

MONTANA HOUSING

Clarion Inn Copper King & Convention Center, 4655 Harrison Avenue, Butte MT 59701
April 30, 2018

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 Bair, Multifamily Program

Mary Palkovich, Loan Servicing Program

Stacy Collette, Executive Operations Manager

Justin Schedel, IT Program

Paula Loving, Executive Assistant

Ashly Amato, Administrative Assistant

Kellie Guariglia, Multifamily Program

Charlie Brown, Homeownership Program

Julie Hope, Homeownership Program

Staci Flink, Section 8 Program

COUNSEL:

Greg Gould, Luxan and Murfitt

John Wagner, Kutak Rock

UNDERWRITERS:

Mina Choo, RBC Capital

Patrick Zhang, RBC Capital

OTHERS:

Lisa Smith, Missoula Housing Authority

Jolene Kennedy, Blackfeet

Tyler Currence, Housing Solutions

Bill Haynes, Collaborative

Lori Davidson, Missoula Housing Authority

Jason Boal, BlueLine Development

Natalie Abrams, Missoula Housing Authority

Alex Burkhalter, Housing Solutions

Kathleen Irwin, Missoula Housing Authority

Dan Ermatinger

Jim McGrath, Missoula Housing Authority
Traci Clark, DPHHS – SLTC
Charlene Andersen, Opportunity Bank of MT

Shyla Patera, NCILS
Julie Graham, Valley Bank, Helena
Kaia Peterson, NeighborWorks Montana
Heather McMilin, Homeword, Inc.
Carilla French, HRDC 4
Andrea Davis, Homword
David Bjornson, Bjornson Jones Mungas
Maureen Rude, NeighborWorks Montana
Ward Filesteel, Fort Belknap Housing Board
Tori Jatejovsky, Great Northern Dev. Corp.
Jane Jones, Bank of Red Lodge
Jeannene Maas

Bruce H., Commissioner
Fern Lohse, HRDC 4
David Magistrelli, Habitat for Humanity,
Gallatin Valley
Mary Melton, Missoula Housing Authority
Brenda A., Highland Manor – Havre
C. Burke, Town of West Yellowstone
Gene Leuwer, GL Development
Judy Nielson, Helena Housing Authority
Saran Seaung, Homeword Fellow
Kassy Buss, Bjornson Jones Mungas
Kila Shields, MHA Board
Sandra McKee, HAB Billings Commissioner
Michelle Tade, Housing Authority of Glasgow
Tully Gallagher

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

- 6:30 Vice Chairwoman Jeanette McKee called the Montana Board of Housing (MBOH) meeting to order at 8:30 a.m.
- 7:10 Vice Chairwoman Jeanette McKee reviewed the Webinar details for the meeting.
- 8:10 Introductions were made.
- 13:28 Chairwoman McKee asked for public comment on items not listed on the agenda.
- 13:51 Alex Burkhalter, Housing Solutions, provided an update on Polson Landing.
- 15:01 Sheila Rice thanked the Montana Housing and NeighborWorks staffs in coordinating the Annual Housing Conference.
- 15:50 Carilla French, HRDC 4, provided an update on Antelope Court
- 16:45 Noreen Kaines, Habitat for Humanity in Missoula, thanked Montana Housing for the support in her organization.

APPROVAL OF MINUTES

February 13, 2018 MBOH Board Meeting Minutes – page 3 of packet

17:10 Motion: Sheila Rice

Second: Eric Schindler

The February 13, 2018 MBOH Board meeting minutes were approved unanimously.

FINANCE PROGRAM

Finance Update – page 14 of packet

18:00 Ginger Pfankuch provided an update on the 2018 Series A Bond issuance.

Bond Issuance – page 13 of packet

20:00 Ginger Pfankuch provided the Finance Program update.

HOMEOWNERSHIP PROGRAM

Income Limit Approval – page 16 of packet

21:28 Presenters: Vick Bauer,

Motion: Bob Gauthier

Second: Sheila Rice

Staff was approved unanimously to change and begin using new income limits as soon as the revenue procedure is issued and will provide the Board with new actual limits at June 2018 meeting.

Lender Approval – page 18 of packet

24:32 Presenters: Vick Bauer, Jane Jones - Bank of Red Lodge

Motion: Amber Sunsted

Second: Johnnie McClusky

Bank of Bridger was approved unanimously as an MBOH participating lender.

Rural Development Fees – page 19 of packet

27:40 Presenters: Vick Bauer

Motion: Bob Gauthier

Second: Eric Schindler

The removal of the cash requirement for borrowers on an Rural Development guaranteed loan was approved unanimously.

Manufactured Housing Hazard Insurance – page 20 of packet

33:20 Presenters: Vick Bauer

Motion: Sheila Rice

Second: Bob Gauthier

The policy change to remove the language about the borrower becoming co-insurer and accept the coverage equal to the full insurable value that is determined by the insurance company was approved unanimously.

Homeownership Program Update – page 22 of packet

52:50 Vicki Bauer provided the Board with the Homeownership program update.

MORTGAGE SERVICING PROGRAM

Mortgage Servicing Program Update – page 24 of packet

56:20 Mary Palkovich provided the Board with the Mortgage Servicing program update.

MULTIFAMILY PROGRAM

Rockcross Bond Resolution No. 18-0430-MF01 – page 25 of packet

1:00:50 Presenters: Mary Bair, Neil Fortier – NeighborWorks

Motion: Bob Gauthier

Second: Amber Sunsted

The Bond Resolution No. 18-0430-MF01 for Rockcross was approved. Sheila Rice abstained.

Villagio Bond Resolution No 18-0430-MF02 – page 31 of packet

1:04:24 Presenters: Mary Bair, Jason Bold – BlueLine Development, Lori Davidson – Missoula Housing Authority, Dan Ermatinger

Motion: Bob Gauthier

Second: Amber Sunsted

The Bond Resolution No. 18-0430-MF02 for Villagio was approved unanimously.

North Star, Wolf Point Additional Credit Request – page 38 of packet

1:14:00 Presenters: Mary Bair, Gene Leuwer – GL Development, Tori Jatejovsky, Great Northern Development Corporation

Motion: Amber Sunsted

Second: Pat Melby

North Star in Wolf Point was approved unanimously to receive an additional \$550,000 in Housing Credits.

Roosevelt Villas Extension Request – page 40 of packet

1:53:00 Presenters: Mary Bair, Gene Leuwer – GL Development, Alex Burkhalter – Housing Solutions

Motion: Bob Gauthier

Second: Sheila Rice

Roosevelt Villas was approved unanimously to receive an additional six-month extension to complete and submit proof of ownership.

Revers Annuity Mortgage Exceptions – pages 43 and 45 of packet

2:07:25 Presenters: Mary Bair

Motion: Eric Schindler

Second: Sheila Rice

The two requests for Reverse Annuity Mortgage Exception were approved unanimously, which include:

- A single woman in Great Falls seeking an exception for \$40,000 to pay off mortgage.
- A couple in Missoula seeking an exception for \$40,000 to pay off mortgage, remodel the bathroom and needed dental work.

Multifamily Program Update

2:09:00 Mary Bair provided the Board with the Multifamily program update.

OPERATIONS

Operations Update – page 47 of packet

2:10:52 Stacy Collette provided the Board with the Montana Housing Operations update.

EXECUTIVE DIRECTOR

Executive Director Update – page 48 of packet

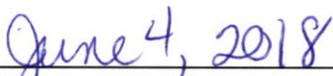
2:14:30 Bruce Brensdal provided an Executive Director update.

MEETING ADJOURNMENT

2:16:43 Meeting was adjourned at 10:46 a.m.



Sheila Rice, Secretary



Date



Meeting Location: Clarion Inn Copper King & Convention Center
4655 Harrison Ave, Butte MT 59701
Phone 406.565.5001

Date: Monday, April 30, 2018

Time: 8:30 a.m.

Chairperson: Pat Melby

Remote Attendance Information: Join our meetings remotely via webinar and phone.

Dial (877) 273-4202, Access Code: 7233056#

Webinar: [Click here to register](#)

Board Offices: Montana Housing
301 S Park Ave., Room 240, Helena MT 59601
Phone: 406.841.2840

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)

- ❖ 2018 A Bond Issue
- ❖ Financial Update

Homeownership Program (Manager: Vicki Bauer)

- ❖ Income Limits
- ❖ Lender Approval – Bank of Bridger
- ❖ Rural Development Fees

- ❖ Manufactured Housing Hazard Insurance
- ❖ Homeownership Update

Mortgage Servicing (Manager: Mary Palkovich)

- ❖ Servicing Update

Multifamily Program (Manager: Mary Bair)

- ❖ Rockcross, Great Falls bond resolution
- ❖ Villagio, Missoula bond resolution
- ❖ North Star, Wolf Point additional credit request
- ❖ Roosevelt Villas extension
- ❖ Reverse Annuity Mortgage Exceptions (if needed)
- ❖ Multifamily Update

Operations (Stacy Collette)

- ❖ Operations 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)

April 30, 2018: Butte (Hsing Conf.)	August 13, 2018: No meeting	November 19, 2018: Helena
June 04, 2018: Helena	September (9) 10, 2018: Missoula	December 11, 2018: No meeting
July 9, 2018: No meeting	October 15, 2018: No meeting	January 7, 2019: Webinar



DoubleTree by Hilton Billings – 27 N. 27th St. – Billings MT 59101
February 13, 2018

ROLL CALL OF BOARD

MEMBERS:

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

STAFF:

Bruce Brensdal, Executive Director	Paula Loving, Executive Assistant
Ginger Pfankuch, Finance Program	Todd Jackson, Marketing
Vicki Bauer, Homeownership Program	Ashly Amato, Administrative Assistant
Mary Bair, Multifamily Program	Kellie Guariglia, Multifamily Program
Mary Palkovich, Loan Servicing Program	Danyel Bauer, Homeownership Program
Stacy Collette, Executive Operations Manager	Hannah Rotter, Homeownership Program
Penny Cope, Research & Outreach Specialist	

COUNSEL:

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

UNDERWRITERS:

Mina Choo, RBC Capital	Patrick Zhang, RBC Capital
Paul Hoek, Wilmington Trust, NA	

OTHERS:

Alex Burkhalter, Housing Solutions, LLC	Tyler Currence, Housing Solutions, LLC
Craig Taylor, Communities for Veterans	Don Sterhan, Mountain Plains Equity Group
Kristi Harris, PrimeLending	Kirk Bruce
Adrienne Bombelles	

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CALL MEETING TO ORDER

- 3:20 Chairman Pat Melby called the Montana Board of Housing (MBOH) meeting to order at 8:30 a.m.
- 3:47 Bruce Brensdal reviewed the Webinar details for the meeting.
- 5:17 Introductions of Board members were made.
- 8:20 Chairman Melby asked for public comment on items not listed on the agenda.

APPROVAL OF MINUTES

January 8, 2018 MBOH Board Meeting Minutes – page 3 of the packet

- 8:37 Motion: Jeanette McKee
Second: Sheila Rice

The January 8, 2018 MBOH Board meeting minutes were approved unanimously.

