

2016 Calendar

January 2016						
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 2016						
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

July 2016						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

October 2016						
Su	Mo	Tu	We	Th	Fr	Sa
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

February 2016						
Su	Mo	Tu	We	Th	Fr	Sa
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7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29					

May 2016						
Su	Mo	Tu	We	Th	Fr	Sa
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

August 2016						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November 2016						
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			

March 2016						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

June 2016						
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 2016						
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 2016						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

July 2016

- Executive Director's Workshop TBD
- No Board Meeting

August 2016

- 15 – Board Meeting – Helena

September 2016

- No Board Meeting
- 24-27 – Annual Conference & Tradeshow (Staff & Board Members) Miami Beach FL

October 2016

- 16 – Board Strategic Planning Session
- 17 – Board Meeting - Helena

November 2016

- No Board Meeting

December 2016

- No Board Meeting

January 2017

- 22 – Board Training: Financial Statement
- 23 – Board Meeting - Helena

Administrative Dashboard

June 17, 2016

Board Meetings

The next Board meeting will be August 15, 2016 in Helena at the Radisson Colonial Hotel. The Board meeting will start at 8:30 A.M. This meeting will include the 2017 Housing Credits – Letter of Intent process. Hotel arrangements will be made for out of town Board Members due to the early morning start time. If you are unable to attend this Board Meeting please notify Paula Loving at 841-2824 or ploving@mt.gov.

Board News

The 2017 NCSHA Annual Conference will take place on September 24-26, 2016 in Miami Beach, Florida. Two Board members are scheduled to attend this conference. It is the main networking event of the year for HFAs and the partners who work with them to increase housing opportunities through the financing, development, and preservation of affordable housing. If you are interested in attending this conference, please notify Paula Loving.

Direct Deposits:

Board members will have an opportunity to have expenses and reimbursements directly deposited into their accounts. This process will require a voided check to be given to Paula, and then all reimbursements will be processed and placed in the account within 2 days. This saves, time, postage and more time.

Grand Openings, Ground Breakings and other Public Events

Cascade Ridge II in Great Falls is looking at a Grand Opening July 14; we will let you know the details as we receive them. We are also planning a habitat build here in Helena on July 15. The Lt Governor is planning on joining us so anyone else is invited to volunteer. Voyageur Apartments in Great Falls, Cedar View in Malta, and Fort Peck are also looking at August or September Grand Openings.

Office Management

The Housing Division's reconfiguration has been completed. All workspace environments are standardized. Through this process the Division has been able to create an inviting environment for its employees and the clients it serves. Security measures were implemented for personal identifiable information and the safety of our employees.

Operations Update

Our division has completed performance reviews of all staff, exactly one month ahead of the Agency-wide deadline of August 1st. This is significant simply because our program managers and staff took time to plan 2017 goals, including training and development and assess performance objectives set in the last year.

We continue to work on updating the job descriptions and are in the process of creating career ladders within the Division for each program. We anticipate rolling out a career ladder program this fall in servicing.

We will be posting a public relations position for the Housing Division to meet the growing demand of our programs and outward facing public interaction. The new person will work side by side with Penny who will continue to serve in her role.

We successfully concluded our first intern experience of the 2016 summer – Aidan Wade completed a lion-share of work including creating several dozen online forms for each program and preparing our teams for more innovative means of customer data gathering. Our new intern Laurel Fischer began work July 5th and will continue with the implementation of these efforts and assist with marketing and other program activities.

Marketing Update

The Housing Conference in Kalispell was a great success. We have heard from several of our long-time partners that they appreciate the time we put into the planning and execution of this conference. The topics were cutting-edge and the networking opportunities were not to be missed. We were able to spend quality time in the hometown of a strong partner, CAPNWMT, and we were all impressed with their accomplishments and with their plans for the future of their region.

Staffing

We had a staff change in Loan Servicing this last month, and with the help of HR have successfully filled the position with a temporary employee with experience in lending. We will train this individual and then follow the competitive process in the next 6 months to permanently fill the position.

Strategic Planning

The attached pages illustrate the latest developments in the strategic plan process. Please review this and plan to discuss in August.

