



MEETING MINUTES
ARIZONA HOUSING FINANCE AUTHORITY
ANNUAL MEETING of the BOARD of DIRECTORS
March 8, 2012

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

Board Members Present

Robert Gardiner
Manny Gonzalez
Paul DeSanctis
Richard Houseworth

Others in Attendance

Michael Trailor	Carl Kinney
Scott Ruby	Frank Fallon*
Bill Gehrig*	Tom Demchuk*
Carol Ditmore	Andrew Rael
Daniel Romm	Theresa Hoover

*Joined by phone

Board Members Absent

Randy Pullen

1. Call AzHFA Board Meeting to Order and Roll Call (Chairperson Gardiner)

Chairperson Gardiner called the meeting to order at 10:05 a.m. Chairperson Gardiner asked for a roll call of Board members. Board members Gardiner, Gonzalez, DeSanctis and Houseworth were present, with Board member Houseworth joining the meeting at 10:07 a.m.

2. Call to the Public (Chairperson Gardiner) 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 Gardiner made a call to the public. There was no response.

3. Approval of Minutes (Secretary DeSanctis) Discussion of minutes from the November 10, 2011 Board meeting: vote to approve or deny.

Mr. DeSanctis made a motion to approve the minutes from the November 10, 2011 Board meeting; the motion was seconded by Mr. Gonzalez. Motion carried.

Agenda items were taken out of order; Agenda items 4 & 5 were deferred until Treasurer Pullen and Director Trailor joined the meeting.

6. Federal and State Legislative Update (Mr. Daniel Romm) (Item taken out of order from Agenda)

Mr. Romm provided the Board with the Federal and State Legislative update.

(Director Trailor joined the meeting at 10:10 am.)

5. **Director's Report (Mr. Michael Traylor) (Item taken out of order from Agenda)**

Director Traylor provided the Board with a status update on the Foreclosure Initiative Program and AG Settlement.

Director Traylor provided the Board with an update on the ADOH continuation bill.

The next Board meeting was discussed. The meeting is scheduled for April 12, 2012.

4. **Treasurer's Reports (Carol Ditmore)** Vote to accept or reject Treasurer's Reports for November and December, 2011 and for January and February, 2012. Discussion, consideration and/or vote.

Chairperson Gardiner asked Ms. Ditmore to present the Treasurer's Reports in Treasurer Pullen's absence. Mr. Houseworth made a motion to accept the Treasurer's Reports as presented; the motion was seconded by Mr. Gonzalez. Motion carried.

7. **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. Three hundred two loans have been reserved and/or closed as of February 29, 2012 in the amount of \$33,129,158. Reservation activity by month for the past few months was as follows:

November	\$2,019,536.
December	\$2,138,859.
January	\$1,346,572.
February	\$ 878,955.

3rd MBS Sale

The AzHFA sold a 3rd pool of Mortgage Backed Securities (MBS) originated under the MRB program on January 27, 2012. The principal balance of the MBS was \$4,888,320.18 and RBC Capital Markets received five bids for the MBS. The winning bid was for a price of 107 and 24/32 from Stephens, Inc.

The net proceeds, after transaction costs, of the MBS sale were \$343,021.69. It is expected that the three combined MBS sales will allow the AzHFA to originate approximately \$43,780,000 in loans under the \$25 million New Issue Bond Program.

Multi-Family

The annual loan payment was received for Santa Carolina Apartments.

Foreclosures

Mr. Kinney provided an update on Bond program foreclosures.

8. **Arizona Home Foreclosure Prevention Funding Corporation (Mr. Carl Kinney)** Consideration of the appointment of Chairman Rob Gardiner to replace outgoing Chairman Carol Parry as a member of the Board of Directors of the Arizona Home Foreclosure Prevention Funding Corporation. The AzHFA Board fills two such positions on the AHFPFC Board. Discussion, consideration, and/or vote.

Mr. Kinney presented the appointment to the board. Mr. Houseworth made a motion to accept the appointment as presented; the motion was seconded by Mr. Gonzalez. Motion carried.

