Minnesota Housing Finance Agency

MEETINGS SCHEDULED FOR JANUARY

Location:

Minnesota Housing
400 Sibley Street, Suite 300
St. Paul, MN 55101

THURSDAY, JANUARY 22, 2015

Regular Board Meeting
State Street Conference Room – First Floor
1:00 p.m.

NOTE: The information and requests for approval contained in this packet of materials are being presented by Minnesota Housing staff to the Minnesota Housing Board of Directors for its consideration on Thursday, January 22, 2015.

Items requiring approval are neither effective nor final until voted on and approved by the Minnesota Housing Board.

The Agency may conduct a meeting by telephone or other electronic means, provided the conditions of Minn. Stat. §462A.041 are met. In accordance with Minn. Stat. §462A.041, the Agency shall, to the extent practical, allow a person to monitor the meeting electronically and may require the person making a connection to pay for documented marginal costs that the Agency incurs as a result of the additional connection.

This page intentionally blank.

Minnesota Housing Finance Agency

400 Sibley Street | Suite 300 | Saint Paul, MN 55101-1998 | 651.296.7608
800.657.3769 | fax: 651.296.8139 | tty: 651.297.2361 | www.mnhousing.gov
Equal Opportunity Housing and Equal Opportunity Employment

AGENDA
Minnesota Housing Finance Agency
Board Meeting
Thursday, January 22, 2015
1:00 p.m.

State Street Conference Room – First Floor
400 Sibley Street, St. Paul, Minnesota 55101

1. **Call to Order**
2. **Roll Call**
3. **Agenda Review**
4. **Approval of Minutes**
   A. Regular Meeting of December 18, 2014
5. **Reports**
   A. Chair
   B. Commissioner
   C. Committee
   None.
6. **Consent Agenda**
   A. Approval, Addition of the Homebuyer Education Policy to the Step Up Procedural Manual
   B. Commitment, Low and Moderate Income Rental (LMIR) and Flexible Financing for Capital Costs (FFCC) Programs
   - Coachman Ridge, Elk River, D7646
7. **Action Items**
   A. Approval, Resolution Relating to State Appropriation Bonds (Housing Infrastructure); Authorizing the Issuance and Sale of Additional Series and Approving the Execution and Delivery of Related Documents; Authorization of Additional Developments to be Funded with Proceeds of Prior Series
   B. Approval, Homeless Management Information System (HMIS) Advisory Task Force
8. **Discussion Items**
   A. 2015 Division Work Plans Summary
9. **Informational Items**
   A. Post-Sale Report, Residential Housing Finance Bonds, 2014 Series CDE
   B. Report of Complaints Received by Agency or Chief Risk Officer
   C. Semi-annual Variable Rate Debt and Swap Performance Review as of January 1, 2015
10. **Other Business**
    A. Report on Commissioner's Evaluation (*there is no written report for this item*)
11. **Adjournment**

This page intentionally blank.

MINUTES

MINNESOTA HOUSING FINANCE AGENCY BOARD MEETING
Thursday, December 18, 2014
1:00 p.m.
State Street Conference Room – 1st Floor
400 Sibley Street, St. Paul, MN 55101

1. **Call to Order.**
   Chair Johnson called to order the regular meeting of the Board of the Minnesota Housing Finance Agency at 1:00 p.m.
2. **Roll Call.**
   Members present: Gloria Bostrom, John DeCramer, Joe Johnson, Ken Johnson, Stephanie Klinzing, Celeste Grant. Absent: George Garnett.
   Minnesota Housing staff present: Amy Anderson, Tal Anderson, Paula Beck, Lori Berg, Dan Boomhower, Chuck Commerford, Michelle Felt, Gloria Goodwyn, Que Her, Krissi Hoffman, Karen Johnson, Bill Kapphahn, Kurt Keena, Kasey Kier, Eric Mattson, Bobbi McCrady, Shannon Myers, Luis Pereira, Michael Peterson, Caryn Polity, Paula Rindels, Joel Salzer, Becky Schack, Barb Sporlein, Kim Stuart, Will Thompson, Rob Tietz, Mary Tingerthal, Ted Tulashie.
   Others present: Chris Flannery, Melanie Lien, Piper Jaffray; Jean Lee, APAHC, CHI/RRFC; Cory Hoeppner, RBC Capital Markets; Chip Halbach, Minnesota Housing Partnership; Paul Rebholz, Wells Fargo; Jen Oscarson, MHEG; Tom O'Hern, Assistant Attorney General.
3. **Agenda Review**
   Chair Johnson announced that item 7.B, requesting a commitment extension for Hamline Station, had been added to the agenda and handouts had been provided for items 8.A., Bond Sale Results, and 8.B., Agency Risk Profile. Chair Johnson also requested that members stay for photos following the meeting.
4. **Approval of the Minutes.**
   A. Regular Meeting of November 20, 2014
   Ms. Klinzing moved approval of the minutes as written. Mr. DeCramer seconded the motion. Motion carries 6-0.
5. **Reports**
   A. Chair
   There was no chairman's report.
   B. Commissioner
   Commissioner Tingerthal reported that a new Assistant Commissioner for Multifamily had been announced. Mr. Wes Butler will join the Agency on January 5. Mr. Butler comes from the City of Minneapolis where he has managed the multifamily development program for eight years. Previous to working at the city, Mr. Butler was a deputy commissioner in Washington County. Commissioner Tingerthal thanked Barb Sporlein for providing leadership to the multifamily team in the months that the role has been vacant. Commissioner Tingerthal also announced that Kasey Kier, a long time Agency employee, had joined the senior leadership team as Assistant Commissioner for Single Family. Commissioner Tingerthal also reported that she was close to a decision on the Assistant Commissioner for Policy and Community Development and expected to announce the selection in the near future. Commissioner Tingerthal reported the following:
   - The Agency's annual employee engagement survey had reached a 90% participation rate.
   - Minnesota Management and Budget (MMB) Commissioner Jim Schowalter has left state service after 20 years, four as commissioner. Current Revenue Commissioner Myron Frans has been appointed the new MMB Commissioner. The state budget director, Margaret Kelly, will remain in her position at MMB.

- The Governor is preparing his budget. The requests from agencies total three times the surplus. The budget will be announced on January 27 and Agency staff will work with the governor's staff on our request until the announcement.

The following employee introductions were made:

- Kim Stuart introduced Michael Peterson. Mr. Peterson is fulfilling a new role on the Single Family Homeownership team helping to manage the secondary market pipeline. Mr. Peterson has a background in mortgage banking and real estate finance.
- Barb Sporlein introduced Gloria Goodwyn, an Exec 2 who will provide support to several divisions that did not previously have dedicated support. Ms. Goodwyn comes from US Bank where she was an executive assistant and project manager.
- Ms. Sporlein also introduced Michelle Felt, who works in the Multifamily area as legal technician. Ms. Felt has a bachelor's in advertising and journalism, and a paralegal certificate. Ms. Felt was previously employed in commercial lending.
- Kasey Kier introduced Bobbi McCrady. Ms. McCrady is the project manager for the loan origination system project. Ms. McCrady has 20 years of experience in the mortgage and financial services industries.
- Tal Anderson introduced Que Her, who has joined the Single Family Community Development team working on a number of homeowner education and counseling programs. Ms. Her comes to the Agency from Hmong American Partnership.

C. Committee

There were no committee reports.

6. Consent Agenda

A. Selection, Community Fix Up Fund

B. Administrator Contract Assumption, Community Homeownership Impact Fund

MOTION: Mr. Joe Johnson moved approval of this request. Mr. DeCramer seconded the motion. Motion carries 6-0.

C. Modification of Loan Terms, Twin Cities Community Land Bank and Family Housing Fund

MOTION: Mr. Joe Johnson moved approval of this item and the adoption of Resolution No. MHFA 14-053. Mr. DeCramer seconded the motion. Motion carries 4-0, with Mr. Ken Johnson and Ms. Bostrom abstaining.

7. Action Items

D. Commitment, Low and Moderate Income Rental (LMIR) Program – Highland Apartments, Willmar D1758

Ms. Caryn Polito presented this request for commitment of funding for a 100% Section 8 - 78 unit development in Willmar. The funding will provide for occupied rehabilitation that will address critical physical needs. Ms. Polito added that there had been no significant changes since selection and the cost is within the predictive cost model. Ms. Bostrom noted a typo in the board report that indicated there was also deferred funding in the project. Ms. Polito confirmed that the project was receiving only LMIR funding. Mr. DeCramer stated that he felt the 9% rate for the Housing and Redevelopment Authority (HFA) seemed high. Ms. Polito agreed that it was a high rate, but the decision about the rate was made by the syndicator. Ms. Polito added that the HRA loan is 15 years in term and is subordinate to the Minnesota Housing funding. In response to a question from Ms. Bostrom, Ms. Polito stated that three months is standard debt service guarantee. **MOTION:** Ms. Bostrom moved approval of this request and the adoption of Resolution No. 14-054. Mr. Joe Johnson seconded the motion. Motion carries 6-0.

E. Commitment Extension, Low and Moderate Income Rental (LMIR) and Flexible Financing for Capital Costs (FFCC) Programs – Hamline Station Mixed-Use, St. Paul D7589

Mr. Ted Tulashie presented this request to extend the commitment expiration date for Hamline Station to allow for sufficient time for construction completion and processing of the final permanent financing. Mr. Tulashie stated the extension was needed due to significant delays in obtaining building permits for the project. In response to a question from Mr. Joe Johnson, Mr. Tulashie stated that the developer had intended to use a registered land survey, but the City does not allow that use; working through the process and agreeing to instead use a common interest community designation resulted in the delay. **MOTION:** Ms. Klinzing moved approval of the commitment extension and the adoption of Resolution No. MHFA 14-055. Mr. DeCramer seconded the motion. Motion carries 6-0.

8. Discussion Items

A. Bond Sale Results, Residential Housing Finance Bonds, Series 2014 CDE

Mr. Rob Tietz provided an oral report of the bond sale, noting that normally there would be a written report but staff were unable to provide that report because of the timing of the bond sale. Mr. Tietz added that the written report would be provided at the January meeting. Mr. Tietz shared the following information: the sale was the Agency's sixth and largest single family transaction of 2014; the issue was $200 million in total; $414 million in orders were received; a portion of the proceeds would be used to refund $66 million in variable rate bonds that had an artificially fixed rate of about 4.25% and have been replaced with 2.8% fixed rate bonds; the transaction created zeros, which are a cornerstone of the 2015 funding plan; Wells Fargo and Piper Jaffray co-managed the sale and Morgan Stanley was the rotating fourth co-manager; Edward Jones sold the most Minnesota retail orders, and; there was strong in-state performance.

Ms. Bostrom thanked Mr. Tietz for the report and, with respect to the handout that was provided, asked that it be made clear that the Agency is not an originator – the participating lenders are the originators. Ms. Bostrom stated she felt it was important that we be clear on our role. Mr. Tietz clarified that, for all Housing Finance Authorities (HFAs) for whom they master service, US Bank purchases Minnesota Housing the most. Ms. Kasey Kier added that US Bank provides master servicing for 26 HFAs. It was added that Minnesota Housing will be 3rd this year for purchases. Illinois has passed up Minnesota after the state committed $100 million to the HFA for downpayment assistance. The HFA wrote down their rates and combined with the downpayment assistance, are lending at 3%. Number two is not an HFA, it is the National Housing Fund. Commissioner Tingerthal stated that the National Housing Fund is a bond issuing agency based in California that has received a tax opinion that they may act as an aggregator of loans that originated in other states. The organization is actively competing with state HFAs in states that are not utilizing US Bank as a servicer.

Commissioner Tingerthal added that the Agency has been working very hard over the past few years to become a "best execution" state. The Agency has positioned its programs and continues to do mortgage revenue bond requirements on borrowers so that we can choose the TBA market or to fund with bonds. Commissioner Tingerthal added that, as Mr. Tietz had stated a few meetings ago, when bond transactions are a good choice, we continue to choose to have a larger balance sheet to issue bonds and hold the MBS. Commissioner Tingerthal added that, for an agency of our size and with our credit, it makes sense to be a portfolio lender and this is a deliberate strategy that is not shared by many HFAs, many of whom are selling all production in the TBA market and taking the higher premium up front. Commissioner Tingerthal added that this has been the strategy for the past few years and it is really positive that we are in the position to do either depending on the market, for example, if rates continue to be very low in the bond market, it may make sense to go back to TBA for a while. It is good to have flexibility and the ability to maximize the strength of our financial tools. Commissioner Tingerthal invited the board to discuss the strategy at any time if they had questions. Mr. Tietz added that there is $96 million hedged right now and that we are holding almost $100 million in MBS pools that will be sold or bond funded depending upon what is the best execution.