MARCH 2016

Planning Document

MULTI-FAMILY PROGRAM	ACTION STEPS AND ANTICIPATED RESULTS
<p>Implement Cost control measures for Housing Credit Projects to put more units on the ground than in prior years.</p>	<p>Host a Board and Developer Roundtable to discuss strategy</p> <ul style="list-style-type: none"> Explore ways to contain costs and present that to the Board Review amount spent per unit Decrease professional fees/soft costs How do some developers produce units at lower rates? Cost containment alternative use in other states
<p>Ensuring exit capital reserves exist after the investor exits (years 10-15)</p>	<p>Explore and research the viability of requiring reserves to be held through the affordability period and the impact to that and the Board's role in requiring this.</p>
<p>Explore the viability of 4% tax credit development in Montana</p>	<p>4% Tax Credit Education Session: May 23, 2016</p>

BOARD GOALS

Determine long term viability of modern project development

Exclusive Planning session with developers focused on:

Lifecycle cost savings

Decrease operating costs

Get DEQ assistance

There are states that commission market studies

Can we develop this in house at MBOH

Establish standards for market studies

QAP Changes to Multifamily Application: March 2016

2 day workshop

Refining the new invitation to apply for 9% Housing Credit Program

Explore other means of ranking applications and adjust for 2018 Award cycle

Improve understanding of MBOH programs and housing activities in the Congressional Delegation.

Enlist development partners to educate constituencies – freedom funds, national housing trust fund, housing block grants – ask developers to participate more actively in a formal manner to support national support and educate Elected Delegation.

HOMEOWNERSHIP PROGRAM	ACTION STEPS AND ANTICIPATED RESULTS
<p>Increase and expand lenders including credit unions using MBOH programs</p>	<p>Examine current list and identify key targets</p> <p>Increase credit unions by 3 in 2016</p> <p>Increase lenders by X in 2016</p>
<p>Engage participating lenders in MBOH programs</p>	
<p>Determine Housing Market needs to fund through set aside programs</p>	<p>Example: Native American coalition</p>
<p>Pursue conventional finance programs and products</p>	<p>Focus on Fannie Mae application in 2016</p> <p>Evaluate board policies</p>
<p>BOARD GOALS</p> <p>-Create opportunity for Board to drive the development of set aside program funds for special programs</p> <p>Explore Manufactured Home financing; Resident Owned Communities</p>	<p>At March 2016 meeting voted to loan monies at lower rate.</p> <p>Review New Hampshire ROC financing program and look to expand ROC financing in Montana from 7 communities to X# in 2016 and offer ROC financing</p>

FINANCE PROGRAM	ACTION STEPS AND ANTICIPATED RESULTS
<p>Update Investment Policy</p> <p>Ensure investments are made according to indenture and state requirements</p>	<p>Target November 2016 Investments – watch monthly</p>

<p>Pursue more frequent Bond Calls and decrease Bond call timeframes</p> <p>Minimize negative arbitrage</p> <p>Pursue relationship with Cain Mitter</p>	<p>Investigate options for engaging a third party financial advisor to assist in more frequent bond calls.</p>
<p>Make monthly investments</p> <p>Shorten period of time money stays in money market and maximizes earning potential and use for programs</p>	<p>Implement 1st Quarter 2016</p>
<p>BOARD GOALS</p> <p>Board Training on Financial Statements</p>	<p>Use FY 16 Financial Statements to train Board in the 1st quarter of 2017</p> <ul style="list-style-type: none"> • Revenue and Expense (P&L) • How Color of Money ties to Financial Statements • State Agency/Reporting Requirements • Dashboard Review and Use

SECTION 8 PROGRAM	ACTION STEPS AND ANTICIPATED RESULTS
<p>Goal #1: Increase utilization of HCV assets (vouchers).</p>	<p>Fully integrate CM/FA efforts; complete FA training</p> <p>Raise HCV utilization to 3,400</p> <p>Explore project-basing vouchers</p>
<p>Goal #2: Fully implement 811 PRA grant</p>	<p>Identify/contract with property owners</p> <p>Utilize all units authorized in grant (82)</p> <p>Explore expansion</p>
<p>BOARD GOALS</p> <p>Congressional Education work to be done</p>	<p>Tie Housing Assistance Bureau Material into whole Division/MBOH Marketing Strategy for Congressional Delegation locally and nationally.</p> <p>Website development</p>

