



Via Zoom Only
February 8, 2021

ROLL CALL OF BOARD

MEMBERS:

Jeanette McKee, Chairman (Present)	Adam Hertz (Present)
Bob Gauthier (Present)	Cari Yturri (Present)
Bruce Posey (Present)	Charles Robison (Present)
Sheila Rice (Present)	

STAFF:

Cheryl Cohen, Executive Director	Joe DeFilippis, Operations Manager
Ginger Pfankuch, Finance Program	Vicki Bauer, Homeownership Program
Mary Palkovich, Mortgage Servicing Program	Nicole Whyte, Multifamily Program
Paula Loving, Executive Assistant	Bruce Brensdal, Multifamily Program
Charlie Brown, Homeownership Program	Mary Bair, Multifamily Program
Kellie Guariglia, Multifamily Program	Jeannene Maas, Multifamily Program
James Neary, Homeownership Program	Rena Oliphant, Multifamily Program
Leslie Torgerson, Housing Assistance Bureau	

COUNSEL:

Greg Gould, Jackson Murdo & Grant

UNDERWRITERS:

Drew Page, Kutak Rock	Mina Choo, RBC Capital
Patrick Zhang, RBC Capital	John Wagner, Kutak Rock

FINANCIAL ADVISORS:

Gene Slater, CSG Advisors

OTHERS:

Misty Dalke	Joseph Tait
Lawrence Phillips	

**All persons listed present by telephone/webinar only*

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

- 0:00 Chairwoman Jeanette McKee called the Montana Board of Housing (MBOH) meeting to order at a.m.
- 0:05 Cheryl Cohen reviewed Board meeting process.
- 1:15 Introductions of Board members and attendees were made.
- 12:05 Chairwoman McKee asked for any public matter that is not on the agenda and that is within the jurisdiction of this agency.

APPROVAL OF MINUTES

November 2, 2020 MBOH Board Meeting Minutes – page 4 of packet

- 12:20 Motion: Bob Gauthier
Second: Sheila Rice
The November 2, 2020 MBOH Board meeting minutes were approved unanimously.

FINANCE PROGRAM

Finance Update – page 9 of packet

- 13:40 Presenters: Ginger Pfankuch

HOMEOWNERSHIP PROGRAM

2021A Bond Resolution (Resolution No 21-0208-SF01) – page 13 of packet

- 23:35 Presenters: Vicki Bauer
Motion: Bob Gauthier
Second: Sheila Rice
The Bond Resolution No. 21-0208-SF01 was approved unanimously.

Homeownership Update – page 19 of packet

- 27:05 Presenters: Vicki Bauer

MORTGAGE SERVICING PROGRAM

Servicing Update – page 21 of packet

- 35:00 Presenters: Mary Palkovich

MULTIFAMILY PROGRAM

Reverse Annuity Mortgage Exception – Whitefish – page 22 of packet

40:45 Presenters: Nicole Whyte

Motion: Sheila Rice

Second: Cari Yturri

The Reverse Annuity Mortgage exception for cash advance lump sum in the amount of \$112,000 for a single, 81-year-old woman in Whitefish, MT was approved unanimously, contingent on the remaining application documents being internally reviewed and approved.

Reverse Annuity Mortgage Exception - Bozeman – Page 31 of packet

44:20 Presenters: Nicole Whyte

Motion: Sheila Rice

Second: Cari Yturri

The Reverse Annuity Mortgage exception for cash advance lump sum in the amount of \$60,000 for a single, 71-year-old woman in Bozeman MT, was approved unanimously.

Decreased Credit Allowance for 2022/Maximum Credits

45:20 Presenters: Nicole Whyte

Motion: Bob Gauthier

Second: Sheila Rice

Roll Call:

Adam Hertz	Yes
Bob Gauthier	Yes
Bruce Posey	Yes
Cari Yturri	Yes
Charles Robison	Yes
Sheila Rice	Yes
Jeanette McKee	Yes

The Maximum Credit Per Project for 2022 credits will be 22.5% or an estimated \$6,491,250. If the 12.5% boost is extended for the 2022 credits and beyond, the Maximum Credit Per Project will revert to 20% or an estimated \$6,491,250 was approved unanimously

Multifamily Update – page 26 of packet

55:35 Presenters: Nicole Whyte

OPERATIONS

Operations Update – page 28 of packet

58:20 Presenters: Joe DeFilippis

EXECUTIVE DIRECTOR

Executive Director Update – page 29 of packet

1:16:05 Presenters: Cheryl Cohen

Mary Bair Retirement

1:24:30 Presenters: Cheryl Cohen

Board Officer Elections

01:31:30 Motion: Bob Gauthier

Second: Cari Yturri

The slate of Sheila Rice as Chairwoman, Bruce Posey as Vice-Chairman, and Adam Hertz as Secretary was approved unanimously.

MEETING ADJOURMENT

01:34:55 Meeting was adjourned at 10:06 a.m.

Adam Hertz

Adam Hertz, Secretary

3/29/2021

Date

Certificate Of Completion

Envelope Id: C4266352F3D849C786DC1C07A933C93F	Status: Completed
Subject: Please sign February 2021 approved MBOH Board meeting minutes.	
Source Envelope:	
Document Pages: 4	Signatures: 1
Certificate Pages: 4	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Paula Loving
Time Zone: (UTC-07:00) Mountain Time (US & Canada)	PO Box 200501
	301 S. Park Ave
	Helena, MT 596200501
	ploving@esign.mt.gov
	IP Address: 161.7.39.7

Record Tracking

Status: Original	Holder: Paula Loving	Location: DocuSign
3/29/2021 9:53:48 AM	ploving@esign.mt.gov	

Signer Events

Adam Hertz
adamhertz@eralambros.com
Security Level: Email, Account Authentication (None)

Signature

Signature Adoption: Pre-selected Style
Using IP Address: 216.14.227.190

Timestamp

Sent: 3/29/2021 9:55:22 AM
Viewed: 3/29/2021 9:55:55 AM
Signed: 3/29/2021 9:56:08 AM

Electronic Record and Signature Disclosure:

Accepted: 3/29/2021 9:55:55 AM
ID: 8ff72a7c-2350-43d6-a5e6-90af5385e44f

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Sent	Hashed/Encrypted	3/29/2021 9:55:22 AM
Certified Delivered	Security Checked	3/29/2021 9:55:55 AM
Signing Complete	Security Checked	3/29/2021 9:56:08 AM
Completed	Security Checked	3/29/2021 9:56:08 AM

Payment Events

Status

Timestamps

Electronic Record and Signature Disclosure

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Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures

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You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

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To advise MT Dept of Commerce of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at docontracts@mt.gov and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

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Required hardware and software

Operating Systems:	Windows® 2000, Windows® XP, Windows Vista®; Mac OS® X
Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari™ 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

** These minimum requirements are subject to change. If these requirements change, you will be asked to re-accept the disclosure. Pre-release (e.g. beta) versions of operating systems and browsers are not supported.

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To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

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MONTANA HOUSING

Meeting Location: Zoom only

Date: Monday, February 08, 2021

Time: 8:30 a.m.

Chairperson: Jeanette McKee

Remote Attendance: Join our meetings remotely via Zoom and phone.

To register for Zoom, Click: <https://housing.mt.gov/Meetings-Events-and-Training>

To participate by phone:

Dial 888-556-4567, Meeting ID: 919 3642 8461, Passcode 790353

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

AGENDA ITEMS

- ❖ Meeting Announcements
- ❖ Introductions
 - Introduction of new board members
- ❖ 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)

- ❖ Financial Update

Homeownership Program (Manager: Vicki Bauer)

- ❖ Bond Resolution Approval
- ❖ Program Change Approvals (if needed)
- ❖ Participating Lender Approvals (if needed)

MISSION STATEMENT:

Montana Housing works with community partners across the state, and together we ensure Montana families have access to safe and affordable homes.