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

Board Member Houseworth asked if there were a specific number of Board meetings that are required on a yearly basis. He expressed concern that there may be a perception that the Board is not meeting frequently enough following the cancelation of some meetings. Attorney Scott Ruby responded that state law requires that the Board meet only once a year for an annual meeting.

Chairperson Gardiner had no report.

10. **Adjourn**

Chairperson Gardiner moved to adjourn the meeting. The motion was seconded by Mr. Houseworth. Motion carried. The meeting adjourned at 11:10 a.m.



**MEETING MINUTES (DRAFT)
ARIZONA HOUSING FINANCE AUTHORITY
BOARD of DIRECTORS
May 10, 2012**

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

Board Members Present

Robert Gardiner
Randy Pullen
Paul DeSanctis*
Richard Houseworth

Others in Attendance

Michael Traylor
Scott Ruby
Bill Gehrig*
Andrew Rael
Theresa Hoover

Carl Kinney
Frank Fallon* (joined at 10:09)
Carol Ditmore
Daniel Romm

*Joined by phone

Board Members Absent

Manny Gonzalez
Brad Rable

1. Call AzHFA Board Meeting to Order and Roll Call (Chairperson Gardiner)

Chairperson Gardiner called the meeting to order at 10:05 a.m. Chairperson Gardiner asked for a roll call of Board members. Board members Gardiner, Pullen, and Houseworth were present, with Board member DeSanctis joining by phone.

2. Call to the Public (Chairperson Gardiner) 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 Gardiner made a call to the public. There was no response.

3. Approval of Minutes (Chairperson Gardiner) Discussion of minutes from the March 8, 2012 Board meeting; vote to approve or deny.

Mr. Houseworth made a motion to approve the minutes from the March 8, 2012 Board meeting; the motion was seconded by Mr. Pullen. Motion carried.

4. (a) Treasurer's Reports (Treasurer Pullen) Vote to accept or reject Treasurer's Reports for March and April, 2012. Discussion, consideration and/or vote.

Mr. Pullen made a motion to accept the Treasurer's Reports as presented; the motion was seconded by Mr. Houseworth. Motion carried.



4. **(b) Treasurer's Report (Mr. Carl Kinney)** Vote to retain Fester & Chapman PC to provide audit services for the year end June 30, 2012 audit. Discussion, consideration and/or vote.

Mr. Pullen made a motion to retain Fester & Chapman as recommended; the motion was seconded by Mr. Houseworth. Motion carried.

5. **Director's Report (Mr. Michael Traylor)** Director Traylor intended to introduce the Board to its newest appointee Mr. Brad Rable, the introduction will take place when he is able to attend.

Director Traylor provided the Board with a status update on the Foreclosure Initiative Program and AG Settlement.

Director Traylor shared the news of the ADOH 5-year continuation.

The next Board meeting was discussed. The meeting is scheduled for June 14, 2012.

6. **Federal and State Legislative Update (Mr. Daniel Romm)** Mr. Romm provided the Board with the Federal and State Legislative update.

7. **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. Three hundred forty-seven loans have been reserved and/or closed as of April 30, 2012 in the amount of \$37,940,137. Reservation activity by month for this year has been as follows:

January	\$1,346,572.
February	878,955.
March	3,113,631
April	1,697,347

Multi-Family

No changes.

Foreclosures

Mr. Kinney provided an update on Bond program foreclosures.

8. **Execution of a custody agreement and establishment of a custody account at Wells Fargo Bank, NA Corporate Trust Department (Mr. Carl Kinney)** Consideration, and if advisable, adopt a Resolution authorizing the execution of a custody agreement and any related documentation for the deposit of certain funds of the Arizona Housing Finance Authority to be used for its single family bond issues. Discussion, consideration and/or vote.

Mr. Kinney presented the Resolution to approve the custody agreement and account to the Board. During discussion, Mr. Houseworth requested that the agreement include the requirement of two signatures (presumably the Director and a Board Officer). The Board decided to review the agreement and get further information regarding this request. No action was taken at this time.



Chairperson's Report/Board Member Comments (Chairperson Gardiner) Chairperson Gardiner made a call to Board Members for any comments, issues, etc. There was no response.