LOAN SERVICING PROGRAM	ACTION STEPS AND ANTICIPATED RESULTS
<p>Analyze Servicing Quality and Business Model</p>	<p>Build a CMS – Compliance Management System; have plans in place for any and all audits and exams, have policy and procedures completed, an outlined structure of data systems, know our risk areas, a plan to keep up with compliance changes, work with QC staff to have a strong confidence in all data entry and accuracy of complete portfolio.</p>
<p>Improve Customer Service by implementing a way to measure CFBP and other resources data to</p>	<p>Leverage CFPB resources</p> <p>Customer Service – Create independent resolution logs for all complaints such as credit disputes, loss mitigation & foreclosure appeals and other complaints & escalations. Recognize risks of violating consumer financial laws. Keep up with CFPB rules and results of findings. Continue with departments 2016 planning meeting goals. Reduce percentage of foreclosures and delinquencies. Create periodic monthly statements, analyze escrow after year end, create a communication newsletter on website for customers.</p>
<p>Coordinate with Housing Division resources statewide by participating in lender and borrower education.</p>	
<p>BOARD GOALS</p> <p>Improve Home Buyer education</p> <p style="padding-left: 40px;">Do community engagement with Community Partners</p> <p>Change legislation to allow Board to service other loans – not just MBOH loans</p>	
<p>ADMINISTRATIVE</p>	<p>ACTION STEPS AND ANTICIPATED RESULTS</p>
<p>Integration with Economic Development, Tourism and other Industry Sectors</p>	<p>Coordinate with Home, CDG, Housing Trust Fund</p> <p>Meeting with CDD and MTOTBD monthly</p> <p>Engaging industry partners regularly</p>

<p>MBOH Branding Campaign to increase awareness of programs and gain statewide recognition at a different level</p>	<p>Get housing a higher profile</p> <p>Create a Marketing plan by November 1, 2016</p>
<p>Board Training and Development</p>	<p>4% tax credit training</p> <p>Jackson Hole WY – May 2016</p> <p>Engage board members at projects and events</p> <p>National Conference in Miami, September</p> <p>Housing Legislative Days January 4, 2017</p>
<p>BOARD GOALS</p> <p>Education of Delegation</p> <p>national staff – develop a cohesive plan for marketing and targeting specific audiences</p>	<p>Staff to provide Housing 101 education to delegation staff</p> <p>Coordinate to get delegation and staff to Projects</p> <p>March 18 Tester to Bozeman Project</p> <p>Governor’s events</p> <p>4/21 Sydney Housing Open House</p> <p>Section 8 events</p> <p>Home Ownership Events</p> <p>Loan Servicing Events</p>

Homeownership Program Dashboard

July 12, 2016

Rates

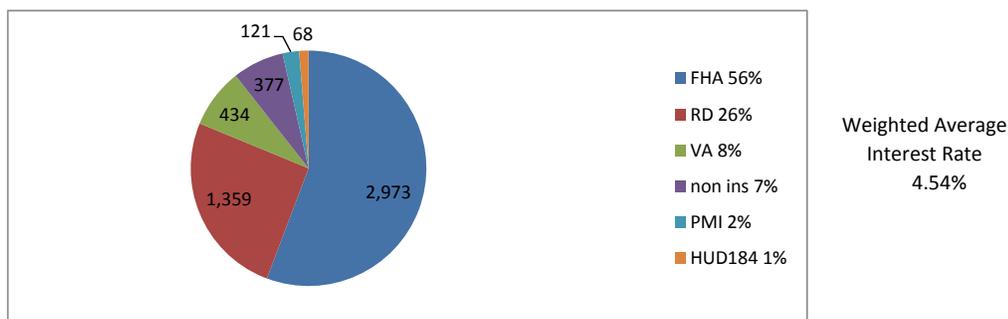
	Current	Last Month	Last Year
MBOH	3.25	3.25	3.25
Market	3.44	3.50	3.88
10 yr treasury	1.46	1.85	2.43
30 yr Fannie Mae	2.91	3.19	3.73