Commissioner Tingerthal added that the Agency has a fairly aggressive target number for single family production and has invested a lot of resources in down payment assistance, including the new down payment assistance plus program. When making these decisions, the Agency determined that the best thing it can do when rates are this low is encourage people to buy houses. Commissioner Tingerthal added that the Agency hopes to bring more first time homebuyers to take advantage of the current market by providing lenders and real estate professionals with the resources they need to bring buyers to the table.

In response to a question from Mr. Ken Johnson, Mr. Cory Hoeppner, RBC Capital Markets, stated that the robust response to this sale was a combination of many factors, including luck, the syndicate, and that housing bonds still provide a strong value relative to other muni bonds on the market. Mr. Hoeppner added that Minnesota Housing is in the market and people know Minnesota Housing; it is easier to extract value when there is familiarity and confidence and because of this, Minnesota's credit will out-trade others. Discussion item. No action needed.

B. Agency Risk Profile

Mr. Will Thompson presented highlights of the Agency Risk Profile, stating that it had been developed with input from the six members of the risk management committee members and their staff. Mr. Thompson stated that the same number of critical risk sources (eleven) were assessed as the previous year and provided a year-over-year comparison. Mr. Thompson reviewed other key aspects of the profile, noting that operational capacity has increased due to leadership changes in key positions

Commissioner Tingerthal described the process of creating the profile. The Commissioner stated that the profile is a helpful tool to get an overall view of risks and noted that areas of increased or high risk have more to do with the world rather than the Agency's ability to manage risk. Ms. Tingerthal added that the Agency is focusing on risks for which good mitigation strategies can be put in place and improving tactics for managing those risks. Ms. Bostrom inquired about how long it may take for operational risk to lower following staffing changes. Mr. Thompson responded that he was unable to provide a timeline and that the increased or lessened risk happens as it happens. Discussion item. No action needed.

9. Informational Items

None.

10. Other Business

None.

11. Adjournment.

The meeting was adjourned at 1:50 p.m.

____

Kenneth R. Johnson

Chair

Minnesota Housing Finance Agency

AGENDA ITEM: 6.A.
MINNESOTA HOUSING BOARD MEETING
January 22, 2015

ITEM: Approval, Addition of the Homebuyer Education Policy to the Step Up Procedural Manual

CONTACT: Devon Pohlman, 651-296-8255
devon.pohlman@state.mn.us

REQUEST:

☑ Approval ☐ Discussion ☐ Information

TYPE(S):

☐ Administrative ☐ Commitment(s) ☑ Modification/Change ☑ Policy ☐ Selection(s) ☐ Waiver(s)

☐ Other:

ACTION:

☑ Motion ☐ Resolution ☐ No Action Required

SUMMARY REQUEST:
Staff requests approval of the addition of the homebuyer education policy to the Step Up Program Procedural Manual for first-time homebuyers who receive approval to use the Step Up Program.

FISCAL IMPACT:
The homebuyer education policy does not have a fiscal impact on the Step Up Program.

MEETING AGENCY PRIORITIES:

☑ Promote and support successful homeownership ☐ Preserve federally-subsidized rental housing

☐ Address specific and critical needs in rental housing markets ☐ Prevent and end homelessness

☐ Prevent foreclosures and support community recovery ☐ Strengthening Organizational Capacity

ATTACHMENT(S):
- Background
- Step Up Program Procedural Manual

BACKGROUND:
The Step Up program serves primarily income-targeted repeat buyers and homeowners needing to refinance. In very limited cases, first-time homebuyers may obtain a waiver to use the Step Up program if they do not meet Start Up program requirements. Under both Start Up and Step Up, homebuyer education is required for all first-time homebuyers using a conventional loan or a Minnesota Housing downpayment and closing cost loan. Adding the homebuyer education requirement to the Step Up Program Procedural Manual ensures that all borrowers who are first-time homebuyers will receive the education to support successful homeownership and creates consistency across programs.

Homebuyer education may be delivered either by instructors trained under Home Stretch or NeighborWorks® America in a classroom setting or via the Minnesota Home Ownership Center's Framework, an online home buyer education platform. Homebuyer education must be completed prior to closing. The education requirement is satisfied when at least one borrower per household provides a certificate of completion.

Chapter 2 - Borrower Eligibility

2.06 Homebuyer Education

Qualified Homebuyer Education[1] is required for Borrowers, if all Borrowers are first-time homebuyers, and under the following:

• Fannie Mae HFA Preferred (Conventional);

• Fannie Mae HFA Preferred Risk Sharing™ (Conventional); and

• Borrowers receiving funds for downpayment or closing cost loans through the Monthly Payment Loan.

Homebuyer education may be delivered either by instructors trained under Home Stretch or NeighborWorks® America in a classroom setting or via the Minnesota Home Ownership Center's Framework, an online home buyer education platform. Homebuyer education must be completed prior to closing.

The above noted requirements will be satisfied when at least one Borrower per household provides a certificate of completion.

[1] Available courses are listed on the Homeownership Center website at: http://www.hocmn.org

This page intentionally blank.

AGENDA ITEM 6.B.
MINNESOTA HOUSING BOARD MEETING
January 22, 2015

ITEM: Coachman Ridge, Elk River (D7646)

CONTACT: Summer Watson, 651-296-9790
summer.watson@state.mn.us

REQUEST:

☑ Approval ☐ Discussion ☐ Information

TYPE(S):

☐ Administrative ☑ Commitment(s) ☐ Modification/Change ☐ Policy ☐ Selection(s) ☐ Waiver(s)

☐ Other: ____________________

ACTION:

☑ Motion ☑ Resolution ☐ No Action Required

SUMMARY REQUEST:
Agency staff has completed the underwriting and technical review of the proposed development and recommends the adoption of a resolution authorizing the issuance of a Low and Moderate Income Rental (LMIR) program commitment in the amount of $1,400,000 and a deferred funding commitment in the amount of $795,397 under the Flexible Financing for Capital Costs (FFCC) program, both subject to the review and approval of the Mortgagor, and the terms and conditions of the Agency mortgage loan commitment.

FISCAL IMPACT:
In the 2014 amended Affordable Housing Plan (AHP), the Board allocated $51 million in new activity for the LMIR program which includes $21 million from the Housing Investment Fund (Pool 2) and $30 million for LMIR and LMIR Bridge Loan activity through tax-exempt bonding. The AHP also allocated $4.5 million in new activity under the FFCC program (funded through the Housing Affordability Fund-Pool 3). Funding for this loan falls within the approved budget and the loan will be made at an interest rate and terms consistent with what is described in the AHP. Additionally, this loan should generate $98,124 in fee income (origination fee and construction oversight fee) as well as interest earnings which will help offset Agency operating costs.

MEETING AGENCY PRIORITIES:

☐ Promote and support successful homeownership ☐ Preserve federally-subsidized rental housing

☑ Address specific and critical needs in rental housing markets ☑ Prevent and end homelessness

☑ Prevent foreclosures and support community recovery ☐ Strengthening Organizational Capacity

ATTACHMENT(S):
Background
Development Summary
Resolution

The Minnesota Housing Finance Agency (Agency) Board, at its November 7, 2013, meeting, approved this development for processing under the under the Low and Moderate Income Rental (LMIR) program and the Flexible Financing for Capital Costs (FFCC) programs. The following summarizes the changes in the composition of the proposal since that time:

DESCRIPTION:	**SELECTION**	**COMMITMENT**	**VARIANCE**
Total Development Cost	$9,709,575	$10,370,397	$660,822
Gross Construction Cost	$7,035,600	$7,292,872	$257,272
Agency Sources:			
LMIR	$1,400,000	$1,400,000	$0
FFCC	$795,397	$795,397	$0
Total Agency Sources	$2,195,397	$2,195,397	$0
Other Non-Agency Sources:			
Housing Syndication Proceeds	$7,514,178	$8,175,000	$660,822
Deferred Developer Fee	$0	$0	$0

Gross Rents:

Unit Type	**# of DU**	**Rent**	**# of DU**	**Rent**	**# of DU**	**Rent**
2BR LTH	2	$180	2	$180	0	$0
3BR LTH	2	$180	2	$180	0	$0
1BR	9	$730	9	$730	0	$0
2BR	24	$875	24	$875	0	$0
3BR	15	$995	15	$995	0	$0
Total Number of Units	52		52			

Factors Contributing to Variances:
Construction costs came in higher than expected due to rising construction costs since application. The developer was able to realize some cost savings elsewhere, but not enough to offset the increased cost of construction. The increased syndication proceeds from increased investor pricing will fund the increased costs.

Other significant events since Board Selection:
None.

DEVELOPMENT SUMMARY

				D7646	
Name:	Coachman Ridge			App#:	M16586
Address:	17250 Twin Lakes Road				
City:	Elk River	County:	Sherburne	Region:	CMIF

MORTGAGOR:

Ownership Entity:	Coachman Ridge of Elk River Limited Partnership
General Partner/Principals:	DDC Coachman Ridge LLC, whose managing member is John Duffy, JVF Coachman Ridge LLC, whose managing member is Jeff Von Feldt

DEVELOPMENT TEAM:

General Contractor:	Lumber One, Avon
Architect:	LHB Architects, Minneapolis
Attorney:	Faegre Baker Daniels LLP, Minneapolis
Management Company:	Northstar Residential LLC, Minnetonka
Service Provider:	The Salvation Army, Roseville

CURRENT FUNDING REQUEST/ PROGRAM and TERMS:

$1,400,000	LMIR First Mortgage	
	Funding Source:	Housing Invest Fund (Pool 2)
	Interest Rate:	5.25%
	MIP Rate:	0.25%
	Term (Years):	30
	Amortization (Years):	30

$795,397	Flexible Financing Cap Costs	
	Funding Source:	Hsg Affordability Fund(Pool 3)
	Interest Rate:	1.00% (up to)
	Term (Years):	30

RENT GRID:

UNIT TYPE	NUMBER	UNIT SIZE (SQ. FT.)	GROSS RENT	AGENCY LIMIT	INCOME AFFORDABILITY*
1BR	9	796	$ 730	$ 778	$ 29,200
2BR**	2	998	$ 180	$ 180	$ 7,200
2BR	2	998	$ 875	$ 933	$ 35,000
2BR	18	1,097	$ 875	$ 933	$ 35,000
2BR	2	1,112	$ 875	$ 933	$ 35,000
2BR	2	1,134	$ 875	$ 933	$ 35,000
2BR	1	1,198	$ 875	$ 933	$ 35,000
3BR**	2	1,309	$ 180	$ 180	$ 7,200
3BR	2	1,332	$ 995	$ 1,078	$ 39,800
3BR	12	1,309	$ 995	$ 1,078	$ 39,800
3BR	1	1,400	$ 995	$ 1,078	$ 39,800
TOTAL	52				

NOTES: *Under the LMIR and Housing Tax Credit programs, rents are affordable to households at 50% AMI with incomes up to 60%AMI.

**4 units will to serve long-term homeless households

Purpose:
Duffy Development is requesting funding for new construction of Coachman Ridge Apartments located in the city of Elk River. This 52 unit development will consist of a four-story elevator building with nine one-bedroom, 26 two-bedroom, and 17 three-bedroom units with underground parking and surface parking for guests. The project will contain 52 Housing Tax Credit (HTC) units, further Minnesota Housing's foreclosure rehabilitation priority, and include four units reserved for family households who have experienced long-term homelessness (LTH).

Target Population:
The targeted population is families with children, including single heads of households with children and individuals and families of color. Four of the 52 households will have incomes equal or less than 30% of the area median income (AMI), and the remaining 48 households will have incomes equal or less than 50% AMI.

Project Feasibility:
The proposal will result in 52 new units of affordable housing near transit, jobs, and services. Development financing includes an amortizing LMIR mortgage of $1,400,000 and $795,397 in FFCC funds. This financing will be leveraged with $8,175,000 of tax credit equity. The property is adjacent to the Northstar Commuter Rail station in Elk River and near job opportunities, retail locations, and services. The development cash flows at the proposed rent levels and is consistent with program underwriting guidelines.

The TDC of $199,431 per unit is within 25% of the Predictive Model of $185,098.

Development Team Capacity:
Duffy Development has a long history of bringing development proposals to completion in a timely manner. The developer has utilized Agency first mortgages, deferred loans, and tax credits with proven success. The Agency has had positive experience with Northstar Residential LLC., a property management entity affiliated with Duffy Development. Northstar Residential was established in 2005 and currently has 15 developments totaling 637 units.