Chairperson Gardiner had no report.

9. **Adjourn**

Chairperson Gardiner adjourned the meeting at 11:17 a.m.



MEETING MINUTES (DRAFT)
ARIZONA HOUSING FINANCE AUTHORITY
BOARD of DIRECTORS
June 14, 2012

Location
1110 West Washington, Suite 310
Phoenix, AZ 85007
10:30 a.m.

Board Members Present

Manny Gonzalez*
Randy Pullen*
Paul DeSanctis*
Richard Houseworth

Others in Attendance

Michael Trailor
Scott Ruby
Tom Demchuk*
Andrew Rael
Theresa Hoover
Carl Kinney
Bill Gehrig*
Carol Ditmore
Daniel Romm

*Joined by phone

Board Members Absent

Robert Gardiner
Brad Rable (Appointee)

Members of the Public in Attendance

Darrell Blomberg

1. Call AzHFA Board Meeting to Order and Roll Call (Vice-Chairperson Gonzalez)

Vice-Chairperson Gonzalez called the meeting to order at 10:33 a.m. Vice-Chairperson Gonzalez asked for a roll call of Board members. Board member Houseworth was present, with Board members Pullen and DeSanctis joining by phone.

2. Call to the Public (Vice-Chairperson Gonzalez) 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.

Vice-Chairperson Gonzalez made a call to the public. There was no response.

3. Approval of Minutes (Secretary DeSanctis) Discussion of minutes from the May 10, 2012 Board meeting: vote to approve or deny.

Mr. DeSanctis made a motion to approve the minutes from the May 10, 2012 Board meeting; the motion was seconded by Mr. Houseworth. Motion carried.

4. Treasurer's Reports (Treasurer Pullen) Vote to accept or reject Treasurer's Report for May, 2012. Discussion, consideration and/or vote.

Mr. Pullen asked Carol Ditmore to present the Treasurer's Report. Mr. Pullen made a motion to accept the Treasurer's Reports as presented; the motion was seconded by Mr. DeSanctis. Motion carried.



5. **Director's Report (Mr. Michael Traylor)** Director Traylor provided the Board with a status update on the Hardest Hit Fund Foreclosure Initiative Program.

The next Board meeting was discussed. The meeting is scheduled for July 12, 2012.

6. **Federal and State Legislative Update (Mr. Daniel Romm)** Mr. Romm provided the Board with the Federal and State Legislative update.

7. **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. Three hundred fifty-nine loans have been reserved and/or closed as of May 31, 2012 in the amount of \$39,126,060. Reservation activity by month for this year has been as follows:

January	\$1,346,572
February	878,955
March	3,113,631
April	1,697,347
May	1,185,923

Mr. Kinney indicated that we are pursuing a possible MBS sale in June or July.

Multi-Family

No changes.

Foreclosures

Mr. Kinney provided an update on Bond program foreclosures.

8. **Execution of a custody agreement and establishment of a custody account at Wells Fargo Bank, NA Corporate Trust Department (Mr. Carl Kinney)** Consideration, and if advisable, adopt a Resolution authorizing the execution of a custody agreement and any related documentation for the deposit of certain funds of the Arizona Housing Finance Authority to be used for its single family bond issues. Discussion, consideration and/or vote.

Mr. Kinney presented the Resolution to approve the custody agreement and custody account to the Board. The Resolution, as presented, contained the changes relating to the requirement for two signatures for disbursements from the account, as proposed at the previous meeting by Mr. Houseworth. Mr. Gonzalez made a motion to accept the custody agreement as presented; the motion was seconded by Mr. DeSanctis. Following some discussion, and the comment by Mr. Gehrig to revise some formatting of the Agreement, Mr. Gonzalez asked for a vote on the Resolution. Motion carried.