Loan Programs

	June 2016 reservations	Amount	Total: Number	Amount	Original Amount	Balance
Regular Program						
Series 2016A	27	4,193,448	194	31,508,729	40,000,000	8,491,271
Set-asides:						
Veterans (Orig)	4	790,903	220	31,023,098	40,000,000	8,976,902
Score Advantage	14	81,900	157	834,164	1,500,000	665,836
80% Combined (20+)	0	-	61	7,420,649	9,500,000	2,079,351
Set-aside Pool	3	423,279	11	1,543,039	13,299,551	11,756,512
Foreclosure Prevent	0	-	1	4,365	50,000	45,635
Disabled Accessible	0	-	226	16,358,432	Ongoing	1,001,568
Lot Refi	0	-	12	1,273,560	2,000,000	726,440
Habitat	1	139,032	7	845,348	880,000	34,652

MBOH Portfolio as of May 2016

5,332 Loans* (4,222 serviced by MBOH)



*This is a 3.072% decrease in portfolio size from May 2015 when we had 5,501 loans

Delinquency and Foreclosure Rates

	Montana Board of Housing			Mortgage Bankers Assoc. 0 3/2016 <i>(most recent available)</i>		
	May-16	Apr-16	May-15	Montana	Region	Nation
30 Days	1.80	1.68	2.18	1.25	1.62	2.12
60 Days	0.79	0.87	1.02	0.38	0.53	0.74
90 Days	2.21	2.3	1.64	0.70	1.02	1.55
Total Delinquencies	4.80	4.85	4.84	2.33	3.17	4.41
In Foreclosure	0.68	0.54	0.81	0.71	0.97	1.74

MORTGAGE SERVICING PROGRAM DASHBOARD

Effective 06/30/16

Last Month

This Month

MONTH	online payments 45 NEW: Periodic Statements go out in August!	JANUARY 2015	MAY 2016	JUNE 2016	
PORTFOLIO TOTAL LOANS			3524	4578	4563
MBOH			3222	4269	4254
BOI			285	291	297
MULTI FAMILY			17	18	18
PRINCIPAL (all loans)			\$ 308,711,975.90	\$ 409,782,554.51	\$ 408,779,530.73
ESCROW (all loans)			\$ 3,842,073.26	\$ 3,652,690.34	\$ 4,082,063.89
LOSS DRAFT (all loans)			\$ 590,091.11	\$ 610,434.46	\$ 610,611.61
LOANS DELINQUENT (60+ days)			412	211	175
FORECLOSURES TOTAL 2016			0	14	15
ACTUAL FORECLOSURE SALES			8	0	1
DELQUENT CONTACTS TO MAKE			1191	869	829
LATE FEES - NUMBER OF LOANS			572	757	807
LATE FEES - TOTAL AMOUNT		\$ 15,909.65	\$ 21,562.77	\$ 23,362.81	
PAYOFFS		23	38	40	
NEW LOANS/TRANSFERS		3	23	14	

LOSS MITIGATION	JUNE	FHA/HUD Default Servicing Guidelines and Regulations Tier 1 - 2016 FYQ1 Score 10/1/2015 – 12/31/2015 Foreclosure Prevention 81.54% Redefaults 100.00% SFDMS Reporting 93.30% Loss Mitigation Engagement 100.00% Score 93.71% (Paperless Credit) Quarter Score 93.81%
ACTIVE FINANCIALPACKETS	17	
REPAYMENT/FORBEARANCE	65	
HAMPS/PARTIAL CLAIMS & MODS PNDG	10	
PRESERVATION PROPERTIES	9	
REAL ESTATE OWNED PROPERTIES	5	
CHAPTER 13 BANKRUPTCIES	14	

Multifamily & RAM Program Dashboard

July 14, 2016

Loan Programs

Applications	Active Loans:		
<u>Reverse Annuity (RAM)</u>			
RAM			76
<u>Housing Montana Fund</u>			
TANF			62
Revolving Loans			3
AHP			8
<u>Bond Programs</u>			
Regular Program	-	-	11
Conduit	5	17,250,000	
Risk Share	-	-	8