Physical and Technical Review:
The Architect is LHB Architects. The Contractor is Lumber One, Avon. The applicant is proposing to construct a new 52-unit apartment building with an elevator and underground parking on a vacant, undeveloped parcel of land located along Twin Lakes Road in Elk River, MN. The contractor and architect have the capacity and have successfully utilized a similar building design in a number of developments including a project near the proposed site.

Market Feasibility:
Elk River is located in Central Minnesota in Sherburne County and is a top growth community for workforce housing. This development is positioned in an economically integrated location close to low to moderate wage jobs. The Agency Community Profiles indicate that there have been substantial increases and significant gains in households and jobs. The median rent is $810 and 59.4% of renters are cost burdened. The area has a 2.8% poverty rate and 6.5% unemployment rate. The average housing age is 16 years and there is a vacancy rate of 2.7% which indicates the average rental vacancy rate in Sherburne County for subsidized affordable housing units in the portfolios of Minnesota Housing and USDA Rural Development.

Supportive Housing:
The Salvation Army of the Twin Cities (SA) shall be the service provider for the four LTH families. They are a well-respected and established housing service provider in the metro area. The service provider will provide case management including housing and tenancy supports, benefits assistance, budget management, etc. SA invites local service agencies to partner with them to address mental health, child education, medical issues, and provides appropriate referral services for all households to meet their needs through their community partners. No housing subsidy is provided, services will be funded from operations and the long-term homeless unit rents are set at proposed levels.

DEVELOPMENT COST SUMMARY (estimated):

	Total		**Per Unit**
Total Development Cost	$10,370,397		$199,431
Acquisition or Refinance Cost	$383,325		$7,372
Gross Construction Cost	$7,292,872		$140,248
Soft Costs (excluding Reserves)	$1,179,700		$22,687
Non-Mortgageable Costs	$0		$0
Reserves	$213,000		$4,096
Total LMIR Mortgage (Including 4% DCE)	$1,400,000		$26,923
First Mortgage Loan-to-Cost Ratio		14%	
Agency Deferred Loan Sources			
Flexible Financing Cap Costs	$795,397		$15,296
Total Agency Sources	$2,195,397		$42,219
Total Loan-to-Cost Ratio		21%	
Other Non-Agency Sources			
Syndication Proceeds	$8,175,000		$157,212
Total Non-Agency Sources	$8,175,000		$157,212

Board Agenda Item: 6.B.
Attachment: Resolution

MINNESOTA HOUSING FINANCE AGENCY
400 Sibley Street, Suite 300
St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 15-

RESOLUTION APPROVING MORTGAGE LOAN COMMITMENT
LOW AND MODERATE INCOME RENTAL (LMIR) PROGRAM
AND FLEXIBLE FINANCING FOR CAPITAL COSTS (FFCC) PROGRAM

WHEREAS, the Minnesota Housing Finance Agency (Agency) has received an application to provide construction and permanent financing for a multiple unit housing development to be occupied by persons and families of low and moderate income, as follows:

Name of Development:	Coachman Ridge Apartments
Sponsors:	Coachman Ridge of Elk River Limited Partnership
Guarantors:	John Duffy and Jeff Von Feldt
Location of Development:	Elk River
Number of Units:	52
General Contractor:	Lumber One, Avon
Architect:	LHB Architects
Amount of Development Cost:	$10,370,397
Amount of LMIR Mortgage:	$1,400,000
Amount of FFCC Deferred Loan:	$795,397

WHEREAS, the Agency has determined that such applicant is an eligible sponsor under the Agency's rules; that such permanent mortgage loan is not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions; and that the construction of the development will assist in fulfilling the purpose of Minn. Stat. ch. 462A; and

WHEREAS, the Agency has reviewed the application and found the same to be in compliance with Minn. Stat. ch. 462A and the Agency's rules, regulations and policies;

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby authorizes Agency staff to issue a commitment to provide a permanent mortgage loan to said applicant from the Housing Investment Fund (Pool 2 under the LMIR Program) and the Housing Affordability Fund (Pool 3 under the FFCC Program) for the indicated development, upon the following terms and conditions:

1. The amount of the LMIR amortizing loan shall not exceed $1,400,000; and

2. The interest rate on the permanent LMIR loan shall be 5.25 percent per annum plus 0.25 percent per annum HUD Risk Share Mortgage Insurance Premium, with monthly payments based on a 30 year amortization; and

3. The term of the permanent LMIR loan shall be 30 years; and

4. The amount of the FFCC loan shall be $795,397; and

5. Repayment of the FFCC loan shall be deferred, with interest up to 1 percent, and the loan term shall be co-terminus with the LMIR loan; and

6. The Combined LMIR and FFCC Loan Commitment shall be entered into on or before July 30, 2015 and shall have an 18 month term (which shall also be the LMIR and FFCC Commitment Expiration Date); and

7. Agency staff shall review and approve the Mortgagor; and

8. The Mortgagor shall execute an Agency Mortgage Loan Commitment with terms and conditions embodying the above in form and substance acceptable to Agency staff; and

9. John Duffy and Jeff Von Feldt shall each guarantee the mortgagor's payment obligation regarding operating cost shortfalls and debt service until the property has achieved a 1.15 debt service coverage ratio (assuming stabilized expenses) for three successive months; and

10. John Duffy and Jeff Von Feldt shall guarantee the mortgagor's payment under LMIR Regulatory Agreement and LMIR Mortgage (other than principal and interest) with the Agency; and

11. The sponsor, the builder, the architect, the mortgagor, and such other parties as Agency staff in its sole discretion deem necessary shall execute all such documents relating to said loan, to the security therefore, to the construction of the development, and to the operation of the development, as Agency staff in its sole discretion deem necessary.

Adopted this 22nd day of January, 2015.

____

CHAIRMAN

This page intentionally blank.

AGENDA ITEM: 7.A
MINNESOTA HOUSING BOARD MEETING
January 22, 2015

ITEM: Resolution Relating to State Appropriation Bonds (Housing Infrastructure); Authorizing the Issuance and Sale of Additional Series and Approving the Execution and Delivery of Related Documents; Authorization of Additional Developments to be Funded with Proceeds of Prior Series

CONTACT: Rob Tietz, 651-297-4009 rob.tietz@state.mn.us

Paula Rindels, 651-296-2293 paula.rindels@state.mn.us

REQUEST:

☑ Approval ☐ Discussion ☐ Information

TYPE(S):

☐ Administrative ☐ Commitment(s) ☐ Modification/Change ☐ Policy ☐ Selection(s) ☐ Waiver(s)

☑ Other: Bond Transaction

ACTION:

☐ Motion ☑ Resolution ☐ No Action Required

SUMMARY REQUEST:

Agency staff is preparing to issue State Appropriation Bonds, the proceeds of which will be used to fund eligible housing infrastructure projects that have been or will be approved by the Board. Kutak Rock LLP, the Agency's bond counsel will send the resolution and Preliminary Official Statement describing the transaction under separate cover. The Board will be asked to adopt a resolution approving the terms of the bond issue on a not to exceed basis.

FISCAL IMPACT:

The debt service on the bonds is to be paid from annual appropriations by the State of Minnesota, and the bonds are not a debt or liability of the Minnesota Housing Finance Agency.

MEETING AGENCY PRIORITIES:

☐ Promote and support successful homeownership ☑ Preserve federally-subsidized rental housing

☐ Address specific and critical needs in rental housing markets ☐ Prevent and end homelessness

☑ Prevent foreclosures and support community recovery ☐ Strengthening Organizational Capacity

ATTACHMENT(S):

- Series Resolution (sent under separate cover)
- Preliminary Official Statement (sent under separate cover)

This page intentionally blank.

AGENDA ITEM: 7.B
MINNESOTA HOUSING BOARD MEETING
January 22, 2015

ITEM: Homeless Management Information System (HMIS) Advisory Task Force

CONTACT: Mary Tingerthal
mary.tingerthal@state.mn.us

Paula Beck, 651-296-9806
paula.beck@state.mn.us

REQUEST:

☑ Approval ☐ Discussion ☐ Information

TYPE(S):

☐ Administrative ☐ Commitment(s) ☐ Modification/Change ☑ Policy ☐ Selection(s) ☐ Waiver(s)

☐ Other: ______________________________

ACTION:

☑ Motion ☑ Resolution ☐ No Action Required

SUMMARY REQUEST:
Authorize the Commissioner to create an HMIS Advisory Task Force in accordance with Minnesota Statutes section 15.014 and authorize the agency to serve as the lead agency with respect to HMIS.

FISCAL IMPACT:
It is likely that the agency will incur the cost of one FTE to fulfill its obligations as the lead agency with respect to HMIS. It is anticipated that the position will be funded for the balance of the current fiscal year with philanthropic funds.

MEETING AGENCY PRIORITIES:

☐ Promote and support successful homeownership ☐ Preserve federally-subsidized rental housing

☐ Address specific and critical needs in rental housing markets ☑ Prevent and end homelessness

☐ Prevent foreclosures and support community recovery ☐ Strengthening Organizational Capacity

ATTACHMENT(S):
- Background
- Exhibit A: Form of Task Force Charter
- Exhibit B: Form of Task Force Bylaws
- Resolution

.

At the October 23, 2014, board meeting, board members were provided with background on the Minnesota Homeless Management Information System (HMIS) and its need for a new governance structure. Two potential governance structures were described – the Task Force Model and the Nonprofit Model – and Minnesota Housing's role in them. The board articulated a strong preference for the Task Force Model. The other entities involved in the HMIS decision-making process have also selected the Task Force Model, which has been approved by the Continuums of Care and the state agencies involved in HMIS.

Attached to this board report are forms of the two documents – the Charter and the Bylaws – that will create and govern the HMIS Advisory Task Force. The Charter, which will create the Task Force, lists the Task Force's duties and scope of authority in Article III. Article IV of the Charter establishes the Task Force's duration. In accordance with state law, the Task Force will automatically expire two years after the first members are appointed. Assuming that the Task Force will still be needed after the initial two-year term, the Commissioner may form a new task force for an additional two years. There is no limit on the number of times a task force may be formed and re-formed.

The Bylaws describe the operation of the Task Force, including the number and composition of Task Force members and the appointment process (Article I), the officers (Article III), and provisions regarding conflict of interest (Article V). The Task Force will be made up of no more than 15 members, to include four Continuum of Care representatives, three State representatives (one from Minnesota Housing, one from the Department of Human Services, and one from a third agency, which will rotate), one Tribal representative and seven community members, to be appointed by the Minnesota Housing Commissioner. The Commissioner will also appoint a Chair, a Vice Chair, and a Secretary of the Task Force. The Interim Planning Team (IPT) has recommended to the Commissioner 15 candidates for Task Force membership, as well as candidates for Chair and Vice Chair.

Once the Task Force has been created, the Continuums of Care are expected to appoint Minnesota Housing to serve as their Lead Agency for HMIS. In that role, the agency will enter into one or more contracts with the United States Department of Housing and Urban Development to provide HMIS reporting and will select and contract with a statewide systems administrator to license and support the HMIS application. Minnesota Housing will also enter into a Memorandum of Understanding with each Continuum of Care to with respect to this Lead Agency role.