FINANCE PROGRAM

Financial Update – page 5 of the packet

- 9:10 Ginger Pfankuch provided the Finance program update.

HOMEOWNERSHIP PROGRAM

Replenish DPA – page 6 of packet

- 11:57 Presenters: Vick Bauer,
Motion: Sheila Rice
Second: Johnnie McClusky

Down Payment Assistance programs allocations were approved unanimously.

Lender Approval – page 8 of the packet

- 16:40 Presenters: Vick Bauer,
Motion: Amber Sunsted
Second: Jeanette McKee

PrimeLending, a PlainsCapital Company, was approved unanimously as an MBOH participating lender.

Hazard Insurance Policy – page 10 of the packet

21:50 Presenters: Vick Bauer,
Motion: Sheila Rice
Second: Johnnie McClusky

The Hazard Insurance Policy to allow a @2,500 or 1% deductible on wind and hail and leaves the standard deductible requirement at \$1,500 or 1% was approved unanimously.

MCC Resolution – page 11 of the packet

24:17 Presenters: Vick Bauer,
Motion: Johnnie McClusky
Second: Amber Sundsted

MCC Resolution No. 18-0213-SF01 was approved unanimously.

Homeownership Program Update – page 15 of the packet

26:50 Vicki Bauer provided the Board with the Homeownership program update.

MORTGAGE SERVICING PROGRAM

Mortgage Servicing Program Update – page 20 of the packet

34:05 Mary Palkovich provided the Board with the Mortgage Servicing program update.

OPERATIONS

Operations Update – page 21 of the packet

37:36 Stacy Collette provided the Board with the Montana Housing Operations update.

MULTIFAMILY PROGRAM

Freedoms Path Request for Forward Allocation – page 26 of the packet

43:05 Presenters: Mary Bair, Craig Taylor, Greg Gould Dave Durbin, Don Sterhan, Alex Burkhalter

Motion: Sheila Rice

Second: Amber Sundsted

Motion 2 – page 47 of the packet; See Attachment I.

A Roll call vote was taken:

Sheila Rice Yes

Amber Sundsted	Yes
Johnnie McClusky	Yes
Jeanette McKee	No
Pat Melby	Yes

The Freedoms Path Request for Forward Allocation was approved.

2019 Qualified Allocation Plan – page 49 of the packet

1:28:50 Presenters: Mary Bair, Greg Gould, Alex Burkhalter

The motion to approve the 2019 Qualified Allocation Plan (QAP) as presented to the Board.

Motion: Sheila Rice

Second: Jeanette McKee

Mary Bair and Greg Gould reviewed all highlighted sections of 2019 QAP plan based on public comments.

1:58:54 Motion to amend original motion to include proposed “Credit Refresh” Amendment; See Attachment II.

Motion: Sheila Rice

Second: Johnnie McClusky

A Roll call vote was taken:

Sheila Rice	Yes
Amber Sundsted	Yes
Johnnie McClusky	Yes
Jeanette McKee	No
Pat Melby	Yes

The Credit Refresh Amendment was approved.

2:00:43 A Roll call vote was taken for the 2019 Amended Qualified Allocation Plan:

Sheila Rice	Yes
Amber Sundsted	Yes
Johnnie McClusky	Yes
Jeanette McKee	Yes
Pat Melby	Yes

Multifamily Program Update

2:01:21 Mary Bair provided the Board with the Multifamily program update.

EXECUTIVE DIRECTOR

Executive Director

2:01:53 Bruce Brensdal provided an Executive Director update.

MEETING ADJOURNMENT

2:03:09 Meeting was adjourned at 10:30 a.m.

Motion: Amber Sundsted

Second: Johnnie McClusky

Sheila Rice, Secretary

Date

ATTACHMENT I

ALTERNATIVE MOTION NO. 2

Moved that the Board hereby finds, determines and resolves:

1. That the Freedom's Path Project (the "Project") was awarded housing credits in the 2016 competitive award cycle, such credits were reserved for allocation to the Project buildings and the Project received a carryover commitment requiring that the Project be completed and placed in service by December 31, 2018;
2. That due to factors beyond the Owner's control, the Project cannot be completed and placed in service by December 31, 2018;
3. That the Project is to be located on VA leased land, after the credit award the VA requested a reconfiguration of the Project buildings, the carryover does not allow for tax credits for all of the buildings as the Project was reconfigured and the carryover cannot be revised to allow credits for all such buildings;
4. That extensive resources and efforts have been expended in the development of the Project to date, there is great need among the target population for the housing units to be provided by the Project and it is in the best interests of MBOH, the Housing Credit Program and low-income persons in the State of Montana that the Project be completed;
5. That upon the Project's return of the awarded 2016 credits to MBOH, the credits be immediately re-reserved to the Project as 2018 credits, by execution of a Reservation Agreement, subject to and conditional upon: (a) retaining the project-based VASH vouchers previously awarded by HUD; and (b) the Project's compliance with such further submission and other requirements as MBOH staff shall determine reasonably necessary for legal compliance;
6. That the reservation of such credits to the Project shall be conditioned upon the Project making payment of the applicable Reservation Fee;
7. That any and all subsequent processes in the allocation process (e.g., Carryover Commitment, 8609 issuance, etc.) shall be subject to the Project's payment of any applicable fees;
8. That the Project's return of the 2016 credits as provided in item 5, above, shall not cause such credits to become "available for award" within the meaning of the Board's January 8, 2018 resolution providing for award of additional available credits in a specified order of priority to certain 2018 award cycle applicants;
9. That Section 4 of the 2018 QAP provides that the Board, in its discretion, may waive any requirement of the QAP if it determines such waiver to be in the best interests of MBOH, the HC program or the application cycle (2018 QAP, Section 4, pp. 23); and

10. That any provision of any QAP inconsistent with this resolution is hereby waived solely to the extent and for the specific purpose provided in this resolution.

DATED this 13th Day of February 2018.

ATTACHMENT II

PROPOSED "CREDIT REFRESH" QAP AMENDMENT

1. Amend definition:

"Applicable QAP" means: (a) for purposes of any substantive issues relating to an Award, the Development Evaluation Criteria, Scoring, Selection Criteria and Selection Standard for such Award, and the fee amounts charged for Letter of Intent, Application, 10% Cost Certification and Final Allocation, the particular year's QAP under which the Application is or was submitted, evaluated and Awarded HCs; ~~or~~ (b) for purposes of Project changes, Reservation (Initial Allocation), Declaration of Restrictive Covenants, Carryover Commitment, 10% Cost Certification (other than the fee amount), Final Allocation (other than the fee amount), compliance requirements, compliance audits, and any post-Award procedures, the QAP most recently adopted; or (c) for purposes of a Credit Refresh application, consideration and determination regarding a Credit Request Application, and payment of MBOH legal fees relating to or required as a result of a Credit Refresh application or Credit Refresh, and for post-Credit Refresh Project changes, Reservation, Declaration of Restrictive Covenants, Carryover Commitment, 10% Cost Certification and Final Allocation (including fees and fee amounts for the foregoing specified post-award items), the QAP most recently adopted as of the date of submission of the Credit refresh application; except that for Projects that have received a Credit Refresh and purposes of compliance requirements, compliance audits, and any other post-Award procedures, the QAP most recently adopted.

2. Add new definition:

"Credit Refresh" means a conversion of previously awarded Credits, from the original credit year (i.e., the year of the Available Annual Credit Allocation from which the Credits were awarded) to a more recent Credit year, pursuant to a Board-approved return of the Credits and immediate re-Reservation of the Credits as a more recent year's Credits, as approved by the MBOH Board in accordance with the requirements of the Applicable QAP.

3. Amend Section:

SECTION 10 – RESERVATION, CARRYOVER, CREDIT REFRESH AND FINAL ALLOCATION

Once MBOH has selected Projects and determined the Award of Housing Credits and amount of Credits to be reserved, MBOH will provide a Reservation Agreement, Gross Rent Floor Election, and Declaration of Restrictive Covenants to the partnership for execution and return to MBOH. Upon recording, the original recorded Restrictive Covenants must be returned promptly to MBOH. The following requirements apply to Reservation Agreement, Gross Rent Floor Election, Declaration of Restrictive Covenants, Carryover Commitment, 10% Test, Credit Refresh, Placed in Service and Final Allocations/8609.

4. Add New Subsection:

ATTACHMENT II

F. Refreshing Credits

The MBOH Board may in its sole discretion approve a Credit Refresh for Projects that have been issued a Carryover Commitment by MBOH as provided in Subsection D, above, and that have submitted all required 10% Cost Certification materials and fees, and for which MBOH has approved such 10% Cost Certification, as provided in Subsection E, above.

To obtain a Credit Refresh, the Owner must submit a Credit Refresh Application to MBOH in the form and according to the requirements provided in the Credit Refresh Application Form, along with the Credit Refresh fee as specified in the Fee Schedule. Upon receipt of a complying Credit Refresh Application Form and completion of staff evaluation of such application, the application will be placed on the agenda for consideration at the next MBOH meeting. The Owner or its representative should appear at the meeting to answer Board questions, if any, regarding the application and the factors leading to the submission of the application.

The MBOH Board may approve or deny the application, or may defer action on the application pending additional information or compliance with specified conditions. The Board may place any one or more conditions on approval or further consideration of an application.

In considering and making its determination regarding an application, the Board may consider any or all of the following:

1. The diligence, or lack of diligence, by the Development Team, Owner or other Project participant in seeking to complete the development, approval, construction and opening of the Project;
2. Any factors beyond the control of the Development Team, Owner or other Project participant, significantly contributing to the need for the Credit Refresh;
3. The likelihood that the Project will be completed and placed in Service within a reasonable time, under the circumstances, if the Credit Refresh is approved;
4. The likelihood that the Project will not be completed or placed in Service if the Credit Refresh is denied;
5. The need for the Project, as determined in the original Application and Award processes;
6. Any significant changes in market conditions or other factors that affect the financial feasibility of or need for the Project; and
7. Any other factor or factors that the Board deems relevant to the determination.

Upon approval of an application, the Owner shall return the Credits according to the instructions of MBOH staff and staff shall promptly provide for the re-Reservation of the Credits, as refreshed, to the Owner by providing a Reservation Agreement in accordance with Subsection A, above.

In addition to payment of any applicable fees, the Owner will be required to reimburse MBOH for legal fees and expenses incurred by MBOH in connection with the Credit Refresh Application in accordance with the Applicable QAP.

All requirements of the Applicable QAP and applicable law shall apply to such Reservation and Credits as if such Reservation were the original Reservation of Credits for the Project, including without limitation, Gross Rent Floor Election, Declaration of Restrictive Covenants, Carryover, 10% Test, Placed on Service and Final Allocations/8609 and payment of the Reservation fee and all other applicable fees; provided, that no further submission of executed and recorded Restrictive Covenants, or related survey or title

ATTACHMENT II

commitment, shall be required if previously submitted in accordance with Applicable QAP requirements, but amendment of such covenants will be required as necessary to conform the covenants to the refreshed credits or to comply with any additional or different requirements in the Applicable QAP.

5. Amend fee schedule to add Credit Refresh Application Fee.
6. Renumber subsequent subsections and conform other QAP provisions as necessary.

