



## **Minutes of the Board of Commissioners Meeting June 23, 2009**

### **MEETING CONVENED**

A regular meeting of the Board of Commissioners for Maine State Housing Authority convened on June 23, 2009 at the offices of MaineHousing, 353 Water Street, Augusta, Maine. A notice of the meeting was published on June 9, 2009 in the Central Maine Newspapers.

Commissioner Carol Kontos called the meeting to order at 9:12 a.m. with Commissioner and Director Dale McCormick, Commissioners Don Gean, Elizabeth Mahoney, Sheryl Gregory, Nikki Mclean and David Lemoine present. There was a quorum present.

### **PUBLIC ATTENDANCE**

Other guests and staff present at the meeting include: Barbara Berry, Maine Association of Realtors; Margaret Bean & Adam Krea, Deputy Directors; Linda Grotton, Internal Audit Manager; Tom Cary, Treasurer; Linda Uhl, Chief Counsel; Dan Brennan, Director of Development; Darren Brown, Controller; Peter Merrill, Director of Communications and Planning; Laurie Murray, Deputy Controller, ; Nancy Fritz, Director of Homeless Initiatives; and Gerrylynn Ricker, Legal Assistant and note taker.

### **AGENDA**

*Commissioner Gregory made a motion seconded by Commissioner McCormick to accept the agenda. All Commissioners were in favor of accepting the agenda. The motion carried 7-0.*

### **COMMUNICATIONS/CONFLICTS**

Secretary and Commissioner Don Gean reported there were no communications to report. There were no conflicts to report.

### **MINUTES OF THE MEETING**

*Commissioner Gean made a motion seconded by Commissioner Lemoine to accept the minutes as presented. All Commissioners voted to accept the minutes. The motion carried 7-0.*

### **FINANCIAL REPORT & UPDATE**

Darren Brown reported that the delinquency and foreclosure rates are increasing for MaineHousing's single family loan portfolio. Total single family delinquencies have increased a total of 44 basis points and the in-foreclosure rate has increased 16 basis points. Darren attributed the recent increases to the following: collection staff turnover at Graystone, MaineHousing's largest loan servicer, and a vacancy at MaineHousing in its primary collection position; a reduction in the size of the single family portfolio due to lower loan production combined with repayments and prepayments; and an increase in the unemployment rate in Maine.

Darren mentioned that although current delinquency and in-foreclosure rates are running slightly higher than historical rates, current rates are still well below the rates for all loans in Maine, which have also increased in the past quarter. Darren announced that both Graystone and MaineHousing collection and loss mitigation staff are now back at full capacity and the new Gift of Green program

should help with production and increasing the size of the portfolio. He also mentioned that the Maine Hope program is still available to assist MaineHousing borrowers who become unemployed and that a total of 75 loans have been made through the end of June.

Darren also reviewed the current financial results for the period ended April 30, 2009. He stated that MaineHousing's financial results continue to be negatively impacted by the very low interest rate environment that has existed throughout the year and that total earnings from non-mortgage short term investments were down significantly compared to the prior year. He also stated that, notwithstanding lower income from investments, the Mortgage Purchase Fund Group still had a positive net operating income for the year.

## **MORTGAGE PURCHASE PROGRAM RESOLUTION**

Tom Cary reported that our Mortgage Purchase Program resolution is very strong and is passing the stress test of the current economic environment. Tom asked the Commissioners to adopt a series resolution which gives us the authority to issue up to \$400 million of bonds and notes and to enter into swaps up to a notional amount of \$150 million in connection with the bonds. The prior resolution runs out in August 2009. Tom Cary asked for the resolution now instead of August because the bond market is competitive again and there is no July board meeting. *Commissioner Gregory made a motion, seconded by Commissioner McLean to adopt the resolution, the vote was unanimous. The motion carried 7-0.*

## **LEGISLATIVE UPDATES**

Peter Merrill gave a summary of the affordable housing provisions in LD 1485. This bill allows MaineHousing to sell \$30 million or more of Maine Energy Housing and Economic Recovery Fund revenue bonds per year with a ceiling of \$200 million in bonds outstanding at any one time. The bonds will be repaid from funds the state receives from its share of the real estate transfer tax. The bonding mechanism allows MaineHousing to use future general fund revenues now. The law anticipates that there will be no cost to the General Fund until state fiscal year 2012. *Commissioner Mahoney made a motion, seconded by Commissioner Gregory to ask MaineHousing staff to focus initially on the development of programs that target the Maine Energy, Housing and Economic Recovery Fund to (1) mobile home replacements, (2) supportive housing, and (3) persons with incomes at or below 30% AMI; and to report back to the Board. All commissioners present at the time of the vote, Donald Gean, Sheryl Gregory, Carol Kontos, Elizabeth Mahoney, Dale McCormick and Nikki McLean, voted in favor. The motion carried 6-0.*

## **LIHEAP & DOE STATE PLANS AND PUBLIC HEARING**

Commissioner McCormick reported we are getting substantially less money for LIHEAP than last year. MaineHousing's taking over of Midcoast Maine Community Action agency's LIHEAP and weatherization programs was a very difficult task, however it was a good learning experience and very good that MaineHousing's staff did it. The LIHEAP state plan hearing has been postponed to July 9, 2009 and we'll run our LIHEAP state plan hearing with the concurrent Department of Energy's State Plan public hearing on that day.

## **DIRECTOR UPDATES**

- Commissioner McCormick reported with regard to the American Recovery and Reinvestment Act ("ARRA"), we were given 10% of DOE weatherization funds but advised that we could not spend it yet. Friday (June 19, 2009) we were given permission to spend it on training and technical assistance.
- Homelessness Initiatives has received ARRA funds and will issue invitations to submit proposals for two programs to deliver services to the homeless people differently.
- Commissioner McCormick reported on the new housing registry and the landlord forum being held on June 24, 2009.

- Commissioner McCormick talked about the Gift of Green program. Since the June 15, 2009 roll out date MaineHousing had processed 33 loans and hoped to do 500 by the end of the program (November 30, 2009.)
- Commissioner McCormick reported on the National Energy and Utilities Low Income Conference she attended in Oregon. Her presentation on MaineHousing's carbon project was very well received.
- MaineHousing's website has been moved to a larger server which will make it much faster to navigate through.
- There is a National Conference of State Housing Boards being held at the Samoset Resort August 23-25, 2009. Margaret passed out brochures.

### **COMMISSIONER UPDATES**

Commissioner Kontos reported there were no updates and thanked MaineHousing staff for their quality of work.

### **INTERNAL AUDITOR REPORT**

Linda Grotton reported that the audit committee had 100% attendance at their last meeting and will meet again in September.

### **NEXT MEETING**

The next meeting of the Board of Commissioners will be held on August 18, 2009 at the offices of MaineHousing.

### **ADJOURN**

*Commissioner McLean made a motion seconded by Commissioner Gregory to adjourn the meeting at 11:20 a.m.*

Respectfully submitted,

Donald Gean, Secretary