FORM OF TASK FORCE CHARTER

HOMELESS MANAGEMENT INFORMATION SYSTEM

ADVISORY TASK FORCE

CHARTER

WHEREAS, Minnesota's initiatives to end homelessness statewide include numerous stakeholders, including Continuums of Care jurisdictions ("CoCs"), state agencies, statewide coordinating bodies, regional and local communities and governmental bodies, Indian tribes and community organizations; and

WHEREAS, a critical element of Minnesota's initiative to end homelessness statewide is to ensure consistent, complete and accurate data collection and management to support effective individual case-planning as well as program-level, system-level and statewide planning and evaluation; and

WHEREAS, in 2004, after Congress directed the U.S. Department of Housing and Urban Development ("HUD") to work with all CoCs receiving HUD homelessness assistance funding to implement a local database to collect information on persons experiencing homelessness, all CoCs in Minnesota joined together to implement a single, statewide Homeless Management Information System ("HMIS"); and

WHEREAS, the CoCs agreed to use the same software vendor and to select a single agency to serve as their lead agency to coordinate the HMIS, fulfill lead agency duties of the applicable HUD regulations and funding requirements and facilitate a statewide collaboration around the development and implementation of the HMIS, as well as to serve as the system administrator, overseeing the technical design, implementation and operation of the HMIS system and software; and

WHEREAS, the State of Minnesota, through its Department of Human Services and Minnesota Housing Finance Agency ("Minnesota Housing"), has joined with the CoCs to provide substantial support to developing and maintaining the HMIS collaboration; and

WHEREAS, although great strides have been made to develop an effective HMIS collaboration, many gaps and areas for improvement remain that must be addressed; and

WHEREAS, in 2013, after a thorough examination of the HMIS collaboration governance and functionality that involved multiple stakeholders, it was determined that several improvements to the HMIS collaboration were needed which include, among others, adopting a new statewide governance model for the HMIS collaboration that provides leadership in oversight and direction, and identifying a single organization to serve as the lead agency to provide strategic direction and oversight (the "Lead

Agency"), and a separate organization to serve as the system administrator to focus on technical systems and management (the "System Administrator"); and

WHEREAS, the stakeholders have agreed that the best structure for the new statewide governance model is for Minnesota Housing to form an advisory task force to advise the Lead Agency with respect to the HMIS collaboration, to be the forum for broader stakeholder engagement, program coordination, policy, planning, and operation of the HMIS collaboration, and to be the point of collaboration among the CoCs, state agencies, tribes, affected communities, the State Director to Prevent and End Homelessness and the Interagency Council on Homelessness; and

WHEREAS, the CoCs have agreed to select Minnesota Housing as their Lead Agency and Minnesota Housing has agreed to serve in this role, which will include providing staffing support for the advisory task force through the Office to Prevent and End Homelessness, managing planning and overall implementation of the HMIS collaboration, coordinating contracts with the System Administrator and other vendors, providing clear direction to the System Administrator, and serving as the HMIS project grantee; and

WHEREAS, in addition to its role as Lead Agency, Minnesota Housing will participate in the governance of the HMIS collaboration on behalf of the Interagency Council on Homelessness, through representation on the advisory task force, along with representatives of other stakeholders.

NOW, THEREFORE, the undersigned, as Commissioner of Minnesota Housing, adopts the following Charter for the purpose of forming an advisory task force under Minnesota Statutes Section 15.014:

Article I. Name

The name of this advisory task force is the Homeless Management Information System Advisory Task Force (the "HMIS Task Force").

Article II. Purpose

The HMIS Task Force is organized and operated for the purpose of advising Minnesota Housing on policy, planning, priorities, and operational matters concerning the implementation and administration of the HMIS collaboration.

Article III. Duties and Scope of Authority

The HMIS Task Force will:

1. Advise Minnesota Housing on strategic planning, policies, and priorities for the administration of the HMIS collaboration.

2. Advise Minnesota Housing on developing a system-wide budget for the HMIS collaboration.

3. Participate in developing resources to meet HMIS collaboration budget needs.

4. Coordinate decision-making among the CoCs related to their designation and evaluation of Minnesota Housing as the Lead Agency.

5. Work with Minnesota Housing to resolve issues as they arise related to the HMIS collaboration and participate in the CoCs' annual review of Minnesota Housing's performance in its role as Lead Agency, as further set forth in the MOUs between each CoC and Minnesota Housing.

6. Advise Minnesota Housing on the selection and performance of the System Administrator.

7. Advise Minnesota Housing on public communications related to the HMIS collaboration.

8. Advise Minnesota Housing on the use of HMIS collaboration data for research purposes to enable the production of jurisdictional reports, including the reporting needed to meet state and HUD requirements.

9. Advise Minnesota Housing on establishing and maintaining a grievance policy that is understood and trusted by all constituencies.

10. Provide Minnesota Housing with information and advice needed to ensure system compliance with HUD and legislative mandates.

11. Recommend candidates to the Commissioner for appointment as members and as officers of the HMIS Task Force.

12. Serve as a forum for broader stakeholder engagement, program coordination, policy, planning, and operation of the HMIS collaboration.

Article IV. Bylaws

The HMIS Task Force shall act according to the Bylaws that have been approved by the HMIS Task Force and the Commissioner.

Article V. Membership

The HMIS Task Force shall consist of no more than fifteen (15) members. The Bylaws shall set forth the composition of the membership and procedures for their nomination and appointment. Members shall receive expenses in the same manner and amount as provided in the commissioner's plan under Minnesota Statutes section 43A.18, subdivision 2.

Article VI. Duration

In accordance with Minnesota Statute Section 15.059 subdivision 6, the HMIS Task Force shall expire at the pleasure of the Minnesota Housing Commissioner, or two years after the first members of the task force are appointed, whichever is sooner. If the initial HMIS Task Force expires, another task force may be created to continue the work of the HMIS Task Force. In addition, if Minnesota Housing is no longer serving as the Lead Agency, the Commissioner may terminate the existence of the HMIS Task Force.

The undersigned has signed this Charter on this _____ day of _________________, 2015.

____
Mary Tingerthal, Commissioner,
Minnesota Housing Finance Agency

FORM OF TASK FORCE BYLAWS

HOMELESS MANAGEMENT INFORMATION SYSTEM

ADVISORY TASK FORCE

BYLAWS

ARTICLE I

Members

Section 1. General Powers. As set forth in its Charter, the Homeless Management Information Systems Advisory Task Force ("HMIS Task Force" or "Task Force") advises the Minnesota Housing Finance Agency ("Minnesota Housing") on policy, planning, priorities and operational matters concerning the implementation and administration of the Homeless Management Information System ("HMIS") collaboration; serves as a forum for broader stakeholder engagement, program coordination, policy, planning, and operation of the HMIS collaboration; serves as the point of collaboration among the Continuums of Care ("CoCs"), State agencies, tribes, affected communities, the State Director to Prevent and End Homelessness and the Interagency Council on Homelessness; and performs such other duties as are specifically set forth in its Charter.

Section 2. Number and Composition. The Task Force will be comprised of fifteen (15) Members, as follows: four (4) CoC representatives; three (3) State agency representatives including one from Minnesota Housing and one from the Department of Human Services; one (1) tribal representative; and seven (7) community members.

Section 3. Qualifications. Each Member shall demonstrate his or her willingness to accept responsibility for the operation of the Task Force and his or her availability to participate actively in Task Force activities. In addition, all Members shall bring a statewide perspective, demonstrate leadership, think strategically, be empowered to speak for their constituencies, and be willing, able, and committed to attending regular meetings of the Task Force. Members shall be selected to bring a variety of interests and expertise to the Task Force.

Section 4. Term of Office. Members shall serve for a term of three (3) years, subject to the statutorily limited duration of the Task Force and the Commissioner's renewal of its authority. Upon expiration of a Member's term, the Member may be re-appointed for additional three-year terms. Members holding seats as community members may serve up to two consecutive three-year terms, plus any partial term if less than three years (such as to fill a vacancy or the initial term to establish staggered terms for the Task Force).

Section 5. Appointment Process. Members of the Task Force shall be appointed by the Commissioner of Minnesota Housing (the "Commissioner"). The Task Force shall recommend candidates to the

Commissioner for appointment to the Task Force as follows: the CoCs shall recommend the CoC representatives, each State agency named in Section 2 above shall recommend its representative, the Interagency Council on Homelessness shall recommend the third State agency representative, the participating tribes shall recommend their representative, and the Task Force shall develop a nominations process for recommending candidates to serve as community members. If the office of any Member becomes vacant for any reason, the Task Force may recommend a successor for appointment by the Commissioner to hold office for the remainder of that position's term of office, using the same nomination process used for regular appointments. A vacancy may be filled immediately or at the next date of annual appointments. The presence of a vacancy shall not affect the validity of actions taken by the Task Force.

Section 6. <u>Training</u>. New Members shall participate in and complete Task Force orientation. In addition, all Members shall participate in and complete ongoing training as determined necessary by the Chair.

Section 7. <u>Resignation and Removal of Members</u>. Any Member may resign at any time by giving written notice of such resignation to the Secretary of the Task Force (the "Secretary"). Such resignation shall be effective upon delivery, unless a later date is specified in the notice. Members may recommend to the Commissioner the removal of a Member upon an affirmative vote of not less than two-thirds (2/3) of all Members then in office, excluding the Member proposed for removal. In addition, the Commissioner may remove a Member at any time.

<u>ARTICLE II</u>

<u>Meetings</u>

Section 1. <u>Place and Time of Meetings</u>. The Task Force may hold its regular and special meetings at such places as determined by the Chair of the Task Force or his or her designee unless the Members, upon an affirmative vote of not less than two-thirds (2/3), determines otherwise. The Members may determine that one or more meetings of the Task Force shall be held solely by means of remote communication pursuant to Section 8 below. Such authorization may be general or confined to specific instances.

Section 2. <u>Regular Meetings</u>. The Task Force shall hold regular meetings as the Chair, or his or her designee, shall determine. At each regular meeting, the Members shall conduct such business as may properly come before the meeting.

Section 3. <u>Special Meetings</u>. Special meetings of the Task Force may be called: (a) by the Chair, (b) upon written request of any five (5) or more Members of the Task Force, or (c) by the Commissioner. The person or persons entitled to call a special meeting may make a written request to the Secretary to call the meeting, the Secretary shall give written notice of the meeting in the manner provided below, and the meeting shall be held between three (3) and fourteen (14) days after receipt of the request to call a special meeting.

Section 4. Notice of Meeting. Notice shall be given according to the procedures set out by these Bylaws and such other procedures as may be necessary to comply with the Open Meeting Law, Minnesota Statutes Chapter 13D, as it may apply to the Task Force's meetings.

Not less than five (5) days' written notice of a regular meeting and three (3) days' written notice of a special meeting of the Members, excluding the day of the meeting, shall be given to all Members. No notice of any meeting, regular or special, need state the purposes of the meeting except as may be specifically required by these Bylaws or otherwise required by law.

Notice shall be delivered personally, sent by facsimile communication, sent by electronic mail, posted on an electronic network together with a separate notice to the Member of the specific posting, mailed, first class, postage prepaid, or such other methods as are fair and reasonable as determined in the sole discretion of the Secretary.

Notwithstanding the foregoing, no written notice of any meeting of the Members is required if the date, time and place of the meeting was announced at a previous meeting of the Members. Any Member may waive notice of any meeting in writing before, at, or after a meeting. The attendance of a Member at any meeting shall constitute a waiver of notice of such meeting, unless he or she objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate in the meeting. The waiver shall be filed with the person who has been designated to act as secretary of the meeting, who shall enter the waiver upon the records of the meeting.

Section 5. Quorum and Voting. The presence of a majority of the Members of the Task Force shall constitute a quorum for the transaction of business at any meeting of the Members, but the Members present at any meeting, although less than a quorum, may adjourn the meeting from time to time. If a quorum is present when a duly called or held meeting is convened, the Members present may continue to transact business until adjournment, even though the withdrawal of Members originally present leaves less than the proportion or number otherwise required for a quorum. Participation in a meeting by remote communication pursuant to Section 8 below constitutes presence at a meeting. At any meeting of the Members, except as otherwise provided in the Charter or these Bylaws, each Member present at the meeting shall be entitled to cast one (1) vote on any question coming before the meeting. Except as otherwise provided in these Bylaws, a majority vote of the Members present at any meeting shall be sufficient to transact any business. Proxy voting shall not be permitted.

Section 6. Rules of Procedure. The Members may adopt or establish rules of procedure for conducting meetings provided such rules are not inconsistent with the Charter, these Bylaws, or Minnesota law. In the absence of Member action, the Chair may establish rules of procedure for conducting meetings provided such rules are not inconsistent with the Charter, these Bylaws, or Minnesota law. The Task Force may close a meeting to the public only if doing so is in compliance with the Open Meeting Law, as it may apply to the Task Force.

Section 7. Action without Meeting. To ensure compliance with the Open Meeting Law, the Task Force may only take action at a meeting of the Task Force, and may not take action in writing or by email outside of a meeting.

Section 8. Remote Communications for Meetings. Members of the Task Force may participate in a meeting by means of conference telephone or by another means of remote communication, so long as that Member, other Members so participating, and all Members present at the meeting may participate with each other during the meeting and the use of such remote communication complies with the requirements of the Open Meeting Law as they apply to the Task Force.

ARTICLE III

Officers

Section 1. Number. The Task Force shall have the following Officers: (a) a Chair; (b) a Vice Chair; and (c) a Secretary. Except as provided in these Bylaws, the Task Force shall fix the powers and duties of all Officers.

Section 2. Appointment Process. The Chair, Vice Chair and Secretary shall be appointed by the Commissioner. The Task Force may, but is not required to, recommend candidates for Chair, Vice Chair and Secretary for appointment by the Commissioner. Subject to these Bylaws, the Task Force may also elect or appoint one or more additional Officers or assistant Officers as it may deem convenient or necessary.