DRAFT

BOARD AGENDA ITEM

PROGRAM

Finance Program

AGENDA ITEM

Bond Issuance

BACKGROUND

On April 26th the Board closed on the 2018 series A bond issuance. The total amount of the bond issuance was \$38,450,000 in order to refund the 2008 Series A bonds in their entirety. The serial bonds refunded had an interest rate of either 4.45% or 4.60%. The Term bonds had rates ranging from 5.05% to 5.50%. The new series has serial bonds ranging from 1.65% to 3.30% and term bonds from 3.5% to 4.0%.

As of mid-April, the Board had purchased \$4.9 million in the new series and \$15.9 million in commitments.

BOARD AGENDA ITEM

PROGRAM

Finance Program

AGENDA ITEM

Finance Update

BACKGROUND

We currently hold approximately 22% of our investments in long-term government sponsored securities. This is down from 34% last year at this time due in part to maturities of some of the long-term investments. The weighted average yield for these investments rose from 2.83% to 3.23 in the last year.

We have 44% of our investments in money market, which is comparable to the amount in money market last year. The weighted average yield has risen from 0.43% to 1.14%.

The remainder of our investments are in U.S. Treasury securities. They have has a slight rise from a weighted average of 1.21% to 1.74%.

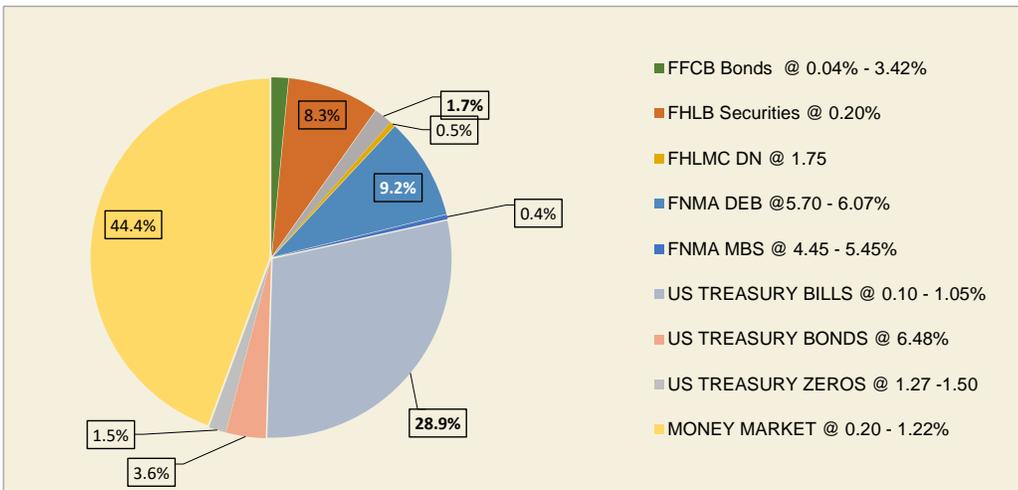
Overall the weighted average for the portfolio has risen from 1.33% to 1.76% over the last year. This includes the sale of an investment contract with a 5% yields that was associated with a bond series that was refunded last year.

Accounting & Finance Dashboard

Data as of March 31, 2018

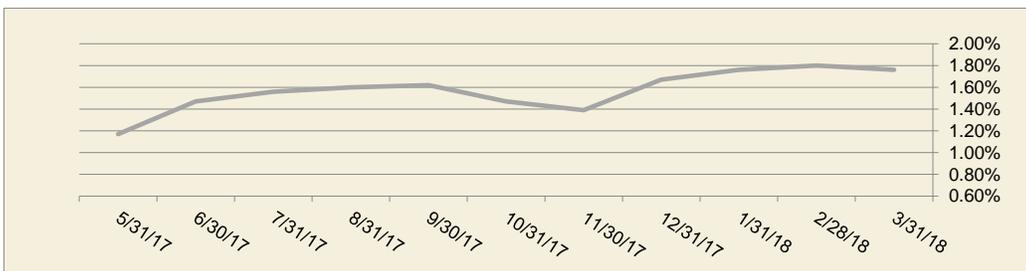
3/31/2018

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 March 31, 2018

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
\$ 59,456,310	\$ 34,175,000	\$ 19,612,000	\$ 17,919,000	\$ 2,225,000	\$ 486,791	\$ 65,585	\$ 133,939,686

BOARD AGENDA ITEM

PROGRAM

Homeownership Program

AGENDA ITEM

Income Limit Approval

BACKGROUND

The Board’s Administrative Rules require that each June, or at other times as necessary, the Board is to review, establish and revise income limits for lower income persons and families in need of housing assistance under the Board programs.

HUD has released new section 8 income numbers for 2018. However, the IRS has not yet issued its Revenue Procedure incorporating and blessing these numbers for single family use, as well as stating the new national purchase price used for calculating the new high housing cost adjustment. The Revenue Procedure is expected any day.

In evaluating the numbers (attached) the changes show both increases and some decreases. These are not the final income limits, these may have slight adjustments once the revenue procedure is released.

PROPOSAL

Staff requests that the Board give staff approval to change and begin using new income limits as soon as the revenue procedure is issued, and we will provide the Board with new actual limits at the next meeting.

	NEW HUD 2018 Income			2017 Income		Diff Small	Diff Large
	Small Household	Large Household		Small Household	Large Household		
BEAVERHEAD	67500	77625	Beaverhead	62600	71990	4,900	5,635
BIG HORN	67500	77625	Big Horn	62600	71990	4,900	5,635
* Blaine	81000	94500	Blaine	75120	87640	5,880	6,860
BROADWATER	67500	77625	Broadwater	62600	71990	4,900	5,635
CARBON	71200	81880	Carbon	67700	77855	3,500	4,025
CARTER	67500	77625	Carter	63400	72910	4,100	4,715
CASCADE	67500	77625	Cascade	62600	71990	4,900	5,635
* City of Great Falls	81000	94500	City of Great Falls	75120	87640	5,880	6,860
CHOUTEAU	67500	77625	Chouteau	62600	71990	4,900	5,635
CUSTER	67500	77625	Custer	65900	75785	1,600	1,840
DANIELS	67800	77970	Daniels	65600	75440	2,200	2,530
DAWSON	68700	79005	Dawson	67000	77050	1,700	1,955
* Deer Lodge	81000	94500	Deer Lodge	75120	87640	5,880	6,860
FALLON	70100	80615	Fallon	69500	79925	600	690
FERGUS	67500	77625	Fergus	62600	71990	4,900	5,635
* Flathead	81000	94500	Flathead	75120	87640	5,880	6,860
GALLATIN	81200	93380	Gallatin	75623	86966	5,577	6,414
Gallatin Census			Gallatin Census				
* Tracts 6 and 11.01	97440	113680	Tracts 6 and 11.01	85200	99400	12,240	14,280
GARFIELD	67500	77625	Garfield	64900	74635	2,600	2,990
GLACIER	67500	77625	Glacier	62600	71990	4,900	5,635
GOLDEN VALLEY	67500	77625	Golden Valley	62600	71990	4,900	5,635
GRANITE	67500	77625	Granite	62600	71990	4,900	5,635
* Hill	81000	94500	Hill	75120	87640	5,880	6,860
JEFFERSON	77100	88665	Jefferson	77200	88780	(100)	(115)
JUDITH BASIN	67500	77625	Judith Basin	62600	71990	4,900	5,635
LAKE	67500	77625	Lake	62600	71990	4,900	5,635
LEWIS & CLARK	76000	87400	Lewis & Clark	70100	80615	5,900	6,785
LIBERTY	67500	77625	Liberty	62600	71990	4,900	5,635
LINCOLN	67500	77625	Lincoln	62600	71990	4,900	5,635
* Lincoln Census Tr 2	81000	94500	Lincoln Census Tr 2	75120	87640	5,880	6,860
McCONE	67500	77625	McCone	67700	77855	(200)	(230)
MADISON	67500	77625	Madison	69579	80016	(2,079)	(2,391)
MEAGHER	67500	77625	Meagher	62600	71990	4,900	5,635
* Mineral	81000	94500	Mineral	75120	87640	5,880	6,860
* Missoula	84480	98560	Missoula	85440	99680	(960)	(1,120)
MUSSELSHELL	67500	77625	Musselshell	62600	71990	4,900	5,635
PARK	67500	77625	Park	62600	71990	4,900	5,635
PETROLEUM	67500	77625	Petroleum	62600	71990	4,900	5,635
PHILLIPS	67500	77625	Phillips	62600	71990	4,900	5,635
PONDERA	67500	77625	Pondera	62600	71990	4,900	5,635
POWDER RIVER	67500	77625	Powder River	62600	71990	4,900	5,635
POWELL	67500	77625	Powell	62600	71990	4,900	5,635
PRAIRIE	67500	77625	Prairie	62600	71990	4,900	5,635
RAVALLI	67500	77625	Ravalli	62600	71990	4,900	5,635
RICHLAND	76900	88435	Richland	72600	83490	4,300	4,945
ROOSEVELT	67500	77625	Roosevelt	62600	71990	4,900	5,635
ROSEBUD	71400	82110	Rosebud	63400	72910	8,000	9,200
* Sanders	81000	94500	Sanders	75120	87640	5,880	6,860
SHERIDAN	72800	83720	Sheridan	70700	81305	2,100	2,415
* Silver Bow	81000	94500	Silver Bow	75120	87640	5,880	6,860
STILLWATER	72500	83375	Stillwater	74400	85560	(1,900)	(2,185)
SWEET GRASS	67500	77625	Sweet Grass	65900	75785	1,600	1,840
TETON	67500	77625	Teton	62600	71990	4,900	5,635
TOOLE	67500	77625	Toole	62600	71990	4,900	5,635
TREASURE	67500	77625	Treasure	62600	71990	4,900	5,635
VALLEY	67500	77625	Valley	62600	71990	4,900	5,635
WHEATLAND	67500	77625	Wheatland	62600	71990	4,900	5,635
WIBAUX	67500	77625	Wibaux	62600	71990	4,900	5,635
YELLOWSTONE	71200	81880	Yellowstone	67700	77855	3,500	4,025
MONTANA	67500	77625					

Based on statewide or local area median income (greater of the two)		
Non-targeted areas		
Family of 1 or 2		100%
Family of 3 or more		115%
Targeted areas		
Family of 1 or 2		120%
Family of 3 or more		140%

Targeted Areas

BOARD AGENDA ITEM

PROGRAM

Homeownership Program

AGENDA ITEM

Lender Approval – Bank of Bridger

BACKGROUND

Bank of Bridger is a locally owned and operated community bank. With offices in Montana and Northern Wyoming.

Bank of Bridger was first Chartered in August of 1915 and was then known as the First National Bank of Bridger. A few years later, in February of 1919 the Bank became The American National Bank of Bridger before organizing as Bank of Bridger in 1941. The Bridger Company acquired the Bank of Bridger in 1985 and ownership remains the same today. Throughout the years the bank has expanded opening offices in Montana and Wyoming. Montana branches currently include:

Montana Locations

- Bank of Bridger, N.A
- Bank of Butte – A Branch of Bank of Bridger, N.A.
- Bank of Harlem – A Branch of Bank of Bridger, N.A.
- Bank of Joliet – A Branch of Bank of Bridger, N.A
- Bank of Plentywood – A Branch of Bank of Bridger, N.A.
- Bank of Red Lodge – A Branch of Bank of Bridger, N.A.