9. **Establishment of a Qualified Single Family Mortgage Credit Certificate program for 2012. (Mr. Carl Kinney)** Consideration, and if advisable, adopt a Resolution authorizing establishing a qualified single family mortgage credit certificate program pursuant to the authority of Section 25 of the Internal Revenue Code of 1986 as amended; approving the issuance of qualified mortgage credit certificates;
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approving the form of a program manual for the issuance of qualified mortgage credit certificates; and authorizing all other things necessary and incidental in order to effectively implement and establish a single family mortgage credit certificate program. Discussion, consideration and/or vote.

Mr. Kinney presented the Resolution authorizing establishing a qualified single family mortgage credit certificate program. Mr. Houseworth made a motion to accept the Resolution as presented; the motion was seconded by Mr. Gonzalez. Motion carried.

10. **Chairperson's Report/Board Member Comments (Vice-Chairperson Gonzalez)** Vice-Chairperson Gonzalez made a call to Board Members for any comments, issues, etc. There was no response.

Vice-Chairperson Gonzalez had no report.

11. **Adjourn**

Vice-Chairperson Gonzalez adjourned the meeting at 11:41 a.m.



**MEETING MINUTES
ARIZONA HOUSING FINANCE AUTHORITY
BOARD of DIRECTORS
July 12, 2012**

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

Board Members Present

Robert Gardiner
Manny Gonzalez*
Paul DeSanctis*
Richard Houseworth

Others in Attendance

Michael Trailor
Scott Ruby
Frank Fallon*
Daniel Romm
Carl Kinney
Bill Gehrig*
Carol Ditmore
Theresa Hoover

*Joined by phone

Board Members Absent

Randy Pullen
Brad Rable (Appointee)

1. Call AzHFA Board Meeting to Order and Roll Call (Chairperson Gardiner)

Chairperson Gardiner called the meeting to order at 10:03 a.m. Chairperson Gardiner asked for a roll call of Board members. Board members Gardiner and Houseworth were present, with Board members Gonzalez and DeSanctis joining by phone.

2. Call to the Public (Chairperson Gardiner) 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 Gardiner made a call to the public. There was no response.

3. Approval of Minutes (Chairperson Gardiner) Discussion of minutes from the June 14, 2012 Board meeting: vote to approve or deny.

Mr. Houseworth made a motion to approve the minutes from the June 14, 2012 Board meeting; the motion was seconded by Mr. Gonzalez. Motion carried.

4. Treasurer's Reports (Treasurer Pullen) Vote to accept or reject Treasurer's Report for June, 2012. Discussion, consideration and/or vote.

In Mr. Pullen's absence, Chairperson Gardiner asked Carol Ditmore to present the Treasurer's Report. Mr. Gonzalez made a motion to accept the Treasurer's Report as presented; the motion was seconded by Mr. Houseworth. Motion carried.

5. **Director's Report (Mr. Michael Traylor)** Director Traylor provided the Board with a status update on the Hardest Hit Fund Foreclosure Prevention Program.

Information was provided to Board members regarding the National Council of State Housing Boards Workshop, scheduled for August 26-28, 2012 in Salt Lake City, Utah.

The next Board meeting was discussed. The meeting is scheduled for September 13, 2012.

6. **Federal and State Legislative Update (Mr. Daniel Romm)** Mr. Romm provided the Board with the Federal and State Legislative update.

7. **Update on Programs (Mr. Carl Kinney)**

Mr. Kinney provided an update on the following programs:

2009 MRB Program

The \$25 million 2009 New Issue Bond Program closed December 30, 2009 and opened for reservations beginning March 3, 2010. Three hundred seventy-eight loans have been reserved and/or closed as of June 30, 2012 in the amount of \$41,446,017. Reservation activity by month for this year has been as follows:

January	\$1,346,572.
February	878,955.
March	3,113,631
April	1,697,347
May	1,185,923
June	2,319,957

Multi-Family

No changes.

Foreclosures

Mr. Kinney provided an update on Bond program foreclosures.

8. **Authorization to negotiate and enter into a limited scope financial advisory services contract. (Mr. Carl Kinney)** Discussion and consideration, to authorize the staff and the Executive Director to negotiate and enter into a limited scope contract for financial advisory services relating to the potential offering a TBA (to-be-announced) taxable MBS program and/or Mortgage Credit Certificate program. Discussion, consideration and/or vote.