Section 3. Chair. The Chair shall preside at meetings of the Task Force and shall perform such other duties as prescribed by the Charter and these Bylaws, and as may be prescribed by the Task Force from time to time. The Chair must be a Member of the Task Force.

Section 4. Vice Chair. The Vice Chair shall have such powers and perform such duties as the Chair or Task Force may prescribe from time to time. In the absence of the Chair or in the event of the Chair's death, inability, or refusal to act, the Vice Chair shall perform the duties of the Chair, and, when so acting, shall have all the powers of and be subject to all of the restrictions upon the Chair. The Vice Chair must be a Member of the Task Force.

Section 5. Secretary. The Secretary shall be responsible for ensuring that all actions and the minutes of all proceedings of the Task Force are recorded, and shall be responsible for all documents and records of the Task Force. He or she shall give or cause to be given any required notice of meetings of the Task Force, and shall provide to all Members within thirty (30) days after each meeting copies of all said actions and minutes of said proceedings, and shall perform such other duties and have such other powers as the Task Force may from time to time prescribe. The Secretary need not be a Member of the Task Force.

ARTICLE IV

Committees

The Task Force may establish one or more committees as may be specified in resolutions approved by the affirmative vote of a majority of the Members. Such committees shall at all times be subject to the direction and control of the Task Force, and shall have such authority to act or make recommendations, and such membership, as shall be set forth in the resolutions establishing the committee.

ARTICLE V

Conflict of Interest

Section 1. Policy. It shall be the policy of the Task Force that all Officers and Members thereof shall scrupulously avoid any conflict between their own respective individual interests and the interests of the Task Force in any and all actions taken by them on behalf of the Task Force in their representative capacities. Officers and Members shall comply with all governmental statutes, ordinances and regulations.

Section 2. Definitions. The following are considered a "direct or indirect interest or a relationship" which would trigger this Conflict of Interest Policy. As a result, the requirements of Section 3 below must be met if the Task Force is contemplating an action that directly involves any of the following:

a. an Officer, Member, or person in a position to exercise substantial influence over the affairs of the Task Force, or a member of the family of such person (a member of the family is a spouse, parent, child, spouse of a child, brother, sister, or spouse of a brother or sister);

b. an organization in which an Officer, Member, or person in a position to exercise substantial influence over the affairs of the Task Force, or a member of the family of such person, is a director, officer, or legal representative; or

c. an organization in which an Officer, member, or person in a position to exercise substantial influence over the affairs of the Task Force, or a member of the family of such person, has a material financial interest.

Section 3. Procedures.

a. Any Member who has an actual or possible conflict of interest must disclose the existence and nature of the conflict to the Chair. The disclosure must be made at or prior to the meeting of the Task Force during which the Members are considering the proposed action.

b. The Task Force shall determine whether an actual conflict of interest exists.

c. If the Task Force determines that an actual conflict exists, the Member with the conflict of interest may make a presentation at the meeting at which the action will be discussed, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the action that results in the conflict of interest.

d. The Task Force may take an action involving a conflict of interest if the material facts about both the action and the Member's interest in the action are either fully disclosed or known to the Members of the Task Force. In such cases, the action must be authorized, ratified, or approved in good faith by a majority of the Members present and entitled to vote thereon. The vote of any interested Member does not count for purpose of determining what constitutes a majority vote, and the presence of any interested Member at a meeting at which such a vote is taken does not count in determining the presence of a quorum.

e. Members shall deliver to the Chair an annual disclosure of known potential conflicts.

ARTICLE VI

Amendments

The Members may amend these Bylaws to omit or include any provision which could be lawfully omitted or included at the time of such amendment. Any number of amendments, or an entire revision of the Bylaws, may be voted upon at a meeting of the Members and shall be adopted at such meeting upon receiving an affirmative vote of two-thirds (2/3) of the Members who are present at the meeting and entitled to vote on the proposed amendment or revision. Any such amendments to the Bylaws must be approved by the Commissioner to be effective.

The Members may also recommend to the Commissioner amendments to the Charter, with the affirmative vote of two-thirds (2/3) of the Members who are present at a meeting. Any such amendments to the Charter must be adopted by the Commissioner to be effective.

CERTIFICATION OF ADOPTION

HOMELESS INFORMATION SYSTEM ADVISORY TASK FORCE:

The undersigned, as Secretary of the Homeless Management Information System Advisory Task Force, hereby certifies that the foregoing Bylaws of the Task Force were adopted by resolution of the Task Force at a meeting held on _______________, 2015.

____

Secretary

COMMISSIONER OF THE MINNESOTA HOUSING FINANCE AGENCY:

The foregoing Bylaws are hereby approved.

____

Mary Tingerthal, Commissioner

Date: ___________________________________

Board Agenda Item: 7.B
Attachment: Resolution

MINNESOTA HOUSING FINANCE AGENCY
400 Sibley Street, Suite 300
St. Paul, Minnesota 55101

RESOLUTION NO. MHFA 15-

RESOLUTION AUTHORIZING THE COMMISSIONER TO FORM AN HMIS ADVISORY TASK FORCE

WHEREAS, the Minnesota Housing Finance Agency ("Agency") Commissioner ("Commissioner") has requested that the Minnesota Housing Finance Agency Board ("Board") authorize the Commissioner to form an Advisory Task Force (the "Task Force") under Minnesota Statutes section 15.014 for the purpose of advising the Commissioner and the Agency with respect to the Minnesota Homeless Management Information System ("HMIS"); and

WHEREAS, the Commissioner proposes that the Agency serve in the role of Lead Agency with respect to HMIS; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency for the Commissioner to form the Task Force and for the Agency to serve as Lead Agency for the HMIS.

NOW, THEREFORE, BE IT RESOLVED:

THAT the Commissioner is authorized to form the Task Force in accordance with Minnesota Statutes section 15.014 and execute a Charter, Bylaws, and other organizational documents necessary to form and operate the Task Force.

THAT the Agency is authorized to serve as the Lead Agency with respect to HMIS and to enter into the documents determined by Agency legal staff to be necessary or desirable to fulfill the Agency's role as Lead Agency.

Adopted this 22nd day of January, 2015

____
CHAIRMAN

AGENDA ITEM: 8.A
MINNESOTA HOUSING BOARD MEETING
January 22, 2015

ITEM: 2015 Division Work Plans Summary

CONTACT: Barb Sporlein, 297-3125
barb.sporlein@state.mn.us

REQUEST:

☐ Approval ☐ Discussion ☑ Information

TYPE(S):

☑ Administrative ☐ Commitment(s) ☐ Modification/Change ☐ Policy ☐ Selection(s) ☐ Waiver(s)

☐ Other: ______________________________

ACTION:

☐ Motion ☐ Resolution ☑ No Action Required

SUMMARY REQUEST:
For informational purposes, staff is summarizing the major key initiatives in the 2015 Divisional Work Plans that implement the 2013-2015 Strategic Plan and 2015 Affordable Housing Plan.

FISCAL IMPACT:
None. These plans are consistent with the approved 2013-2015 Strategic Plan, 2015 Affordable Housing Plan and 2015 Operating Budget.

MEETING AGENCY PRIORITIES:

☑ Promote and support successful homeownership ☑ Preserve federally-subsidized rental housing

☑ Address specific and critical needs in rental housing markets ☑ Prevent and end homelessness

☑ Prevent foreclosures and support community recovery ☑ Strengthening Organizational Capacity

ATTACHMENT:
- Background - 2015 Division Work Plans Summary

2015 Division Work Plans Summary

Minnesota Housing takes a systematic approach to its overall strategic management and performance reporting. The system includes a "family of documents" that is integrated and builds off each other. The planning documents include the Strategic Plan, Affordable Housing Plan, divisional work plans, and individual work plans (see attached outline of the planning documents). Each has corresponding performance reports including quarterly reports to the board, quarterly reports for divisional review meetings, regular reports for program managers and staff, and individual performance appraisals. This system creates a strategy management feedback loop for continuous improvement - the result should be an agency that gets better and better at achieving its mission.

The 2013-2015 Strategic Plan was approved by the Board in July 2012. It defines the Agency's vision, mission, values, priorities, and strategies. The five strategic priorities are:

1) Preserve federally-subsidized rental housing
2) Promote and support successful homeownership
3) Address specific and critical needs in rental housing markets
4) Prevent and end homelessness
5) Prevent foreclosures and support community recovery

The Strategic Plan also includes several cross-cutting principles and priorities, as well as strategies for strengthening the Agency's organizational capacity. Agency staff has started the development of the 2016-2019 Strategic Plan which will be brought to the Board for initial review and comment in June 2015 and final approval in July 2015. Development includes extensive information gathering and analysis, consultation with external partners and Agency staff, and a public comment period.

The Affordable Housing Plan (AHP) is the annual business plan for carrying out the Agency's core work for the upcoming year and implementing the Strategic Plan. It was approved by the Board in September 2014. The AHP outlines key programmatic and policy initiatives for the year, specifies program-by-program funding, and establishes production targets. In total, the plan allocates about $954 million of federal, state, and agency housing resources, which will assist approximately 70,400 households or housing units.

Each division develops an annual work plan for implementing the Strategic Plan and AHP. These plans identify funding and production levels, key division/section activities, responsibilities, expected outcomes and program level measures. Below is a summary of the key initiatives in the divisional work plans (this is not an exhaustive list of core business or special projects):

- Continue to provide low-interest mortgages and enhancements (Start Up, Step Up, Deferred Payment Loans, Monthly Payment Loans, and Mortgage Credit Certificates) to support $400 million of mortgage production;
- Focus activity on reaching emerging market homebuyers by implementing the Targeted Mortgage Opportunity Program and Enhanced Financial Capacity Initiative to help address barriers faced by households of color and Hispanic ethnicity;

- Deliver the single-family home improvement program (Fix Up), including the Targeted Home Improvement Program, for moderate-income homeowners;
- Evaluate the feasibility of providing a new rental rehabilitation loan program for single family rental programs;
- Implement the new single-family loan origination system to improve operations and customer service;
- Monitor and manage the single family loan portfolios to ensure that Minnesota Housing is supporting successful homeownership for households needing the Agency's assistance;
- Continue to implement the Governor's Housing-Jobs Growth Initiative to promote economic development by financing workforce housing in parts of the state where companies are poised to expand but there is not enough affordable housing;
- Deploy $80 million of Housing Infrastructure Bonds to finance preservation, supportive housing, foreclosure mitigation, and land purchases by Community Land Trusts;
- Deploy $20 million of General Obligation Bonds to make capital improvements to the state's public housing stock;
- Continue to expand options for Multifamily first mortgage lending to increase production, including increased HUD Multifamily Accelerated Processing (MAP) lending and securitization of MAP loans, and new HUD risk share products;
- Implement the Olmstead Plan to provide increased options for persons with disabilities in integrated community settings;
- Implement the Business Plan to Prevent and End Homelessness, including the development of a two-year action plan and improved inter-agency alignment and collaboration;
- Complete a business review and develop a new business plan to strategically design and deploy housing with services programs and funding to best align with community needs, Agency priorities, Olmstead Plan and State Plan to Prevent and End Homelessness;
- Continue progress on the Multifamily Remodel Project, a multi-phased business process and system improvement effort, this year focusing on RFP and scoring improvements, refining the closing process, and establishing a new business development function;
- Continue implementation of three new rent assistance programs for (1) ex-offenders transitioning out of correctional institutions, (2) highly-mobile families with school-age children, and (3) persons with disabilities (HUD Section 811 Program);
- Incorporate new preservation strategies into various Multifamily business lines;
- Develop a statewide affordable housing database;
- Continue to implement the Asset Management Alignment Project, which focuses on improved compliance and inspection processes;
- Develop policies and strategies for assisting seniors so they can age in place and remain in their communities;
- Continue evaluating and implementing various cost containment efforts, including updating the predictive cost model, updating the Agency's sustainability guidance, reviewing design

standards, exploring the establishment of common legal documents and key provisions for subordinate debt lenders, exploring the concept of an Agency reserve guarantee, and the development of an annual cost containment report;

- Expand the new loan servicing software for the Agency's multifamily amortizing loans to include deferred loans so that servicing is more integrated and dynamic;
- Complete the Risk-Based Capital Adequacy Study to analyze long-term impacts of balance sheet run-off, the Agency's investment strategy, and confirm the needed capacity of pool 2 and pool 3 for various needs and uses;
- Develop the 2016-1019 Strategic Plan;
- Update the Agency's Continuity of Operations Plan;
- Define business requirements for a Customer Relationship Management System;
- Expand the Agency's Enterprise Content Management System from initial work on web site to areas involving communications and records management; and
- Update the Agency Risk Profile and complete risk assessments on several agency programs.