Bank of Bridger is approved to underwrite RD and will have access to the MCC program. They will sell the servicing of our loans to MBOH.

Their December 31, 2017 (audited) financial statements have been reviewed and they meet the financial requirements of the Board and all required Errors and Omissions and Fidelity Bond Insurance coverage requirements have been met.

Bank of Bridger financial statements are available to Board members for review.

PROPOSAL

Staff requests for the Board to approve The Bank of Bridger as a participating lender with MBOH.

BOARD AGENDA ITEM

PROGRAM

Homeownership Program

AGENDA ITEM

RD Borrower Cash Requirement

BACKGROUND

Currently in our programs a borrower purchasing a home using RD guaranteed financing is required to contribute their own funds in the amount of \$500 if they take homebuyer education and \$1,500 without it.

Although RD will allow 100% financing, including closing costs, up to the amount of the appraised value, our programs will finance the purchase price of the property plus the upfront premium or guarantee fee; thereby leaving the borrowers to pay closing costs from their own funds, gift funds, seller concessions or DPA programs.

Staff has heard from lenders that the stated cash requirement is a deterrent to using Board financing.

PROPOSAL

Staff requests that the Board remove the cash requirement for borrowers when they use an RD guaranteed loan.

BOARD AGENDA ITEM

PROGRAM

Homeownership Program

AGENDA ITEM

Hazard Insurance Policy Change

BACKGROUND

The current hazard insurance policy of the Board states:

Mortgage loans must have coverage in amounts at least equal to the lesser of the full insurable value of the premises or the unpaid principal balance of the Mortgage Loan; provided however that such insurance shall pay in full the amount of any partial or total loss to the full amount of such insurance and shall otherwise be sufficient to prevent the Mortgagor from being a co-insurer. Co-insurer means that the borrower has to cover some portion of the loss themselves. No part of the real property may be excluded from coverage.

Maximum deductible amount is the greater of \$1,500 or 1% of the dwelling coverage for all perils except wind and hail can be the greater of \$2,500 or 1% of the dwelling coverage. Loans on condominium units must meet criteria in MBOH Hazard Insurance Coverage Policy as detailed in the Purchase and Servicing Guide.

This policy works for stick-built homes, but it does not always work for manufactured homes. Sometimes the insurable value determined by the insurance provider is significantly less than the loan amount and the borrower is left being a co-insurer. This is especially the case with single wide and older manufactured homes.

A sizable portion of our production is manufactured homes because there are a limited number of investors who offer financing at a reasonable rate. In 2016, 16% of our production was on manufactured homes, in 2017 it was 10% and so far in 2018 it is 13%.

We have checked with other states to find out whether they are seeing similar issues, most of them follow the Fannie Mae requirements which allow for 100% of the insurable value of the improvements as established by the property insurer, they do not seem to be concerned with the gap in coverage. Lender have told us that other investors offering financing on manufactured home have these same requirements.

BOARD AGENDA ITEM

The Board's options for its hazard insurance policy is to:

- leave the current policy in place which could reduce the number of loans for manufactured homes we provide
- limit the age of the manufactured homes the Board will provide financing for and exclude single wide manufactured homes
- follow the Fannie Mae guidelines and remove the language about the borrower becoming co-insurer and accept the coverage equal to the full insurable value that is determined by the insurance company

PROPOSAL

Staff requests approval to change the policy to remove the language about the borrower becoming co-insurer and accept the coverage equal to the full insurable value that is determined by the insurance company.

Homeownership Program Dashboard

April 23, 2018

RATES

	<u>CURRENT</u>	<u>LAST MONTH</u>	<u>LAST YEAR</u>
MBOH	3.75	3.75	3.50
Market	4.38	4.31	4.03
10 yr treasury	2.98	2.82	2.24
30 yr Fannie Mae	4.23	4.10	3.54

LOAN PROGRAMS

	<u>MAR/APR</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 2018A(12.22.17)	85	15,250,839	147	25,869,835	35,350,000	9,480,165
80% Combined (20+)	2	177,440	2	177,440	5,000,000	4,822,560
OTHER PROGRAMS						
Veterans (Orig)	5	1,066,685	272	50,200,456	Revolving	2,611,329
909 Mrtg Cr Cert (MCC)	17	3,592,939	222	44,922,365	45,000,000	77,635
910 Mrtg Cr Cert (MCC)	4	830,626	4	830,626	60,000,000	59,169,374
SET-ASIDE PROGRAMS						
Score Advantage	10	61,150	266	1,451,733	2,000,000	548,267
MBOH Plus	28	164,309	239	815,292	2,000,000	1,184,708
Set-aside Pool (10.1.17)	11	1,647,029	28	4,163,387	7,000,000	2,836,613
<i>NeighborWorks</i>			6	719,458		
<i>CAP NWMT CLT</i>	1	173,969	3	509,201		
<i>Missoula HRDC XI</i>	1	103,021	2	197,139		
<i>Bozeman HRDC IX</i>	2	352,991	3	511,721		
<i>Home\$tart</i>	4	621,109	7	1,204,696		
<i>HUD 184</i>			1	210,583		
<i>Dream Makers</i>						
<i>City of Billings</i>	3	395,969	6	810,589		
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	3	415,145	6	662,248	2,000,000	1,337,752

MARCH CHANGES IN PORTFOLIO

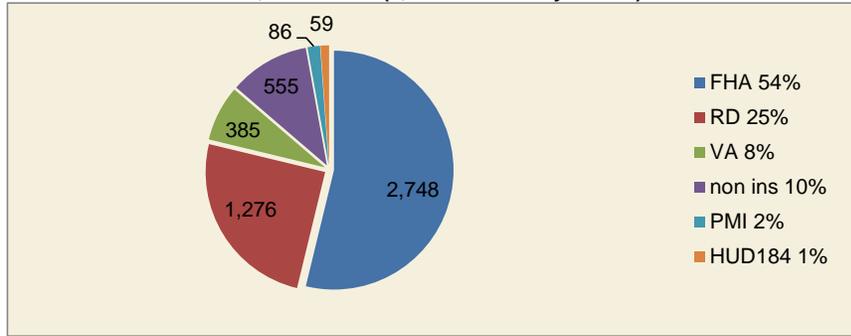
	<u># loans</u>	<u>Princ Bal</u>
February Balance	5,106	434,822,370.20
March Purchases	30	3,282,746.09
March Amortization		(1,291,051.86)
March Payoffs	(23)	(2,127,252.33)
March Foreclosures	(4)	(315,638.02)
March Balance	5,109	\$434,371,174.08

DELINQUENCY AND FORECLOSURE RATES

	<u>MONTANA BOARD OF HOUSING</u>			<u>MORTGAGE BANKERS ASSOC. 12/2017</u> <small>(most recent available)</small>		
	<u>Mar-18</u>	<u>Feb-18</u>	<u>Mar-17</u>	<u>Montana</u>	<u>Region</u>	<u>Nation</u>
30 Days	1.23	1.59	1.33	1.70	2.05	2.75
60 Days	0.55	0.71	0.78	0.48	0.61	0.99
90 Days	<u>0.88</u>	<u>1.02</u>	<u>1.64</u>	<u>0.61</u>	<u>0.76</u>	<u>1.72</u>
Total Delinquencies	2.66	3.32	3.75	2.79	3.42	5.46
In Foreclosure	0.77	0.81	1.27	0.57	0.76	1.19

MBOH MARCH PORTFOLIO

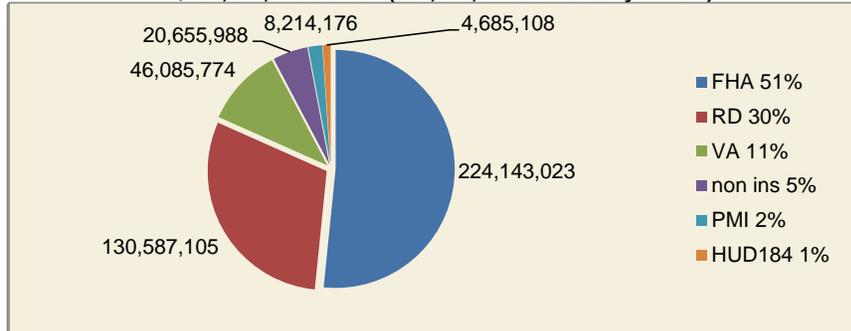
5,109 Loans* (4,327 serviced by MBOH)



Weighted Average
Interest Rate
4.23%

*This a .21% decrease in number of loans from March 2017 when we had 5,120 loans

\$434,371,175 Loans* (364,515,125 serviced by MBOH)



*This a 1.38% increase in portfolio size from March 2017 when we had \$428,462,631 loans

LENDER/REALTOR/PUBLIC OUTREACH

<u>Date</u>	<u>Event</u>
Mar 1 Julie	Webinar Training with US Bank
Mar 2-4 Julie	Billings Home Show
Mar 9-11 Julie	Kalispell Home Show
Mar 15 Julie	Webinar Training with PrimeLending, 2 sessions
Mar 17-18 Homeownership	Helena Home Show
Mar 19 Julie	Webinar Training Vally Federal Credit Union (Correspondent through Universal)
Mar 23-25 Julie	Bozeman Home Show
Apr 2 Julie	Webinar Training with US Bank Underwriters
Apr 3 Julie	GRI Graduate Realtor Institute
Apr 6-8 Julie, Charlie	Great Falls Home Show

Mortgage Servicing Program Dashboard Effective 03/31/18

	Last Year	Last Month	This Month
MONTH	MAR 2017	FEB 2018	MAR 2018
PORTFOLIO TOTAL LOANS	4641	4653	4677
MBOH	4337	4346	4370
BOI	287	291	291
MULTI FAMILY	17	16	16
PRINCIPAL (all loans)	\$ 420,769,363.28	\$ 435,026,203.06	\$ 437,860,008.71
ESCROW (all loans)	\$ 6,066,864.46	\$ 5,042,126.69	\$ 5,744,176.89
LOSS DRAFT (all loans)	\$ 881,805.12	\$ 714,945.51	\$ 772,860.77
LOANS DELINQUENT (60+ days)	265	173	150
ACTUAL FORECLOSURE SALES IN MONTH	2	0	3
FORECLOSURES TOTAL CALENDAR YEAR	8	3	6
DELINQUENT CONTACTS TO MAKE	717	507	491
LATE FEES - NUMBER OF LOANS	714	741	674
LATE FEES - TOTAL AMOUNT	\$ 20,364.23	\$ 20,501.51	\$ 18,777.59
PAYOFFS	50	30	19
NEW LOANS/TRANSFERS	23	37	46

2018 Monthly Servicing Report

LOSS MITIGATION	MARCH	HUD's National Servicing Center TRSII Reporting FY2017 Q4 98.35% Tier 1 - Grade A
ACTIVE FINANCIALPACKETS	0	
REPAYMENT/FORBEARANCE	28	
SHORT SALE	0	
DEED IN LIEU	0	
HAMPS/PARTIAL CLAIMS & MODS PNDG	9	
PRESERVATION PROPERTIES	15	
REAL ESTATE OWNED PROPERTIES	3	
CHAPTER 13 BANKRUPTCIES	22	

BOARD AGENDA ITEM

PROGRAM

Multifamily Program

AGENDA ITEM

Rockcross – Great Falls, MT – Tax Exempt Bond resolution request.