Mr. Kinney requested authorization from the Board for the ADOH staff and Executive Director to negotiate and enter into a limited scope contract for financial advisory services relating to the potential offering of a TBA taxable MBS Program and/or Mortgage Credit Certificate program. Following discussion, Mr. Gonzalez made a motion to authorize staff and the Executive Director to negotiate and enter into a limited scope contract for financial advisory services as presented; the motion was seconded by Mr. DeSanctis. Mr. Houseworth asked if the proposed cost of the services were included in the current budget projections. The motion was amended to provide that the cost of the services were to be included in the proposed AzHFA budget and that the initial cost of the contract services would not exceed \$30,000. The motion carried as amended.

9. **AzHFA Budget Update (Ms. Carol Ditmore)** Discussion and update of the current AzHFA budget and budget projections. Discussion, consideration and/or vote.
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Ms. Ditmore presented the update of the current AzHFA budget and budget projections. Mr. Houseworth made a motion to accept the AzHFA budget and budget projections as presented; the motion was seconded by Mr. Gardiner. Motion carried.

10. **Chairperson's Report/Board Member Comments (Chairperson Gardiner)** Chairperson Gardiner made a call to Board Members for any comments, issues, etc. There was no response.

Chairperson Gardiner had no report.

11. **Adjourn**

Chairperson Gardiner adjourned the meeting at 11:30 a.m.

DRAFT



MEETING MINUTES (DRAFT)
ARIZONA HOUSING FINANCE AUTHORITY
BOARD of DIRECTORS
September 13, 2012

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

Board Members Present

Robert Gardiner
Manny Gonzalez*
Paul DeSanctis
Richard Houseworth (*joined @ 10:06am*)

Others in Attendance

Michael Trailor
Scott Ruby
Frank Fallon*
Andrew Rael
Theresa Hoover

Carl Kinney
Bill Gehrig*
Carol Ditmore
Daniel Romm

*Joined by phone

Board Members Absent

Randy Pullen
Brad Rable (Appointee)

1. Call AzHFA Board Meeting to Order and Roll Call (Chairperson Gardiner)

Chairperson Gardiner called the meeting to order at 10:02 a.m. Chairperson Gardiner asked for a roll call of Board members. Board members Gardiner and DeSanctis were present, with Board member Gonzalez joining by phone. Board member Houseworth joined the meeting at 10:06 am.

2. Call to the Public (Chairperson Gardiner) 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 Gardiner made a call to the public. There was no response.

3. Approval of Minutes (Chairperson Gardiner) Discussion of minutes from the July 12, 2012 Board meeting: vote to approve or deny.

Mr. DeSanctis made a motion to approve the minutes from the July 12, 2012 Board meeting; the motion was seconded by Mr. Gonzalez. Motion carried.

4. Treasurer's Reports (Carol Ditmore) Vote to accept or reject Treasurer's Report for the fiscal year-end 13th month, July and August, 2012. Discussion, consideration and/or vote.

In Mr. Pullen's absence Chairperson Gardiner asked Carol Ditmore to present the Treasurer's Report. Mr. Gonzalez made a motion to accept the Treasurer's Report as presented; the motion was seconded by Mr. DeSanctis. Motion carried.

5. **Director's Report (Mr. Michael Traylor)** Director Traylor provided the Board with a status update on the Hardest Hit Fund Foreclosure Prevention Program and the AG Settlement.

Information was given to Board members regarding the 2012 AZ Housing Forum, scheduled for October 2-4, 2012 in Tucson.

The next Board meeting was discussed. This is the Board's Annual Meeting which includes the Election of Officers. It is scheduled for October 11, 2012 at 10:00 am.

6. **Federal and State Legislative Update (Mr. Daniel Romm)** Mr. Romm provided the Board with the Federal and State Legislative update.

7. **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. Four hundred one loans have been reserved and/or closed as of August 31, 2012 in the amount of \$43,847,964. Reservation activity by month for this year has been as follows:

January	\$1,346,572.
February	878,955.
March	3,113,631
April	1,697,347
May	1,185,923
June	2,319,957
July	1,410,491
August	991,456

Multi-Family

No changes.