Housing Credits (HCs) All

	City	Award	HC Year
Fort Peck Sust Village	Poplar	13-Apr	2013
Sunset Village	Sidney	13-Dec	2014
Voyageur Apartments	Great Falls	13-Dec	2014
Cedar View	Malta	13-Dec	2014
Chippewa Cree Homes I	Box Elder	13-Dec	2014
Antelope Court	Havre	14-Nov	2015
Cascade Ridge II	Great Falls	14-Nov	2015
Gallatin Forks	Manhattan	14-Nov	2015
Guardian Apartments	Helena	14-Nov	2015
Stoneridge Apartments	Bozeman	14-Nov	2015
Sweet Grass Commons	Missoula	14-Nov	2015
River Ridge	Missoula	14-Mar	2015
Larkspur	Bozeman	15-Dec	bond deal
Big Sky Villas	Belgrade	16-Jan	2016
Valley Villas	Hamilton	16-Jan	2016
NorthStar	Wolf Point	16-Jan	2016
Little Jons	Big Fork	16-Jan	2016
Red Fox	Billings	16-Jan	2016
Freedoms Path	Fort Harrison	16-Jan	2016

Housing Credits (HCs) Co

	Year to Date	Last Year
Project Site Visits	44	86
Units Inspected	539	1,526

<u>Projects w/Comp</u>	<u>Owner</u>	<u>Management</u>	<u>audit done</u>
Big Boulder Residences	RMDC	RMDC	6/16/16

Outstanding Bal	Balance Available
------------------------	--------------------------

3,718,033

429,772

460,822

1,526,839

1,387,687

2006-2016

7,858,296

location

Status

one house left to lease

leasing in progress

leasing in progress

received 8609s

rehab underway on about 10 homes

construction underway

Grand opening July 14th

completed

rehab underway, applying for HOME funds

const more than 67% complete

pictures attached

rehab underway

on track 6 weeks ahead of schedule

HOME grant awarded; RD on transfer; infrared, asbestos, & radon testing done

construction contracts signed

applying for additional HOME funds

submitted transfer package to RD

re-advertise construction bids

received reservation agreement

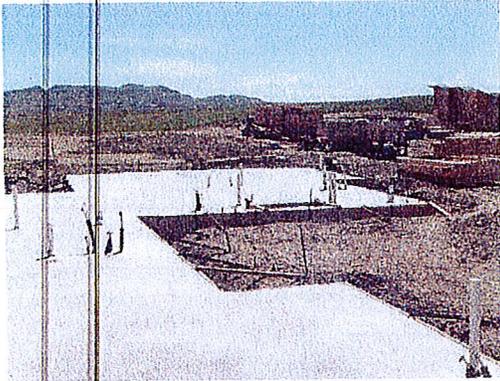
compliance

Explanation

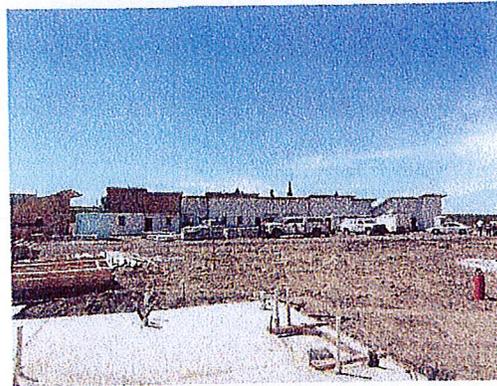
no issues

3.0 PHOTOS

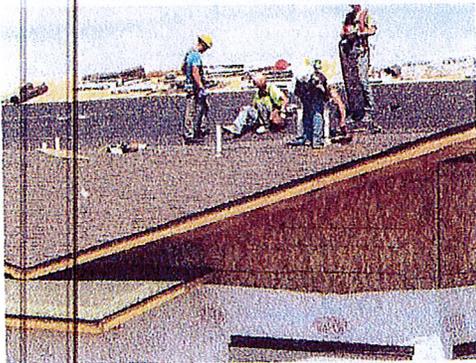
Antelope Court



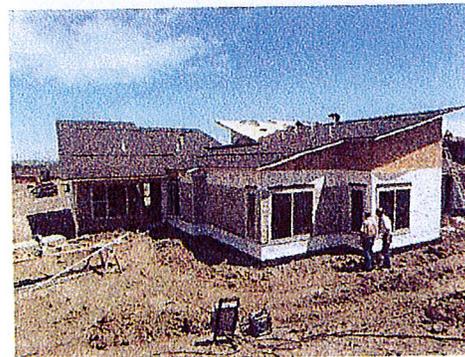
1. Standing on Bldg. E's slab looking southeast towards Bldg. B. A truck load of wall panels can be seen in the top center of picture.