BACKGROUND

Rockcross is a new construction property in Great Falls Montana is a 81 unit family. It project approved by the board in 2016 (2017 Housing Credits) the 4% side of the 9%/4%. This will be an estimated \$14,000,000 tax exempt bond transaction. This project is being developed by GMD Development and Neighborworks.

PROPOSAL

Staff requests the Board consider the request for the Bond Resolution

If the Board decides to move forward staff recommends:

Approval of this bond resolution contingent, upon staff re-underwriting the updated uni app.

RESOLUTION NO. 18-0430-MF01

A RESOLUTION OF THE MONTANA BOARD OF HOUSING MAKING FINDINGS WITH RESPECT TO HOUSING NEEDS WITHIN MONTANA; APPROVING A BORROWING, AND REPAYMENT THEREOF, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$14,000,000; APPROVING A FUNDING LOAN AGREEMENT, BORROWER LOAN AGREEMENT AND OTHER RELATED DOCUMENTS; AUTHORIZING THE EXECUTION OF SUCH DOCUMENTS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS, the Montana Board of Housing (the “Board”) is authorized pursuant to the Montana Housing Act of 1975, Montana Code Annotated, Sections 90-6-101 through 90-6-127, as amended (the “Act”), to borrow and issue evidences of indebtedness concerning repayment thereof and to make loans and purchase mortgage loans in order to finance housing which will provide decent, safe and sanitary housing for persons and families of lower income in the State of Montana; and

WHEREAS, the Board intends to borrow on a non-recourse limited obligation basis from Glacier Bank (or such other financial institution as is approved by the Chairman, Vice Chairman or Executive Director and Treasurer) (the “Lender”) an aggregate principal amount not to exceed \$14,000,000, the proceeds of which will be used to finance a mortgage loan for the acquisition, construction and equipping of the Rockcross Commons Apartments, a 124-unit new construction affordable housing development located in Great Falls, Montana (the “Project”); and

WHEREAS, the borrowing by the Board will be pursuant to a Funding Loan Agreement, among the Board, the Lender and a fiscal agent to be determined by the Board (the “Fiscal Agent”) (the “Funding Loan Agreement”), and the agreement to repay such borrowing shall be reflected in a non-recourse revenue debt obligation (the “Obligation”) to be issued to the Lender pursuant thereto, which Agreement and Obligation will be in substantially the form approved by the Board with respect to the Larkspur Commons Apartments financing in 2015 (the “Larkspur Financing”), subject to the terms, conditions and limitations established herein and in the Funding Loan Agreement; and

WHEREAS, the proceeds of the borrowing will be used to finance a loan (the “Mortgage Loan”) to a yet to be created Montana registered limited liability limited partnership, or a similar affiliate of GMD Development, LLC and NeighborWorks Great Falls (collectively, the “Borrower”), pursuant to a Borrower Loan Agreement, by and among the Board, the Borrower and the Funding Lender (the “Borrower Loan Agreement”), which will be in substantially the form used in the Larkspur Financing; and

WHEREAS, the interest on the Obligation is intended to qualify for a federal tax exemption under Section 142 of the Internal Revenue Code of 1986 (the “Code”), and to ensure

that the Obligation maintains its tax exempt status, the Borrower will enter into a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), which will be in substantially the same form as such agreement approved by the Board with respect to the Larkspur Financing.

NOW, THEREFORE, BE IT RESOLVED BY THE MONTANA BOARD OF HOUSING AS FOLLOWS:

Section 1. Public Hearing and Findings.

(a) The Board hereby finds and determines that the Project financed through the above described borrowing and issuance of the Obligation constitutes a “housing development” within the meaning of Section 90-6-103(8) of the Act; and

(b) In accordance with Section 90-6-109 of the Act, following a public hearing, the Board finds:

(i) that there exists a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of lower income can afford within the general housing market area to be served;

(ii) that private enterprise has not provided an adequate supply of decent, safe and sanitary housing in the housing market area at rentals or prices which persons or families of lower income can afford or provided sufficient mortgage financing for homes for occupancy by persons or families of lower income;

(iii) that the conditions, restrictions and limitations contained in the Funding Loan Agreement and contained in the program documents relating to the mortgage loan financed thereby and to be financed are sufficient to ensure that the Project will be well planned and well designed so as to constitute decent, safe and sanitary housing and that the “housing sponsors” (as defined in Section 90-6-103(10) of the Act) are financially responsible;

(iv) that the Project to be financed which is referred to in paragraph (a) above will be of public use and will provide a public benefit, taking into account the existence of local government comprehensive plans, housing and land use plans and regulations, area-wide plans and other public desires;

(v) that the Project to be financed with the proceeds of the Obligation does not involve the construction of “second homes,” which are defined in the Act to mean homes which would not qualify as the primary residence of the taxpayer for federal income tax purposes relating to capital gains on the sale or exchange of residential property; and

(vi) that if the Mortgage Loan constitutes a direct loan, in accordance with Section 90-6-109(1)(f), by virtue of the Board effectuating the loan of the Obligation proceeds to the Borrower pursuant to the Borrower Loan Agreement,

the Project qualifies for federal funds through its receipt of 4% federal low-income housing tax credits.

Section 2. Approval of Funding Loan Agreement. The Funding Loan Agreement is hereby approved in the form hereinabove described, and the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board is hereby authorized and directed to select a Fiscal Agent and to execute and deliver the Funding Loan Agreement, with such changes, insertions or omissions therein as may be approved by such signatory, such approval to be evidenced conclusively by such execution of the Funding Loan Agreement, and the Treasurer, the Secretary, the Finance Officer, the Multifamily Program Manager or any other member of the Board is hereby authorized and directed to attest thereto.

Section 3. Authorization and Execution of the Obligation. The execution and delivery of the Board's Obligation to the Lender is hereby authorized and approved. The final amount and terms of the Obligation shall be determined by the Chairman, Vice Chairman or Executive Director and Treasurer of the Board, consistent with the terms of the Funding Loan Agreement and subject to the following conditions. The Obligation shall not be a general obligation of the Board but shall be a limited non-recourse obligation payable solely and only from Mortgage Loan payments and any other moneys pledged under the Funding Loan Agreement by the Borrower as required by the Borrower Loan Agreement. The Obligation shall mature no later than 2040, bear interest at a fixed or floating rate no greater than the net rate paid on the Mortgage Loan (i.e., net of fees due the Board and any other parties), be in a principal amount not to exceed \$14,000,000, be subject to prepayment and have the other terms and provisions as described to the Board, and definitively set forth in the Funding Loan Agreement upon execution and delivery as aforesaid in Section 2 hereof. The Obligation shall be executed and delivered substantially in the form set forth in the Funding Loan Agreement, with such additions, omissions and changes as are required or permitted by the Funding Loan Agreement and approved by the signatories thereto. The Obligation shall be executed in the name of the Board by the Chairman or the Vice Chairman of the Board, and attested to by the Secretary or the Treasurer, each of whom is hereby appointed as an Authorized Governmental Lender Representative (as such term is defined in the Funding Loan Agreement) for purposes of executing and attesting the Obligation, and their execution shall evidence their approval of the final terms thereof. Such signatures may be by facsimile; provided, however, that such Obligation shall not be valid or obligatory for any purpose unless the attestation by the authorized officer of the Board shall be a manual signature or the Obligation is authenticated by the manual signature of an authorized officer of the Fiscal Agent.

Section 4. Approval of Borrower Loan Agreement. The Borrower Loan Agreement is hereby approved in the form hereinabove described, and the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board is hereby authorized to execute and deliver the Borrower Loan Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Borrower Loan Agreement.

Section 5. Approval of Regulatory Agreement. The Regulatory Agreement is hereby approved in the form hereinabove described, and the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board is authorized and directed to execute and deliver

the same, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Regulatory Agreement.

Section 6. Ratification of Prior Actions. All action previously taken by the officers, members or staff of the Board within the authority granted herein, with respect to the Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement and the Obligation is hereby approved, confirmed and ratified.

Section 7. Execution of Documents. In the event of the absence or disability of the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board, or if for any other reason any of them are unable to execute the documents referred to in this Resolution, such documents may be executed by another member of the Board or by the Multifamily Program Manager or the Accounting and Finance Manager, with the same effect as if done by the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board and without the further authorization of the Board. The execution of such documents by such member shall be conclusive evidence of his or her authority to so act.

Section 8. Execution of No-Arbitrage Certificate. The Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board is hereby authorized to issue certifications as to the Board's reasonable expectations regarding the amount and use of the proceeds of the Obligation as described in Section 148 of the Internal Revenue Code of 1986, as amended.

Section 9. Additional Actions Authorized. The Chairman, the Vice Chairman, the Secretary or any other member of the Board, and the Executive Director and Treasurer, the Multifamily Program Manager and the Accounting and Finance Manager, acting alone or acting with others, are hereby authorized and directed to execute and deliver any or all other documents which may be required under the terms of the Funding Loan Agreement and the Borrower Loan Agreement, and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof, and the members and officers named above are hereby designated as Authorized Governmental Lender Representatives for such purposes.

Section 10. Effective Date. This Resolution shall become effective immediately.

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ADOPTED by the Montana Board of Housing this 30th day of April, 2018.

MONTANA BOARD OF HOUSING

: By _____
Patrick E. Melby, Chairman

By _____
Bruce Brensdaal, Executive Director

BOARD AGENDA ITEM

PROGRAM

Multifamily Program

AGENDA ITEM

Villagio – Missoula, MT – Tax Exempt Bond resolution request.

BACKGROUND

Villagio is a new construction property in Missoula Montana is a 200 unit family on Otis Street. There will be project based vouchers in some of the units. This will be an estimated \$25,000,000 tax exempt bond transaction. This project is being proposed by Missoula Housing Authority and Blueline Development

PROPOSAL

Staff has reviewed the application.

