

HOUSING DIVISION – MONTANA BOARD OF HOUSING

Montana Board of Housing – Best Western Plus Gran Tree Inn  
1325 N 7<sup>th</sup> Avenue – Bozeman, Montana 59715  
June 8, 2015

**ROLL CALL OF BOARD**

**MEMBERS:** J.P. Crowley, Chairman (Present)  
Bob Gauthier (Present)  
Doug Kaercher (Present)  
Ingrid Firemoon (Present via Conference Call)  
Jeanette McKee (Present)  
Pat Melby (Present)  
Sheila Rice (Present)

**STAFF:** Bruce Brensdal, Executive Director  
Mary Bair, Multifamily Program  
Vicki Bauer, Homeownership Program  
Mary Palkovich, Servicing Program  
Stacy Collette, Operations Manager  
Penny Cope, Public Relations  
Paula Loving, Executive Assistant  
Charlie Brown, Homeownership Program  
Jeannene Maas, Homeownership Program  
Jessica Johnson, Servicing Program  
Angela Heffern, Accounting Program  
Kellie Guarliglia, Multifamily Program

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

**UNDERWRITERS:** Mina Choo, RBC Capital

**OTHERS:** Heather McMilin, Homeward  
Andrea Davis, Homeward  
Brian Barnes, DPPHS  
Dave Parker, MDOC – Housing Division  
Jeff Rupp, HRDC Bozeman

**CALL MEETING TO ORDER**

Chairman JP Crowley called the Montana Board of Housing (MBOH) to order at 10:00 a.m. Introductions were made. Chairman asked for any public comment not on the

agenda. Heather McMilin, Homeward, provided an update on Southern Lights. Building 1 is complete with the exception of landscaping and some finishing touches. Homeward is awaiting decision on Montana Department of Commerce, HOME financing.

### **APPROVAL OF MINUTES**

Bob Gauthier moved to approve the April 13, 2015 MBOH Board meeting minutes and Jeannene McKee seconded the motion. Chairman Crowley asked for comments. The April 13, 2015 Board meeting minutes were passed unanimously.

### **FINANCE PROGRAM**

Bruce Brensdal provided Finance program update. Bruce introduced Ginger Pfankuch as Cody Pearce's replacement as Finance and Accounting Program Manager whose last day was June 6, 2015. Ginger Pfankuch will start on July 6, 2015.

### **HOMEOWNERSHIP PROGRAM**

Vicki Bauer brought to the Board the 2015 Income Limits released by HUD on May 22, 2015. These replace the temporary income limits set in April. Doug Kaercher moved to approve the Income Limits and Pat Melby seconded. Chairman Crowley asked for comments. The Income Limits were approved unanimously. Bob Gauthier and Pat Melby requested more information regarding the targeted area determinations from HUD.

Vicki Bauer presented to the Board Bond Resolution No. 15-0608-S1. This bond issuance would allow for refinancing of two to three bond series and provide new money for loan purchases. Jeanette McKee moved approve Bond Resolution No. 15-0608-S1 and Pat Melby seconded the motion. Chairman Crowley asked for comments. Bond Resolution No. 15-060815-S1 was approved unanimously.

Vicki Bauer brought to the Board a request from Habitat for Humanity. Vicki introduced Dave Magistrelli from Habitat for Humanity, who thanked the Board for the support for the Habitat for Humanity program. Sheila Rice moved to approve the setaside request of \$880,000 for the fiscal year 2016, which will expire June 30, 2016. Doug Kaercher seconded the motion. Chairman Crowley asked for comments. Bruce Brensdal informed the Board that financially, the Board has funds available for the request. The Habitat for Humanity setaside request in the amount of \$880,000 was approved unanimously.

Vicki Bauer brought to the Board a setaside request for the Disabled Accessible Affordable Homeownership Program (DAAHP) extension. This program provides affordable loans to physically disabled borrowers and allows modifications to the home to make it more architecturally accommodating for their mobility limitations. Within the past year there has been one loan purchased within this program. The current allocated funding for the DAAHP program is \$1,001,568, which expires June 30, 2015. Doug Kaercher moved to approve the allocation of setaside funds for the DAAHP program in the amount of \$1,001,568 for fiscal year 2016 and Sheila Riced seconded

the motion. Chairman Crowley asked for comments. The DAAHP setaside was approved unanimously.

Vicki Bauer brought to the Board a setaside extension request for the Lot Refinance Program. This program provides the permanent financing for new constructed homes that are built on lots where the homebuyer has title to the lot but still owes on the lot and the title is encumbered. The lot must have been purchased within the last two years. This program has not been utilized in the last year. Sheila Rice moved to approve the setaside extension for the Lot Refinance Program in the amount of \$726,440 for fiscal year 2016. Pat Melby seconded the motion. Chairman Crowley asked for comments. The Board inquired about the history of the program. The program allows borrowers to roll the cost of the lot into their mortgage, which would be considered a refinance under the regular program. These loans must be funded with Pre-Ullman funds, so they are considered a setaside. Borrowers have not utilized the program, because the Board has not had the most favorable rate. Sheila asked that the Pre-Ullman funds be evaluated to see if a better rate could be offered. The Lot Refinance Program setaside extension was approved unanimously.

Vicki Bauer provided a Homeownership Program update, which included a review of loan portfolio breakout, the Delinquency and Foreclosure Report, Servicer's Report and the Setaside Report. Vicki stated during the Annual Housing Conference, two awards will be given to participating lenders First Interstate Bank and Opportunity Bank.

#### **MULTIFAMILY PROGRAM**

Mary Bair presented the Chippewa Cree Housing Authority requested changes to Chippewa Cree Homes I. Pat Melby stated there are several factors in determining the award of Tax Credits, and questioned if these changes create a significant change to the originally proposed application. Mary stated the QAP requires Board notification when changes would change the score received. Bob Gauthier moved to approve the changes presented and Doug Kaercher seconded the motion. Jeanette requested follow-up on how this project is affected by these changes. The Chippewa Cree Housing Authority project change was approved unanimously.

Mary Bair provided the Board with the Multifamily program update. A public meeting will be held on Thursday, June 11, 2015 for the 4% Bond transaction. This Bond transaction is financing for Oakmeadows by Homeword and GMD Development.

#### **EXECUTIVE DIRECTOR UPDATE**

Bruce Brendsdaal reviewed the upcoming Board meeting schedule and stated the September meeting will be moved to August 10, 2015 due to the timing of the 2016 Housing Credits – Letter of Intent, and the processing times for the entire Housing Credit allocation process.

Bruce Brendsdaal introduced Mary Palkovich as the new MBOH Loan Servicing Program Manager.

Stacy Collette provided an update on Mortgage Servicing. The First Interstate Bank loan portfolio transfer was completed last week and overall the transfer was highly successful.

Penny Cope provided a marketing update. The Annual Housing Conference starts immediately after this Board meeting and will run through Thursday. Board members are encouraged to attend. The website has been live for a while and working through any issues.

Meeting adjourned at 11:10 a.m.

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Sheila Rice, Secretary

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Date