AzHFA
Arizona Housing Finance Authority

MEETING MINUTES (DRAFT)
ARIZONA HOUSING FINANCE AUTHORITY
BOARD MEETING
September 8, 2011

Location
1110 West Washington, Suite 310
Phoenix, AZ 85007
10:00 a.m.

Board Members Present	**Others in Attendance**	
Carol Parry	Michael Trailor	Carl Kinney
Richard Houseworth	Scott Ruby	Frank Fallon
Robert Gardiner	Bill Gehrig*	Carol Ditmore
Manny Gonzalez*	Katie Jakubowicz*	Shaun Rieve
Paul DeSanctis*	Theresa Hoover	
Randy Pullen*		

*Joined by phone

1. **Call AzHFA Board Meeting to Order and Roll Call (Chairperson Parry)**
   Chairperson Parry called the meeting to order at 10:02 a.m. Chairperson Parry asked for a roll call of Board members. Board members Parry, Houseworth and Gardiner were present while board members Gonzalez, DeSanctis and Pullen were present via phone.

2. **Call to the Public (Chairperson Parry)** No action will be taken on any item presented during the Call to the Public unless such item is also listed on the agenda. Comments are limited to three (3) minutes.

   Chairperson Parry made a call to the public. There was no response.

3. **Approval of Minutes (Chairperson Parry)** Discussion of minutes from the June 9, 2011 Board meeting: vote to approve or deny.

   Chairperson Parry asked for a motion to approve the minutes from the June 9, 2011 meeting. Mr. Gonzalez made a motion to approve the minutes from the June 9, 2011 Board meeting; the motion was seconded by Mr. Houseworth. Motion carried.

4. **Treasurer's Report (Treasurer Gardiner)** Vote to accept or reject Treasurer's Reports for June, 13th month of 2011, July and August, 2011. Discussion, consideration and/or vote.

   Treasurer Gardiner presented the Treasurer's Reports for June, 13th month of 2011, July and August, 2011. Mr. Houseworth made a motion to accept the Treasurer's Reports as presented; the motion was seconded by Mr. Gonzalez. Motion carried.

5. **Director's Report (Mr. Michael Trailor)**
Director Trailor provided the Board with a status update of the foreclosure initiative program.

2011 Housing Forum. Director Trailor reminded the Board members of the Department's Housing Forum scheduled for September 21-23 at the Talking Stick Resort.

The Board's annual meeting was discussed, including the election of officers. The meeting is scheduled for October 13, 2011.

6. **Update on Programs (Mr. Carl Kinney)**
2009 MRB Program
The $25 million 2009 New Issue Bond Program closed December 30, 2009 and opened for reservations beginning March 3, 2010. Twenty-nine lenders have now signed up to participate in the program. Two hundred twenty-four loans have been reserved and/or closed as of August 31, 2011 in the amount of $25,053,470.

2009 MCC Program
The AzHFA closed on a $20 million 2009 MCC program on June 30, 2009. The AzHFA began issuing Certificates from the 2009 program in December, 2009. One hundred forty-nine certificates have been issued as of March 31, 2011 representing loans in the amount of $17,459,877. No new certificates have been issued since March.

Multi-Family
Billed issuer fees of $11,352 were received from the Arizona RD 4 project.

Foreclosures
Mr. Kinney provided an update on Bond program foreclosures.

7. **New Issue Bond Program and Potential Sale of Mortgage Backed Securities (Mr. Carl Kinney and Mr. Frank Fallon)** Mr. Kinney and Mr. Fallon presented an overview of the New Issue Bond Program and potential options available to the board. The recommendation was made that the board authorize the sale of MBSs in one or more sales transactions in order to extend the capacity of the current MRB program. The Board requested that the verbiage in the resolution be modified to reflect a minimum amount that would be considered as an acceptable sale price.

Discussion moved to payment of transactional costs affiliated with the sale of the MBSs that may be payable to RBC Capital Markets Corporation, Greenberg Traurig, LLP and Wells Fargo. Mr. Houseworth made a motion to authorize the payment of the necessary fees to RBC Capital Markets, Greenberg Traurig LLP, and Wells Fargo for their services related to the potential sale(s) of the MBSs, the preparation of necessary legal documentation relating to the potential MBS sale(s) and any other items relating to such matters, in an amount not to exceed $40,000 for each sale. The motion was seconded by Mr. Gardiner. Motion carried by unanimous vote.

The Board returned to the discussion regarding the sale of MBSs. The proposed resolution was amended with the addition of the following language "shall be sold for a price, or prices of not less than par plus an amount that produces sufficient revenues to cover the applicable sales cost and projected negative arbitrage on any remaining Bond proceeds." Mr. Gardiner made a motion to approve the Resolution authorizing the selling of certain mortgage-backed securities in connection with the Arizona Housing Finance Authority's single family mortgage revenue bonds, series 2009, as amended. The motion was seconded by Mr. Houseworth. Motion carried by unanimous vote.

8. **Chairperson's Report/Board Member Comments (Chairperson Parry)** Chairperson Parry made a call to Board Members for any comments, issues, etc.

   Chairperson Parry had no report.

9. **Adjourn**

   Mr. Gonzalez moved to adjourn the meeting. The motion was seconded by Mr. Gardiner. Motion carried. The meeting adjourned at 11:20 a.m.