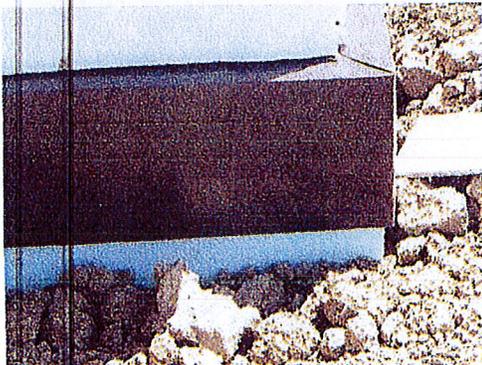
2. Looking south towards Bldg. A. Siding has started and roofing is nearly complete on Bldg. A.



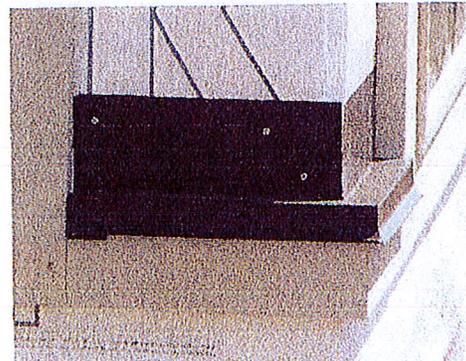
3. Roofing crew working on Bldg. A's roof, which is 95% complete.



4. This view of Bldg. A, looking north, shows the start of the siding install and the progress of the roofing.



5. A close up of rigid insulation and sheet metal installed at the perimeter of a foundation.



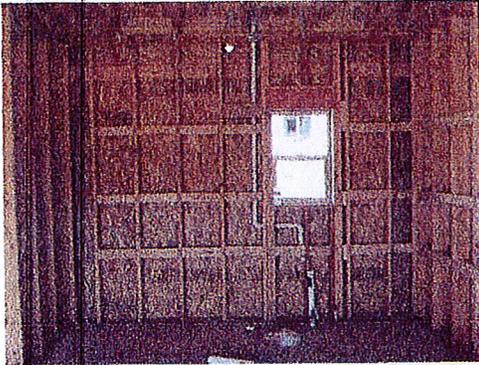
6. Another close-up of weather proofing. This view shows the sheet metal at the transition of the "skirt board" to siding.



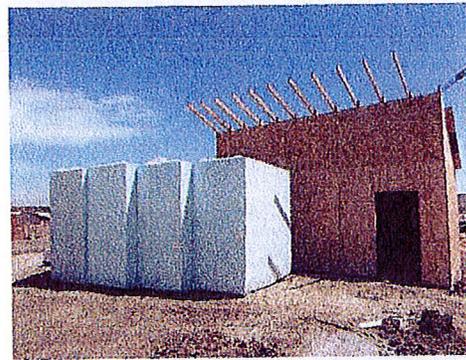
7. Looking southeast at the progress of Bldg. B. Wall framing is complete and trusses are 95% installed.



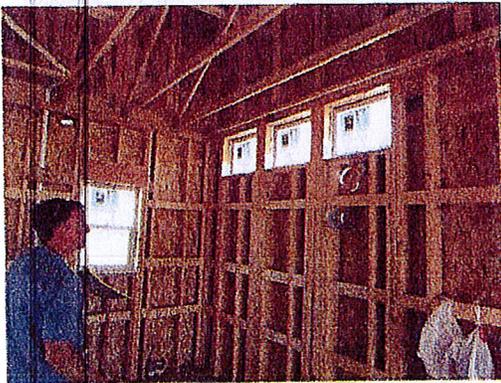
8. This view shows some of the siding and roofing being stored on-site. Walls, for Bldg. E, are on-site as well.



9. View of a typical kitchen area while standing in the living room. The roughed in plumbing for the kitchen sink can be seen below the window.



10. Looking at building F (shed) and the rigid insulation being stored on-site. The rigid insulation is used to protect the foundation from winter conditions.



