

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**  
**FINANCE COMMITTEE MINUTES**  
**January 20, 2017**

The meeting of the Finance Committee of the Illinois Housing Development Authority took place on January 20, 2017 at 111 E. Wacker Drive, Chicago, Illinois at 9:00 a.m. Attending the meeting was Ms. Mary Kane and Mr. Sam Tornatore for the members. Also attending the meeting were Mr. Scott Schmitt of US Bank; Ms. Jennifer Fredericks, Ms. Merci Stahl and Ms. Natasha Naumovski of BNY Mellon; Mr. John Janicik of Mayer Brown; Mr. John Germain of Jefferies; Mr. Bob Cafarelli of Zions Bank; Mr. Clarence Bourne of Loop Capital and Mr. Tom Coomes of Citigroup. For the Authority staff, Ms. Debbie Olson; Mr. John Chung; Ms. Tara Pavlik; Mr. Neil O'Callaghan; Mr. Ron Gajos; Mr. Andrew Nestlehut; Mr. Tim Veenstra; Ms. Tracy Grimm; Mr. Andy DeCoux; Ms. Christine Moran; Ms. Alka Kumar and Ms. Lily Benitez were present.

Ms. Kane approved the December 16, 2016 Finance Committee meeting minutes as presented.

**New Business**

**Resolution Authorizing the Issuance of Not to Exceed \$23,000,000 Aggregate Principal Amount of Multifamily Collateralized Revenue Notes (Oak Tree Towers), Series 2017.**

Mr. Chung stated: This resolution is for Multifamily Collateralized Revenue Notes for Oak Tree Towers, Series 2017. The equity pricing has gone down from 105 to 97.5 so we are going to be asking for a higher not to exceed dollar amount on the bonds. Instead of \$23 million, we will be asking for \$25 million, today. Maureen Ohle has been notified and will make the changes in the resolution.

The Notes will be issued to finance the acquisition and rehabilitation of Oak Tree Towers, containing 165 units located in Downers Grove, Illinois. The variable rate Notes will be privately placed directly with PNC Bank and will initially be collateralized by funds from IHDA's Administrative Fund and then repaid within one day from proceeds from a permanent risk share loan certificate purchased by the Federal Financing Bank of the U.S. Treasury. This is a special limited obligation without any IHDA guarantees on the Notes.

The authorization request is for the approval to make an Insured Mortgage Loan in an amount not to exceed \$25 million with moneys advanced from the Administrative Fund, to be reimbursed by proceeds of a participation certificate purchase by the Federal Financing Bank and issuance of Multifamily Collateralized Revenue Notes not to exceed \$25 million.

The Note will be short term with a final maturity is no later than March 2, 2021 and an interest rate not to exceed 12% per annum the maximum interest rate allowed under Illinois law. Projected closing date is March 10, 2017.

Resolution Ratifyng Permitted Financial Activities.

Mr. Nestlehut provided a summary for the Second Quarter Fiscal Year 2017 Permitted Financial Activities.

The first slide is the IHDA Portfolio Allocation showing a breakdown of our portfolio at 16.53% in Money Market Funds or a market value just over \$191.5 million; 37.52% in Mortgage Backed Securities or a market value just over \$433.6 million; 40.47% in US Agencies or a market value just over \$468.2 million; 5.47% in US Treasuries or a market value just over \$67.3 million and 0.01% in Investment Agreements or a market value of \$100 Thousand bringing the total market value to just over \$1.1 billion.

A second quarter summary shows total Purchases at \$485.06 million, total Sales at \$166.46 million and total Maturities at \$206.28 million.

Two additional slides show total Payouts and Draws at \$29.9 million and total Bond Debt Service just over \$34.6 million.

The last slide shows our Interest Rate Management Agreement broken down by Interest Rate Caps and Swaps.

Resolution Amending Financial Management Policy.

Mr. Nestlehut stated: The resolution is for the authorization to add a new counterparty broker.

Discussion: Homeownership Mortgage Program Update.

Ms. Pavlik stated: Reservations for December 2016 at 425 first mortgage loans or \$52.27 million; 189 mortgage loans or \$25.54 million for GNMA and 236 mortgage loans or \$26.73 million for Fannie Mae or conventional.

Ms. Pavlik presented a slide showing prior year reservation comparisons for the month of December 2016. Reservations in December 2015 were \$26.6 million for GNMA and \$27.3 million for Fannie for a total of \$53.9 million.

Ms. Pavlik continued: Through December 2016 and over the life of the program, 99.23% of all borrowers have been utilizing our Down Payment Assistant Program; we have a 21.38% fallout rate and our current pipeline is \$111.32 million.

Overall 50% of our borrowers are using an FHA product, 1% for VA, 1% for USDA which is also in that GNMA bucket; 48% are Conventional.

### **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.

**Ms. Kane adjourned the meeting at 9:27 a.m.**