In no case shall the investment result in a reduction of the ratings by Standard & Poor's Rating Services or by Moody's Investors Services on the applicable bond series.
- D. Repurchase agreements or guaranteed investment agreements but only if:
1. The agreement is fully collateralized in an amount equal to 102% of the principal and interest of the agreement, by obligations of the type specified in A, B or C above and which collateral is delivered out and held by the Trustee or its agent, and the collateral is marked to market at least weekly; and
 2. The agreement is with (i) a financial institution as described under part C above (and including the subsidiary of a foreign bank) organized under the laws of the United States of America or any state thereof and subject to supervision by the appropriate authorities of either the United States of America or the state under which whose laws it is organized, or (ii) a financial institution (i.e. banks, insurance companies, etc.) organized under the laws of the United States of America or any state thereof and either (a) whose unsecured obligations are rated in either of the two highest rating categories by the agency or agencies rating the indenture or (b) whose obligations under such agreement are unconditionally guaranteed by such a financial institution which is rated as provided in 2(ii)(a).
 3. In no case shall the investment result in a reduction of the ratings by the agency or agencies rating the applicable bond series; and
 4. The Agreements shall be written to give the Board the maximum practical flexibility in the case of a downgrade in the rating of the provider.
- E. Any investments permitted for State funds, but only with respect to the investment of Board moneys held by the State Treasurer in the Housing Authority Enterprise Fund. All Funds invested with the State that are not needed for current operating expenses shall be invested in the State's Short-Term investment pool.

- VII. In no case may the Board or a trustee invest in any one financial institution an amount in excess of the net worth of that financial institution or its guarantor.
- VIII. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interest in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Montana Board of Housing. Employees and officers shall disclose any material interest in financial institutions to the Executive Director and/or the Board within 30 days of acquiring a material interest. The Board and/or the Executive Director shall be updated as changes in material interests occur.
- IX. Authority to manage the investment programs is granted to the Accounting & Finance Officer. The Executive Director, Single Family and Multifamily Program Managers are authorized to handle investments in the absence of the abovementioned individual. Responsibility for the operation of the investment program is hereby delegated to these officers, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy. The Accounting & Finance Manager shall have the primary responsibility for all investment transactions and shall establish a system of controls to regulate the activities of subordinate officials.
- X. The Accounting & Finance Manager is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Montana Board of Housing are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. Accordingly, the Accounting & Finance Manager shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:
- Control of collusion
 - Separation of transaction authority from accounting and record keeping
 - Written confirmation of transactions for investments
- XI. Funds received by the Montana Board of Housing or its Trustees will be deposited as soon as possible upon receipt. Uninvested balances held by financial institutions will

be kept as low as is practical, typically under \$1 per account. Sweep accounts will be used to facilitate overnight investments of funds not invested in individual securities or in investment agreements. Funds in the sweep accounts will be invested as soon as loan prepayment transfers have been completed by the trustee.

- XII. The Accounting & Finance Manager shall prepare, and present to the Board, an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio transactions made over the last quarter. The summary will be prepared in a manner which will allow the Board to determine if the investment activities during the reporting period have conformed to the investment policy. The report should include:
 - a. Listing of individual securities held at the end of the reporting period.
 - b. Average weighted yield to maturity of the investment portfolio
 - c. Listing of investments by maturity date
 - d. Percentage of total portfolio which each type of investment represents
- XIII. Investment officers acting in accordance with these Investment Guidelines shall be relieved of personal responsibility for an individual security's credit risk or market price changes provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
- XIV. It is the responsibility of those Agency staff authorized to direct investments, and primarily the Accounting & Finance Manager, to keep abreast of the latest developments within the investment community. Particular attention should be paid to both interest rate trends and items relating to the credit of and the Montana Board of Housing's exposure to various dealers, banks and securities.
- XV. Each trustee and rating agency will be furnished copies of this policy, and any amendments to it.

BOARD AGENDA ITEM

PROGRAM

Accounting and Finance

AGENDA ITEM

Program Update

BACKGROUND

Investment Diversification

The Board's fiscal year ended on June 30, 2017. The information on the dashboard is for fiscal year-end (FYE). Our investment portfolio remains well diversified with most of our funds in money market earning between 0.15% and 0.54%. At the 2016 FYE the money market was earning 0.10% to 0.24% . Other short-term investment earnings have also increased over last year.

Weighted Average Yield

The increase in money market and short-term investments carries through in the Weighted Average Yield Trend. Despite the sale of high yielding investment contracts during the refunding of the 2007 Series B bonds, we have reached a weighted average yield that we have not seen since October of 2015.

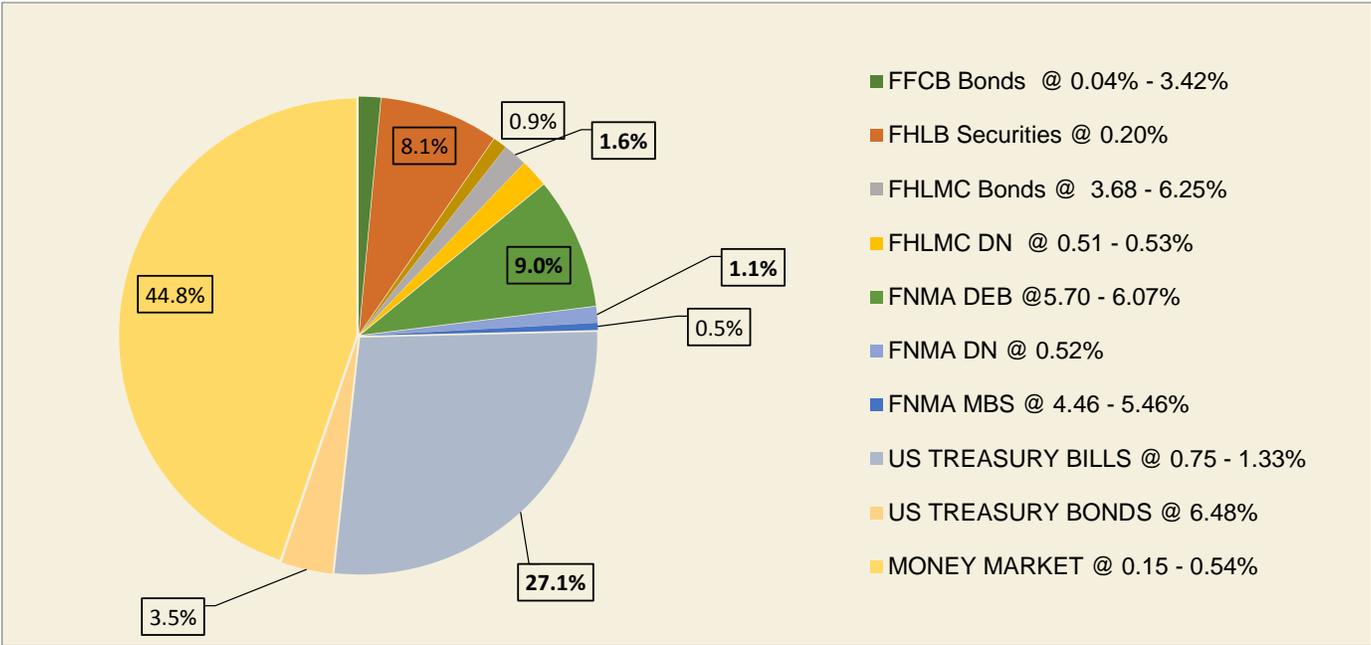
Portfolio Maturity

68% of our portfolio is either currently available or will be maturing within one year. This allows us to use those funds to finance operations and purchase new loans. The investments and their maturity dates as well as the institution they are held in are on the page after the dashboard. The longest-term investments are currently held in Mortgage Backed Securities earning from 4.45 to 5.46%.