MONTANA HOUSING

- ❖ Homeownership Update

Mortgage Servicing (Manager: Mary Palkovich)

- ❖ Servicing Update

Multifamily Program (Manager: Nicole Whyte)

- ❖ RAM Exceptions – Whitefish & Bozeman
- ❖ Decreased credit allowance for 2022 and maximum credits per project
- ❖ Multifamily Update

Operations (Joe DeFilippis)

- ❖ Operations Update

Executive Director (Cheryl Cohen)

- ❖ Executive Director / Legislative Update
- ❖ Celebrate retirement of Mary Bair, Multifamily Program Manager

Board Officer Elections

- ❖ Presiding Officer / Board Chair
- ❖ Vice Chair
- ❖ Secretary

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.

MISSION STATEMENT:

Montana Housing works with community partners across the state, and together we ensure Montana families have access to safe and affordable homes.

2021 CALENDAR

January						
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						
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4	5	6	7	8	9	10
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18	19	20	21	22	23	24
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July						
Su	Mo	Tu	We	Th	Fr	Sa
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18	19	20	21	22	23	24
25	26	27	28	29	30	31

October						
Su	Mo	Tu	We	Th	Fr	Sa
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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
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28						

May						
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23	24	25	26	27	28	29
30	31					

August						
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8	9	10	11	12	13	14
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29	30	31				

November						
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28	29	30				

March						
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21	22	23	24	25	26	27
28	29	30	31			

June						
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			

September						
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						
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	

2021

February 2021

8 – Board Meeting - Webinar

March 2021

8 – Board Meeting - Webinar

April 2021

5 – Board Meeting – Webinar
 21 – Board Training – Webinar
 26 - Board Training - Webinar

May 2021

4 – 5 – Mountain Plains Housing Summit (virtual)
 5 - Board Training – Webinar
 12 - Board Training - Webinar
 17-19 – Annual Housing Conference – Virtual
 24 – Board Meeting – Webinar
 25 – Board Meeting – Webinar

June 2021

14 – Board Meeting – Webinar

July 2021

No Meeting

August 2021

4 – Board Meeting - Webinar

September 2021

20 – Strategic Planning - Missoula
 21 – Board Meeting - Missoula

October 2021

18 – Board meeting – Helena
 TBD – NCSHA Annual Conference

November 2021

No Board Meeting

December 2021

No Board Meeting

*** All meeting dates are subject to change.



Zoom Meeting Only
November 2, 2020

ROLL CALL OF BOARD

MEMBERS:

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

STAFF:

Joe DeFilippis, Operations Manager	Mary Bair, Multifamily Program
Vicki Bauer, Homeownership Program	Ginger Pfankuch, Finance Program
Paula Loving, Executive Assistant	Nicole Whyte, Multifamily Program
Bruce Brensdal, Multifamily Program	Kellie Guariglia, Multifamily Program
Jeannene Maas, Multifamily Program	Brian Lundin, Multifamily Program

COUNSEL:

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

ADVISIORS:

David Jones, CSG Advisors

UNDERWRITERS:

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

Tyler Currence, Housing Solutions, LLC	Heather McMilin, Homeword, Inc.
Alex Burkhalter, Housing Solutions, LLC	Heather Grenier, HRDC Bozeman
Larry Phillips, Neighborworks MT	Steve Dymoke, GMD Development
Beki Brandborg, Echo Enterprises	Julie Stiteler, Homeword, Inc.
Jennifer Wheeler, Glacier Bank	Geoffrey Anderson, Good House Keeping
Gene Leuwer, GL Development	Jackie Girard
Alejandro Lara, Good House Keeping	

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

- 0:25 Chairman Pat Melby called the Montana Board of Housing (MBOH) meeting to order at 8:32 a.m. Joe DeFilippis make housekeeping announcements.
- 1:35 Introductions of Board members and attendees were made.
- 4:20 Chairman Melby asked for public comment on items not listed on the agenda.

APPROVAL OF MINUTES

October 19, 2020 MBOH Board Meeting Minutes – page 4 of packet

- 4:30 Motion: Eric Schindler
Second: Amber Parish
The October 19, 2020 MBOH Board meeting minutes were approved unanimously.

FINANCE PROGRAM

Finance Update

- 5:25 Presenters: Ginger Pfankuch

HOMEOWNERSHIP PROGRAM

Homeownership Update – page 12 of packet

- 7:00 Presenters: Vicki Bauer, Mina Choo

MULTIFAMILY PROGRAM

Bond Resolution No. 20-1102-MF09 – Darlington Manor, the Miles Building, and Sherwood Inn Apartments – page 15 of packet

- 15:00 Presenters: Mary Bair, Alejandro Lara, Geoffrey Anderson

Motion: Sheila Rice

Second: Jeanette McKee

Roll Call:

Bob Gauthier	Yes
Jeanette McKee	Yes
Amber Parish	Yes
Eric Schindler	Yes
Sheila Rice	Yes
Pat Melby	Yes

The Bond Resolution No 20-1102-MF09 for Darlington Manor, the Miles Building and Sherwood Inn Apartments was approved unanimously.

Bond Resolution No. 20-1102-MF10 – Boulevard Apartments – page 21 of packet

21:30 Presenters: Mary Bair

Motion: Bob Gauthier

Second: Eric Schindler

Roll Call:

Bob Gauthier	Yes
Jeanette McKee	Yes
Amber Parish	Yes
Eric Schindler	Yes
Sheila Rice	Yes
Pat Melby	Yes

The Bond Resolution No 20-1102-MF10 for Boulevard Apartments was approved unanimously.

Bond Resolution No. 20-1102-MF11 – Bitterroot Valley Apartments – page 27 of packet

26:25 Presenters: Mary Bair

Motion: Jeanette McKee

Second: Sheila Rice

Roll Call:

Bob Gauthier	Yes
Jeanette McKee	Yes
Amber Parish	Yes
Eric Schindler	Yes
Sheila Rice	Yes
Pat Melby	Yes

The Bond Resolution No 20-1102-MF11 for Bitterroot Valley Apartments was approved unanimously.

2022 Qualified Allocation Plan (QAP) – page 33 of packet

28:55 Presenters: Bruce Brensdal

Motion: Eric Schindler

Second: Sheila Rice

A motion and second was made to approve the 2022 Qualified Allocation Plan as presented in the Board packet.

32:25 Motion: Jeanette McKee

Second: Eric Schindler

The motion to amend the cover page to update the dates was approved unanimously.

43:55 Motion: Sheila Rice

Second: Bob Gauthier

Roll Call:

Bob Gauthier	Yes
Jeanette McKee	Yes
Amber Parish	Yes
Eric Schindler	Yes
Sheila Rice	Yes
Pat Melby	Yes

The motion to amend Section 3.A.1 – Applicant Cannot exceed Cumulative Credit Maximum – to increase the Cumulative Credit Maximum to \$25 million, from \$20 million was approved unanimously.

51:30 Motion: Sheila Rice

Second: Eric Schindler

The motion to amend Section 3.C – Projects Seeking Property Tax Exemptions – to add “and Acquisition/Rehab” after “This requirement does not apply to 4% New Construction” was approved unanimously.

1:04:10 Motion: Sheila Rice

Second: Eric Schindler

The motion to amend Section 3.F.2.d – Developer Fees – to “9%, including 9% Projects that are part of a Twinned Project” to read “For 9% Projects (including 9% Projects that are part of a Twinned Project) other than New Construction, Developer Fees will be limited to the lesser of 15% or \$1,250,000.” approved unanimously.

1:27:10 Motion: Sheila Rice

Second: Amber Parish

Roll Call:

Bob Gauthier	No
Jeanette McKee	No
Amber Parish	No
Eric Schindler	No
Sheila Rice	Yes
Pat Melby	No

The motion to amend Section 4.E – Board Consideration and Determination Process – to increase the number of projects from the Letter of Intent from *eight* to *nine* projects to submit an Application was not approved.

1:39:50 Roll Call:

Bob Gauthier	Yes
Jeanette McKee	Yes
Amber Parish	Yes
Eric Schindler	Yes
Sheila Rice	Yes
Pat Melby	Yes

The 2022 Qualified Allocation Plan as amended was approved unanimously.

