

HOUSING DIVISION – MONTANA BOARD OF HOUSING

Via Webinar and 301 S. Park Avenue, Suite 240 – Helena, Montana 59601
June 6, 2016

ROLL CALL OF BOARD

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

STAFF: Bruce Brensdal, Executive Director
Ginger Pfankuch, Accounting & Finance Manager
Vicki Bauer, Homeownership Program
Mary Bair, Multifamily Program
Stacy Collette, Operations Manager
Paula Loving, Executive Assistant
Angela Heffern, Accounting & Finance Program
Kellie Guariglia, Multifamily Program
Jeannene Maas, Homeownership Program
Charlie Brown, Homeownership Program

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

UNDERWRITERS: Mina Choo, RBC Capital

OTHERS: Dave Magistrelli, Habitat for Humanity

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

CALL MEETING TO ORDER

Vice Chairperson Jeanette McKee called the Montana Board of Housing (MBOH) meeting to order at 8:30 a.m. (0:04). Introductions were made.

APPROVAL OF MINUTES

Doug Kaercher moved to approve the March 14, 2016 MBOH Board meeting minutes and Pat Melby seconded the motion (3:12). Vice Chairperson McKee asked for comments. The March 14, 2016 MBOH Board minutes were approved unanimously.

Sheila Rice moved to approve the May 23, 2016 MBOH Board meeting minutes and Pat Melby seconded the motion (4:33). Vice Chairperson McKee asked for comments. The May 23, 2016 MBOH Board minutes were approved unanimously.

FINANCE PROGRAM

There was no Finance update presented at meeting.

MULTIFAMILY PROGRAM

Bruce Brensdal and Mary Bair brought to the Board the 2017 QAP Administrative Rules of Montana comments (5:06). Since there was no public comment, no Board action was needed.

HOMEOWNERSHIP PROGRAM

Vicki Bauer presented to the Board the Income and Purchase Price Limits (6:15). The Internal Revenue Service released Revenue Procedure 2016-25 containing safe harbor numbers to be used in establishing average area purchase prices. The purchase price limits for our program are determined by multiplying the safe harbor limits by .9 for non-targeted areas or 1.1 for targeted areas. To determine income limits, MBOH has the option of applying the new high cost area adjustment to either the 2015 or 2016 HUD median income numbers. Staff has reviewed both calculations and has determined that using the 2015 numbers allows us to set higher income limits, thereby assisting more borrowers. Pat Melby moved to approve the 2015 HUD median income numbers for the 2016 Income and Purchase Price Limits for the MBOH Bond programs and Sheila Rice seconded the motion (9:14). Vice Chairperson McKee asked for comments. The 2016 Income and Purchase Price Limits were approved unanimously.

Vicki Bauer brought to the Board the Habitat for Humanity Setaside Request (9:45). Habitat requests an annual allocation of setaside funds each fiscal year, and at the end of the fiscal year, any unused portion of the allocation expires. In June 2015 the Board approved an \$880,000 setaside for Habitat that expires 6/30/2016. As of May 30, 2016, with loan in process, Habitat has used \$706,316 leaving a balance of \$173,684 that will expire. Vicki introduced Dave Magistrelli, Habitat for Humanity, who provided a brief history of the last year (10:23). Pat Melby moved to approve the fiscal year 2017 setaside allocation for Habitat for Humanity in the amount of \$1 million and Doug Kaercher seconded the motion (12:29). Vice Chairperson McKee asked for comments. The fiscal year 2017 setaside Habitat for Humanity was approved unanimously.

Vicki Bauer brought to the Board the existing Setaside extension requests, which include the Disabled Accessible Affordable Homeownership Program (DAAHP) and the Lot Refinance Program (13:09). Each of these programs currently requires renewal for each fiscal year. Staff's recommendation is to eliminate the expiration date. Doug

Kaercher moved to eliminate the expiration date on the DAAHP and Lot Refinance Program setaside programs and Ingrid Firemoon seconded the motion (15:07). Vice Chairperson McKee asked for comments. The motion was approved unanimously.

Vicki Bauer brought to the Board the 80% Combined Setaside Request (15:34). In April 2014, the Board approved \$5,000,000 million in funding from 2007A1 PreUllman funds for a program to offer low-LTV uninsured loans at a 4% rate to homebuyers who are eligible for NeighborWorks MT 20+ Community Second program. This 80/20 structure was available only to the group of lenders selected by NWMT for the 20+ Community Second Program. The Program provided a first-position loan for 80% of the purchase price, and NWMT provides an amortizing second loan for the other 20%. This Program provides a valuable alternative to the current high cost of an FHA insured loan. This setaside is set to expire 6/30/16. Pat Melby moved to eliminate the expiration date on the 80% Combined setaside and all any non-profit organization to participate in the program and Doug Kaercher seconded the motion (19:17). Vice Chairperson McKee asked for comments. The 80% Combines setaside program request was approved unanimously with Sheila Rice abstaining.

Vicki Bauer presented to the Board the Mortgage Credit Certificate Resolution No. 16-0606-S2 (20:44). The Mortgage Credit Certificate allows eligible homebuyers to receive a dollar-for-dollar reduction in their federal income taxes of up to 20% of the annual interest paid on their mortgage. Borrowers can file an amended withholding statement with their employer, and increase their monthly take-home pay by the amount of the credit. This additional income can be used to help qualify a borrower for a loan. The MCC can be attached to any loan statewide, except for a loan financed through any other Montana Board of Housing Program. Sheila Rice moved to approve Resolution No. 16-0606-S2 in the amount of \$36 million for the Mortgage Credit Certificate program and Ingrid Firemoon seconded the motion (21:47). Vice Chairperson McKee asked for comments. Resolution No. 16-0606-S2 was passed unanimously.

EXECUTIVE DIRECTOR UPDATE

Bruce Brensdaal stated the next Board meeting will be August 15, 2016 in Helena and will consist of the 2017 Housing Credits Letter of Intent (22:30).

Meeting adjourned at 8:54 a.m.

Sheila Rice, Secretary

Date