Strategy Management Framework Planning Documents

Strategic Plan

Three year blueprint for agency's work

Vision - Mission - Priorities - Strategies

Affordable Housing Plan (AHP)

One-year plan for funding programs and implementing the Strategic Plan

- ***Establishes funds available for commitment by program***
- ***Identifies key initiatives***
- ***Establishes production targets:***
  Estimated number of units & households to be assisted
- ***Provides historical, market, and policy context and rationale***

Division/Section Work Plans

Annual plans for implementing the Strategic Plan & Affordable Housing Plan

- ***Linked to Strategic Plan priorities and strategies and AHP initiatives***
- ***Reflects funding and production levels in AHP***
- ***Identifies key division/section activities***
- ***Identifies responsibilities and expected outcomes***
- ***Identifies program level measures***

Individual Work Plans

Annual plans for implementing the Strategic, Affordable Housing, Divisional Plans

- ***Linked to activities in the Division/Section Work Plans, which are linked to AHP initiatives and Strategic Plan priorities and strategies***
- ***Reflects funding and production levels in Affordable Housing Plan***
- ***Identifies specific responsibilities and activities***
- ***Captures on-going core work***
- ***Identifies team and individual expected outcome (including performance measures)***

This page intentionally blank.

AGENDA ITEM: 9.A
MINNESOTA HOUSING BOARD MEETING
January 22, 2015

ITEM: Post-Sale Report, Residential Housing Finance Bonds, 2014 Series CDE

CONTACT: Rob Tietz, 651-297-4009
rob.tietz@state.mn.us

Bill Kapphahn, 651-215-5972
william.kapphahn@state.mn.us

REQUEST:

☐ Approval ☐ Discussion ☑ Information

TYPE(S):

☐ Administrative ☐ Commitment(s) ☐ Modification/Change ☐ Policy ☑ Selection(s) ☐ Waiver(s)

☑ Other: Finance

ACTION:

☐ Motion ☐ Resolution ☑ No Action Required

SUMMARY REQUEST:
The Agency sold $225,730,000 of Residential Housing Finance Bonds on December 3, 2014. Pursuant to the Debt Management Policy, the attached post-sale report is provided by the Agency's financial advisor, CSG Advisors. This is an information item and does not require approval.

FISCAL IMPACT:
None

MEETING AGENCY PRIORITIES:

☑ Promote and support successful homeownership ☐ Preserve federally-subsidized rental housing

☐ Address specific and critical needs in rental housing markets ☐ Prevent and end homelessness

☐ Prevent foreclosures and support community recovery ☐ Strengthening Organizational Capacity

ATTACHMENT(S):

- Post-Sale Report

This page intentionally blank.

MEMORANDUM

Date: **December 12, 2014**

To: **Minnesota Housing Finance Agency**

From: **Gene Slater, Eric Olson, Tim Rittenhouse**

Re: **Post-Sale Report**
$ 225,730,000 Residential Housing Finance Bonds (RHFB)
2014 Series CDE

KEY RESULTS FOR MINNESOTA HOUSING

Opportunity. This bond issue – the largest single-family bond issue in the country this year -- took advantage of the opportunity to refund four issues of outstanding bonds under the Residential Housing Finance Bond indenture ("RHFB") and to finance approximately $76 million of new mortgages.

Overall Purpose. Series CDE accomplished the following major objectives:

1. Enable Minnesota Housing to balance the ways it funds single-family production by being able to keep a significant amount of production on the balance sheet, earning net income for future years.

2. Generate significant savings by refunding old fixed rate bonds at today's lower interest rates.

3. Refund and replace a large portion of the Agency's variable rate bonds that had interest rate swaps, with fixed rate bonds.

4. Achieve full spread, finance new loans without using any of Minnesota Housing's existing zero participations and increase zero participations – to help achieve full spread on future issues.

Key Measurable Objectives and Accomplishments. The results of the issue were extremely successful:

Objective	***Result***
Finance new production on balance sheet	Originally planned to fund $50 million of new loans. This was increased at bond pricing to $76 million
Provide at least a similar return to the Agency as selling new loans on the secondary market	The rate of return to the Agency is likely to be higher at prepayment speeds the Agency has recently averaged on new loans
Refund old bonds at lower interest rates	Reduced average yield on $150 million of old bonds from approx. 4.7 % to about 2.8% (providing initial annual cash savings of $2.8 million)
Replace variable rate debt that had interest rate swaps with fixed rate debt	Redeemed $ 66.6 million of the Agency's total $ 300 million of swapped debt. The cost of terminating the old interest rate swaps was approximately $800,000, while the savings to the Agency is about $870,000 per year.

Key Measurable Objectives and Accomplishments.(continued)

Objective	***Result***
Strengthen the RHFB indenture going forward	Increases the expected present value of the indenture by over $8 million at assumed prepayment speeds
Achieve full spread on the overall transaction	Agency will earn the maximum spread permitted by the IRS
Minimize use of any existing zero participations	None were needed
Increase zero participations for future issues	Increase the Agency's zero participations from $ 11 million to $ 26 million

Relationship to Recent and Future Issues. Minnesota Housing has recently issued three successful new pass-through bond issues under its newer, even more highly rated Homeownership Finance Revenue Bond indenture. It was desirable to take advantage of the ability to call old bonds with higher rates together with efficiently financing new production. Blending the old and new loans in the same transaction created financial efficiencies and future savings. The Agency is expecting to return to using the pass-through bond structure under HFB, beginning early next year.

Relationship to Pipeline. The new loans were hedged in the TBA market until the bond pricing was complete, thus protecting the Agency. Losses on hedges were taken into account in determining zero participations for future issues.

TIMING AND STRUCTURE

Timing. The issue was priced on Wednesday, December 3rd, with closing on December 16.

Sizing. The issue was sized at $150 million to refund old bonds plus $50 million, increased to $76 million, to finance new production.

Major Design Decisions. Key decisions by Minnesota Housing were to:

- Use available RHFB cash to redeem old bonds and help reduce the size of the refunding,
- Pay modest swap termination fees to terminate certain of the swaps that are not optionally terminable at par until July 1, 2015,
- Structure approximately half of the AMT bonds as a very large premium PAC bond (totaling about 1/3 of the total financing) as the final maturity in 2045, with a projected average life of about 5 years, and
- Structure the remaining AMT bonds as short serial bonds.

Rating. Bonds under the RHFB indenture are rated Aa1 by Moody's and AA+ by S & P.

BOND SALE RESULTS.

Key highlights were:

1. ***Retail Interest.*** A total of $ 74.4 million of bonds were offered in the order period for retail investors. There were Minnesota retail orders of $ 49.7 for these bonds. This strong demand helped make it possible for Minnesota Housing to increase the size of the issue to finance more new loans and to re-price some of the bond maturities to lower levels.

2. ***Institutional Interest.*** There was significant institutional interest which was important with about 2/3 of the transaction being AMT bonds.

3. ***Timing.*** Both the Treasury and municipal markets were relatively stable in the week after Thanksgiving. During November municipal rates rose slightly while Treasury rates dropped.

4. ***Successful Sale.*** The sale proved very favorable, with Minnesota Housing achieving tighter spreads to bond indices on many maturities in both the AMT and Non-AMT series. What was especially significant was being able to sell the largest recent housing issue and even increase its size at favorable rates.

5. ***Comparable Transactions.*** The transaction had two major types of bonds: Series C with $143 million of AMT bonds and Series D and E with $ 83 million of non-AMT bonds.

   The most recent AMT single-family issues were Washington State's and South Carolina's issues in mid-November (each approximately $27 million or about half the size of Minnesota's non-PAC bonds). Minnesota Housing's spread to the benchmark AAA general obligation MMD Index was about 10 basis points tighter in most maturities than both Washington State and South Carolina.

   The large AMT PAC bond of $84.2 million had a spread of 92 basis points to the 5 year MMD index. The most recent AMT PAC had been Tennessee's much smaller PAC almost 6 weeks earlier, at a spread of 86 basis points to the 5 year.

   The only recent non-AMT issue with similar maturities was the non-AMT portion of Washington State two weeks previously. Minnesota's spread was about 5 to 10 basis points tighter.

   All in all, this was an excellent performance on such a large size transaction.

UNDERWRITING

Underwriters. RBC was the senior manager; regular co-managers were Piper Jaffray and Wells Fargo. Morgan Stanley was the third co-manager, based on their retail sales allotments on RHFB Series 2014 B in April, the last transaction with a retail component.

Retail Sales. There were strong retail orders from across the senior and co-managers, more broadly distributed than on past issues. RBC had approximately 40% of the Minnesota retail orders, compared to 80% on RHFB 2014 B in April, compared to 2/3 on 2014 Series A). Piper Jaffray and Wells Fargo as regular co-managers contributed significantly.

Many of the selling group members performed very strongly. Edward Jones had an extraordinary performance, with $ 4.3 million (or 12%) of all Minnesota retail allotments. It will serve as the rotating co-manager on the next bond issue.

Member	Role	Minnesota Retail Orders	Minnesota Retail Allotments
RBC	Senior Manager	19,015,000	14,835,000
Wells Fargo	Co-Manager	8,930,000	6,025,000
Piper Jaffray	Co-Manager	5,700,000	5,100,000
Morgan Stanley	Co-Manager added based on prior issue sales	3,755,000	730,000
Subtotal for managers		37,400,000	**26,690,000**
Edward Jones	Selling Group	7,415,000	**4,330,000**
Northland Securities	Selling Group	1,450,000	1,450,000
Fidelity Capital Markets	Selling Group	1,230,000	1,055,000
Raymond James	Selling Group	1,045,000	545,000
UBS	Selling Group	600,000	530,000
Cronin	Selling Group	465,000	415,000
Robert W. Baird	Selling Group	50,000	25,000
Bank of America Merrill Lynch	Selling Group	0	0
Barclays	Selling Group	0	0
George K. Baum	Selling Group	0	0
City Securities	Selling Group	0	0
Subtotal selling group		12,255,000	**8,330,000**
Total		49,655,000	**35,020,000**

Selling group performance varied significantly among firms, indicating:

- The benefit of continuing the use of a large and active selling group, rather than relying on only a few firms, especially given the variability from one issue to the next, and
- The value of rewarding a selling group member with the most orders by including them as a co-manager on the next issue.

Underwriter Fees. Management fees were appropriate, consistent with industry standards, and in the same range as fees reported for other housing issues of similar size and structure.

****

ISSUE DETAILS

Key Dates: 2014 CDE Bond Pricing for RHFB Indenture

Retail Order Period:	Wednesday morning, Dec. 3, 2014
Institutional Order Period:	Wednesday afternoon, Dec. 3, 2014
Closing Date:	Dec. 16, 2014

Economic Calendar. Economic signals have recently been modestly positive with respect to U.S. economic growth, with unemployment dipping beneath 6%. The Fed ended its purchase of securities in October and is currently expected to begin raising rates in the middle of next year (while being able to shift that timing depending on economic conditions).

Treasuries. As a result, the 10-year Treasury – which began the year at 3% – has dropped to 2.22% as of the end of the day on Monday December 1st. This is close to the 2.15% low for the year (and 9 basis points lower than when HFB Series D was priced in mid-October).

Municipals. Munis had outperformed Treasuries in October, but during November this trend reversed. There was increasing investor reluctance to buy longer-term munis at such low absolute yields. While Treasury rates have dropped since the HFB October issue, municipal rates have gone up. The ratio of the MMD Index to Treasuries has therefore increased significantly.

- Overall volume of new issuance for 2014 still looks to set a record low, although the 30-day visible supply has increased from the $7.8 million weekly average for the year through November to the current high of $18.1 billion.
- At the low absolute level of rates, there has been more reluctance by institutional investors to buy long maturity bonds which may drop significantly in price if rates rise.
- Credit spreads have continued to remain relatively wide, especially compared to the low absolute level of rates, with 56 basis points between AAA and A levels for 10 year MMD (61 basis points between AAA and A for 30 year MMD).