Multifamily Update

1:41:15 Presenters: Mary Bair

OPERATIONS & EXECUTIVE DIRECTOR

Operations Update – page 111 of packet

1:43:05 Presenters: Joe DeFilippis

MEETING ADJOURNMENT

1:45:50 Meeting was adjourned at 10:17 a.m.

Sheila Rice, Secretary

Date

BOARD AGENDA ITEM

PROGRAM

Finance Update

Investments

The attached Accounting and Finance Dashboard show how heavily the Board is currently invested in Money Market. There are few short or long-term investments that are currently earning less than the 0.01% being paid by US Bank and the 0.03% being paid by Wilmington Trust on Money Markets.

We were able to obtain US Treasuries in some of the Single Family funds that have slightly higher rates than the Money Market funds and have a one year maturity. We continue to follow the market looking for possible investments.

The Weighted Average Yield did increase slightly in December due to the increase in the yield on Money Market during that period.

All investments as of December 31, 2020 are listed on the second page of the Finance Dashboard.

Financial Statements

The financial statement audit for fiscal year 2020 has been complete and is currently available on the Legislative Audit Division website at:

<https://leg.mt.gov/content/Publications/Audit/Report/19-07B.pdf>

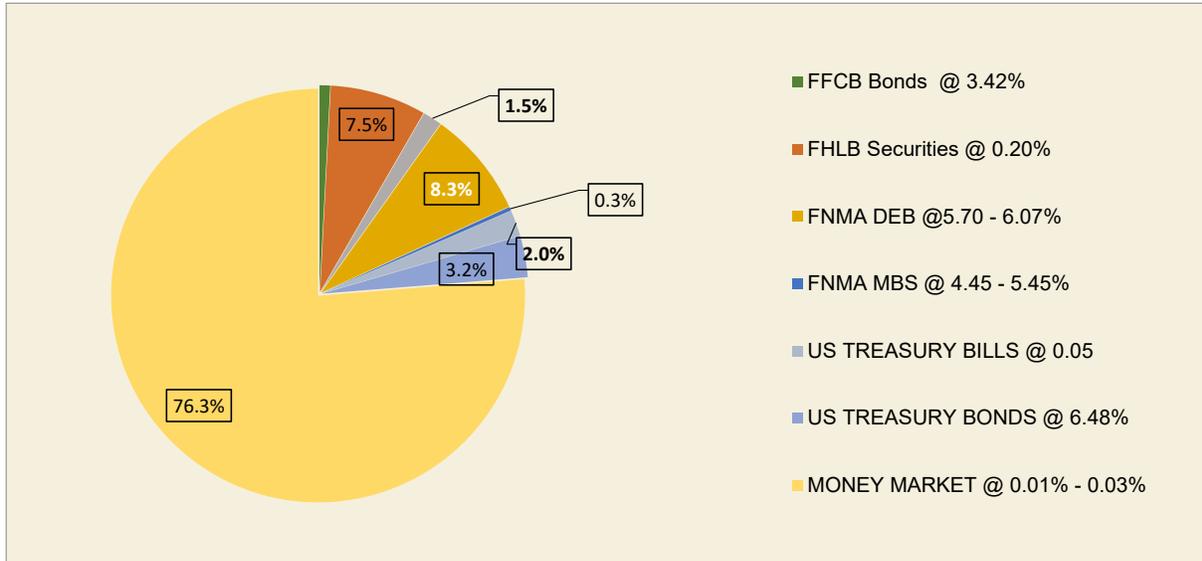
Highlights:

- Despite the current economic downturn, the Board had an income of over \$2 million during fiscal year (FY) 2020
- Assets increased from \$664 million in FY19 to \$706 million in FY20 with a corresponding increase in liabilities due to the issuance of bonds to purchase mortgage loans during this period.
- The current quarter Revenues and Expenses had not been finalized at the time of this report. There is, however, currently an increase in income thus far this year.

Accounting & Finance Dashboard

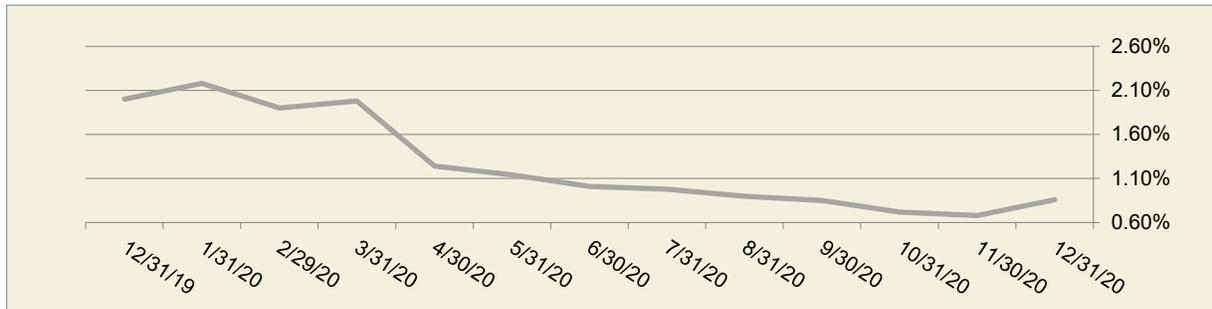
Data as of December 31, 2021

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 December 31, 2021

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
\$ 139,668,794	\$ -	\$ 34,228,000	\$ 4,450,000	\$ 619,402	\$ 245,763	\$ -	\$ 179,211,958

**Montana Board of Housing
Accounting and Finance
Investment Maturity Schedule
December 31, 2021**

Maturity Date	Trustee Bank	Investment Type	Par Value
05/24/2021			2,460,000.00
11/29/2021	Wilmington Trust	FHLB	22,240,000.00
08/15/2025	Wilmington Trust	T-NOTES & BONDS	9,592,000.00
04/30/2026	Wilmington Trust	FNMA DEB	9,226,000.00
09/27/2027	Wilmington Trust	FNMA DEB	8,140,000.00
11/26/2027	Wilmington Trust	FNMA DEB	7,270,000.00
07/15/2032	Wilmington Trust	FHLMC BOND	4,450,000.00
02/01/2036	Wilmington Trust	FNMA MBS	97,898.33
05/01/2036	Wilmington Trust	FNMA MBS	53,542.52
07/01/2036	Wilmington Trust	FNMA MBS	134,967.26
03/01/2037	Wilmington Trust	FNMA MBS	259,463.04
08/01/2037	Wilmington Trust	FNMA MBS	73,531.09
08/01/2038	Wilmington Trust	FNMA MBS	118,536.31
12/01/2038	Wilmington Trust	FNMA MBS	127,226.32
12/17/2020	US Bank Corporate Tr	T-BILLS	1,965,000.00
12/31/2020	US Bank Corporate Tr	US BANK MONEY M	7,405,763.62
12/31/2020	Wilmington Trust	WT GOLDMAN SACH	105,598,029.95
Total			179,211,958.44

FNMA = Federal National Mortgage Association

Fannie Mae

FHLB = Federal Home Loan Bank

FHLMC = Federal Home Loan Mortgage Corporation

Freddie Mac

FFCB = Federal Farm Credit Bank

Montana Board of Housing
Unaudited Financial Data for month ending December 31, 2021

<i>(Dollars in Thousands)</i>	<u>2nd Qtr 2021*</u>	<u>FYE 2020</u>	<u>Change</u>
Assets:			
Cash and Cash Equivalents	131,568	117,318	14,250
Investments	80,002	39,858	40,144
Mortgage Loans Receivable, Net	528,771	543,036	(14,265)
Corporate Advance	358	214	143
Interest Receivable	1,621	3,996	(2,375)
Prepaid Expenses	1	150	(149)
Acquisition Costs	1,931	1,719	212
Capital Assets, Net	17	17	0
Total Assets	<u>744,269</u>	<u>706,308</u>	<u>37,961</u>
Deferred Outflow of Resources	<u>529</u>	<u>555</u>	<u>(26)</u>
Liabilities:			
Accounts Payable	6	2,237	(2,232)
Funds Held for Others	8,024	8,052	(28)
Accrued Interest - Bond Payable	0	1,584	(1,584)
Bonds Payable, Net	564,804	531,283	33,522
Arbitrage Rebate Payable	1,121	1,121	0
Accrued Compensated Absences	362	362	0
Net Pension Liability	1,871	1,871	0
OPEB Liability	15	64	(50)
Leases Payable		15	
Total Liabilities	<u>576,202</u>	<u>546,587</u>	<u>29,629</u>
Deferred Outflow of Resources	<u>362</u>	<u>362</u>	<u>(0)</u>
Revenues		26,893	
Expenses		24,455	
Income (Loss)	<u></u>	<u>2,438</u>	<u></u>

NOTE: Information supplied above is unaudited and does not conform to GASB requirements

*2nd Quarter figures have not been finalized

BOARD AGENDA ITEM

PROGRAM

Homeownership Program

AGENDA ITEM

Approval of Bond Resolution 21-0208-SF01

BACKGROUND

The attached Resolution approves the issuance of fixed or variable rate Mortgage Revenue Bonds in an aggregate principal amount not to exceed \$75,000,000 to finance loans or refund bonds previously issued for such purpose or both.