Staff requests the Board consider the request for the Bond Resolution

If the Board decides to move forward staff recommends:

Approving the attached Bond Resolution

RESOLUTION NO. 18-0430-MF02

A RESOLUTION OF THE MONTANA BOARD OF HOUSING MAKING FINDINGS WITH RESPECT TO HOUSING NEEDS WITHIN MONTANA; APPROVING THE ISSUANCE OF ITS MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000 TO FINANCE A LOAN FOR THE VILLAGIO PROJECT IN MISSOULA; APPROVING THE SALE OF SAID BONDS PURSUANT TO A PURCHASE CONTRACT; APPROVING THE FORM OF TRUST INDENTURE, LOAN AGREEMENT, REGULATORY AGREEMENT, PRELIMINARY OFFICIAL STATEMENT, OFFICIAL STATEMENT, AND OTHER RELATED DOCUMENTS; AUTHORIZING THE EXECUTION OF SUCH DOCUMENTS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS, the Montana Board of Housing (the “Board”) is authorized pursuant to the Montana Housing Act of 1975, Montana Code Annotated, Sections 90-6-101 through 90-6-127, as amended (the “Act”), to issue its bonds to purchase and make mortgage loans in order to finance housing which will provide decent, safe and sanitary housing for persons and families of lower income in the State of Montana; and

WHEREAS, the Board intends to issue a series of its Multifamily Housing Revenue Bonds in an aggregate principal amount not to exceed \$25,000,000 (the “Bonds”), the proceeds of which will be used to finance a mortgage loan for the acquisition, construction and equipping of the Villagio apartments, an affordable housing development consisting of 200 units located in Missoula, Montana (the “Project”); and

WHEREAS, the Bonds will be issued pursuant to a Trust Indenture (the “Indenture”), between the Board and U.S. Bank, National Association (or such other financial institution that is acceptable to the Chairman, Vice Chairman or Executive Director and Treasurer (the “Trustee”), as trustee, which will be in substantially the same form as the Trust Indenture approved by the Board with respect to its Multifamily Housing Revenue Bonds (Vista Villa Apartments Project), Series 2016 (the “Prior Financing”) subject to the terms, conditions and limitations established herein and in the Indenture; and

WHEREAS, the proceeds of the Bonds will be used to finance a loan (the “Mortgage Loan”) to Villagio, LLLP, a Montana registered limited liability limited partnership, or another affiliate of Villagio Development, LLC (the “Borrower”), pursuant to a loan agreement, by and among the Board, the Borrower and the Trustee (the “Loan Agreement”), which will be in substantially the form as such agreement approved by the Board with respect to the Prior Financing; and

WHEREAS, the interest on the Bonds is intended to qualify for a federal tax exemption under Section 142 of the Internal Revenue Code of 1986 (the “Code”), and to ensure that the Bonds maintain their tax exempt status, the Borrower will enter into a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), which will be in substantially the same form as such agreement approved by the Board with respect to the Prior Financing; and

WHEREAS, a Bond Purchase Agreement (the “Purchase Contract”) to be dated the date of sale of the Bonds between the Board, the Borrower and Stifel, Nicolaus & Company, Incorporated (or such other financial institution that is acceptable to the Chairman, Vice Chairman or Executive Director and Treasurer), as initial purchaser (the “Purchaser”), will be prepared in substantially the same form as such agreement approved by the Board with respect to the Prior Financing, pursuant to which the Board would agree to sell, and the Purchaser would agree to purchase, the Bonds at the prices and upon the terms and conditions therein set forth; and

WHEREAS, a Preliminary Official Statement (the “Preliminary Official Statement”) will be prepared in substantially the same form as such document approved by the Board with respect to the Prior Financing, containing certain information relating to the Board, the Indenture and the Bonds, and which is to be used by the Purchaser in connection with the sale of the Bonds to investors; and

NOW, THEREFORE, BE IT RESOLVED BY THE MONTANA BOARD OF HOUSING AS FOLLOWS:

Section 1. Public Hearing and Findings.

(a) The Board hereby finds and determines that the Project financed through the issuance of the Bonds constitutes a “housing development” within the meaning of Section 90-6-103(8) of the Act; and

(b) In accordance with Section 90-6-109 of the Act, following a public hearing, the Board finds:

(i) that there exists a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of lower income can afford within the general housing market area to be served;

(ii) that private enterprise has not provided an adequate supply of decent, safe and sanitary housing in the housing market area at rentals or prices which persons or families of lower income can afford or provided sufficient mortgage financing for homes for occupancy by persons or families of lower income;

(iii) that the conditions, restrictions and limitations contained in the Indenture and contained in the program documents relating to the mortgage loan financed thereby and to be financed are sufficient to ensure that the Project will be well planned and well designed so as to constitute decent, safe and sanitary

housing and that the “housing sponsors” (as defined in Section 90-6-103(10) of the Act) are financially responsible;

(iv) that the Project to be financed which is referred to in paragraph (a) above will be of public use and will provide a public benefit, taking into account the existence of local government comprehensive plans, housing and land use plans and regulations, area-wide plans and other public desires;

(v) that the Project to be financed with the proceeds of the Bonds does not involve the construction of “second homes,” which are defined in the Act to mean homes which would not qualify as the primary residence of the taxpayer for federal income tax purposes relating to capital gains on the sale or exchange of residential property; and

(vi) that if the Mortgage Loan constitutes a direct loan, in accordance with Section 90-6-109(1)(f), by virtue of the Board loaning the Bond proceeds to the Borrower pursuant to the Mortgage Loan, the Project qualifies for federal funds through its receipt of 4% federal low-income housing tax credits.

Section 2. Approval of Indenture. The Indenture is hereby approved in the form hereinabove described, and the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board is hereby authorized and directed to execute and deliver the Indenture, with such changes, insertions or omissions therein as may be approved by such signatory, such approval to be evidenced conclusively by such execution of the Indenture, and the Treasurer, the Secretary, the Finance Officer, the Multifamily Program Manager or any other member of the Board is hereby authorized and directed to attest thereto.

Section 3. Authorization of the Bonds. The execution and delivery of the Board’s Bonds are hereby authorized and approved. The final amount and terms of the Bonds shall be determined by the Chairman, Vice Chairman or Executive Director and Treasurer of the Board, consistent with the terms of the Indenture and subject to the following conditions: (a) the Bonds shall not be general obligations of the Board but shall be a limited obligation payable solely and only from Loan Payments and any other moneys pledged under the Indenture by the Borrower as required by the Indenture; (b) the Bonds shall mature no later than 2025, bear interest at a fixed rate or rates no greater than 5% per annum, be in a principal amount not to exceed \$25,000,000, be subject to optional, special optional, mandatory or sinking fund redemption or tender and have the other terms and provisions as described to the Board, and definitively set forth in the Indenture upon execution and delivery as aforesaid in Section 2 hereof; (c) the Bonds shall be executed and delivered substantially in the form set forth in the Indenture, with such additions, omissions and changes as are required or permitted by the Indenture and approved by the signatories thereto; and (d) the Bonds shall be executed in the name of the Board by the Chairman or the Vice Chairman of the Board, and attested to by the Secretary or the Treasurer, each of whom is hereby appointed as an Authorized Officer (as such term is defined in the Indenture) for purposes of executing and attesting the Bonds, and their execution shall evidence their approval of the final terms thereof (such signatures may be by facsimile; provided, however, that such Bonds shall not be valid or obligatory for any purpose until authenticated by the manual signature of an authorized officer of the Trustee).

Section 4. Approval of Loan Agreement. The Loan Agreement is hereby approved in the form hereinabove described, and the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board is hereby authorized to execute and deliver the Loan Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Loan Agreement.

Section 5. Approval of Regulatory Agreement. The Regulatory Agreement is hereby approved in the form hereinabove described, and the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board is authorized and directed to execute and deliver the same, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Regulatory Agreement.

Section 6. Approval of Preliminary Official Statement and Official Statement. A Preliminary Official Statement for the Bonds is hereby approved in the form described above, with such changes, insertions or omissions therein as may be approved by the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board, each of whom is hereby authorized to execute and deliver a final official statement (the “final Official Statement”) substantially in the form of the Preliminary Official Statement with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the final Official Statement.

Section 7. Approval of Purchase Contract and Sale of the Bonds. A Purchase Contract for the Bonds is hereby approved in the form described above and the execution of the Purchase Contract by the Chairman, the Vice Chairman or Executive Director and Treasurer of the Board is hereby authorized and directed in order to effectuate the sale of the Bonds with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Purchase Contract.

Section 8. Ratification of Prior Actions. All action previously taken by the officers, members or staff of the Board within the authority granted herein, with respect to the Indenture, the Loan Agreement, the Regulatory Agreement, the Preliminary Official Statement, the Purchase Contract and the Bonds is hereby approved, confirmed and ratified.

Section 9. Execution of Documents. In the event of the absence or disability of the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board, or if for any other reason any of them are unable to execute the documents referred to in this Resolution, such documents may be executed by another member of the Board or by the Multifamily Program Manager or the Accounting and Finance Manager, with the same effect as if done by the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board and without the further authorization of the Board. The execution of such documents by such member shall be conclusive evidence of his or her authority to so act.

Section 10. Execution of No-Arbitrage Certificate. The Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board is hereby authorized to issue certifications as to the Board’s reasonable expectations regarding the amount and use of the proceeds of the Bonds as described in Section 148 of the Internal Revenue Code of 1986, as amended.

Section 11. Additional Actions Authorized. The Chairman, the Vice Chairman, the Secretary or any other member of the Board, and the Executive Director and Treasurer, the Multifamily Program Manager and the Accounting and Finance Manager, acting alone or acting with others, are hereby authorized and directed to execute and deliver any or all other documents which may be required under the terms of the Indenture, the Loan Agreement or the Purchase Contract and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof, and the members and officers named above are hereby designated as Authorized Officers for such purposes.

Section 12. Effective Date. This Resolution shall become effective immediately.

[Remainder of Page Intentionally Left Blank]

ADOPTED by the Montana Board of Housing this 30th day of April, 2018.

MONTANA BOARD OF HOUSING

Attest:

By _____
Patrick E. Melby, Chairman

By _____
Bruce Brensdal, Executive Director

BOARD AGENDA ITEM

PROGRAM

Multifamily Program

AGENDA ITEM

Additional Housing Credit request of \$55,000 (\$550,000 10 year total) for Northstar in Wolf Point.

BACKGROUND

Northstar was awarded 2016. The property was placed in service in the fall of 2017. Some of the furnaces froze up with the perfect storm of moisture and temperatures. A letter from Gene Leuwer explaining the situation is attached

PROPOSAL

Staff has reviewed the additional credit request.

Staff requests the Board consider and approve the additional credit request.

April 6, 2018

Bruce Brensda, Executive Director

Montana Board of Housing

PO Box 200528

Helena, MT 59620-0528

Dear Bruce,

Please accept this letter as a request for an allocation of additional annual Housing Tax Credits for the Northstar Project in the amount of \$55,000.

The project achieved substantial completion in late November, 2017. As the tenants started to occupy the building in December, 2018, a cold snap occurred in Wolf Point. The furnaces in 22 of 28 apartments shut down given ice in and on the vent pipes. The project struggled through January and February with repeated furnace shutdowns, property damage from the lack of heat, relocation costs and delayed lease up.

The loss of revenue and additional expense caused by all the factors is what leads to the request above. The furnace manufacturer, the HVAC engineering company, the project architect, and the general contractor are all fully engaged to determine a permanent solution for the problem. All are committed to have the adjustments to the system installed by August, 2018. The specific design changes are still to be determined.

The furnaces were installed according to code, to manufactures specifications and to the HVAC engineers design and specifications. There was no "error" that caused the malfunction. There is no blame to assign anyone, other than the Wolf Point winter.

The nonprofit general partner, Great Northern Development Corporation's staff were terrific and untiring in their efforts to limit the damage, repair damage, accommodate the tenants who had leased apartments and in their work with those waiting to lease units. I can't overstate the value of their efforts to the project and my appreciation for those efforts.

