ROLL CALL OF BOARD

MEMBERS:  
J.P. Crowley, Chairman (Present)  
Bob Gauthier (Excused)  
Doug Kaercher (Present)  
Ingrid Firemoon (Excused)  
Jeanette McKee (Present – by phone)  
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  
Penny Cope, Marketing and Public Relations  
Mary Palkovich, Servicing Program  
Jeannene Maas, Homeownership Program  
Charlie Brown, Homeownership Program  
Danyel Bauer, Homeownership Program  
Rena Oliphant, Multifamily Program  
Bob Vanek, Multifamily Program  
John Schroek, TBS8

COUNSEL:  
Greg Gould, Luxan and Murfitt

UNDERWRITERS:  
Mina Choo, RBC Capital

OTHERS:  
Alex Burkhalter, Housing Solutions LLC  
Andrea Davis, Homeward  
Heather McMilin, Homeward  
Liz Mogstad, RMDC  
Amy Fitzpatrick, MDOC  
Brian Barns, DPHHS-MFP  
Carol Lechner, Rural Development  
Maney Mc Cleary, CAPNM  
Angela Paullin, CAPNM  
Revonda Stordahl, Public Housing Authority of Butte  
Jenni Howell, CAPNM  
Katie Gonsalves, Habitat for Humanity of Gallatin Valley  
Nicole Antoino, Salish Kootenai Housing Authority  
Su-San Perez-Tenas, Salish Kootenai Housing Authority
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

Chairman JP Crowley called the Montana Board of Housing (MBOH) meeting to order at 8:31 a.m. (0:00). JP called for a quick round of introductions for those present in the meeting.

Bruce Brensdal noted some technical elements including this meeting has a conference call and will be recorded. All participants were directed to use a microphone for any and all comments.

Chairman asked for any public comment not on the agenda (8:38am). No public comment was made.
FINANCE PROGRAM

Ginger provided a finance program update (8:38)

Investment Diversification

As of March 31, 2016, we had 26% of our investments in Money Market accounts earning from 10 basis points (0.10%) to 16 basis points (0.16%). 45% of our investments were in Federal Home Loan Bank discount notes earning from 28 basis points (0.28%) to 65 basis points (0.65%). The remaining 29% is invested in various other investments as listed on the dashboard.

Weighted Average Yield Trend

The weighted average yield has leveled out for the month of March with the Money Market rates remaining steady and few new investments being made with the upcoming bond calls.

Portfolio Maturity

26% of our portfolio is currently available and 56% will be available within the next year. We are anticipating over $6 million in principal payments for bonds that are maturing and over $8 million in interest payments. We are also anticipating bond calls in excess of $20 million. The amounts that are currently available and those that will mature in May will be used, in part, for the June bond calls.

HOMEOWNERSHIP PROGRAM

Vicki Bauer brought to the Board the Homeownership Dashboard with loan production and delinquency information for the month of April. She provided a comparison between loan and MCC production between FY 2015 and FY2016 through the end of April. Production has almost doubled since we have been able to offer a below market rate. She also indicated that Board of Housing would be giving out lender awards as part of the housing conference. The Top Producing Lender statewide was First Interstate Bank, Glacier was the Top Producing Lender in Special Programs, Mann Mortgage was the Top Producing Lender in the MCC Program, Don Kessler with Opportunity Bank was the Top Loan Officer Statewide and Carla Weber with Glacier Bank was the Top Loan Officer for the Northwest region.

MORTGAGE SERVICING UPDATE (8:45)

Mary Palkovich gave the Board an update for internal servicing – July 2014 and January 2015 we have increased in the portfolio number of loans. The number of delinquent loans has decreased, the first time since last June, and MBOH Servicing is lower than the national numbers for the delinquency ratio. Mary forecasts the same trend for our portfolio.

MULTIFAMILY PROGRAM

Mary Bair brought to the Board the Reverse Annuity Mortgage Interest Rates (8:47)
Proposing that we lower the interest rate – historically at 5% - proposing to lower interest rate to match 80/20 homeownership program rates – at this time at 4% and float with that rate, but stay at 5% or below without board action.

Balance of $900,000 in the program now, and payoffs are coming in at a good rate which will increase the balance. We will have more monies to lend.

Bob made the motion to approve. Sheila seconded the motion.

JP asked for comments, seeing none, the vote was taken and the Board voted unanimously. (8:50)

Mary provided a brief update on the Makoshika project and the potential of removing that project from the tax credit program. She also noted there are ARRA funds to address and to clear up. More information will be given the Board at the time it is available.

Mary noted that the Multifamily dashboard is pretty different this time, listing the findings on all of the tax credit projects from the audit/site visits. She asked the board to consider it and she will streamline the reporting to make it easier for the board. Bob and JP and others noted they liked the new report.

**EXECUTIVE DIRECTOR UPDATE**

(8:52) Bruce provided an update on policies he and Greg have been working on. Prior to, the policies were part of the allocation plan, and they have chosen to remove them and set them out as general policies. There are two policies of note for consideration and request for adoption by the Board.

Ex parte communication policy -not a change in policy but a clarification to the language and make it more functional. Greg offered explanation – staff versus board – giving people opportunity to access information. Information – great, but not when the board is getting ready for action

No substantive decision off the record – it will be on public record.

Note – statutory citation – 2-15-102 – correction to be made to the policy.

Second policy is the policy on information requests and release. Like the earlier policy, the request is to move the policy out of the QAP and set as a general policy. The legislature amended the public record laws in the legislature last session. Information to the board is public information and subject to disclosure – such as a tax credit application. There are areas of confidentiality that will be protected – individual privacy – which outweighs public right to know. Trade secret information, financial information or business plans – those may be protected and not disclosed.

See policy here****

Questions from the board

Pat asked what are the policies and procedures for information requests? Greg stated that he did discuss with the council for the department of commerce and their position was to initiate communication with owner of information and have them decide what is proprietary.
Pat asked, who is responsible for defending against private information – is it the agency or owner of the information? Greg responded that he was not certain. Traditionally handled, the owner of the information is contacted. Bruce concurred with the assessment.

Bruce stated that we will do training with the board and public annually on ex parte – and other policies as applicable. If people have questions, call and ask board staff or Greg, and we will make sure we are all doing this correct.

Pat move to adopt the policies with the change to the statute.

Sheila seconded the motion.

A call for questions or comments was made by JP.

Greg noted at 9:04 that on information requests, language was left out of the paragraph near scope - public information is any information prepared owned used or retained by the board relating the except***

Pat amends the motion to include the language as modified by Greg.

Sheila seconded the motion.

The Board voted – Unanimously to approve both policies.

Stacy provided a brief update on the strategic plan noting dates were added as well aas specific steps to follow through. Penny noted the Housing Conference.

Mary Bair stated that the loan made to southern lights on rehab efforts was being paid back this week. 9:07 am

JP – called the meeting to close – at 9:08am

Meeting adjourned at 9:08 a.m.

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Sheila Rice, Secretary

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Date