The resolution is written to give us the flexibility to issue bonds under any of the three indentures and to refund bonds from any of the three indentures.

Kutak prepared this resolution in the same form as the one approved for the 2020C issue, with language added generally authorizing staff to modify any of the Board's outstanding agreements or obligations with respect to the cessation of LIBOR. None of the Board's direct indebtedness is based on or tied to LIBOR, but Kutak determined it would be a good idea to have that general authorization just in case it is needed.

As of December 29, 2020, we had fully reserved the proceeds of the 2020C issue that closed on October 15, 2020 and we currently have just over \$3,200,000 of reservations for funds in the new 2021A issue. Our current lending rates are 2.50% for first mortgages with no DPA, 2.75% for first mortgages with DPA and the set-aside rate is set at 2.25%.

This resolution will allow us to move forward with the 2021A bond issue we have been working on for \$43,410,000, which will refund the 2009/2011 bond issue in the NIBP indenture and provide just over \$30,000,000 of new money to carry us into the spring.

PROPOSAL

Staff requests that the Board approve the attached resolution.

RESOLUTION NO. 21-0208-SF01

A RESOLUTION OF THE MONTANA BOARD OF HOUSING MAKING FINDINGS WITH RESPECT TO HOUSING NEEDS WITHIN MONTANA; APPROVING THE ISSUANCE AND DELIVERY OF, AND AUTHORIZING THE DETERMINATION OF CERTAIN TERMS OF, ONE OR MORE NEW ISSUES OF SINGLE FAMILY BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$75,000,000, WITH FIXED OR VARIABLE RATES, TO FINANCE LOANS, REFUND OUTSTANDING BONDS OR BOTH; APPROVING THE SALE OF SAID BONDS PURSUANT TO A PURCHASE CONTRACT; APPROVING THE SUPPLEMENTAL TRUST INDENTURE, PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT IF THE BONDS ARE SOLD TO THE PUBLIC, CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATED THERETO; 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 and refund its bonds and to purchase mortgage loans or mortgage-backed securities in order to finance single family housing which will provide decent, safe and sanitary housing for persons and families of lower income in the State of Montana (the "State"); and

WHEREAS, the Board has previously implemented mortgage purchase programs in order to finance single family dwellings in the State for families and persons of lower income; and

WHEREAS, the Board intends to issue its Single Family Mortgage Bonds, Single Family Program Bonds or Single Family Homeownership Bonds, in one or more series or subseries in an aggregate principal amount not to exceed \$75,000,000 with fixed or variable rates (the "New Series Bonds"), under the provisions of either the Trust Indenture dated March 7, 1977, as restated and amended, the Trust Indenture dated August 16, 1979, as amended, or the Trust Indenture dated as of December 1, 2009 (each, the "General Indenture"), each between the Board and Wilmington Trust, National Association (as successor trustee), as trustee, which New Series Bonds will be used to finance mortgage loans to provide additional moneys to finance single family dwellings in the State pursuant to the Mortgage Purchase and Servicing Guide and the forms of the Invitation to Participate and Notice of Acceptance previously approved by the Board, and to fund certain reserve funds, if necessary, or to refund bonds previously issued for such purpose; and

WHEREAS, a Supplemental Trust Indenture (the "Supplemental Indenture") (together with the General Indenture under which the New Series Bonds are to be issued, which it supplements, the "Trust Indenture"), between the Board and Wilmington Trust, National Association (as successor trustee), as Trustee, will be prepared in substantially the form of such document previously approved by the Board and used in connection with the issuance of the Single Family Mortgage Bonds, 2020 Series C (the "2020 Series C Bonds") with appropriate changes as hereinafter described, whereby the Board would issue the New Series Bonds subject to the terms, conditions and limitations established in the Trust Indenture; and

WHEREAS, if the New Series Bonds are to be sold to the public, a Preliminary Official Statement (the "Preliminary Official Statement") will be prepared in substantially the form of such document previously approved by the Board and used in connection with the marketing of the 2020 Series C Bonds, containing certain information relating to the Board, the Trust Indenture and the New Series Bonds, and which will be distributed to the prospective purchasers of such New Series Bonds and others by a group of investment dealers and brokers represented by RBC Capital Markets, LLC (the "Underwriters"); and

WHEREAS, a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) will be prepared in substantially the form of such document previously approved by the Board and used in connection with the sale of each series of the 2020 Series C Bonds containing the agreement of the Board to annually update certain financial and operating information in the final Official Statement (as hereinafter described) and to timely provide notice of the occurrence of certain specified events; and

WHEREAS, a purchase contract (the “Purchase Contract”), to be dated the date of sale of the New Series Bonds, between the Board and the Underwriters (or if the New Series Bonds are sold to a single institutional investor, such investor) will be prepared in substantially the form of such document previously approved by the Board and used in connection with the sale of the 2020 Series C Bonds, pursuant to which the Board would agree to sell and the New Series Bonds purchaser would agree to purchase the New Series Bonds, at the prices and upon the terms and conditions therein set forth;

NOW, THEREFORE, BE IT RESOLVED BY THE MONTANA BOARD OF HOUSING as follows:

Section 1. Findings.

(a) The Board hereby finds and determines:

(i) that the homes to be financed through the issuance of New Series Bonds, and the purchase by the Board from proceeds thereof of mortgage loans or mortgage-backed securities as contemplated by the Trust Indenture, constitute “housing developments” within the meaning of Section 90-6-103(8) of the Act; and

(ii) that the housing market area to be served by homes to be financed as aforesaid consists of the entire State of Montana.

(b) In accordance with Section 90-6-109 of the Act, the Board previously found and hereby confirms:

(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 Trust Indenture and contained in the program documents relating to the mortgage loans financed thereby and to be financed are sufficient to ensure that the homes 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 homes financed and to be financed which are 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 homes financed and to be financed with the proceeds of the New Series Bonds do 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 the findings required by Section 90-6-109(1)(f) of the Act are inapplicable because the homes financed by the New Series Bonds do not involve direct loans.

Section 2. Approval of Supplemental Indenture. A Supplemental Indenture for each series of New Series Bonds is hereby approved in the form described above (and reflecting the provisions of the New Series Bonds consistent with the parameters set forth in the following Section) and the Chairman or the Vice Chairman of the Board is hereby authorized and directed to execute and deliver the Supplemental Indenture with such changes, insertions or omissions therein as may be approved by such Chairman or Vice Chairman, such approval to be evidenced conclusively by such execution of the Supplemental Indenture, and the Treasurer, the Secretary or any other member of the Board is hereby authorized and directed to attest thereto.