Foreclosures

Mr. Kinney provided an update on Bond program foreclosures.

8. **Results of MBS Sale (Mr. Carl Kinney)** The AzHFA sold a 4th pool of Mortgage Backed Securities (MBS) originated under the MRB program on July 27, 2012. The principal balance of the MBS pool was \$3,303,708.83 and RBC Capital Markets received four bids for the MBS. The winning bid was for a price of 109 and 1/64 from Nomura Securities

The net proceeds, after transaction costs, of the MBS sale were \$262,180.36. Of these proceeds, \$180,000 was transferred to the downpayment assistance subaccount held by Wells Fargo for future downpayment assistance, and \$82,180.36 was deposited in the AzHFA account at the State Treasurer.

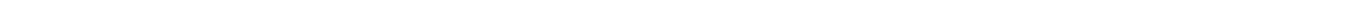
9. **Update on Selection of Program Advisor (Mr. Carl Kinney)** Mr. Kinney provided an update on the selection of a Program Advisor. George K. Baum & Co. has been chosen as the Program Advisor. Mr. Kinney and Director Traylor met with representatives of George K. Baum & Co. earlier this week to start the process of determining potential programs. Once a program is defined, an RFP will be sent out to potential companies that would provide the required services.

10. **Chairperson's Report/Board Member Comments (Chairperson Gardiner)** Chairperson Gardiner made a call to Board Members for any comments, issues, etc. There was no response.
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Chairperson Gardiner had no report.

11. Adjourn

Chairperson Gardiner adjourned the meeting at 10:52 a.m.





MEETING MINUTES (DRAFT)
ARIZONA HOUSING FINANCE AUTHORITY
BOARD of DIRECTORS ANNUAL MEETING
October 11, 2012

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

Board Members Present

Robert Gardiner
Manny Gonzalez*
Randy Pullen
Richard Houseworth

Others in Attendance

Michael Trailor
Scott Ruby
Carol Ditmore
Theresa Hoover

Carl Kinney
Debbie Berner*
Daniel Romm

*Joined by phone

Board Members Absent

Paul DeSanctis
Brad Rable (Appointee)

1. Call AzHFA Board Meeting to Order and Roll Call (Chairperson Gardiner)

Chairperson Gardiner called the meeting to order at 10:02 a.m. Chairperson Gardiner asked for a roll call of Board members. Board members Gardiner, Pullen and Houseworth were present, with Board member Gonzalez joining by phone.

2. Call to the Public (Chairperson Gardiner) 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 Gardiner made a call to the public. There was no response.

3. Approval of Minutes (Chairperson Gardiner) Discussion of minutes from the September 13, 2012 Board meeting: vote to approve or deny.

Mr. Houseworth made a motion to approve the minutes from the September 13, 2012 Board meeting; the motion was seconded by Mr. Gonzalez. Motion carried.

4. Treasurer's Reports (Treasurer Pullen)

- a) Vote to accept or reject Treasurer's Report for September, 2012. Discussion, consideration and/or vote

Mr. Houseworth made a motion to accept the Treasurer's Report as presented; the motion was seconded by Mr. Gardiner. Motion carried.

- b) Presentation and vote to accept Audit prepared by Fester & Chapman for the fiscal year ending June 30, 2012. Discussion, consideration and/or vote.

Mr. Houseworth made a motion to accept the Audit prepared by Fester & Chapman as presented; the motion was seconded by Mr. Pullen. Motion carried.

5. **Director's Report (Mr. Michael Traylor)** Director Traylor provided the Board with a status update on the Hardest Hit Fund Foreclosure Prevention Program and the AG Settlement.

Information was given to Board members regarding the next Board meeting, scheduled for Thursday, November 8, 2012 at 10:00 am.

6. **Federal and State Legislative Update (Mr. Daniel Romm)** Mr. Romm provided the Board with the Federal and State Legislative update.