Accounting & Finance Dashboard

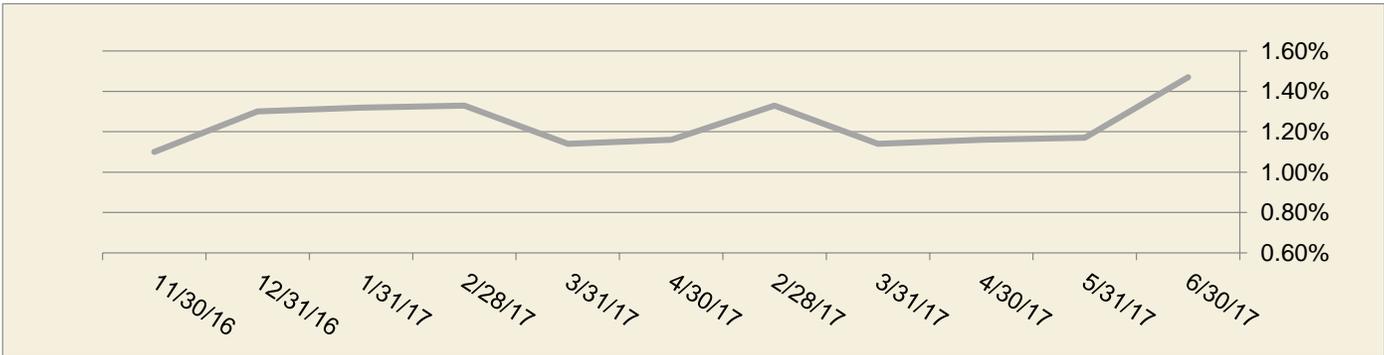
Data as of June 30, 2017

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



PORTFOLIO MATURITY

For June 30, 2017

| Available Now | < 1 year | 1 to 5 years | 6 to 10 years | 11 to 15 years | 16 to 20 years | 21 to 25 years | Grand Total |
|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| \$ 61,420,611 | \$ 32,355,000 | \$ 22,595,000 | \$ 17,919,000 | \$ 2,225,000 | \$ 359,678 | \$ 305,484 | \$ 137,179,773 |

**Montana Board of Housing
Accounting and Finance
Investment Maturity Schedule
June 30, 2017**

| Maturity Date | Trustee Bank | Investment Type | Par Value |
|----------------------|----------------------|------------------------|------------------|
| 06/30/2017 | US Bank Corporate Tr | US BANK MONEY M | 2,093,057.13 |
| 06/30/2017 | Wilmington Trust | WT GOLDMAN SACH | 59,327,554.10 |
| 08/01/2017 | US Bank Corporate Tr | FHLB DN | 1,291,000.00 |
| 08/01/2017 | US Bank Corporate Tr | FHLMC DN | 2,366,000.00 |
| 08/01/2017 | US Bank Corporate Tr | FNMA DN | 1,500,000.00 |
| 08/22/2017 | Wilmington Trust | FHLMC DN | 246,000.00 |
| 08/31/2017 | Wilmington Trust | T-BILLS | 1,115,000.00 |
| 11/24/2017 | Wilmington Trust | T-BILLS | 8,625,000.00 |
| 12/28/2017 | Wilmington Trust | T-BILLS | 10,052,000.00 |
| 02/01/2018 | Wilmington Trust | T-BILLS | 2,111,000.00 |
| 05/15/2018 | Wilmington Trust | T-BILLS | 5,049,000.00 |
| 08/15/2018 | Wilmington Trust | T-BILLS | 5,070,000.00 |
| 11/15/2018 | Wilmington Trust | T-BILLS | 50,000.00 |
| 05/15/2019 | Wilmington Trust | T-BILLS | 5,125,000.00 |
| 05/24/2021 | Wilmington Trust | FFCB | 1,230,000.00 |
| 11/29/2021 | Wilmington Trust | FHLB | 11,120,000.00 |
| 12/16/2024 | Wilmington Trust | FFCB | 805,000.00 |
| 08/15/2025 | Wilmington Trust | T-NOTES & BONDS | 4,796,000.00 |
| 04/30/2026 | Wilmington Trust | FNMA DEB | 4,613,000.00 |
| 09/27/2027 | Wilmington Trust | FNMA DEB | 4,070,000.00 |
| 11/26/2027 | Wilmington Trust | FNMA DEB | 3,635,000.00 |
| 07/15/2032 | Wilmington Trust | FHLMC BOND | 2,225,000.00 |
| 02/01/2036 | Wilmington Trust | FNMA MBS | 55,960.92 |
| 05/01/2036 | Wilmington Trust | FNMA MBS | 30,455.51 |
| 07/01/2036 | Wilmington Trust | FNMA MBS | 82,490.74 |
| 03/01/2037 | Wilmington Trust | FNMA MBS | 149,225.44 |
| 08/01/2038 | Wilmington Trust | FNMA MBS | 70,615.81 |
| 12/01/2038 | Wilmington Trust | FNMA MBS | 128,079.52 |
| 01/01/2039 | Wilmington Trust | FNMA MBS | 39,166.50 |
| 12/01/2039 | Wilmington Trust | FNMA MBS | 67,621.77 |
| 08/02/2037 | Wilmington Trust | FNMA MBS | 41,545.47 |
| | | | 137,179,772.91 |

FNMA = Federal National Mortgage Association

FHLB = Federal Home Loan Bank

FHLMC = Federal Home Loan Mortgage Corporation

FFCB = Federal Farm Credit Bank

BOARD AGENDA ITEM

PROGRAM

Homeownership Program

AGENDA ITEM

Habitat Loan Portfolio Purchase

BACKGROUND

Flathead Valley Habitat has asked the Board to consider the purchase of their aged portfolio of loans they no longer want to hold in house. The current portfolio balance is just under \$1.2 million and they are all 0% loans. The servicing would have to be transferred to us; currently they are being serviced by AmeriNat. There would be a fee for this transfer.

This is something other HFAs have done to provide Habitat partners with liquidity. We anticipate purchasing them at a discount to be determined by Bruce and me, and negotiated with Habitat (Wyoming purchased at 82%). Legal counsel for the Board has determined the Board has the authority to enter into the transaction.

We would purchase these loans using SFI Combined Revenue or Special Reserve funds.

PROPOSAL

Staff requests permission to proceed with the purchase of this portfolio.

BOARD AGENDA ITEM

PROGRAM

Homeownership Program

AGENDA ITEM

MCC Fee Increase

BACKGROUND

The Board offers a 20% Mortgage Credit Certificate, that enables a first-time homebuyer to convert a portion of their annual mortgage interest into a direct tax credit on their federal taxes. The MCC is issued in conjunction with loans sold to other investors, not Board loans.

In a recent NCSHA survey, states disclosed the fees they charge for their Mortgage Credit Certificate Program. The HFA fees ranged from the low of \$250, our current fee, to the high of 1% of the loan amount. Most states have their fees set at approximately \$500.

The Boards fee was set at the inception of the program, and has not been adjusted.

PROPOSAL

Staff requests the Board approve an increase of the Board's MCC fee to \$500 to better align it with fees charged by other HFAs.

BOARD AGENDA ITEM

PROGRAM

Homeownership Program

AGENDA ITEM

Lender Pool Setaside Allocation

BACKGROUND

Setaside funds are used to provide first mortgages for borrowers earning up to 80% of area median income who qualify for down payment assistance or loans from an approved program. These loans are purchased with Pre-Ullman or Combined Revenue funds. The rate on these loans is set at 3.125%.

The programs that participate in the pool are NeighborWorks, City of Billings, Bozeman HRCD, Missoula HRDC, HomeStart, Dream Makers, CAP Community Land Trust and HUD 184.