Section 3. Authorization of Bonds. The issuance, sale and delivery of the Board’s New Series Bonds, in one or more series or subseries, is hereby authorized and approved, subject to the following provisions. The New Series Bonds shall be issued in an aggregate principal amount (not to exceed \$75,000,000, mature on the date or dates (but no more than 40 years from the date of issuance), bear interest at the rate or rates (which may be fixed or variable rate, initially not exceeding 6.0% per annum and in no case to exceed 14%), be sold to the bond purchaser(s) for an amount (but not less than 98.5% of the principal amount of the Bonds), be subject to optional, special optional, mandatory and sinking fund redemption, be subject to mandatory or optional tenders and convertible into fixed or variable rate bonds, be issued under the related General Indenture, and have such other terms and provisions, all as are determined by the Chairman and Executive Director (with the advice of such members of the Board as are available upon the pricing of such New Series Bonds) and definitively set forth in the related Supplemental Indenture or Purchase Contract upon execution and delivery as authorized in Sections 2 and 5 hereof. The New Series Bonds shall be executed and delivered substantially in the form set forth in the Trust Indenture, with such additions, omissions and changes as are required or permitted by the Trust Indenture. The New Series 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 Trust Indenture) for purposes of executing and attesting the New Series Bonds. Such signatures may be in facsimile, provided, however, that such New Series 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 Preliminary Official Statement and Official Statement. If the New Series Bonds are to be sold to the public through the Underwriters, a Preliminary Official Statement for a series of New Series Bonds is hereby approved in the form described above, with such changes, insertions or omissions therein as may be approved by the Executive Director, and the Chairman or the Vice Chairman of the Board 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 the Chairman or Vice Chairman, such approval to be evidenced conclusively by such execution of the final Official Statement.

Section 5. Approval of Purchase Contract and Sale of the Bonds. A Purchase Contract for a series of New Series 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 of the Board is hereby authorized and directed in order to effectuate the sale of the related New Series 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 6. Authorization of Standby Bond Purchase Agreement, Continuing Covenant Agreement and/or Remarketing Agreement. If any New Series Bonds are subject to optional or mandatory tender, the Chairman or Vice Chairman of the Board or the Executive Director are authorized to negotiate, execute and deliver one or more (1) standby bond purchase or similar agreements with a financial institution, with a rating of no less than “A1” or the equivalent by Moody’s Investors Service, Inc., whereby such institution agrees to purchase (or provide the Board with funds to purchase) tendered bonds, (2) continuing covenant agreements with the purchaser of such New Series Bonds which agreements may set forth additional covenants with respect to such New Series Bonds, and/or (3) remarketing agreements with any Board approved underwriter with respect to the remarketing of any tendered bonds; such agreements to have such terms and conditions, and provide for the payment by the Board of such fees, as are determined by the Chairman and Executive Director to be in the best interests of the Board, such determinations to be evidenced conclusively by the execution thereof.

Section 7. Approval of Continuing Disclosure Agreement. A Continuing Disclosure Agreement for a series of New Series Bonds is hereby approved in the form described above, and the Chairman or Vice Chairman of the Board or the Executive Director 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 Continuing Disclosure Agreement.

Section 8. Approval of Program Documents. The Executive Director and Single Family Program Manager are hereby authorized to continue to use the form of the Mortgage Purchase and Servicing Guide, Invitation to Participate and Notice of Acceptance presently in use, and to the extent they deem necessary and appropriate, the Executive Director and Single Family Program Manager are authorized to execute and deliver the same, with such changes, insertions or omissions therein as may be approved by such person, to continue the Single Family Program.

Section 9. Ratification of Prior Actions. All action previously taken by the officers, members or staff of the Board with respect to the Trust Indenture, a Preliminary Official Statement, a Purchase Contract and the New Series Bonds is hereby approved, confirmed and ratified.

Section 10. Execution of Documents. In the event of the absence or disability of the Chairman, the Vice Chairman or the 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 Single Family Program Manager or the Accounting and Finance Manager, with the same effect as if done by the Chairman, the Vice Chairman or the 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 11. Execution of Tax Certificate and Declaration of Intent. The Chairman, the Vice Chairman or the Executive Director 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 New Series Bonds as described in Section 148 of the Internal Revenue Code of 1986, as amended. The Board also hereby declares its intention, within the meaning of Section 1.150-2 of the Internal Revenue Code regulations, to facilitate continuous funding of its Single Family Program (as described above) by, from time to time, financing mortgage loans and then issuing bonds in an amount to be determined by the Board in one or more series within 18 months thereof to reimburse itself for such financing, which reimbursement amount

is presently expected to not exceed \$75,000,000 (or such greater reimbursement amount as may from time to time be determined by written declaration of the Executive Director), provided that this declaration does not obligate the Board to issue any such bonds.

Section 12. Additional Actions Authorized. The Chairman, the Vice Chairman, the Secretary or any other member of the Board, and the Executive Director and Treasurer, the Single Family 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 Trust Indenture and a Purchase Contract, 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 to modify any other agreement or obligation of the Board (including, without limitation, Notes or Bonds) to substitute a comparable interest rate index for the London Inter Bank Offered Rate (“LIBOR”) if LIBOR is discontinued, and the members and officers named above are hereby designated as Authorized Officers for such purposes.

Section 13. Effective Date. This Resolution shall become effective immediately.

ADOPTED by the Montana Board of Housing this 8th day of February, 2021.

MONTANA BOARD OF HOUSING

By _____
Chairman

Attest:

By _____
Treasurer/Executive Director

Homeownership Program Dashboard

February 4, 2021

RATES

	<u>CURRENT</u>	<u>LAST MONTH</u>	<u>LAST YEAR</u>
MBOH*	2.50	2.75	3.50
Market	2.56	2.40	3.31
10 yr treasury	1.15	0.93	1.54
30 yr Fannie Mae	2.01	1.91	2.93

*Current Setaside 2.25, DPA 2.75

LOAN PROGRAMS

	<u>Jan RESERVATIONS</u>	<u>AMOUNT</u>	<u>TOTAL NUMBER</u>	<u>AMOUNT</u>	<u>ORIGINAL AMOUNT</u>	<u>BALANCE</u>
REGULAR PROGRAM						
Series 2020C(07.16.20)			150	30,000,000	30,000,000	0
Series 2020C DPA (07.16.20)			73	1,000,000	1,000,000	(0)
Series 2021A(12.30.20)	15	2,845,599	18	3,173,849	30,000,000	26,826,151
Series 2021A DPA (12.30.20)	10	85,892	13	127,556	1,000,000	872,444
80% Combined (20+)	1	100,000	3	445,920	Since July 2020	reg bond funds
SET-ASIDE PROGRAMS						
MBOH Plus	1	5,775	27	162,411	Since July 2020	496,021
Set-aside Pool	4	743,932	26	4,319,720	Since July 2020	reg bond funds
<i>NeighborWorks</i>	1	169,595	4	467,921		
<i>CAP NWMT CLT</i>						
<i>Missoula HRDC XI</i>						
<i>Bozeman HRDC IX</i>	3	574,337	7	1,567,845		
<i>Home\$tart</i>			3	369,855		
<i>HUD 184</i>						
<i>Dream Makers</i>			2	323,956		
<i>Sparrow Group</i>						
<i>City of Billings</i>			10	1,590,144		
Foreclosure Prevent			0	0	50,000	50,000
Disabled Accessible			227	16,497,050	Ongoing	862,950
Lot Refi			12	1,273,560	2,000,000	726,440
FY21 Habitat			7	1,020,913	2,954,750	1,933,837
OTHER PROGRAMS						
Veterans (Orig)	1	153,114	385	74,011,682	Revolving	734,190
911 Mrtg Cr Cert (MCC)	4	1,117,293	105	26,192,903	75,000,000	48,807,097

DEC CHANGES

2020 YTD

	<u># loans</u>	<u>Princ Bal</u>	<u># loans</u>	<u>Princ Bal</u>	
Nov Balance	5,623	510,655,056.27	5,687	515,922,014.04	Dec-19
Dec Purchases (1st)	25	4,373,517.42	393	72,891,134.61	
Dec Purchases (2nd)	10	67,567.81	200	1,557,813.24	
Dec Amortization		(1,341,577.64)		(16,100,338.64)	
Dec Payoffs	(94)	(9,533,381.15)	(703)	(69,023,191.58)	
Dec Foreclosures	-	-	(13)	(1,026,248.96)	
Dec Balance	5,564	504,221,182.71	5,564	504,221,182.71	Dec-20

DELINQUENCY AND FORECLOSURE RATES

MONTANA BOARD OF HOUSING

MORTGAGE BANKERS ASSOC. 09/2020 (most recent available)