Issue	Date	10-Year Treasury	10-Year MMD	MMD/ Treasury Ratio	30-Year Treasur y	30-Year MMD	MMD/ Treasury Ratio
2013 HFB A	1/9/13	1.88%	1.69%	89.9%	3.06%	2.80%	91.5%
2013 HFB B	4/8/13	1.76%	1.72%	97.7%	2.91%	2.94%	101.0%
2013 RHFB ABC	5/14/13	1.96%	1.81%	92.3%	3.17%	2.93%	92.4%
2013 HFB C	6/17/13	2.19%	2.23%	101.8%	3.35%	3.50%	104.4%
2014 RHFB A	2/11/14	2.75%	2.52%	91.6%	3.69%	3.87%	104.9%
2014 RHFB B	4/16/14	2.65%	2.30%	86.8%	3.45%	3.51%	101.7%
2014 HFB A	6/10/14	2.64%	2.33%	88.3%	3.47%	3.36%	98.0%
2014 HFB BC	8/7/14	2.46%	2.16%	87.0%	3.27%	3.21%	98.2%
2014 HFB D	10/10/14	2.31%	2.01%	85.9%	3.07%	2.92%	95.1%
2014 RHFB CDE	**12/3**	**2.28%**	**2.08%**	**91.2%**	**3.00%**	**2.99%**	**99.7%**
Change from HFB 2014 D to *RHFB 2014C/D/E*		**- 3 bp**	**+ 7 bp**	**+ 6.3%**	**- 7 bp**	**+ 7 bp**	**+ 4.6%**

Municipal Calendar. The Minnesota competitive sale calendar was modest for the week of the sale with about $33 million in local G.O. issues. There was no other Minnesota negotiated issues are scheduled on *The Bond Buyer* forward calendar.

Other housing issues on or before the Agency's offering in the week of the sale was Michigan, earlier on the same day ($38.4 non-AMT million single family; Barclays).

Post-Sale Report $76,000,000 Residential Housing Finance Bonds (RHFB), Series 2014 CDE
December 12, 2014

Board Agenda Item: 9.A
Attachment: Post Sale Report

AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES

Pricing Date Amount Issuer Series Program Rating(s) Tax Status		12/3/14 $143,145,000 Minnesota HFA 2014 Series C Single Family / Negotiated Aa1 / AA+ / - AMT		11/19/14 $27,735,000 Washington HFC 2014 Series 2A-R Single Family / Negotiated Aaa / - / - AMT		11/12/14 $27,115,000 South Carolina HFDA Series 2014 A-2 Single Family / Negotiated Aa1 / - / - AMT		10/22/14 $66,495,000 Massachusetts HFA Series 172,173 Single Family / Negotiated Aa2 / AA / - AMT		10/16/14 $22,825,000 Georgia HFA 2014 Series B-2 Single Family / Negotiated - / AAA / - AMT		10/15/14 $27,885,000 Tennessee HDA Issue 2014-2A Single Family / Negotiated Aa1 / AA+ / - AMT	
Year	Maturity	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD
0	2014									0.000			
1	2015	0.350	+21	0.350	+21	0.350	+21	0.35 / 0.45	+21 / +31	0.20 / 0.30	+7 / +17		
2	2016	0.50 / 0.60	+13 / +23	0.60 / 0.70	+22 / +32	0.60 / 0.85	+22 / +47	0.65 / 0.75	+32 / +42	0.50 / 0.60	+17 / +27		
3	2017	0.95 / 1.05	+32 / +42	1.10 / 1.20	+47 / +57	1.10 / 1.25	+48 / +63	1.10 / 1.20	+53 / +63	0.95 / 1.05	+41 / +51		
4	2018	1.30 / 1.40	+42 / +52	1.40 / 1.50	+51 / +61	1.40 / 1.55	+52 / +67	1.50 / 1.60	+68 / +78	1.30 / 1.40	+53 / +63		
5	2019	1.70 / 1.80	+55 / +65	1.80 / 1.90	+64 / +74	1.85 / 2.00	+70 / +85	1.85 / 1.95	+78 / +88	1.65 / 1.75	+66 / +76		
6	2020	2.05 / 2.15	+63 / +73	2.20 / 2.30	+73 / +83	2.200	+74	2.25 / 2.35	+89 / +99	2.00 / 2.10	+76 / +86		
7	2021			2.60 / 2.70	+85 / +95			2.60 / 2.70	+98 / +108	2.30 / 2.40	+82 / +92		
8	2022	2.900	+104	3.00 / 3.05	+105 / +110			2.95 / 3.05	+111 / +121	2.65 / 2.75	+98 / +108		
9	2023	3.00 / 3.05	+102 / +107	3.10 / 3.15	+102 / +107			3.150	+118	2.85 / 2.95	+106 / +116		
10	2024	3.125	+105	3.250	+107			3.300	+122	3.000	+112		
11	2025	3.200	+100					3.400	+121	3.100	+112		
12	2026												
13	2027												
14	2028												
15	2029												
16	2030												
17	2031												
18	2032												
19	2033												
20	2034												
21	2035												
22	2036												
23	2037												
24	2038												
25	2039												
26	2040												
27	2041					2.100	+95 to 5yr						
28	2042												
29	2043												
30	2044			1.790	+90 to 4yr								
31	2045	2.070	+92 to 5yr									1.860	+86 to 5yr
32	2046												
33	2047												
34	2048												
35	2049												
36	2050												
37	2051												
38	2052												
39	2053												
40	2054												
41	2055												
42	2056												
Notes		2045 PAC Bond Price: 108.975; Cpn=4%; Yld=2.07%; Avg. life 5 years from 100-400% PSA		2044 PAC Bond Price: 106.504; Cpn=3.5%; Yld=1.79%; Avg. life 4 years from 100-500% PSA		2041 PAC Bond Price: 108.893; Cpn=4%; Yld=2.1%; Avg. life 5 years from 100-400% PSA						2045 PAC Bond Price: 110.090; Cpn=4%; Yld=1.86%; Avg. life 5 years from 100-400% PSA	
Mkt Index Sr Manager		BBI / RBI 3.94% / 4.58% RBC Capital Markets		BBI / RBI 3.98% / 4.62% RBC Capital Markets		BBI / RBI 3.98% / 4.61% Citigroup		BBI / RBI 3.87% / 4.46% Wells Fargo		BBI / RBI 4.01% / 4.65% BofA Merrill		BBI / RBI 4.01% / 4.65% RBC Capital Markets	

Post-Sale Report $76,000,000 Residential Housing Finance Bonds (RHFB), Series 2014 CDE
December 12, 2014

Board Agenda Item: 9.A
Attachment: Post Sale Report

AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES

Pricing Date		10/15/14		10/7/14		9/9/14		8/21/14		8/6/14		7/15/14	
Amount		$61,535,000		$88,850,000		$23,885,000		$41,945,000		$44,800,000		$41,280,000	
Issuer		Connecticut HFA		SONYMA		Maryland DHCD		Maine SHA		Wyoming CDA		Illinois HDA	
Series		2014 Series D-2		2014 Series 189		2014 Series D		2014 Series C-1		2014 Series 1		Series 2014A-2	
Program		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aaa / AAA / -		Aa1 / - / -		Aa2 / - / AA		Aa1 / AA+ / -		Aa1 / AA+ / -		Aa3 / AA / -	
Tax Status		AMT		AMT		AMT		AMT		AMT		AMT	
Year	Maturity	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD
0	2014												
1	2015	0.20 / 0.30	+7 / +17	0.12 / 0.25	-1 / +12	0.250	+12	0.250	+14			0.50 / 0.60	+39 / +49
2	2016	0.45 / 0.60	+12 / +27	0.55 / 0.65	+18 / +28	0.600	+28	0.650	+35			0.80 / 0.95	+49 / +64
3	2017	0.95 / 1.05	+41 / +51	1.00 / 1.10	+40 / +50	0.95 / 1.125	+37 / +55	1.100	+55	1.125 / 1.25	+56 / +68	1.45 / 1.55	+84 / +94
4	2018	1.30 / 1.40	+52 / +62	1.40 / 1.50	+52 / +62	1.35 / 1.45	+50 / +60	1.500	+69	1.60 / 1.70	+72 / +82	1.90 / 2.00	+96 / +106
5	2019	1.60 / 1.75	+60 / +75	1.75 / 1.85	+58 / +68	1.70 / 1.80	+57 / +67	1.900	+79	2.00 / 2.10	+78 / +88	2.35 / 2.40	+105 / +110
6	2020	1.95 / 2.05	+72 / +82	2.10 / 2.20	+67 / +77	2.05 / 2.10	+62 / +67	2.250	+85	2.35 / 2.50	+88 / +103	2.65 / 2.75	+108 / +118
7	2021	2.30 / 2.40	+85 / +95	2.45 / 2.50	+78 / +83	2.375	+69	2.550	+91	2.80 / 2.90	+109 / +119	3.00 / 3.05	+117 / +122
8	2022	2.60 / 2.70	+97 / +107	2.75 / 2.85	+86 / +96			2.800	+94	3.00 / 3.10	+107 / +117		
9	2023	2.85 / 2.95	+112 / +122	3.00 / 3.05	+98 / +103			3.000	+96	3.20 / 3.25	+109 / +114		
10	2024	3.000	+119	3.150	+105			3.100	+96	3.350	+113		
11	2025	3.100	+121	3.250	+107								
12	2026	3.150	+119	3.350	+109								
13	2027			3.450	+112					3.700	+118		
14	2028			3.500	+111								
15	2029			3.600	+115			3.625	+103				
16	2030									3.950	+119		
17	2031												
18	2032												
19	2033												
20	2034			3.850	+111			4.000	+112				
21	2035											2.000	+106 to 4yr
22	2036					2.010	+88 to 5yr						
23	2037												
24	2038												
25	2039												
26	2040												
27	2041												
28	2042												
29	2043												
30	2044							1.950	+84 to 5yr				
31	2045												
32	2046												
33	2047												
34	2048												
35	2049												
36	2050												
37	2051												
38	2052												
39	2053												
40	2054												
41	2055												
42	2056												
Notes						2036 PAC Bond Price: 109.285; Cpn=4%; Yld=2.01%; Avg. life 5 years from 100-300% PSA		2044 PAC Bond Price: 107.269; Cpn=3.5%; Yld=1.95%; Avg. life 5 years from 75-400% PSA				2035 PAC Bond Price: 107.56; Cpn=4.0%; Yld=2%; Avg. life 4 years from 75-500% PSA	
Mkt Index		BBI / RBI 4.01% / 4.65%		BBI / RBI 4.11% / 4.72%		BBI / RBI 4.09% / 4.83%		BBI / RBI 4.21% / 4.85%		BBI / RBI 4.33% / 4.93%		BBI / RBI 4.38% / 5.03%	
Sr Manager		Morgan Stanley		Ramirez & Co.		BofA Merrill		Citigroup		BofA Merrill		Morgan Stanley	

AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES

Pricing Date		7/9/14		6/16/14	
Amount		$25,750,000		$28,865,000	
Issuer		Vermont HFA		West Virginia HDF	
Series		2014 Series A		2014 Series A	
Program		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aa3 / - / AA		Aaa / AAA / -	
Tax Status		AMT		AMT	
Year	Maturity	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD
0	2014				
1	2015	0.500	+39	0.34 / 0.40	+20 / +26
2	2016	0.65 / 0.75	+34 / +44	0.50 / 0.65	+20 / +35
3	2017	1.10 / 1.25	+49 / +64	1.05 / 1.20	+43 / +58
4	2018	1.55 / 1.70	+61 / +76	1.55 / 1.70	+57 / +72
5	2019	2.00 / 2.10	+70 / +80	2.00 / 2.10	+70 / +80
6	2020	2.35 / 2.50	+76 / +91	2.35 / 2.45	+78 / +88
7	2021	2.65 / 2.75	+80 / +90	2.65 / 2.75	+83 / +93
8	2022	2.95 / 3.00	+88 / +93	2.95 / 3.00	+92 / +97
9	2023	3.20 / 3.25	+95 / +100	3.10 / 3.15	+89 / +94
10	2024	3.500	+112	3.350	+102
11	2025				
12	2026	3.700	+111		
13	2027			3.650	+101
14	2028				
15	2029				
16	2030				
17	2031				
18	2032				
19	2033				
20	2034				
21	2035				
22	2036				
23	2037				
24	2038				
25	2039				
26	2040				
27	2041				
28	2042				
29	2043				
30	2044	2.260	+96 to 5yr		
31	2045				
32	2046				
33	2047				
34	2048				
35	2049				
36	2050				
37	2051				
38	2052				
39	2053				
40	2054				
41	2055				
42	2056				
Notes		2044 PAC Bond Price: 107.716; Cpn=4.0%; Yld=2.26%; Avg. life 5 years from 100-400% PSA			
Mkt Index		BBI / RBI 4.38% / 5.03%		BBI / RBI 4.37% / 4.80%	
Sr Manager		Raymond James		Raymond James	

Post-Sale Report $76,000,000 Residential Housing Finance Bonds (RHFB), Series 2014 CDE
December 12, 2014