The Board has established a pool of funds that are allocated to purchasing these setaside loans, we currently have \$1,030,828 remaining in the pool. Last year the Board purchased 49 setaside loans for \$6.7 million.

PROPOSAL

Staff has determined there are adequate funds available and requests the Board to approve an additional \$7,000,000 be allocated to the pool.

Homeownership Program Dashboard

September 1, 2017

RATES

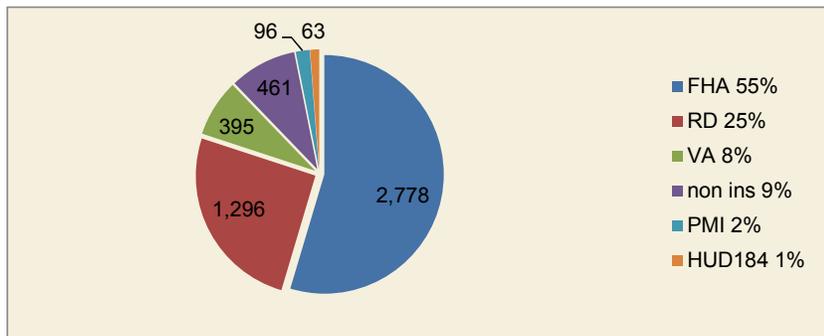
| | <u>CURRENT</u> | <u>LAST MONTH</u> | <u>LAST YEAR</u> |
|------------------|----------------|-------------------|------------------|
| MBOH | 3.50 | 3.50 | 3.25 |
| Market | 3.75 | 4.09 | 3.47 |
| 10 yr treasury | 2.12 | 2.26 | 1.57 |
| 30 yr Fannie Mae | 3.36 | 3.54 | 2.92 |

LOAN PROGRAMS

| | <u>AUGUST 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 2017B(5.23.17) | 29 | 5,178,191 | 82 | 14,433,882 | 30,000,000 | 15,566,118 |
| 80% Combined (20+) | 0 | 0 | 80 | 10,116,810 | Funded w/ Reg | 5,000,000 |
| OTHER PROGRAMS | | | | | | |
| Veterans (Orig) | 4 | 874,128 | 249 | 45,571,584 | Revolving | 5,806,868 |
| 909 Mrtg Cr Cert (MCC) | 18 | 3,489,660 | 147 | 28,871,905 | 45,000,000 | 16,128,095 |
| SET-ASIDE POOL | | | | | | |
| Score Advantage | 3 | 14,256 | 237 | 1,279,984 | 1,500,000 | 220,016 |
| MBOH Plus | 14 | 82,262 | 47 | 303,391 | 1,000,000 | 696,609 |
| Set-aside Pool | 11 | 1,458,367 | 346 | 48,969,172 | 50,000,000 | 1,030,828 |
| Foreclosure Prevent | 0 | 0 | 0 | 0 | 50,000 | 50,000 |
| Disabled Accessible | 0 | 0 | 227 | 16,497,050 | Ongoing | 862,950 |
| Lot Refi | 0 | 0 | 12 | 1,273,560 | 2,000,000 | 726,440 |
| FY18 Habitat | 0 | 0 | 0 | 0 | 2,000,000 | 2,000,000 |

MBOH PORTFOLIO AS OF JULY

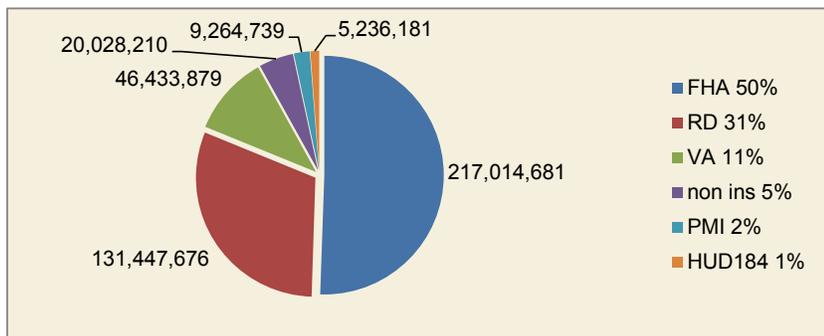
5,089 Loans* (4,297 serviced by MBOH)



Weighted Average Interest Rate
4.33%

*This a 3.92% decrease in portfolio size from July 2016 when we had 5,297 loans

\$429,425,365 Loans* (358,646,180 serviced by MBOH)



*This a 2.44% decrease in portfolio size from July 2016 when we had \$440,201,667 loans

DELINQUENCY AND FORECLOSURE RATES

MONTANA BOARD OF HOUSING

MORTGAGE BANKERS ASSOC. 3/2017

(most recent available)

| | <u>Jul-17</u> | <u>Jun-17</u> | <u>Jul-16</u> | <u>Montana</u> | <u>Region</u> | <u>Nation</u> |
|---------------------|---------------|---------------|---------------|----------------|---------------|---------------|
| 30 Days | 1.22 | 1.32 | 1.93 | 1.29 | 1.7 | 2.26 |
| 60 Days | 0.49 | 0.72 | 0.93 | 0.41 | 0.49 | 0.70 |
| 90 Days | <u>1.49</u> | <u>1.42</u> | <u>2.42</u> | <u>0.59</u> | <u>0.83</u> | <u>1.37</u> |
| Total Delinquencies | 3.20 | 3.46 | 5.28 | 2.29 | 3.02 | 4.33 |
| In Foreclosure | 1.12 | 1.20 | 0.70 | 0.63 | 0.73 | 1.39 |

PRODUCTION NUMBERS

LOAN PROGRAMS

Number of Loans

| | <u>FHA</u> | <u>VA</u> | <u>RD</u> | <u>HUD-184</u> | <u>Special Program Non Insured</u> | <u>Score Adv (2nd loan)</u> | <u>TOTAL</u> |
|---------------|------------|-----------|-----------|----------------|------------------------------------|-----------------------------|--------------|
| FY2015 | 92 | 30 | 99 | 7 | 19 | 27 | 274 |
| FY2016 | 198 | 50 | 141 | 2 | 34 | 54 | 479 |
| FY2017 | 189 | 29 | 96 | 3 | 23 | 87 | 427 |

Loan Amount

| | <u>FHA</u> | <u>VA</u> | <u>RD</u> | <u>HUD-184</u> | <u>Special Program Non Insured</u> | <u>Score Adv (2nd loan)</u> | <u>TOTAL</u> |
|---------------|---------------|--------------|---------------|----------------|------------------------------------|-----------------------------|---------------|
| FY2015 | 12,466,858.00 | 4,686,971.00 | 13,798,906.00 | 495,780.00 | 1,977,715.00 | 141,304.00 | 33,567,534.00 |
| FY2016 | 29,119,446.00 | 9,615,862.00 | 21,470,540.00 | 196,681.00 | 3,895,679.00 | 293,406.00 | 64,591,614.00 |
| FY2017 | 28,984,135.00 | 5,063,025.00 | 14,799,815.00 | 442,553.00 | 3,037,937.00 | 491,119.00 | 52,818,584.00 |

MCC PROGRAM

| | <u># Issued</u> | <u>Loan Amount</u> |
|---------------|-----------------|--------------------|
| FY2015 | 132 | 23,938,870.00 |
| FY2016 | 121 | 23,128,533.00 |
| FY2017 | 145 | 28,529,909.00 |