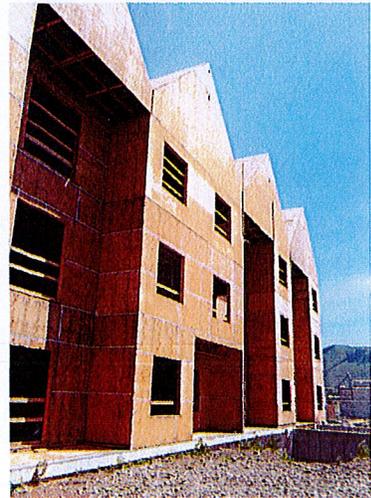
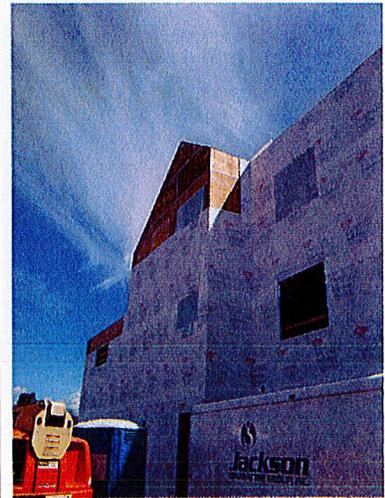
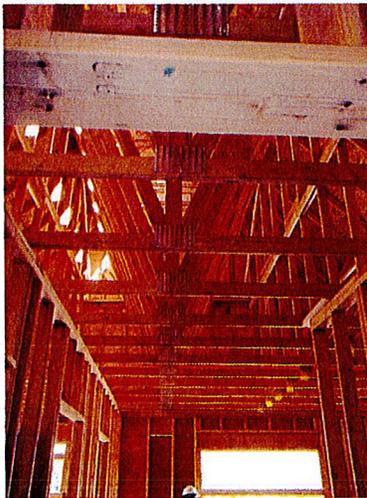
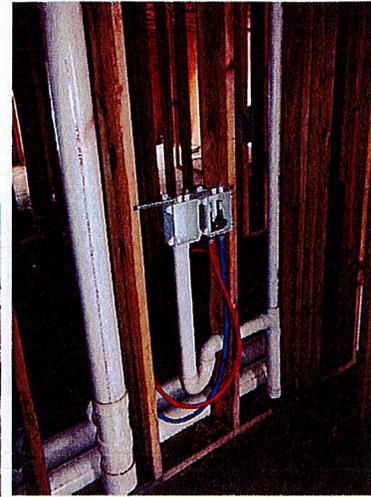
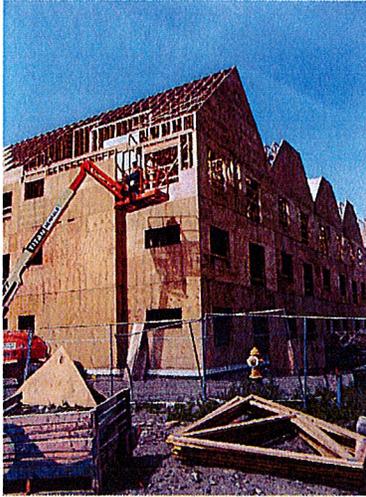
11. Standing in an end unit looking towards the kitchen. The three high windows in the center of the picture will be above the wall cabinets.