I'm happy to provide additional detail if you require it.

Thanks for your consideration of the request.



Gene Leuwer

GL Development

Northstar Apartments LLLP

4799 Echo Dr.

Helena, MT 59602

BOARD AGENDA ITEM

PROGRAM

Multifamily Program

AGENDA ITEM

Additional 6 month extension for Roosevelt Villas to complete and submit proof of ownership.

BACKGROUND

Roosevelt Villas is an RD property given an extension in December to close and submit proof of ownership. This project has had issues with the gap financing. They need the financing in place to move through the property transfer with RD.

PROPOSAL

Staff presents this extension for Board consideration

April 19, 2018

Roosevelt Villas update-NeighborWorks Montana

The project has completed the first draft of the Rural Development required, PAT. There is significant work to do with Rural Development to finish this process.

The HOME grant re-application is in the final form to submit. I'm trying to arrange a time to review the update in light of the original denial and the issues that seemed to be of concern to the Dept of Commerce HOME/HTF staff. I want to try to eliminate any confusion given the project realities. The applicant (Great Northern Development Corporation) Executive Director and I are trying to arrange a meeting with the Dept of Commerce Director to review the history of the grant application process and to impress on her the need for a timely response given the project timelines for other project partners and funders.

At this point I expect both the meeting with HOME staff and with the Dept Director to happen in Butte at the Housing conference the first of May 2018.

The plans are largely complete and ready to bid. The HOME regulations will not allow a bid to occur until HOME has passed some particular threshold in their award process. The bid process itself as required by HOME will take at least 60 days to complete, once we can begin it. We need the bid in hand to finalize the Rural Development transfer and assumption process, which will take some time to finalize after we have the bid.

Once Rural Development approves the cost and scope of work that results from the bid, the investors can be admitted to the partnership, the project purchased and construction can begin. I believe the most optimistic date by which this might occur is August 1, 2018. I could well slip from there depending on the time it takes to procure a HOME grant and work through their processes and the time it takes for Rural Development to process the transfer and assumption application.

Currently the Board of Housing has extended their deadline by which to purchase the property to June 1st. A significant extension past that date will be necessary.

I appreciate NeighborWorks Montana's support of the project. I'm happy to answer any questions you may have and provide additional information.

Gene Leuwer, Developer

Roosevelt Villas LLLP

406-459-5332

BOARD AGENDA ITEM

PROGRAM

Multifamily Program

AGENDA ITEM

RAM Exception

BACKGROUND

Single woman in Great Falls is seeking an exception for \$40,000 to pay off a mortgage. Annual income is \$16,106.08.

PROPOSAL

Presentation for the Board to consider the exception

**REVERSE ANNUITY MORTGAGE PROGRAM
EXCEPTION INFORMATION
April 11, 2018**

Increase Cash Advance to: \$40,000

- Single woman in Gt Falls – age 78
- Current annual income: \$16,106.08 (income limit for 1 is \$24,280)
- Payoff mortgage estimated at \$40,000.

Approval pending, the applicant wishes to use the RAM loan to pay off the current mortgage on home.

BOARD AGENDA ITEM

PROGRAM

Multifamily Program

AGENDA ITEM

RAM Exception

BACKGROUND

Couple in Missoula is seeking an exception for \$40,000 to pay off a mortgage, remodel the bathroom and needed dental work. Annual income is \$31,038.48

PROPOSAL

Presentation for the Board to consider the exception

**REVERSE ANNUITY MORTGAGE PROGRAM
EXCEPTION REQUEST
April 19, 2018**

Increase Cash Advance to: \$40,000

- Married couple in Missoula, Mt, both 74 years old
- Current annual income:

$\$34014.48 - \2976.00 (Medicare medical insurance) = $\$31,038.48$

Income limit for 2 = $\$32,920.00$

Approval pending, the applicant wishes to use the RAM Loan Lump Sum to;

- Pay off a mortgage amount of $\$30,000.00$
- Remodel bathroom & needed dental work done with remainder

Administrative Dashboard

April 24, 2018

Board Meetings

The next Board meeting will be June 04, 2018 in Helena at the Radisson Colonial Hotel, starting at 8:30 AM. This meeting will include the 2019 Housing Credits Letter of Intent process.

The September 9-10, 2018 Board meeting will be a two-day event, with a strategic planning session on Sunday and the Board meeting on Monday.

Operations Update

Staffing:

We have hired the Section 8 Program Manager – Leslie Torgerson joins us with over 10 years of housing experience including a successful tenure as the Executive Director of Helena Housing Authority. We are excited to have her lead our Section 8 programs.

Large Scale Projects:

FANNIE MAE:

We are in process with our FNMA application and have successfully completed two review cycles. FNMA staff will be onsite the end of May for an operational review.

FINANCIAL ADVISOR:

We are currently waiting for the Department of Administration to approve our process. As soon as we have the approval – we will release the notice to apply and have a recommendation to the Board.

Montana Housing is seeking a qualified Financial Advisor to provide advisory services including pipeline management, program analysis and other necessary advice for both Single Family and Multifamily Programs. The qualified institution must have experience with housing finance agencies using mortgage revenue bonds and assisting in the diversification of program offerings within the marketplace.

BOARD TRAINING:

Please consider the following opportunity for training and confirm participation:

October 12-16 NCSHA National Conference – Austin Texas

2018 CALENDAR

January 2018						
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February 2018						
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July 2018						
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August 2018						
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April 2018

- 3 – MFEC Conference – Bozeman (staff)
- 30 – Board Meeting – Butte
- 30-5/2 – Montana Housing Conference – Butte

May 2018

- 6-8 – Mountain Plains Housing Summit – Lincoln, NE (staff & Board)

June 2018

- 19-22 – Housing Credit Connect – Chicago (staff)
- 25 – Board Meeting – Helena

July 2018

- No Board Meeting

August 2018

- No Board Meeting

September 2018

- 9-10 – Strategic Planning and Board meeting - Polson

October 2018

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November 2018

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- No Board Meeting

Section 8 Program Dashboard

March 27, 2018

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

CURRENT PERIOD: February 2018

	<u>Previous Month</u>	<u>Month</u>		<u>Year</u>	<u>HUD</u>	<u>Date</u>	
SECTION 8 PROGRAMS	<u>Feb-2018</u>	<u>Feb-2018</u>	<u>Change</u>	<u>HAP</u>	<u>Budget</u>	<u>Fees</u>	<u>Term</u>
Housing Choice Voucher (HCV)					15,426,099	106,637	CY 2018
PBS8 Opt-Out Conversion Funding							
Paid Units (3625 Agency contracts)	3,125	3,115	-10				
Current Month Payment Amount	1,489,505	1,485,632	-3,873	4,478,792		325,011	
Veterans Affairs Supportive Housing (VASH)							CY2018
Number Units Paid (321 Authorized)	301	296	-5				
Payment Amount	163,260	161,307	-1,953	489,353			
Moderate Rehabilitation (ModRehab)					2,012,728		CY2018
Number Contracts	18	18	0				
Paid Units (297 Authorized)	270	273	3				
Payment Amount	149,405	145,868	-3,537	434,627		9,117	26,628
Shelter Plus Care I (Individual) FY13 Grant Funds					195,344		8-1-17-7-31-18
Number Units Paid (28 Authorized)	20	23	3		Grant Balance		
Payment Amount	9,850	9,990	140	30,991	147,740		
Shelter Plus Care II (Family)							
Number Units Paid (5 Authorized)	2	2	0		Grant Balance		
Payment Amount	1,218	1,218	0	0	SPII grant ended November, 2017. Exp SPI since		
Project-Based (PBS8)						Admin Earnings	Fed Fiscal
Contracts	87	87	0			231,495	
Units Paid (4132 Authorized with 8bb)	4,123	3,684	-439				Contract Extension
Payment Amount	1,768,759	1,889,644	120,885				Expires 12/31/2017
Calendar Year Admin Earnings						77,165	
811 Project Rental Assistance Demo (FY12 \$)					1,900,000	157,000	Five Year
Rental Assistance Contracts (RAC)	4	4	0	Disbursed:	145,008	Balance:	1,754,992
Units (grant requires 82)	12	12	0			8 Units Kalispell	
Payment Amount	9,570	8,236	-1,334	73,987		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:	7,841	7,393	-448
Budgeted Units:		8,317	
All Section 8 HAPs	3,581,997	3,693,659	111,662

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April 24, 2018

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FINANCIAL ADVISOR:

We are currently waiting for the Department of Administration to approve our process. As soon as we have the approval – we will release the notice to apply and have a recommendation to the Board.

Montana Housing is seeking a qualified Financial Advisor to provide advisory services including pipeline management, program analysis and other necessary advice for both Single Family and Multifamily Programs. The qualified institution must have experience with housing finance agencies using mortgage revenue bonds and assisting in the diversification of program offerings within the marketplace.

BOARD TRAINING:

Please consider the following opportunity for training and confirm participation:

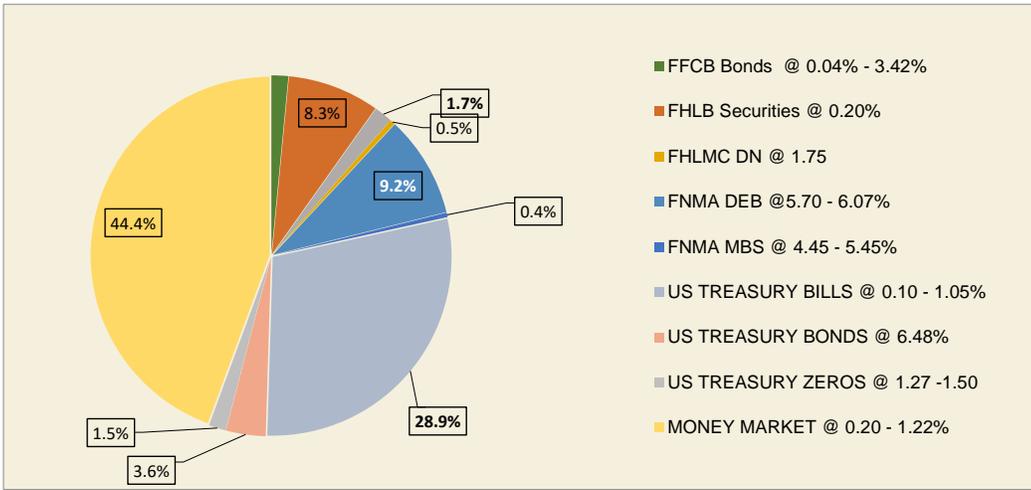
October 12-16 NCSHA National Conference – Austin Texas