7. **Election of 2013 Officers – Vote to approve**

Nominations open from the floor

- a) Nomination for Chairperson – Board member Houseworth nominated Mr. Gardiner. Mr. Pullen seconded the motion. Motion carried.
- b) Nomination for Vice Chairperson – Board member Houseworth nominated Mr. Gonzalez. Mr. Pullen seconded the motion. Motion carried.
- c) Nomination for Secretary – Board member Houseworth nominated Mr. DeSanctis. Mr. Gonzalez seconded the motion. Motion carried.
- d) Nomination for Treasurer – Board member Houseworth nominated Mr. Pullen. Mr. Gardiner seconded the motion. Motion carried.

8. **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. Four hundred twelve loans have been reserved and/or closed as of September 30, 2012 in the amount of \$44,950,309. Reservation activity by month for this year has been as follows:

January	\$1,346,572
February	878,955
March	3,113,631
April	1,697,347
May	1,185,923
June	2,319,957
July	1,410,491
August	991,456
September	1,102,345

As of September 30, 2012, there remained \$2,167,446 available for reservation.

Multi-Family

No changes.

Foreclosures

Mr. Kinney provided an update on Bond program foreclosures.

9. **Update on potential new mortgage programs (Mr. Carl Kinney)** Discussion of the current status of potential mortgage programs to replace expiring New Issue Bond Program. Discussion, consideration and/or vote.

Mr. Kinney provided an update to the Board regarding the review of potential new mortgage programs.

9. **Chairperson's Report/Board Member Comments (Chairperson Gardiner)** Chairperson Gardiner made a call to Board members for any comments, issues, etc. There was no response.

Chairperson Gardiner had no report.

10. **Adjourn**

Chairperson Gardiner adjourned the meeting at 10:37 a.m.



**MEETING MINUTES (DRAFT)
ARIZONA HOUSING FINANCE AUTHORITY
BOARD of DIRECTORS
December 13, 2012**

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

Board Members Present

Robert Gardiner
Manny Gonzalez
Randall Pullen*
Paul DeSanctis*
Richard Houseworth

*Joined by phone

Others in Attendance

Michael Trailor
Scott Ruby
William Gehrig*
Carol Ditmore
Andrew Rael
Michael Orr

Carl Kinney
Frank Fallon*
Mark O'Brien
Daniel Romm
Theresa Hoover
Tom Demchuk*

Board Members Absent

Brad Rable (Appointee)

1. Call AzHFA Board Meeting to Order and Roll Call (Chairperson Gardiner)

Chairperson Gardiner called the meeting to order at 10:02 a.m. Chairperson Gardiner asked for a roll call of Board members. Board members Gardiner, Gonzalez and Houseworth were present, with Board members Pullen and DeSanctis joining by phone.

- 2. Call to the Public (Chairperson Gardiner)** 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 Gardiner made a call to the public. There was no response.

- 3. Arizona Housing Market Presentation (Mr. Michael Orr)** Mr. Orr presented a current status report on the Arizona Housing Market to the Board.

- 4. Approval of Minutes (Chairperson Gardiner)** Discussion of minutes from the October 11, 2012 Board meeting: vote to approve or deny.

Mr. Gonzalez made a motion to approve the minutes from the October 11, 2012 Board meeting; the motion was seconded by Mr. Houseworth. Motion carried.

(Board member Pullen was disconnected from the conference call due to technical difficulties and was unable to rejoin the meeting via the conference call-in number. A quorum of board members was still present.)

5. **Treasurer's Reports (Ms. Carol Ditmore)** Vote to accept or reject Treasurer's Report for October and November, 2012. Discussion, consideration and/or vote.
Mr. Gonzalez made a motion to accept the Treasurer's Reports as presented; the motion was seconded by Mr. Houseworth. Motion carried.
6. **Director's Report (Mr. Michael Traylor)** Director Traylor provided the Board with a status update on the Hardest Hit Fund Foreclosure Prevention Program.

Information was given to Board members regarding the next Board meeting, scheduled for Thursday, January 10, 2012 at 10:00 am.

7. **Federal and State Legislative Update (Mr. Daniel Romm)** Mr. Romm provided the Board with the Federal and State Legislative update.