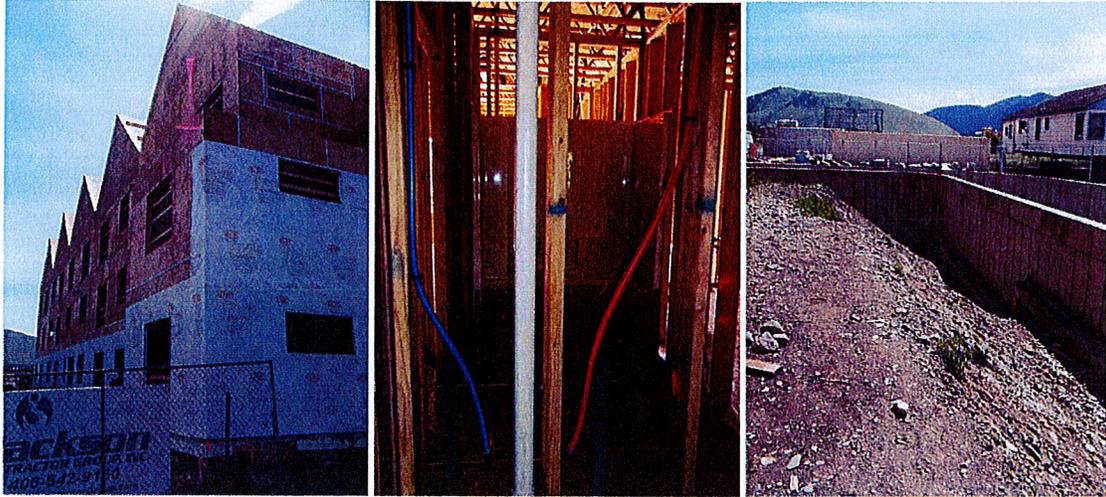
12. An overall view of work in progress, buildings A, B and F can be seen.

Sweetgrass Commons

June 2016:

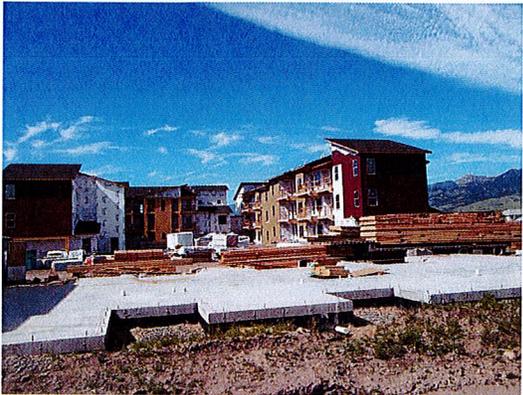


Construction Progress



June 2016 (con't):

Larkspur



HOUSING DIVISION DASHBOARD

*Tenant Based, Veterans' Vouchers, Mod Rehab, ShelterPlus Care I and II,
811 PRA Demo Programs:*

Current Period: July, 2016
Before mid month payment and grant draws

Section 8 Programs	Current Month Jun-2016	Current Month Jul-2016	Change	Calendar Year HAP	HUD Budget	Year to Date Agent Fees	Term
Housing Choice Voucher (HCV)					15,426,099	765,331	CY 2016
<i>PBS8 Opt-Out Conversion Funding</i>					88,595		
Paid Units (3625 Agency Contracts)	3,190	3,144	-46				
Current Month Payment Amount	1,488,805	1,459,053	-29,752	9,996,031		765,331	
Veterans Affairs Supportive Housing (VASH)					313,408		
Number Units Paid (281 Authorized)	223	216	-7				
Payment Amount	122,864	121,147	-1,717	805,247			
Moderate Rehabilitation (ModRehab)					2,012,728		
Number Contracts	18	18	0				
Paid Units (302 Authorized)	271	216	-55				
Payment Amount	145,419	134,979	-10,440	805,247		60,008	
Shelter Plus Care I (Individual) FY13 Grant Funds					195,488		July 27-July 26
Number Units Paid (28 Authorized)	34	34	0		Grant Balance		
Payment Amount	17,814	17,814	0	182,217	13,271		
Shelter Plus Care II (Family)					37,710		Dec 2011-Dec2015
Number Units Paid (5 Authorized)	6	6	0		Grant Balance		
Payment Amount	3,380	3,835	455	22,767	12,549		
Project-Based (PBS8)						Admin Earnings	Fed Fiscal
Contracts	87	87	0			63,760	
Units Paid (4073 Authorized)	4,065	4,065	0				Contract Extension
Payment Amount	1,645,404	1,630,313	-15,091				Expires June 30 2016
Calendar Year Admin Earnings						587,760	
811 Project Rental Assistance Demo (FY12 \$)					1,900,000	157,000	Five Year
Rental Assistance Contracts (RAC)	48	48	0				
Units (grant requires 82)		48				8 Units Kalispell	
Payment Amount	3,331	6,123	2,792	14,814		40 Units Missoula	
						48	
Totals	Previous Month	Current Month					
Paid Units:	7,789	7,681	-108				
Budgeted Units:		8,317					
All Section 8 HAPs	3,423,686	3,367,141	-56,545				