	<u>Dec-20</u>	<u>Nov-20</u>	<u>Dec-19</u>	<u>Montana</u>	<u>Region</u>	<u>Nation</u>
30 Days	1.42	1.76	1.51	1.34	1.71	1.97
60 Days	0.99	0.78	0.62	0.62	0.94	1.06
90 Days	<u>3.93</u>	<u>3.74</u>	<u>0.69</u>	<u>2.71</u>	<u>3.73</u>	<u>4.57</u>
Total Delinquencies	6.34	6.28	2.82	4.67	6.38	7.60
In Foreclosure	0.18	0.14	0.71	0.29	0.26	0.59

LOAN PURCHASES BY LENDER

	December <u>1st</u>	<u>DPA</u>	2020 YTD <u>1st</u>	<u>DPA</u>
FIRST SECURITY BOZEMAN 061			14	8
1ST COMMUNITY BK GLASGOW 095	1		8	6
1ST SECURITY BK MISSOULA 133			5	2
VALLEY BANK RONAN 159			3	
YELLOWSTONE BANK BILLINGS 161			4	4
BIG SKY WESTERN BANK 165				
FIRST MONTANA BANK, BUTTE 172			1	1
AMERICAN BANK CENTER 186				
STOCKMAN BANK OF MT MILES 524	1	1	46	18
FIRST INTERSTATE BANK-WY 601	5		23	6
U.S. BANK N.A. 617				
OPPORTUNITY BANK 700	7	4	94	34
FIRST FEDERAL BANK & TRUST 731			2	2
GLACIER BANK KALISPELL 735			15	1
WESTERN SECURITY BANK 785	2	1	17	7
MANN MORTGAGE 835	5	2	53	35
GUILD MORTGAGE COMPANY 842	1	1	9	7
UNIVERSAL 843	1		24	17
FAIRWAY INDEPENDENT MRTG 847			23	17
CORNERSTONE HOME LENDING 850			6	5
BAY EQUITY LLC 853			10	10
LENDUS LLC 854	2	1	27	13
PARAMOUNT RES MTG GRP 855			3	3
CHERRY CREEK MORTGAGE 856			1	1
OPEN MORTGAGE 857			3	2
MAJOR MORTGAGE AMCAP 858			1	1
PACIFIC RESIDENTIAL 859			1	
MISSOULA FEDERAL C U 901				
Grand Count	25	10	393	200

MBOH DECEMBER PORTFOLIO

	<u># of loans</u>	<u>\$ of loans</u>	<u>% of #</u>	<u>% of \$</u>	
FHA	2,899	303,958,011	52%	60%	
RD	1,140	120,171,235	20%	24%	
VA	368	47,572,829	7%	9%	
HUD184	47	3,498,323	1%	1%	
PMI	48	3,853,459	1%	1%	
Uninsured 1st	211	19,938,066	4%	4%	
Uninsured 2nd	851	5,229,260	15%	1%	
	5,564	\$ 504,221,183			
December 2019 Balance	5,687	\$ 515,922,014	-2.16%	-2.27%	percent of Incr/Decr
Serviced by MBOH	4,827	\$ 436,454,750	87%	87%	

Weighted Average Interest Rate 3.997%

	<u># of loans</u>	<u>\$ of loans</u>
0 - 2.99%	579	\$ 19,893,900
3 - 3.99%	1969	\$256,120,956
4 - 4.99%	1253	\$143,566,022
5 - 5.99%	1193	\$ 64,325,020
6 - 6.99%	502	\$ 18,568,134
7 - 7.99%	66	\$ 1,742,667
8 - 8.99%	2	\$ 4,484

Mortgage Servicing Program Dashboard Effective 12/31/2020

	Last Year	Last Month	This Month
MONTH	DEC 2019	NOV 2020	DEC 2020
PORTFOLIO TOTAL LOANS	5287	5,253	5,214
MBOH	4958	4909	4866
BOI	315	326	325
MULTI FAMILY	14	18	18
PRINCIPAL (all loans)	\$ 506,514,406.60	\$509,142,630.92	\$505,135,057.09
ESCROW (all loans)	\$ 5,192,533.66	\$3,824,057.25	\$4,644,316.90
LOSS DRAFT (all loans)	\$ 1,604,490.63	\$976,683.22	\$1,005,381.16
LOANS DELINQUENT (60+ days)	179	290	286
ACTUAL FORECLOSURE SALES IN MONTH	3	0	0
FORECLOSURES TOTAL CALENDAR YEAR	18	8	8
DELINQUENT CONTACTS TO MAKE	518	569	567
LATE FEES - NUMBER OF LOANS	755	642	645
LATE FEES - TOTAL AMOUNT	\$ 21,691.21	\$18,801.42	\$18,457.95
PAYOFFS	35	64	85
NEW LOANS/TRANSFERS	52	41	47

2020 Monthly Servicing Report

LOSS MITIGATION	DEC 2020	HUD's National Servicing Center TRSII Reporting FY 2020 Final Score 92.39% Tier 1 - Grade A
ACTIVE FINANCIALPACKETS	2	
REPAYMENT/SPECIAL FORBEARANCE	3	
COVID19 FORMAL FORBEARANCE	215	
HAMPS/PARTIAL CLAIMS & MODS PNDG	1	
CHAPTER 13 BANKRUPTCIES	17	
PRESERVATION PROPERTIES	9	
REAL ESTATE OWNED PROPERTIES	0	
SHORT SALE	0	

BOARD AGENDA ITEM

PROGRAM

Multifamily Reverse Annuity Mortgage (RAM) Loan Program

AGENDA ITEM

Increase Cash Advance Lump Sum to \$112,000.00

BACKGROUND

RAM Loans allow a “Lump Sum” of up to \$10,000.00 without any approvals needed. Lump Sums between \$10,001.00 and \$30,000.00 the Program Manager can approve or deny depending on the circumstances & what the loan can support.

Lump Sums of \$30,001.00+ must be approved and submitted to the Montana Board of Housing Board Members

Some of the exceptions for either the Manager or Board that may be considered are; pay off an existing mortgage(s) &/or Lien(s), make repairs, payoff bills (usually high credit card balances, medical bills, taxes), &/or reliable transportation needed.

The maximum loan amount is determined based on 80% of the FHA determined property value.

PROPOSAL

Single, 81-year-old woman in Whitefish, MT

Current annual income: \$12,890 (income limit for 1 is \$25,520)

Approval pending, the Applicant wishes to use the RAM Loan Lump Sum to payoff her existing MBOH mortgage, Whitefish Housing Down Payment Grant & medical bills.

Per the RAM Loan requirements MBOH must be the only lien holder & be in 1st place position.

Her home has not been appraised yet. Cadastral shows a valuation of \$199,00 which could support the advanced lump sum amount with no monthly payment going to applicant.

We recommend this lump sum be approved, contingent on the remaining application documents being internally reviewed and approved.

Board Meeting: February 8, 2021

BOARD AGENDA ITEM

PROGRAM

Multifamily Reverse Annuity Mortgage (RAM) Loan Program

AGENDA ITEM

Increase Cash Advance Lump Sum to \$60,000.00

BACKGROUND

RAM Loans allow a “Lump Sum” of up to \$10,000.00 without any approvals needed. Lump Sums between \$10,001.00 and \$30,000.00 the Program Manager can approve or deny depending on the circumstances & what the loan can support.

Lump Sums of \$30,001.00+ must be approved and submitted to the Montana Board of Housing Board Members

Some of the exceptions for either the Manager or Board that may be considered are; pay off an existing mortgage(s) &/or Lien(s), make repairs, payoff bills (usually high credit card balances, medical bills, taxes), &/or reliable transportation needed.

The maximum loan amount is determined based on 80% of the FHA determined property value.

PROPOSAL

Single, 71-year-old woman in Bozeman, MT

Current annual income: \$16,350 (income limit for 1 is \$25,520)

Approval pending, the Applicant wishes to use the RAM Loan Lump Sum to payoff her existing mortgage & update her water heater & furnace.

Per the RAM Loan requirements MBOH must be the only lien holder & be in 1st place position.