LENDER/REALTOR/PUBLIC OUTREACH

| <u>Date</u> | <u>Event</u> |
|-------------|--|
| June 1 | Lender Training FIB Helena |
| June 7 | Attend Helena Assoc Realtors Training |
| June 9 | Lender Training Valley Bank Helena |
| July 28-29 | Montana Independent Bankers Convention |
| 19-Aug | RMDC Homebuyer Education |
| August 22 | Lender Visits First Interstate Bank and Stockman in Missoula |
| August 23 | HUD 184 Training Polson |
| 29-Aug | Attend Helena Habitat Mutual Self Help Presentation |
| Sept 18-20 | MACO Annual Conference in Bozeman |
| Sept 27-29 | Montana League of Cities & Towns in Great Falls |

80% Combined ProgramAuthorized by the Board 04/22/2013: Program (114)

| | | | | | |
|---------------------|--------|---|----|-------------|--------------|
| Original Setaside | | | \$ | 4,500,000 | |
| Additional Setaside | Apr 14 | | \$ | 700,000 | |
| Additional Setaside | Apr 14 | | \$ | 5,000,000 | |
| Loans Reserved | 0 | | \$ | (107,920) | |
| Loans Purchased | 82 | Currently being purchased with Reg bond funds | \$ | (5,200,000) | |
| Remaining Setaside | | | \$ | 5,000,000 | \$ 5,000,000 |

FORECLOSURE PREVENTION SETASIDEAuthorized by the Board 09/13/2004: (499)

| | | | | | |
|---|---|--|----|--------|------------------|
| Loans Reserved | 0 | | \$ | (0) | |
| Loans Purchased | 0 | | \$ | (0) | |
| Remaining Setaside | | | \$ | 50,000 | |
| TOTAL FORECLOSURE PREVENTION SETASIDE: | | | | | \$ 50,000 |

DISABLED ACCESSIBLE AFFORDABLE HOMEOWNERSHIP PROGRAM (DAAHP)MORTGAGE RATE OF 2.75% TO 5%; Authorized by the Board 6/1995: (501),(502)

| | | | | | |
|------------------------------|-----|--|----|--------------|-------------------|
| Loans Reserved | 0 | | \$ | (0) | |
| Loans Purchased | 227 | | \$ | (16,497,050) | |
| Remaining Setaside | | | \$ | 862,950 | |
| TOTAL DAAHP SETASIDE: | | | | | \$ 862,950 |

Score Advantage Second MortgageAuthorized by the Board 11/2012 (521)

| | | | | | |
|--------------------|-----|--|----|-------------|------------|
| Original Setaside | | | \$ | 1,500,000 | |
| Loans Reserved | 8 | | \$ | 42,556 | |
| Loans Purchased | 229 | | \$ | (1,237,428) | |
| Remaining Setaside | | | \$ | 220,016 | \$ 220,016 |

MBOH PlusAuthorized by the Board

| | | | | | |
|--------------------|----|--|----|-----------|------------|
| Original Setaside | | | \$ | 1,000,000 | |
| Loans Reserved | 35 | | \$ | 231,191 | |
| Loans Purchased | 12 | | \$ | (72,200) | |
| Remaining Setaside | | | \$ | 696,609 | \$ 696,609 |

LOT REFINANCE SETASIDEAuthorized by the Board 07/02: (575)

| | | | | | |
|--------------------------------------|----------|--|----|-------------|-------------------|
| Original Setaside | | | \$ | 1,000,000 | |
| Additional Setaside | (May 05) | | \$ | 1,000,000 | |
| Loans Reserved | 0 | | \$ | (0) | |
| Loans Purchased | 12 | | \$ | (1,273,560) | |
| Remaining Setaside | | | \$ | 726,440 | |
| TOTAL LOT REFINANCE SETASIDE: | | | | | \$ 726,440 |

HABITAT FOR HUMANITY SETASIDEMORTGAGE RATE OF 2.00%; Authorized by the Board 9/97; Program expires 06/30/2018: (580)

| | | | | | |
|---|-----------|--|----|-----------|---------------------|
| Additional Setaside | (June 17) | | \$ | 2,000,000 | |
| Loans Reserved | 1 | | \$ | (0) | |
| Loans Purchased | 11 | | \$ | (0) | |
| Remaining Setaside | | | \$ | 2,000,000 | |
| TOTAL HABITAT FOR HUMANITY SETASIDE: | | | | | \$ 2,000,000 |

TOTAL OF ALL INDIVIDUAL SETASIDES:**\$ 9,556,015**

DOWN PAYMENT 1ST MORTGAGE SET-ASIDE POOL (OCT 5, 2007)

total allocation \$ 50,000,000 Pre-Ullman Funds

| | | |
|----------------------------------|----------|---|
| NHS 111 | Reserved | 2 |
| HRDC BOZEMAN 275 | Reserved | 1 |
| HRDCXI COMBINED 309 | Reserved | 0 |
| CITY OF BILLINGS 355 | Reserved | 6 |
| CAP COMMUNITY LAND 363 | Reserved | 0 |
| FTHB SAVINGS ACCOUNT PROGRAM 571 | Reserved | 2 |
| DREAM MAKERS 572 | Reserved | 0 |
| HUD184 950 | Reserved | 0 |

Total Loans

\$ 48,969,172

Amount Remaining in Current Allocation

\$1,030,828



| FY 2017 MBOH Homeownership Program | Bond Program | MCC Program | TOTAL |
|--|---------------------|--------------------|--------------|
| # of loans originated (First & Second) | 427 | 145 | 572 |
| \$ of home sales (First only) | \$55,252,376 | \$29,670,522 | \$84,922,898 |
| \$ of loans originated (First & Second) | \$52,818,584 | \$28,529,909 | \$81,348,493 |
| NEW HOMES | | | |
| # of loans on New houses | 16 | 16 | 32 |
| \$ of home sales on New houses | \$3,134,369 | \$3,780,428 | \$6,914,797 |
| \$ of loans on New houses | \$2,400,995 | \$3,592,635 | \$5,993,630 |
| EXISTING HOMES | | | |
| # of loans on Existing houses | 324 | 129 | 453 |
| \$ of home sales on Existing houses | \$52,118,007 | \$25,890,094 | \$78,008,101 |
| \$ of loans on Existing houses | \$49,926,470 | \$24,937,274 | \$74,863,744 |
| REHABBED HOMES | | | |
| # of Rehab loans | 0 | 0 | 0 |
| \$ of home sales on Rehabbed houses | \$0 | \$0 | \$0 |
| \$ of loans on Rehabbed houses | \$0 | \$0 | \$0 |
| STICK-BUILT HOMES | | | |
| # Stick built homes | 287 | 130 | 417 |
| \$ of home sales on stick-built homes | \$46,275,876 | \$26,596,316 | \$72,872,192 |
| MANUFACTURED HOMES | | | |
| # Manufactured homes | 43 | 4 | 47 |
| \$ of home sales | \$7,317,300 | \$856,900 | \$8,174,200 |
| MODULAR HOMES | | | |
| # Modular homes | 1 | 0 | 1 |
| \$ of home sales on Modular homes | \$215,000 | \$0 | \$215,000 |
| CONDOS | | | |
| # Condos | 9 | 11 | 20 |
| \$ of home sales on Condos | \$1,444,200 | \$2,217,306 | \$3,661,506 |
| Average Purchase Price (first loans) | \$162,507 | \$204,624 | \$175,099 |
| Average Loan (first loans) | \$153,904 | \$196,758 | \$166,716 |
| Average Household size | 3 | 2 | |
| Average Borrower age | 44 | 36 | |
| Average Household Income | \$47,901 | \$49,913 | \$47,934 |
| Number of Communities receiving loans | 64 | 31 | |
| Number of Counties receiving loans | 32 | 12 | |
| Setasides, special programs and 2nd loans | | | |
| | Setaside 1st | DPA 2nds | |
| Number of loans | 59 | 87 | |
| Number of setasides utilized during the year | 8 | | |
| \$ of home sales in setaside programs | \$9,822,227 | \$14,318,973 | |
| \$ of home loans in setaside programs | \$8,033,395 | \$491,119 | |
| Average Income in setaside program | \$36,187 | \$49,634 | |
| Number of Communities receiving loans | 19 | 33 | |