8. **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. Four hundred twenty-eight loans have been reserved and/or closed as of November 30, 2012 in the amount of \$46,905,019. Reservation activity by month for this year has been as follows:

January	\$1,346,572
February	878,955
March	3,113,631
April	1,697,347
May	1,185,923
June	2,319,957
July	1,410,491
August	991,456
September	1,102,345
October	874,737
November	1,079,973

As of November 30, 2012, there remained \$2.6 million available for reservation.

2012 MCC Program

The AzHFA closed an MCC program for 2012 on September 26, 2012 using \$15 million in PAB cap. It is anticipated that this program will be used in conjunction with a new program to be offered later this year.

Multi-Family

No changes.

Foreclosures

Mr. Kinney provided an update on Bond program foreclosures.

9. **Results of MBS Sale # 5 (Mr. Carl Kinney)** The AzHFA sold a 5th pool of Mortgage Backed Securities (MBS) originated under the MRB program on November 29, 2012. The principal balance of the MBS pool was \$2,421,636.00 and RBC Capital Markets received six bids for the MBSs. The winning bid was for a price of 108 and 57/64 from Nomura Securities
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The net proceeds, after transaction costs, of the MBS sale were \$178,740.84. Of these proceeds, \$120,000 was transferred to the downpayment assistance subaccount held by Wells Fargo for future downpayment assistance, and \$58,740.84 was deposited in the AzHFA account at the State Treasurer.

- 10. Update on Request for Proposal for TBA program Administrator and Possible Recommendation to select TBA Program Administrator. (Mr. Carl Kinney)** Discussion of responses to Request for Proposal for TBA Program Administrator, and recommendation to select TBA Program Administrator if scoring committee has made a recommendation. Discussion, consideration, and/or vote.

With the recent addition of Mr. Scott Ruby to the TBA Scoring Committee, they are now ready to proceed with the review of the TBA Program RFP applicants. The RFP announcement resulted in responses from Raymond James and First Southwest. The TBA Scoring Committee will complete its review within the next few days. Mr. Kinney requested that the selected and recommended TBA Program Administrator be presented to the Board for approval at the next meeting in January.

- 11. Authorization for Legal Fees for Greenberg Traurig, LLP in connection with TBA Program. (Mr. Carl Kinney)** Discussion of authorizing the payment of legal fees in connection with the establishment of a TBA program, for preparation and review of agreements, including: TBA Program Administrator Agreement, Servicing Agreement with master servicer, Compliance Agreement with compliance administrator and Mortgage Origination Agreements with participating lenders and other necessary documents and agreements. Discussion, consideration and/or vote.

Mr. Kinney requested that the Board authorize payment of legal fees to Greenberg Traurig, LLP for the preparation and review of the required agreements and documents for the establishment of the TBA Program based on the TBA Program Administrator selected by the TBA Selection Committee. The fees associated with their work will be a not-to-exceed amount of \$25,000.

Mr. Gardiner requested a motion for both the presentation of the preferred TBA Program Administrator at the January Board meeting and the authorization for the legal fees to Greenberg Traurig, LLP, associated with the establishment of the TBA Program. Mr. Gonzalez made the motion; the motion was seconded by Mr. Gardiner. Motion carried.

- 12. 2013 Private Activity Bond Cap Allocation (Mr. Carl Kinney)** Consider, and if advisable, adopt a Resolution of the Board of Directors of the Arizona Housing Finance Authority authorizing the submission of an allocation request and an allocation reservation in connection with the Authority's Single Family Mortgage Revenue Bond program or programs for 2013 and/or the Authority's Single Family Mortgage Credit Certificate program or programs for 2013. Discussion, consideration, and/or vote.

Mr. Houseworth made a motion to accept the Resolution as presented; the motion was seconded by Mr. Gonzalez. Motion carried.

- 13. Chairperson's Report/Board Member Comments (Chairperson Gardiner)** Chairperson Gardiner made a call to Board members for any comments, issues, etc. There was no response.

Chairperson Gardiner had no report.

- 14. Adjourn**

Chairperson Gardiner adjourned the meeting at 11:19 a.m.