Her home appraisal allows the maximum loan of \$150,000.00, which will support the \$60,000.00 lump sum.

Based on the applicants application, we recommend the board approve this lump sum request.

Board Meeting: February 8, 2021

BOARD AGENDA ITEM

PROGRAM

Multifamily Program

AGENDA ITEM

Decreased credit allowance for 2022 and maximum credits per project

BACKGROUND

2022 QAP

A. Maximum Credit Award

Twenty percent (20%) of the state's Available Annual Credit Allocation will be the maximum Credit Awarded or Allocated to any one Project or Developer for the current year. The Developer's or Consultant's percentage of the Developer Fee, as specified in a written development agreement (a copy of which must be included in the Application), will be that Developer's or Consultant's percentage of the 20% limit. The maximum Credit Award for a Project will be determined based upon the state's Available Annual Credit Allocation for the Housing Credit year from which the Project is first Awarded HCs. In the event Congress does not extend the 12.5% volume cap increase provided in the consolidated Appropriation Act of 2018, MBOH may increase the twenty percent (20%) limit to twenty-five percent (25%) for purposes of 2022 Credit Awards by posting notice of such increase on the Board's website. In addition, the Board may adjust the twenty percent (20%) limit for purposes of 2022 Credit Awards to take into account any Congressional or IRS changes in Available Annual Credit Allocation by posting notice of such adjustment on the Board's website.

The 12.5 percent boost applies to the 2018 LIHTC allocations and will be in effect for 2019, 2020 and 2021. Barring an extension, the LIHTC annual allocation would revert to the previous levels (adjusted for inflation) in 2022. There has not been an extension yet released, that would extend this boost past 2021.

BOARD AGENDA ITEM

PROPOSAL

The 12.5% increase is not applicable for 2022 credits. The available credit amount will be \$28,850,000 instead of \$32,652,010. The max credit award at 20% allowed for \$6,491,250 per project.

We recommend that award amount stay the same, which would increase the percentage for Maximum Credit Per Project to 22.5%.

Multifamily & RAM Program Dashboard

January 21, 2021

LOAN PROGRAMS

Balances as of 12/31/20

	<u>Applications</u>	<u>Active Loans</u>	<u>Outstanding Balance</u>	<u>Available Balance</u>
Reverse Annuity (RAM)				
RAM	6	52	\$2,614,723	\$1,434,848
Housing Montana Fund				
TANF		61	\$216,383	\$446,560
Revolving Loans- AHRLF		5	\$1,858,723	\$286,847
AHP		7	\$1,322,618	NA
Bond Programs				
Regular Program	-	14	\$4,350,000	NA
Conduit	10			NA
Risk Share	-	6	\$6,282,085	NA
Multifamily Coal Trust				
		4	\$14,540,000	\$460,000

Housing Credits Assets Administered/Protected

Total Housing Credits Allocated	\$740,308,156
Number of Projects	271
Number of Families Served	9,012

Housing Credits (HC) Allocated

<u>Project</u>	<u>City</u>	<u>Award</u>	<u>HC Year</u>	<u>Owner</u>	<u>Status</u>
Copper Ridge/9%	Butte	Nov 2017	2018	Butte Afford Thom Dev	Receiving CO's
Blue Bunch Flats	Livingston	Nov 2017	2018	Homeward	Under Construction
Cottonwood Creek	Deer Lodge	April 2018	2018	GL Dev	Leased up, working on 8609's
Freedoms Path	Fort Harrison	Feb 2018	2018	Comm for Vets Affiliated	Waiting on 8609's to be returned
Oakwood	Havre	Nov 2018	2019	Developers	Construction to start in March '21
Meadowlark Vista	Ronan	Nov 2018	2019	Ronan Housing RCAC St Johns Luth/C.R.	Under Construction
Chapel Court	Billings	Nov 2018	2019	Builders	Leasing up, waiting for CO's
Red Alder 9	Helena	Nov 2018	2019	GL/RMDC	Leasing up

Alpenglow	Whitefish	Nov 2018	2019	Whitefish HA Homeword Syringa Housing	Leasing up
Homestead Lodge	Absarokee	Nov 2019	2020	Corporation Wishcamper Development	RD Transfer in progress
Fire Tower Apts	Helena	Nov 2019	2020	HRC/Housing Solutions	Under Construction
Burnt Fork Place Pioneer Meadows	Stevensville Dillon	Nov 2019 Nov 2019	2020 2020	The Housing Company Housing Solutions	Under Construction Under Construction
Skyview	Missoula	Nov 2019	2020		Trying to close in March
Timber Ridge Apts	Bozeman	Nov 2019	2020	Summit Housing Group GL/North Fork Development	Under Construction Waiting on Res Agreements & LURA's back
Laurel Depot MRM Unified Campus	Laurel Billings	Nov 2020 Nov 2020	2021 2021	MT Rescue Mission GL Development	Waiting on LURA to be returned Waiting on Res Agreements & LURA's back
Jackson Court	Billings	Nov 2020	2021	Absaalooke Nation Housing Authority Housing Solutions	Waiting on Res Agreements & LURA's back
AHNA LIHTC 1 Creekside Commons	Crow Agency Kalispell	Nov 2020 Nov 2020	2021 2021		Waiting on LURA to be returned Waiting on Res Agreements & LURA's back
Crowley Flats	Lewistown	Nov 2020	2021	Homeword	Waiting on Res Agreements & LURA's back

HOUSING CREDITS (HCs) COMPLIANCE

Compliance stopped doing inspections due to COVID 4/1/20, IRS has released instruction to waive inspections until 10/1/21.

of audits done 2020

75

Operations Dashboard

February 2021

Board Meetings

A tentative board meeting will be scheduled for March 8, 2021 and will be held in a virtual / webinar format. This added meeting may be needed for multifamily program resolutions.

The following scheduled meeting is April 5, 2021 and will be held in virtual / webinar format.

Board Training

The NCSHA 2021 Legislative Conference is March 9-11, 2021, currently scheduled in-person in Washington D.C. The state of Montana continues to adhere to remote work status due to the COVID-19 pandemic with no out-of-state travel; this status applies to board members. If this conference moves to a virtual platform Staff will notify Board members.

Board members are invited to attend the Mountain Plains Housing Summit, scheduled May 4-5, 2021 as a virtual event. Event registration email with full agenda will be available from North Dakota (hosting this year) in early March. Please let Paula Loving know if you are interested in joining the Summit.

Montana Housing staff, with support from our finance and legal team partners, is preparing a series of board member trainings / on-boarding. Due to the pandemic, we will hold these training sessions in a virtual / webinar format.

Tentatively, these meetings are scheduled for:

- April 21, 2021 – 2:00 to 4:00 PM
- April 28, 2021 – 2:00 to 4:00 PM
- May 5, 2021 – 2:00 to 4:00 PM
- May 12, 2021 – 2:00 to 4:00 PM

Staffing

Since our November board meeting, the following staffing changes have occurred:

- Amber Field and Brian Barnes joined Montana Housing as Housing Choice Voucher Contract Managers.
- Amy Christensen has joined Montana Housing in the Accounting & Data Specialist position.

Contracts / Procurement

- Montana Housing is extending our Montana Legal Services Association contract for the Montana Eviction Intervention Project through September 30, 2021. The contract is under final review and routing stages.
- Subject to final review and approval by the Department of Commerce Director, Montana Housing has selected ServiceNow and Cask to develop an application platform for the new Montana Emergency Rental Assistance program.
- We are in process of extending our GSE Consultant contract with Acorn Mortgage Consulting for another year.

GSE Seller/Servicer Approval Work Plan

- Staff has been working on creating and updating several internal policies to align with the Freddie Mac requirements. On the list are a Fraud Policy, an OFAC (Office of Foreign Assets Control) Policy, Clean Desk Policy and PII Policy.
- We have also implemented mandatory fraud training for all employees and have worked with our consultant, Acorn Mortgage Consulting, to put together and implement a training plan to work our way through the Freddie Mac Seller/Servicing Guide. This training plan was shared with our Freddie Mac account representative.