MBOH Annual Program Activity Recap

(fiscal year)



| Bond Program | | | | |
|---------------------|-------------------|-----------------------|------------------------|-------------------|
| | # of loans | Avg sale price | Avg loan amount | Avg income |
| 2017 | 427 | \$162,507 | \$153,904 | \$47,901 |
| 2016 | 479 | \$160,192 | \$151,306 | \$45,856 |
| 2015 | 274 | \$144,450 | \$135,329 | \$45,995 |
| 2014 | 597 | \$142,342 | \$135,504 | \$46,962 |
| 2013 | 305 | \$135,460 | \$123,517 | \$42,838 |
| 2012 | 281 | \$135,473 | \$128,303 | \$45,988 |
| 2011 | 251 | \$138,570 | \$130,569 | \$47,130 |
| 2010 | 272 | \$129,042 | \$114,367 | \$41,294 |
| 2009 | 434 | \$128,813 | \$118,023 | \$39,647 |
| 2008 | 1626 | \$134,391 | \$125,405 | \$40,482 |
| 2007 | 1610 | \$126,093 | \$118,383 | \$40,017 |



| MCC Program | | | | |
|--------------------|-------------------|-----------------------|------------------------|-------------------|
| | # of loans | Avg sale price | Avg loan amount | Avg income |
| 2017 | 145 | \$204,624 | \$196,758 | \$49,913 |
| 2016 | 121 | \$196,626 | \$191,145 | \$50,718 |
| 2015 | 132 | \$187,140 | \$181,355 | \$50,649 |
| 2014 | 144 | \$179,806 | \$172,217 | \$49,921 |
| 2013 | 92 | \$177,066 | \$172,343 | \$49,660 |
| 2012 | 83 | \$161,836 | \$156,604 | \$49,333 |
| 2011 | 59 | \$163,593 | \$160,363 | \$44,877 |
| 2010 | 92 | \$159,773 | \$155,766 | \$46,749 |
| 2009 | 29 | \$174,551 | \$160,107 | \$48,359 |
| 2008 | 19 | \$160,421 | \$153,996 | \$43,155 |
| 2007 | 17 | \$107,885 | \$102,097 | \$34,008 |

| Bond and MCC combined | | | | |
|------------------------------|-------------------|---------------------------|----------------------------|-----------------------|
| | # of loans | average sale price | average loan amount | average income |
| 2017 | 572 | \$183,566 | \$175,331 | \$47,934 |
| 2016 | 600 | \$168,267 | \$160,135 | \$46,933 |
| 2015 | 406 | \$159,318 | \$151,359 | \$47,616 |
| 2014 | 741 | \$149,623 | \$142,638 | \$47,357 |
| 2013 | 397 | \$145,101 | \$134,831 | \$44,419 |
| 2012 | 364 | \$141,485 | \$134,756 | \$46,751 |
| 2011 | 310 | \$143,332 | \$136,239 | \$46,701 |
| 2010 | 364 | \$136,810 | \$124,831 | \$42,673 |
| 2009 | 501 | \$130,149 | \$119,812 | \$40,248 |
| 2008 | 1645 | \$134,691 | \$125,735 | \$40,480 |
| 2007 | 1641 | \$126,103 | \$118,338 | \$39,991 |

Mortgage Servicing Program Dashboard Effective 08/31/17

| | Last Year | Last Month | This Month |
|-----------------------------------|-------------------|-------------------|-------------------|
| MONTH | AUGUST 2016 | JULY 2017 | AUGUST 2017 |
| PORTFOLIO TOTAL LOANS | 4657 | 4630 | 4644 |
| MBOH | 4341 | 4332 | 4342 |
| BOI | 298 | 281 | 285 |
| MULTI FAMILY | 18 | 17 | 17 |
| PRINCIPAL (all loans) | \$ 417,705,414.39 | \$ 426,983,650.74 | \$ 429,681,260.41 |
| ESCROW (all loans) | \$ 5,355,087.62 | \$ 4,804,179.02 | \$ 5,310,453.33 |
| LOSS DRAFT (all loans) | \$ 752,460.57 | \$ 735,918.42 | \$ 704,153.84 |
| LOANS DELINQUENT (60+ days) | 186 | 208 | 194 |
| ACTUAL FORECLOSURE SALES IN MONTH | 4 | 1 | 6 |
| FORECLOSURES TOTAL 2017 | 22 | 23 | 29 |
| DELINQUENT CONTACTS TO MAKE | 868 | 693 | 701 |
| LATE FEES - NUMBER OF LOANS | 702 | 696 | 729 |
| LATE FEES - TOTAL AMOUNT | \$ 20,132.64 | \$ 19,646.31 | \$ 20,722.33 |
| PAYOFFS | 41 | 51 | 33 |
| NEW LOANS/TRANSFERS | 40 | 29 | 56 |

MAY 2016 started phone payments 29
AUGUST 2017 phone payments 212
Quarterly Servicing Newsletter - Mortgage Matters
MAR JUN SEP DEC

| LOSS MITIGATION | AUGUST | HUD's National Servicing Center TRSII Reporting FY2017 Q2 92.32% Tier 1 - Grade A |
|----------------------------------|--------|--|
| ACTIVE FINANCIALPACKETS | 8 | |
| REPAYMENT/FORBEARANCE | 22/2 | |
| SHORT SALE | 0 | |
| DEED IN LIEU | 0 | |
| HAMPS/PARTIAL CLAIMS & MODS PNDG | 28 | |
| PRESERVATION PROPERTIES | 10 | |
| REAL ESTATE OWNED PROPERTIES | 6 | |
| CHAPTER 13 BANKRUPTCIES | 21 | |

Multifamily & RAM Program Dashboard

August 15, 2017

LOAN PROGRAMS

| | <u>Applications</u> | <u>Active Loans</u> | <u>Outstanding Balance</u> | <u>Available Balance</u> |
|--|---------------------|---------------------|----------------------------|--------------------------|
| Reverse Annuity (RAM) | | | | |
| RAM | | 74 | \$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 | waiting for 8609 paperwork |
| Antelope Court | Havre | 14-Nov | 2015 | leasing up one building to finish |
| Guardian Apartments | Helena | 14-Nov | 2015 | issued 8609 |
| Stoneridge Apartments | Bozeman | 14-Nov | 2015 | Received 8609 paperwork |
| Sweet Grass Commons | Missoula | 14-Nov | 2015 | leasing up - Grand opening June 14th |
| River Ridge | Missoula | 14-Mar | 2015 | completed - Grand reopening June 1st |
| Larkspur | Bozeman | 15-Dec | bond deal | construction 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 underway |
| Little Jons | Big Fork | 16-Jan | 2016 | rehab underway |
| Red Fox | Billings | 16-Jan | 2016 | construction underway |
| Freedoms Path | Fort Harrison | 16-Jan | 2016 | 10% paperwork complete; closing September 2017 |
| Vista Villa/River Run | Great Falls | 16-Dec | bond deal | rehab underway |
| Blackfeet VI | Browning | 23-Jan | 2017 | closing process underway/ investor offers solicited |
| Gateway Vista | Billings | 23-Jan | 2017 | have construction company/ pre construction est begin June 2017 |
| Polson Landing | Polson | 23-Jan | 2017 | Letter of Intent for Equity/Environmental review ordered |
| Rockcross Commons | Great Falls | 23-Jan | 2017/bond deal | have arch/GC/constr & perm financing/term letter for equity financing |
| Roosevelt Villas | WP/Culbertson | 23-Jan | 2017 | applied for HTF & HOME/working w/RD on transfer |

