

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
FINANCE COMMITTEE MINUTES  
November 18, 2016**

The meeting of the Finance Committee of the Illinois Housing Development Authority took place on November 18, 2016 at 401 N. Michigan Avenue, Chicago, Illinois at 9:00 a.m. Attending the meeting was Ms. Mary Kane for the members. Also attending the meeting were Mr. Scott Schmitt of US Bank; Mr. Jeff Gertz of JP Morgan; Mr. Bob Cararelli of Zions Bank; Ms. Rachel Smith of Mayer Brown; Mr. Geoff Proulx of Morgan Stanley; Mr. Steve Abbey of First Merit Bank; Mr. Mike Koessel of Citigroup; Mr. Larry Dillard, Ms. Jennifer Fredericks and Mr. Mike Countryman of BNY Mellon. For the Authority staff, Ms. Nandini Natarajan; Ms. Debbie Olson; Ms. Tara Pavlik; Mr. Neil O'Callaghan; Ms. Vanessa Boykin; Mr. Andrew Nestlehut; Ms. Kristine Jurmu; Ms. Whitney Sanders and Ms. Lily Benitez were present.

Ms. Kane approved the October 14, 2016 Finance Committee meeting minutes as presented.

**New Business**

**Resolution Authorizing the Issuance of Not to Exceed \$17,000,000 Aggregate Principal of Multifamily Housing Revenue Notes, Series 2016A and Series 2016B (Liberty Towers Project).**

Ms. Natarajan stated: This presentation is for Multifamily Housing Revenue Notes, Series 2016A and 2016B (Liberty Towers Project).

IHDA will issue the Series 2016A and Series 2016B Notes to finance the acquisition and rehabilitation of Liberty Towers Project, containing 121 units located in Libertyville, Illinois. Both Series Notes are tax exempt and will be privately placed with Citibank. Series 2016A Notes will be long term and pay a fixed rate of interest. Series 2016B will be pari-passu with Series 2016A and pay a variable rate of interest. Series 2016B will be short term and will be paid off at the end of the construction period with tax credit equity proceeds. It is a conduit financing, limited obligation with no credit risk to the Authority.

The authorization request is for the issuance of 2016A Notes not to exceed \$11 million and not to exceed \$6 million for 2016B, for a total of \$17 million. Final maturity for 2016A is no later than December 1, 2050 and no later than December 1, 2023 for 2016B. The interest rate is not to exceed 6% for 2016A and 9% for 2016B.

The projected closing is December 2016.

Resolution Authorizing the Issuance of Not to Exceed \$40,000,000 Aggregate Principal of Multifamily Mortgage Revenue Note, 2016 Series A (Rand Grove Village).

Ms. Natarajan stated: This presentation is for Multifamily Mortgage Revenue Note, 2016 Series A (Rand Grove Village).

IHDA will issue the 2016 Series A Note to finance the acquisition and rehabilitation of Rand Grove Village, containing 212 units located at 773 East Rand Grove in Palatine, Illinois. The Note will be privately issued and purchased directly by Citibank, will be tax exempt, pay a fixed rate of interest, and provide the permanent financing for the project. It is a conduit financing, limited obligation with no credit risk to the Authority.

The authorization request is for the issuance of Multifamily Mortgage Revenue Note, 2016 Series A to not exceed \$40,000,000 with a final maturity of no later than December 1, 2055 and interest rate not to exceed 7% per annum.

The projected closing is December 2016.

Resolution Ratifying Establishment of Loan Loss Reserve.

Ms. Boykin stated: For the Board's approval today will be the Ratification of the Establishment of Loan Loss Reserve as of September 30, 2016. The Loan Loss Reserves are at \$51,038,236 and the Mortgage Participation Certificate Reserve is at \$1,109,763.

Discussion: Homeownership Mortgage Program Update.

Ms. Pavlik stated: Reservations for October 2016 at 474 first mortgage loans or \$59.02 million; 214 mortgage loans or \$29.62 million for GNMA and 260 mortgage loans or \$29.40 million for Fannie Mae or conventional.

Ms. Pavlik presented a slide showing prior year reservation comparisons for the month of October 2016. Reservations in October 2015 were \$38.9 million for GNMA and \$34.9 million for Fannie for a total of just over \$73.8 million.

Ms. Pavlik continued: Through October 2016 and over the life of the program, 99.22% of all borrowers have been utilizing our Down Payment Assistant Program; we have a 21.36% fallout rate and our current pipeline is \$149.77 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 9:22 a.m.**