Operations Dashboard

February 2021

Emergency Housing Assistance Program

- Phase I / TANF Emergency Housing Assistance granted over \$430,000 to support over 100 eligible families with minor children obtain or retain stable housing in 2020.
- Phase II / CARES Act program, which was open to applications from May 7 to November 10, 2020, granted over \$8.4 million in support of 2,483 renters and homeowners. Eighty-five (85) Board of Housing borrowers received over \$240K in assistance through this program.
- We are preparing to launch a new emergency rental assistance program with \$17 million in funds appropriated to the Department of Commerce under HB3 – Supplemental Appropriations Bill, which passed 3rd reading in Senate on 2/2/2021. This bill appropriates \$17 million in federal special revenue for an Emergency Rental Assistance program in accordance with terms under the federal Consolidated Appropriations Act, 2021 and subsequent U.S. Treasury guidance. We launched a website for this new program with vanity URL: emergencyrentalassistance.mt.gov Interested parties can sign up on the website to receive more information, including application launch date, when it becomes available.

Executive Director Update and Legislative Session

Montana Housing provided an overview of our programs and budget at the House Appropriations General Government Subcommittee on Monday, February 1. Our budget requests for the 2023 biennium include a request to make a modified 1.00 FTE Multifamily Compliance Specialist position permanent through the 2023 biennium and beyond. In addition, we requested a new 1.00 FTE for our Single-Family Homeownership program, in response to increased workload and our goal to launch a conventional loan program with Freddie Mac. We also requested a new 1.00 FTE in our Housing Assistance Bureau, in response to increased workload associated with 78 newly awarded Mainstream Vouchers and other increased workload duties. All positions would be funded with proprietary funds and do not requires state funds.

Informational:

- HB21 – Authorize funding for the multifamily coal trust home loan program. Proposes an additional \$15 million be made available as authorized investments from the permanent Coal Trust Tax Fund for the multifamily coal trust home loan program

Monitoring:

- HB134 – Allow zoning for duplex, triplex, and fourplex housing in certain municipalities
- HB259 – Revise property and zoning laws

Other:

- SR29 – Confirm Governor’s appointees to board of Housing. Hearing is scheduled 2/9/2021 at 9:00 am in Senate Business, Labor, and Economic Affairs Room 422. New board member appointees can participate in-person or via Zoom. Instructions provided via email to new appointees on February 4.

Celebrate Mary Bair’s Retirement

Mary Bair is retiring after 25 years of service with the Board of Housing. Mary’s dedication to the affordable housing mission over the last 25 years consistently went beyond the call of duty, especially her caring and compassionate service to seniors participating in our Reverse Annuity Mortgage program. We are tremendously grateful for her service and wish her all the best in her retirement.

Section 8 Program Dashboard

January 26, 2021

HCV, HUD-VASH, MOD REHAB, PBS8, 811 PRA DEMO PROGRAMS:

CURRENT PERIOD: January 2021

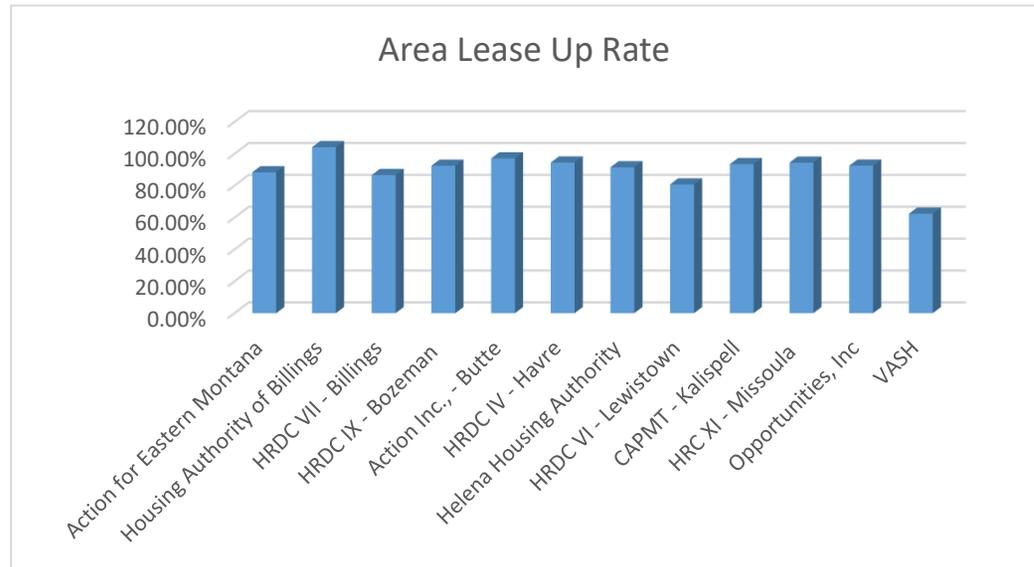
SECTION 8 PROGRAMS	<u>Month</u>	<u>Month</u>	<u>Change</u>	<u>Year</u>	<u>HUD</u>	<u>Date</u>	
	<u>Dec-2020</u>	<u>Jan-2021</u>		<u>HAP</u>	<u>Budget</u>	<u>Fees</u>	<u>Term</u>
Housing Choice Voucher (HCV)					15,426,099	124,971	CY 2020
PBS8 Opt-Out Conversion Funding							
Paid Units (3625 Agency contracts)	3,236	3,211	-25				
Current Month Payment Amount	1,648,371	1,636,267	-12,104	1,636,267		124,971	
Veterans Affairs Supportive Housing (VASH)							CY2020
Number Units Paid (321 Authorized)	241	229	-12			8,762	
Payment Amount	117,678	111,141	-6,537	111,141		8,762	
Moderate Rehabilitation (ModRehab)					2,012,728		CY2020
Number Contracts	18	18	0				
Paid Units (297 Authorized)	254	249	-5			9,489	
Payment Amount	145,859	142,698	-3,161	142,698		9,489	
Project Based VASH							
Number Units Paid	30	35	5			1,073	
Payment Amount	19,484	21,776	2,292	21,776		1,073	
Project-Based (PBS8)							Admin Earnings
Contracts	87	87	0			83,569	
Units Paid (4132 Authorized with 8bb)	3,530	3,548	18				Contract Extension
Payment Amount	1,981,283	2,020,169	38,886				
Calendar Year Admin Earnings						83,569	
811 Project Rental Assistance Demo (FY)					1,900,000	157,000	Five Year
Rental Assistance Contracts (RAC)	4	4	0	Disbursed:	494,985	Balance:	1,405,015
Units (grant requires 82)	23	23	0				8 Units Kalispell
Payment Amount	11,182	12,329	1,147				40 Units Missoula
							5 Units Ronan
							21 Units Bozeman/Belgrade
							74

TOTALS

	<u>Previous Month</u>	<u>Current Month</u>	<u>Change</u>
Paid Units:	7,314	7,295	-19
Budgeted Units:		8,317	
All Section 8 HAPs	3,923,857	3,944,380	20,522

Housing Choice Voucher Program Waiting List as of February 2, 2021

Agency	Contract	2/2/2021	Lease up %
Action for Eastern Montana	190	168	88.42%
Housing Authority of Billings	460	479	104.13%
HRDC VII - Billings	150	130	86.67%
HRDC IX - Bozeman	425	393	92.47%
Action Inc., - Butte	280	272	97.14%
HRDC IV - Havre	200	189	94.50%
Helena Housing Authority	225	206	91.56%
HRDC VI - Lewistown	125	101	80.80%
CAPMT - Kalispell	355	332	93.52%
HRC XI - Missoula	415	392	94.46%
Opportunities, Inc	550	509	92.55%
VASH	367	229	62.40%



Waiting List No. as of February 2, 2021	
Action for Eastern Montana	365
Housing Authority of Billings	471
HRDC VII - Billings	318
HRDC IX - Bozeman	402
Action Inc. - Butte	302
HRDC IV - Havre	115
Helena Housing Authority	606
CAPMT - Kalispell	713
HRDC VI - Lewistown	16
HRC XI - Missoula	1076
Opportunities, Inc	492
Total State Waiting List	4876