HOUSING CREDITS (HCs) COMPLIANCE

| | <u>Year to Date</u> | <u>Last Year</u> |
|---------------------|---------------------|------------------|
| Project Site Visits | 73 | 85 |
| Units Inspected | 1,414 | 2,536 |

Projects w/Comp Owner Management Audit Done Explanation

will be sent separately

2017 AUDIT SCHEDULE

BOB, RYAN , RENA

| SET UP | TYPE | PROPERTY NAME | CITY | TOTAL UNITS | # UNITS AUDITE | ISSUES | AUDIT DATE | CLOSED |
|--------|-----------------------|--------------------------------------|---------------------|-------------|-----------------|---|------------|--------|
| RYAN | | ROSE PARK | BILLINGS | 112 | 112 | minor | 5/25 | 6/12 |
| | | BRUSH MEADOW APARTMENTS | BILLINGS | 60 | 12 | minor | 5/22 | |
| | | 8TH AVENUE APARTMENTS* | BILLINGS | 26 | 6 | minor | 5/23 | |
| | | AGAPE HOUSING | BILLINGS | 9 | 3 | minor | 5/23 | |
| | | CENTRAL COURT VILLAGE | BILLINGS | 30 | 6 | minor | 5/25 | |
| | | ACME HOTEL | BILLINGS | 19 | 4 | minor | 5/23 | 7/10 |
| | | SOUTH FORTY APARTMENTS** | BILLINGS | 101 | 21 | minor | 5/23 | |
| | ARRA | WHITETAIL RUN APARTMENTS | BILLINGS | 32 | 32 | minor | 5/23 | 6/27 |
| RENA | | CASTLEBAR | BOZEMAN | 36 | 8 | Return to redo files | 5/3 P | |
| | YR 14 | CASTLEBAR II | BOZEMAN | 29 | 29 | Return to redo files | 5/3 P | |
| | | COMSTOCK APTS II | BOZEMAN | 34 | 7 | minor | 5/2 | 6/2 |
| | RS | DARLINTON MANOR APTS** | BOZEMAN | 100 | 20 | minor | 5/2 | 6/20 |
| | | BRIDGER PEAK | BOZEMAN | 61 | 13 | minor | 5/2 | 6/19 |
| | YR 14 | BRIDGER APARTMENTS | BOZEMAN | 44 | 44 | paint-extension | 5/4 | |
| | BRIDGER APARTMENTS II | BOZEMAN | 46 | 10 | paint-extension | 5/4 | | |
| BOB | RS | GREEN MEADOW APTS | LIBBY | 34 | 7 | minor | 3/14 | 6/2 |
| | RS | COLUMBIA VILLA APTS** | COLUMBIA FALLS | 36 | 7 | minor | 3/15 | 6/12 |
| | RS | BIG SKY MANOR | KALISPELL | 60 | 12 | no issues | 3/15 | 3/24 |
| | RS | SUNDRIDGE POINTE (VALLEY VIEW) | KALISPELL | 52 | 10 | broken steps, stairway & landings repair 2nd floor, all buildings exterior siding repair or replace, outstanding issues | 3/16 | |
| | | CHERRY ORCHARD | KALISPELL | 24 | 5 | minor | 3/16 | 6/2 |
| RYAN | RS | PARKSIDE VILLAGE APTS** | MISSOULA | 104 | 21 | minor | 7/20 | |
| | | UNION PLACE | MISSOULA | 30 | 30 | minor | 7/21 | |
| | ARRA | SOLSTICE | MISSOULA | 34 | 34 | minor | 7/18 | |
| | YR 14 | GOLD DUST | MISSOULA | 18 | 18 | minor | 7/13 | |
| | | ORCHARD GARDEN | MISSOULA | 35 | 35 | minor | 7/19 | |
| | | COTTAGE PARK (Sentinal Village Apts) | MISSOULA | 60 | 12 | minor | 7/14 | |
| BOB | | TURTLE LAKE PROJECT | PABLO | 33 | 33 | | | |
| | | FELSMAN N & E | PABLO | 12 | 12 | | | |
| | | ARLEE ELDER | PABLO | 10 | 10 | | | |
| | | ELMO ELDER | PABLO | 10 | 10 | | | |
| | YR 14 | SPARROW LANE II | PABLO | 18 | 18 | | | |
| | | ST IGNATIUS-MAXWELL SR APTS | ST IGNATIUS | 9 | 2 | | | |
| | | RONAN-MAXWELL SR APTS | RONAN | 21 | 4 | | | |
| | | MAIN STREET APARTMENTS | RONAN | 8 | 2 | | | |
| | | ACRE LAWN APARTMENTS | RONAN | 8 | 2 | | | |
| RENA | | TOWN SITE (NHS) APARTMENTS | GT FALLS | 20 | 4 | siding paint | 4/24 | 6/23 |
| | | MOUNTAIN VIEW GF (SANDSTONE VILL) | GT FALLS | 47 | 47 | siding paint | 4/25 | 6/20 |
| | | AUTUMN RUN APARTMENTS** | GT FALLS | 121 | 24 | months - multiple issues | 4/24 | 6/22 |
| | ARRA | FRANKLIN SCHOOL | GT FALLS | 40 | 40 | minor | 4/26 | 6/20 |
| | | RAINBOW HOUSE** | GT FALLS | 40 | 8 | minor | 4/26 | 5/1 |
| BOB | | FT PECK LP1 | POPLAR | 23 | 23 | meth unit, full unit down since Oct '16" unit has been demoed, June 13, have contract to rebuild, completion target Aug | 4/11 | |
| | | FT PECK HOMES II | POPLAR - WOLF POINT | 24 | 24 | pending | 4/12 | 7/12 |
| | | FT SUSTAINABLE VILLAGE | POPLAR | 20 | 20 | pending | 4/13 | 7/12 |
| | | HILLCREST APARTMENTS | CHINOOK | 12 | 2 | minor | 4/10 | 5/19 |
| | | FT BELKNAP AGENCY | FT BELKNAP | 11 | 11 | Multiple issues | 6/6 | 35 |

| | | | | | | | | |
|------|--|------------------------|------------|----|----|-----------------|------|--|
| RENA | | FT BELKNAP REHAB | FT BELKNAP | 52 | 52 | Multiple issues | 6/7 | |
| | | FT BELKNAP HOUSING III | FT BELKNAP | 24 | 24 | Multiple issues | 6/7 | |
| | | FT BELKNAP SOUTHERN | FT BELKNAP | 11 | 11 | Multiple issues | 6/6 | |
| BOB | | SOUTH FLAT IRON | BROWNING | 20 | 20 | minor | 6/18 | |
| | | BLACKFEET HOMES V | BROWNING | 24 | 24 | minor | 6/18 | |
| | | IRVIN TRACT | BROWNING | 50 | 50 | minor | 6/18 | |
| | | COUNTRY ESTATES | BROWNING | 35 | 35 | minor | 6/18 | |
| | | NORTH COUNTRY ESTATES | BROWNING | 25 | 25 | minor | 6/19 | |