Accounting & Finance Dashboard

Data as of March 31, 2018

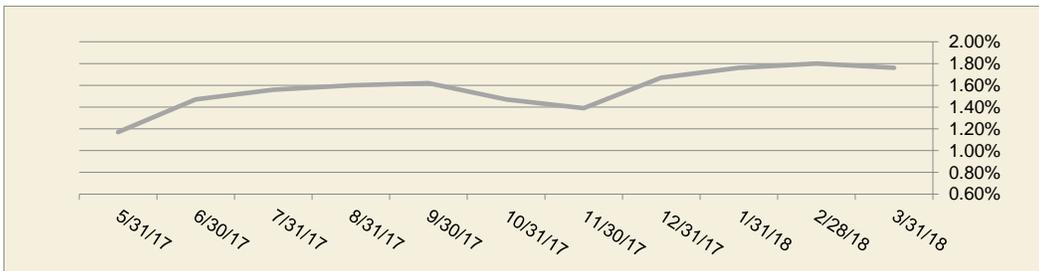
3/31/2018

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 March 31, 2018

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
\$ 59,456,310	\$ 34,175,000	\$ 19,612,000	\$ 17,919,000	\$ 2,225,000	\$ 486,791	\$ 65,585	\$ 133,939,686

Homeownership Program Dashboard

April 23, 2018

RATES

	<u>CURRENT</u>	<u>LAST MONTH</u>	<u>LAST YEAR</u>
MBOH	3.75	3.75	3.50
Market	4.38	4.31	4.03
10 yr treasury	2.98	2.82	2.24
30 yr Fannie Mae	4.23	4.10	3.54

LOAN PROGRAMS

	<u>MAR/APR</u>	<u>TOTAL</u>		<u>ORIGINAL</u>		
	<u>RESERVATIONS</u>	<u>AMOUNT</u>	<u>NUMBER</u>	<u>AMOUNT</u>	<u>BALANCE</u>	
REGULAR PROGRAM						
Series 2018A(12.22.17)	85	15,250,839	147	25,869,835	9,480,165	
80% Combined (20+)	2	177,440	2	177,440	4,822,560	
OTHER PROGRAMS						
Veterans (Orig)	5	1,066,685	272	50,200,456	Revolving 2,611,329	
909 Mrtg Cr Cert (MCC)	17	3,592,939	222	44,922,365	45,000,000 77,635	
910 Mrtg Cr Cert (MCC)	4	830,626	4	830,626	60,000,000 59,169,374	
SET-ASIDE PROGRAMS						
Score Advantage	10	61,150	266	1,451,733	2,000,000 548,267	
MBOH Plus	28	164,309	239	815,292	2,000,000 1,184,708	
Set-aside Pool (10.1.17)	11	1,647,029	28	4,163,387	7,000,000 2,836,613	
<i>NeighborWorks</i>			6	719,458		
<i>CAP NWMT CLT</i>	1	173,969	3	509,201		
<i>Missoula HRDC XI</i>	1	103,021	2	197,139		
<i>Bozeman HRDC IX</i>	2	352,991	3	511,721		
<i>Home\$tart</i>	4	621,109	7	1,204,696		
<i>HUD 184</i>			1	210,583		
<i>Dream Makers</i>						
<i>City of Billings</i>	3	395,969	6	810,589		
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	3	415,145	6	662,248	2,000,000 1,337,752	

MARCH CHANGES IN PORTFOLIO

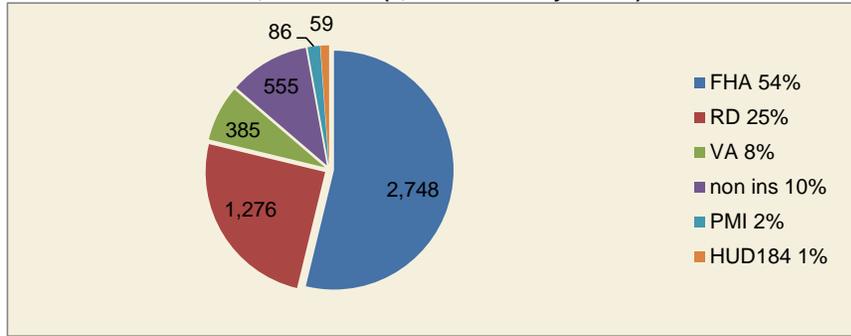
	<u># loans</u>	<u>Princ Bal</u>
February Balance	5,106	434,822,370.20
March Purchases	30	3,282,746.09
March Amortization		(1,291,051.86)
March Payoffs	(23)	(2,127,252.33)
March Foreclosures	(4)	(315,638.02)
March Balance	5,109	\$434,371,174.08

DELINQUENCY AND FORECLOSURE RATES

	<u>MONTANA BOARD OF HOUSING</u>			<u>MORTGAGE BANKERS ASSOC. 12/2017</u> <small>(most recent available)</small>		
	<u>Mar-18</u>	<u>Feb-18</u>	<u>Mar-17</u>	<u>Montana</u>	<u>Region</u>	<u>Nation</u>
30 Days	1.23	1.59	1.33	1.70	2.05	2.75
60 Days	0.55	0.71	0.78	0.48	0.61	0.99
90 Days	<u>0.88</u>	<u>1.02</u>	<u>1.64</u>	<u>0.61</u>	<u>0.76</u>	<u>1.72</u>
Total Delinquencies	2.66	3.32	3.75	2.79	3.42	5.46
In Foreclosure	0.77	0.81	1.27	0.57	0.76	1.19

MBOH MARCH PORTFOLIO

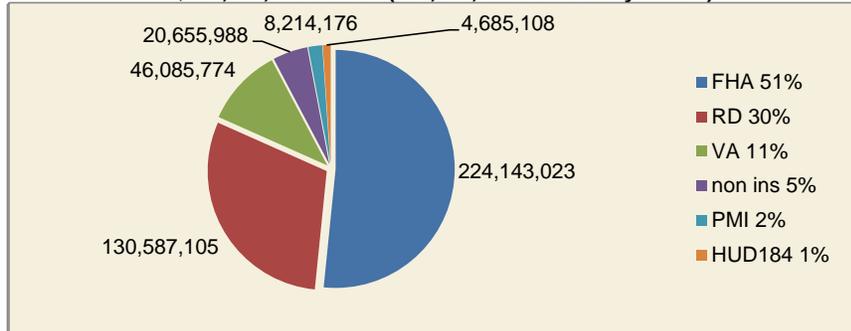
5,109 Loans* (4,327 serviced by MBOH)



Weighted Average
Interest Rate
4.23%

*This a .21% decrease in number of loans from March 2017 when we had 5,120 loans

\$434,371,175 Loans* (364,515,125 serviced by MBOH)



*This a 1.38% increase in portfolio size from March 2017 when we had \$428,462,631 loans

LENDER/REALTOR/PUBLIC OUTREACH

<u>Date</u>	<u>Event</u>
Mar 1 Julie	Webinar Training with US Bank
Mar 2-4 Julie	Billings Home Show
Mar 9-11 Julie	Kalispell Home Show
Mar 15 Julie	Webinar Training with PrimeLending, 2 sessions
Mar 17-18 Homeownership	Helena Home Show
Mar 19 Julie	Webinar Training Vally Federal Credit Union (Correspondent through Universal)
Mar 23-25 Julie	Bozeman Home Show
Apr 2 Julie	Webinar Training with US Bank Underwriters
Apr 3 Julie	GRI Graduate Realtor Institute
Apr 6-8 Julie, Charlie	Great Falls Home Show

Mortgage Servicing Program Dashboard Effective 03/31/18

	Last Year	Last Month	This Month
MONTH	MAR 2017	FEB 2018	MAR 2018
PORTFOLIO TOTAL LOANS	4641	4653	4677
MBOH	4337	4346	4370
BOI	287	291	291
MULTI FAMILY	17	16	16
PRINCIPAL (all loans)	\$ 420,769,363.28	\$ 435,026,203.06	\$ 437,860,008.71
ESCROW (all loans)	\$ 6,066,864.46	\$ 5,042,126.69	\$ 5,744,176.89
LOSS DRAFT (all loans)	\$ 881,805.12	\$ 714,945.51	\$ 772,860.77
LOANS DELINQUENT (60+ days)	265	173	150
ACTUAL FORECLOSURE SALES IN MONTH	2	0	3
FORECLOSURES TOTAL CALENDAR YEAR	8	3	6
DELINQUENT CONTACTS TO MAKE	717	507	491
LATE FEES - NUMBER OF LOANS	714	741	674
LATE FEES - TOTAL AMOUNT	\$ 20,364.23	\$ 20,501.51	\$ 18,777.59
PAYOFFS	50	30	19
NEW LOANS/TRANSFERS	23	37	46

2018 Monthly Servicing Report

LOSS MITIGATION	MARCH	HUD's National Servicing Center TRSII Reporting FY2017 Q4 98.35% Tier 1 - Grade A
ACTIVE FINANCIALPACKETS	0	
REPAYMENT/FORBEARANCE	28	
SHORT SALE	0	
DEED IN LIEU	0	
HAMPS/PARTIAL CLAIMS & MODS PNDG	9	
PRESERVATION PROPERTIES	15	
REAL ESTATE OWNED PROPERTIES	3	
CHAPTER 13 BANKRUPTCIES	22	

Section 8 Program Dashboard

March 27, 2018

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

CURRENT PERIOD: February 2018

	<u>Previous Month</u>	<u>Month</u>		<u>Year</u>	<u>HUD</u>	<u>Date</u>	
SECTION 8 PROGRAMS	<u>Feb-2018</u>	<u>Feb-2018</u>	<u>Change</u>	<u>HAP</u>	<u>Budget</u>	<u>Fees</u>	<u>Term</u>
Housing Choice Voucher (HCV)					15,426,099	106,637	CY 2018
PBS8 Opt-Out Conversion Funding							
Paid Units (3625 Agency contracts)	3,125	3,115	-10				
Current Month Payment Amount	1,489,505	1,485,632	-3,873	4,478,792		325,011	
Veterans Affairs Supportive Housing (VASH)							CY2018
Number Units Paid (321 Authorized)	301	296	-5				
Payment Amount	163,260	161,307	-1,953	489,353			
Moderate Rehabilitation (ModRehab)					2,012,728		CY2018
Number Contracts	18	18	0				
Paid Units (297 Authorized)	270	273	3				
Payment Amount	149,405	145,868	-3,537	434,627		9,117	26,628
Shelter Plus Care I (Individual) FY13 Grant Funds					195,344		8-1-17-7-31-18
Number Units Paid (28 Authorized)	20	23	3		Grant Balance		
Payment Amount	9,850	9,990	140	30,991	147,740		
Shelter Plus Care II (Family)							
Number Units Paid (5 Authorized)	2	2	0		Grant Balance		
Payment Amount	1,218	1,218	0	0	SPII grant ended November, 2017. Exp SPI since		
Project-Based (PBS8)						Admin Earnings	Fed Fiscal
Contracts	87	87	0			231,495	
Units Paid (4132 Authorized with 8bb)	4,123	3,684	-439				Contract Extension
Payment Amount	1,768,759	1,889,644	120,885				Expires 12/31/2017
Calendar Year Admin Earnings						77,165	
811 Project Rental Assistance Demo (FY12 \$)					1,900,000	157,000	Five Year
Rental Assistance Contracts (RAC)	4	4	0	Disbursed:	145,008	Balance:	1,754,992
Units (grant requires 82)	12	12	0			8 Units Kalispell	
Payment Amount	9,570	8,236	-1,334	73,987		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:	7,841	7,393	-448
Budgeted Units:		8,317	
All Section 8 HAPs	3,581,997	3,693,659	111,662