

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
FINANCE COMMITTEE MINUTES  
July 20, 2018**

The meeting of the Finance Committee of the Illinois Housing Development Authority took place on July 20, 2018 at 111 East Wacker Drive, Chicago, Illinois at 10:00 a.m. Attending the meeting was Mr. King Harris, Ms. Karen Davis, Ms. Mary Kane, Ms. Luz Ramirez, Ms. Alyssa Rapp, and Mr. Sam Tornatore for the Members. Also attending the meeting were Mr. Scott Schmitt of US Bank, Ms. Susan Jun of Morgan Stanley, Ms. Natalie Moretz and Mr. Mike Koessel of CitiGroup, Ms. Jennifer Fredericks of Bank of New York Mellon, Mr. Robert Cafarelli of Zions Bank, and Mr. Nicholas Vallorano of Mayer Brown LLP. For the Authority staff; Mr. John Chung, Ms. Tara Pavlik, Ms. Vanessa Boykin, Mr. Andrew Nestlehut, Ms. Nandini Natarajan, Ms. Christine Moran, Mr. Ryan Pearce, Ms. Audra Hamernik, Ms. Debbie Olson, Ms. Maureen Ohle, Ms. Colleen Synowiecki, Mr. Timothy Veenstra, and Mr. Chad Courtney were present.

**Meeting commenced at 10:04 a.m.**

Ms. Kane motioned to approve the June 15, 2018 Finance Committee meeting minutes as presented.

**ONGOING ACTIVITIES**

**Discussion: Monthly Interim Financial Statements.**

Ms. Boykin discussed the Authority's Monthly Interim Financial Statements by highlighting the Total operating revenues, Government reimbursements and Total operating expenses.

**Discussion: Multifamily Update.**

Ms. Moran provided an update on the Authority's Monthly Multifamily Projects and Activities.

**Discussion: Homeownership Mortgage Program Update.**

Ms. Pavlik stated: Reservations for June 2018 at 634 first mortgage loans or \$80.31 million; \$33.23 million for GNMA and \$48.08 million for Fannie Mae or conventional. Prior year reservation comparisons for the month of June 2017 were at \$85.9 million; \$35.9 for GNMA and \$49.9 for Fannie Mae.

Ms. Pavlik continued: Through June and over the life of the program, 99.41% of all borrowers have been utilizing our Down Payment Assistant Program, we have a 20.34% fallout rate and our current pipeline is \$163.37 million.

Overall 53% of our borrowers are using an FHA 203K product and 45% are using an FHA Regular product, 1% for USDA, and 1% for VA.

Discussion: Homeowner Mortgage Revenue Bonds 2018 Series A.

Ms. Natarajan provided an overview on Homeowner Mortgage Revenue Bonds 2018 Series A. Mr. Mike Koessel of CitiGroup and Ms. Susan Jun of Morgan Stanley provided additional comments on their firm's respective involvement.

**New Business**

Resolution Authorizing Agreement for PowerSeller.

Mr. Nestlehut stated: This resolution is for the authorization of an agreement with PowerSeller Solutions LLC. We use PowerSeller to enhance our best executions under current market guidelines, increase our risk management capabilities, and further the pipeline management of the Authority. Our contract ends at the August and we are requesting the authorization to renew for another year to use their services.

Resolution Ratifying Permitted Financial Activities.

Mr. Nestlehut provided a summary for the Fourth Quarter Fiscal Year 2018 Permitted Financial Activities.

The first slide is the IHDA Portfolio Allocation showing a breakdown of our portfolio at 0.93% in Money Market Funds or a market value of \$9,828,528; 58.36% in Mortgage Backed Securities or a market value of \$618,819,652; 33.37% in US Agencies or a market value of \$346,936,324; 5.28% in US Treasuries or a market value of \$56,432,208 and 2.05% in Investment Agreements or a market value of \$21,637,769 bringing the total market value at \$1,053,654,481.

A fourth quarter summary shows total Purchases at \$356.21 million, total Sales at \$64.20 million and total Maturities at \$309.52 million.

The following slide illustrates a graph on the Return of Investments for Fourth Quarter FY 2018.

Two additional slides show total Payouts and Draws at \$10,161,949 and total Bond Debt Service just over \$25.8 million.

The last slide shows our Interest Rate Risk Management broken down by Interest Rate Caps, Swaps and TBA Hedge Counterparty.

*Resolution Authorizing the Issuance of Multifamily Housing Revenue Bonds Series 2018 (Willow Springs).*

Mr. Chung stated: IHDA will issue Multifamily Housing Revenue Bonds, Series 2018 to finance the acquisition and rehabilitation of Willow Springs Apartments containing 100 units located at 4100 Willow Springs in Mount Vernon, IL. Series 2018 bonds will be collateralized by cash proceeds of a FHA-insured loan pursuant to the 223(f) insurance program and a bridge loan from KeyBank. Conduit financing – Publicly placed, fixed rate, short term tax-exempt bonds. Limited obligation - no credit risk to the Authority (No IHDA G.O.)

The next slide included the authorization of the following Resolution Request: Multifamily Housing Revenue Bonds, Series 2018 (Willow Springs). Bond amount not to exceed \$6,000,000. Final maturity no later than August 1, 2022. Bond interest rate not to exceed 5% p.a.

A projected schedule of dates was also included.

**Ms. Kane adjourned the meeting at 10:45 a.m.**