BOB

| | | | | | | | | |
|------|--|----------------------------|---------------|----|----|--|------|--|
| | | FARMHOUSE APTS-BELGRADE | BELGRADE | 32 | 6 | | | |
| | | TIMBERLINE APARTMENTS | BELGRADE | 24 | 5 | | | |
| | | FARMHOUSE APTS II BLDG 5&6 | BELGRADE | 16 | 3 | | | |
| | | BIG SKY APTS II | BIG SKY | 24 | 5 | | | |
| | | CUSTER VILLA APARTMENTS | MILES CITY | 32 | 32 | | | |
| | | CORNERSTONE APARTMENTS | MILES CITY | 21 | 21 | | | |
| | | SUNSET VILLAGE | SIDNEY | 36 | 7 | | | |
| ARRA | | MOUNTAIN VIEW APTS - BUTTE | BUTTE | 11 | 11 | | | |
| | | SILVER BOW VILLAGE** | BUTTE | 60 | 12 | | | |
| | | ATHERTON | BUTTE | 36 | 7 | | | |
| ARRA | | CASTLE MOUNTAIN APTS | WHITE SULPHUR | 10 | 10 | | | |
| ARRA | | OUELLETTE PLACE | LEWISTOWN | 24 | 24 | multiple units seen doors not sealed, allows air, water and bugs, to enter units, issue in "15" also | 8/16 | |
| | | WINNETT APARTMENTS | WINNETT | 6 | 3 | | | |
| ARRA | | BIG BOULDER | BOULDER | 36 | 36 | | | |
| | | SNOWCREST APARTMENTS | DILLON | 24 | 24 | | | |

RYAN

| | | | | | | | | |
|-------|--|-------------------------|----------------|----|----|-----------|------|------|
| | | EAST PARK VILLAS | HELENA | 38 | 8 | | | |
| | | ROADRUNNER RESIDENCE | HELENA | 16 | 4 | | | |
| YR 14 | | PHEASANT GLEN | HELENA | 32 | 32 | minor | 4/17 | 6/27 |
| | | WILDER APARTMENTS | HELENA | 31 | 7 | minor | 4/18 | 5/19 |
| | | EAGLES MANOR III | HELENA | 30 | 6 | no issues | 4/7 | 4/7 |
| ARRA | | EAGLES MANOR II | HELENA | 43 | 43 | no issues | 4/7 | 4/7 |
| YR 14 | | SUNNY SLOPE | POLSON | 20 | 20 | | | |
| | | CRESTVIEW APTS | BIGFORK | 24 | 5 | minor | 8/3 | |
| | | MOUNTAIN SENIOR APTS | WHITEFISH | 30 | 6 | minor | 8/3 | |
| | | HAILEY APARTMENTS | WHITEFISH | 10 | 5 | minor | 8/4 | |
| | | TEAKETTLE VISTA APTS II | COLUMBIA FALLS | 24 | 5 | minor | 8/4 | |
| | | BUFFALO GRASS | CUT BANK | 14 | 14 | | | |
| | | CUT BANK VILLAS | CUT BANK | 19 | 4 | | | |
| | | WESTWOOD APARTMENTS | SHELBY | 12 | 12 | | | |
| | | SWEET GRASS APTS | SHELBY | 12 | 12 | | | |

RENA

| | | | | | | | | |
|-------|--|----------------------------|--------------|----|----|-----------|------|------|
| ARRA | | SPRING CREEK APTS II | KALISPELL | 33 | 33 | minor | 6/30 | |
| | | WESTGATE SENIOR APTS | KALISPELL | 24 | 5 | minor | 6/30 | |
| YR 14 | | CENTRE COURT | KALISPELL | 36 | 36 | minor | 6/30 | |
| | | APSAALOOKE WARRIOR | CROW AGENCY | 15 | 15 | minor | 5/15 | 6/20 |
| | | FIFTH STREET APARTMENTS | HARDIN | 16 | 3 | minor | 5/16 | 6/26 |
| | | RANGEVIEW APARTMENTS | HARDIN | 24 | 5 | minor | 5/16 | 6/22 |
| | | MOUNTAIN VIEW APARTMENTS | RED LODGE | 32 | 6 | minor | 5/17 | 6/22 |
| | | HOMESTEAD LODGE APARTMENTS | ABSAROOKEE | 32 | 6 | minor | 5/17 | 6/22 |
| YR 15 | | BITTERROOT COMMONS I | DARBY | 8 | 8 | no issues | 4/4 | 4/20 |
| | | BITTERROOT COMMONS II | DARBY | 8 | 8 | no issues | 4/4 | 4/20 |
| | | WILLOW COURT APARTMENTS | HAMILTON | 48 | 10 | minor | 4/5 | 4/28 |
| YR 14 | | MOUNTAIN VIEW - HAMILTON | HAMILTON | 36 | 36 | minor | 4/5 | 4/20 |
| | | BURNT FORK MANOR | STEVENSVILLE | 30 | 6 | minor | 7/21 | |
| ARRA | | SUPERIOR COMMONS | SUPERIOR | 24 | 24 | minor | 7/20 | |

| | | | | | | | |
|----|-----------------------------|------------|----|----|-----------------------|------|------|
| | GEORGETOWN COMMONS | ANACONDA | 10 | 10 | previous fire in unit | 3/21 | 4/14 |
| | DEER LODGE APARTMENTS | DEER LODGE | 24 | 5 | siding paint | 3/21 | 7/10 |
| RS | PEBBLESTONE (LAVATTA VILLA) | DEER LODGE | 24 | 5 | no issues | 3/21 | 3/23 |
| | TIMBERLINE APTS | LIVINGSTON | 18 | 4 | no issues | 3/22 | 3/24 |
| RS | MILES BUILDING | LIVINGSTON | 40 | 8 | no issues | 3/22 | 3/24 |

| 8609's - NEW | | | | | | | |
|--------------|-----------------------|---------------|-----|-----|--------------------|------|--|
| Rena | Stoneridge Apartments | Bozeman | 47 | 47 | | | |
| Rena | Larkspur Commons** | Bozeman | 136 | 136 | | | |
| Ryan | River Ridge | Missoula | 70 | 70 | | | |
| Ryan | Sweet Grass Commons | Missoula | 26 | 26 | A/C & other issues | 7/19 | |
| Bob | Chippewa Cree Homes I | Box Elder | 33 | 33 | | | |
| Ryan | Guardian Apartments | Helena | 118 | 118 | | | |
| Bob | Antelope Court | Havre | 30 | 30 | | | |
| Bob | Big Sky Villas | Belgrade | 24 | 24 | | | |
| Bob | Little Jon | Big Fork | 31 | 31 | | | |
| Ryan | Red Fox | Billings | 30 | 30 | | | |
| Rena | Valley Villa | Hamilton | 34 | 34 | | | |
| Ryan | Freedoms Path | Fort Harrison | 42 | 42 | | | |
| Bob | North Star | Wolf Point | 28 | 28 | | | |

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 | | | | | | |

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 Helena
- 29 - 30 - Housing Credit Round Table

December 2017

- No Board Meeting

January 2018

- 8 - Webinar Board Meeting

Administrative Dashboard

August 17, 2017

Board Meetings

The September Board meeting will be held at Fairmont Hot Springs Resort. A strategic planning session is scheduled for Sunday September 10, starting at noon. The Board meeting will be September 11, starting at 8:30 AM .

Operations Update

As of August 1st, the division is fully staffed and proceeding through employee onboarding and training. Program Managers finished the 2016-2017 performance reviews within the schedule and we are working in the 2017-2018 evaluation year.

FEATURED ITEM: QUALITY ASSURANCE

The operations team hosts the quality assurance function of the division which has proven to be a valuable asset to program staff and ensuring we are in compliance with regulation and prepared for new program development activities such as Fannie Mae.

In service to the Home Ownership Program, our Quality Assurance Specialist reviews 10% of the monthly production, identifies discrepancies, ensures the loans purchased are meeting regulatory requirements, and helps identify where further training or procedural updates may be needed.

For the Servicing program, our Quality Assurance Specialist reviews 100% of the loans in foreclosure, property preservation, early default and claims, and in addition, reviews 10% of the loans in accordance with regulation.

For the Housing Assistance Bureau, our Quality Assurance Specialist reviews 10% of the files within the Tenant Based Section 8 program; ensuring all documentation is available for the specific tenant receiving assistance.

In each program, we have established QA review cycles, elements of review, and expectation of resolution and a confirmation of resolution. We have monthly management meetings to go over error rates, address any policy challenges and identify trends, and opportunities for efficiency. Our QA specialists are well versed in the programs and have reviewed and assisted with modifying procedures as needed. This function of the division has proven to be a good investment and we are grateful for our staff.

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

We have had a string of grand opening events this spring and summer!

June 1 - River Ridge Grand Opening in Missoula



June 14 - Sweetgrass Commons Grand Opening in Missoula – Director Pam Haxby-Cote will attend



June 15 - California Street 6-Plex Grand Opening in Missoula



June 22 – Denali Townhomes, Phase I Grand Opening in Billings



June 23 – Voyager Apartments Grand Opening in Great Falls

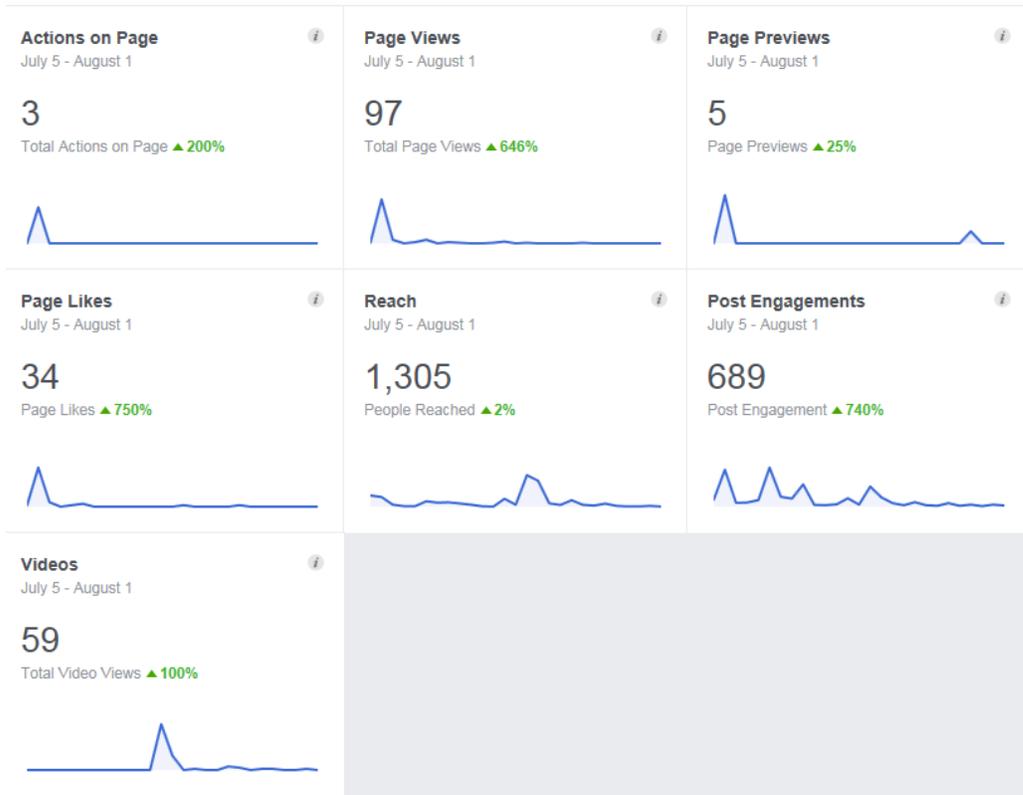


Also, since July we have been able to ramp up our Face Book page and so far, good results. We are using this social media platform to keep our partners and customers informed with upcoming events, new loan products, seasonal home tips, and other posts. Check it out at www.facebook.com/MontanaHousing/

Results from Jul 06, 2017 - Aug 02, 2017

Note: Does not include today's data. Insights activity is reported in the Pacific time zone. Ads activity is reported in the time zone of your ad account.

Organic Paid



Section 8 Program Dashboard

August 7, 2017

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

CURRENT PERIOD: August 2017

| SECTION 8 PROGRAMS | <u>Previous Month</u> | <u>Month</u> | <u>Change</u> | <u>Year</u> | <u>HUD</u> | <u>Date</u> | |
|--|-----------------------|-----------------|---------------|-------------|---------------|---------------------------|----------------------|
| | <u>Jul-2017</u> | <u>Aug-2017</u> | | <u>HAP</u> | <u>Budget</u> | <u>Fees</u> | <u>Term</u> |
| Housing Choice Voucher (HCV) | | | | | 15,426,099 | 949,036 | CY 2017 |
| PBS8 Opt-Out Conversion Funding | | | | | 88,595 | | |
| Paid Units (3625 Agency contracts) | 3,339 | 3,296 | -43 | | | | |
| Current Month Payment Amount | 1,630,571 | 1,601,675 | -28,896 | 13,202,912 | | 114,180 | |
| Veterans Affairs Supportive Housing (VASH) | | | | | | | CY2017 |
| Number Units Paid (306 Authorized) | 285 | 295 | 10 | | | | |
| Payment Amount | 157,459 | 160,605 | 3,146 | 1,272,135 | | | |
| Moderate Rehabilitation (ModRehab) | | | | | 2,012,728 | | 7-1-16-6-30-17 |
| Number Contracts | 18 | 18 | 0 | | | | |
| Paid Units (321 Authorized) | 259 | 266 | 7 | | | | |
| Payment Amount | 142,336 | 138,828 | -3,508 | 1,123,303 | | 8,635 | 69,882 |
| Shelter Plus Care I (Individual) FY13 Grant Funds | | | | | 195,488 | | 8-1-16-7-31-17 |
| Number Units Paid (28 Authorized) | 21 | 20 | -1 | | Grant Balance | | |
| Payment Amount | 13,242 | 9,912 | -3,330 | 109,730 | 195,488 | | |
| Shelter Plus Care II (Family) | | | | | 36,606 | | 7-1-16-6-30-17 |
| Number Units Paid (5 Authorized) | 3 | 3 | 0 | | Grant Balance | | |
| Payment Amount | 3,224 | 1,783 | -1,441 | 19,890 | 27,291 | | |
| Project-Based (PBS8) | | | | | | Admin Earnings | Fed Fiscal |
| Contracts | 87 | 87 | 0 | | | 71,521 | |
| Units Paid (4132 Authorized with 8bb) | 3,660 | 3,677 | 17 | | | | Contract Extension |
| Payment Amount | 1,720,706 | 1,728,812 | 8,106 | | | | Expires June 30 2016 |
| Calendar Year Admin Earnings | | | | | | 500,646 | |
| 811 Project Rental Assistance Demo (FY12 \$) | | | | | 1,900,000 | 157,000 | Five Year |
| Rental Assistance Contracts (RAC) | 48 | 48 | 0 | Disbursed: | 83,538 | Balance: | 1,816,462 |
| Units (grant requires 82) | 10 | 10 | 0 | | | 8 Units Kalispell | |
| Payment Amount | 4,664 | 7,853 | 3,189 | 45,988 | | 40 Units Missoula | |
| | | | | | | 5 Units Ronan | |
| | | | | | | 21 Units Bozeman/Blegrade | |
| | | | | | | 74 | |

TOTALS

| | <u>Previous Month</u> | <u>Current Month</u> | <u>Change</u> |
|--------------------|-----------------------|----------------------|---------------|
| Paid Units: | 7,567 | 7,557 | -10 |
| Budgeted Units: | | 8,317 | |
| All Section 8 HAPs | 3,667,539 | 3,641,616 | -25,923 |