Board Agenda Item: 9.A
Attachment: Post Sale Report

NON-AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES

Pricing Date		12/3/14		12/2/14		11/19/14		11/18/14		11/13/14		11/12/14	
Amount		$82,585,000		$38,410,000		$22,780,000		$35,965,000		$20,000,000		$60,000,000	
Issuer		Minnesota HFA		Michigan SHDA		Washington HFC		Oregon (Veterans)		Orange County HFA		South Carolina HFDA	
Series		2014 Series D,E		Series 2014 A		2014 Series 2N,2N-R		2014 Series G,H		Series 2014A		Series 2014 A-1	
Program		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aa1 / AA+ / -		Aa2 / AA+ / -		Aaa / - / -		Aa1 / AA+ / AA+		Aaa / - / -		Aa1 / - / -	
Tax Status		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT	
Year	Maturity	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD
0	2014												
1	2015			0.30 / 0.35	+16 / +21					0.250	+11		
2	2016			0.60 / 0.70	+23 / +33	0.25 / 0.35	-13 / -3	0.35 / 0.40	-3 / +2	0.45 / 0.55	+7 / +17		
3	2017			0.90 / 1.00	+27 / +37			0.65 / 0.70	+2 / +7	0.85 / 0.95	+23 / +33		
4	2018			1.25 / 1.35	+37 / +47			1.00 / 1.10	+11 / +21	1.20 / 1.30	+32 / +42		
5	2019			1.600	+45			1.35 / 1.45	+19 / +29	1.55 / 1.65	+40 / +50		
6	2020	2.000	+58					1.70 / 1.80	+23 / +33	2.05 / 2.15	+59 / +69	2.000	+54
7	2021	2.20 / 2.30	+52 / +62					2.10 / 2.15	+34 / +39	2.40 / 2.50	+66 / +76	2.30 / 2.35	+56 / +61
8	2022	2.600	+74					2.35 / 2.45	+38 / +48	2.75 / 2.80	+81 / +86	2.60 / 2.65	+66 / +71
9	2023							2.55 / 2.65	+45 / +55	2.875	+81	2.850	+78
10	2024					2.950	+77	2.70 / 2.75	+50 / +55	3.000	+83	2.900	+73
11	2025	3.000	+80			3.050	+76	2.85 / 2.90	+54 / +59				
12	2026	3.100	+81					3.000	+59				
13	2027							3.100	+63				
14	2028												
15	2029	3.350	+87			3.400	+84	3.250	+68			3.400	+85
16	2030									3.550	+95		
17	2031												
18	2032	3.500	+87										
19	2033					3.700	+94						
20	2034			3.700	+97			3.625	+81			3.800	+100
21	2035									3.800	+95		
22	2036												
23	2037												
24	2038												
25	2039							3.900	+90			3.950	+97
26	2040			3.950	+100					3.95 / 1.95	+94/+80 to 5yr		
27	2041											1.900	+75 to 5yr
28	2042												
29	2043												
30	2044			1.890	+74 to 5yr			1.700	+81 to 4yr				
31	2045												
32	2046												
33	2047												
34	2048												
35	2049												
36	2050												
37	2051												
38	2052												
39	2053												
40	2054												
41	2055												
42	2056												
Notes				2044 PAC Bond Price: 109.922; Cpn=4%; Yld=1.89%; Avg. life 5 years from 100-500% PSA				2044 PAC Bond Price: 108.795; Cpn=4%; Yld=1.7%; Avg. life 4 years from 75-400% PSA		2040 PAC Bond Cpn=4%; Yld=1.95%; Avg. life 4.8 years from 100-300% PSA		2041 PAC Bond Price: 109.900; Cpn=4%; Yld=1.9%; Avg. life 5 years from 100-400% PSA	
Mkt Index		BBI / RBI 3.94% / 4.58%		BBI / RBI 3.94% / 4.58%		BBI / RBI 3.98% / 4.62%		BBI / RBI 3.98% / 4.62%		BBI / RBI 3.98% / 4.62%		BBI / RBI 3.98% / 4.61%	
Sr Manager		RBC Capital Markets		Barclays		RBC Capital Markets		J.P. Morgan		RBC Capital Markets		Citigroup	

NON-AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES

Pricing Date		10/23/14		10/22/14		10/22/14		10/16/14		10/15/14		10/15/14	
Amount		$40,000,000		$71,545,000		$66,495,000		$80,175,000		$122,115,000		$96,195,000	
Issuer		Nevada HD		South Dakota HDA		Massachusetts HFA		Georgia HFA		Tennessee HDA		Connecticut HFA	
Series		Series 2014A		2014 Series D,E		Series 172,173		2014 Series B-1,B-3		Issue 2014-2B,C		2014 Series D-1	
Program		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		- / AA+ / -		Aa1 / AAA / -		Aa2 / AA / -		- / AAA / -		Aa1 / AA+ / -		Aaa / AAA / -	
Tax Status		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT	
Year	Maturity	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD
0	2014												
1	2015	0.20 / 0.30	+6 / +16	0.16 / 0.20	+2 / +6			0.15 / 0.25	+2 / +12	0.250	+12		
2	2016	0.45 / 0.50	+11 / +16	0.45 / 0.55	+12 / +22			0.40 / 0.50	+7 / +17	0.29 / 0.40	-4 / +7		
3	2017	0.75 / 0.85	+17 / +27	0.85 / 1.00	+28 / +43			0.70 / 0.80	+16 / +26	0.60 / 0.70	+6 / +16		
4	2018	1.10 / 1.20	+27 / +37	1.15 / 1.20	+33 / +38			1.05 / 1.15	+28 / +38	0.95 / 1.05	+17 / +27		
5	2019	1.45 / 1.55	+37 / +47	1.50 / 1.55	+43 / +48					1.30 / 1.40	+30 / +40		
6	2020	1.90 / 2.00	+54 / +64	1.85 / 2.00	+49 / +64					1.70 / 1.80	+47 / +57		
7	2021	2.20 / 2.30	+60 / +70	2.20 / 2.25	+58 / +63					1.90 / 2.00	+45 / +55		
8	2022	2.55 / 2.60	+74 / +79	2.50 / 2.55	+66 / +71					2.20 / 2.30	+57 / +67		
9	2023	2.70 / 2.75	+76 / +81	2.750	+78					2.45 / 2.50	+72 / +77		
10	2024	2.85 / 2.90	+80 / +85	2.850	+77					2.60 / 2.65	+79 / +84		
11	2025			2.900	+71	3.000	+81			2.70 / 2.75	+81 / +86		
12	2026					3.100	+81					2.850	+89
13	2027												
14	2028			3.150	+73								
15	2029	3.300	+88	3.200	+72	3.300	+82	3.000	+73	3.050	+92	3.000	+87
16	2030			3.250	+72								
17	2031												
18	2032												
19	2033												
20	2034	3.650	+96					3.350	+77	3.400	+96	3.300	+86
21	2035					3.650	+85						
22	2036											3.400	+85
23	2037												
24	2038												
25	2039	3.850	+95					3.550	+75	3.550	+89		
26	2040												
27	2041												
28	2042												
29	2043												
30	2044	3.95 / 1.80	+96/+72 to 30/5yr	1.800	+73 to 5yr			3.650	+76			1.400	+62 to 4yr
31	2045					1.830	+76 to 5yr			3.65 / 1.72	+90/+72 to 30/5yr		
32	2046												
33	2047												
34	2048												
35	2049												
36	2050												
37	2051												
38	2052												
39	2053												
40	2054												
41	2055												
42	2056												
Notes		2044 PAC Bond Price: 107.769; Cpn=3.5%; Yld=1.8%; Avg. life 4.8 years from 75-500% PSA		2044 PAC Bond Price: 110.362; Cpn=4.0%; Yld=1.8%; Avg. life 5 years from 77-400% PSA		2045 PAC Bond Price: 110.024; Cpn=4.0%; Yld=1.83%; Avg. life 4.9 years from 100-400% PSA				2045 PAC Bond Price: 110.783; Cpn=4%; Yld=1.72%; Takedown=1/2; Avg. life 5 years from 100-400% PSA		2044 PAC Bond Price: 110.010; Cpn=4.0%; Yld=1.40%; Avg. life 4 years from 75-500% PSA	
Mkt Index		BBI / RBI 3.90% / 4.49%		BBI / RBI 3.87% / 4.46%		BBI / RBI 3.87% / 4.46%		BBI / RBI 4.01% / 4.65%		BBI / RBI 4.01% / 4.65%		BBI / RBI 4.01% / 4.65%	
Sr Manager		JP Morgan		Citigroup		Wells Fargo		BofA Merrill		RBC Capital Markets		Morgan Stanley	

NON-AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES

Pricing Date Amount Issuer Series Program Rating(s) Tax Status		10/7/14 $27,920,000 SONYMA 2014 Series 188 Single Family / Negotiated Aa1 / - / - Non-AMT		9/30/14 $50,000,000 Missouri HDC 2014 Series B Single Family / Negotiated - / AA+ / - Non-AMT		9/9/14 $47,960,000 Maryland DHCD 2014 Series C Single Family / Negotiated Aa2 / - / AA Non-AMT		8/21/14 $29,000,000 Maine SHA 2014 Series C-2 Single Family / Negotiated Aa1 / AA+ / - Non-AMT		8/6/14 $34,620,000 Wyoming CDA 2014 Series 2,3 Single Family / Negotiated Aa1 / AA+ / - Non-AMT		8/6/14 $50,000,000 Massachusetts HFA Series 171 Single Family / Negotiated Aa2 / AA / - Non-AMT		8/4/14 $123,135,000 Connecticut HFA 2014 Series C C-1 Single Family / Negotiated Aaa / AAA / - Non-AMT	
Year	Maturity	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD
0	2014														
1	2015			0.20 / 0.25	+7 / +12	0.150	+2			0.200	+9	0.15 / 0.20	+4 / +9	0.21 / 0.25	+10 / +14
2	2016			0.35 / 0.40	-1 / +4	0.25 / 0.40	-7 / +8			0.45 / 0.55	+13 / +23	0.40 / 0.50	+8 / +18	0.35 / 0.40	+3 / +8
3	2017			0.70 / 0.80	+10 / +20					0.850	+28	0.70 / 0.80	+13 / +23	0.65 / 0.75	+8 / +18
4	2018			1.00 / 1.10	+12 / +22							1.05 / 1.15	+17 / +27	1.00 / 1.10	+10 / +20
5	2019			1.35 / 1.45	+18 / +28							1.55 / 1.65	+33 / +43	1.45 / 1.55	+21 / +31
6	2020			1.75 / 1.85	+30 / +40							1.90 / 2.00	+43 / +53	1.80 / 1.90	+30 / +40
7	2021			2.10 / 2.20	+40 / +50	2.15 / 2.20	+46 / +51					2.30 / 2.40	+59 / +69	2.20 / 2.30	+45 / +55
8	2022			2.40 / 2.50	+46 / +56	2.45 / 2.50	+53 / +58					2.60 / 2.65	+67 / +72	2.50 / 2.55	+53 / +58
9	2023			2.70 / 2.75	+61 / +66	2.65 / 2.70	+57 / +62					2.85 / 2.90	+74 / +79	2.75 / 2.85	+60 / +70
10	2024			2.85 / 2.90	+68 / +73	2.75 / 2.80	+57 / +62					3.000	+78	2.950	+69
11	2025			2.950	+70	2.90 / 2.95	+63 / +68					3.100	+77	3.05 / 3.10	+68 / +73
12	2026			3.050	+72							3.250	+81	3.200	+72
13	2027														
14	2028					3.200	+68								
15	2029			3.300	+75							3.550	+86	3.450	+72
16	2030														
17	2031					3.400	+68								
18	2032														
19	2033														
20	2034	3.600	+86	3.625	+80			3.750	+87	3.875	+88	3.850	+85	3.800	+76
21	2035														
22	2036														
23	2037											4.000	+85		
24	2038	3.750	+85											3.950	+73
25	2039			3.750	+74	3.750	+68			4.050	+85				
26	2040			1.870	+70 to 5yr										
27	2041														
28	2042														
29	2043														
30	2044	3.850	+86			1.870	+74 to 5yr			4.125	+88	1.970	+75 to 5yr	1.900	+66 to 5yr
31	2045														
32	2046														
33	2047														
34	2048														
35	2049														
36	2050														
37	2051														
38	2052														
39	2053														
40	2054														
41	2055														
42	2056														
Notes				2040 PAC Bond Price: 109.957; Cpn=4.0%; Yld=1.87%; Avg. life 5 years from 100-300% PSA		2044 PAC Bond Price: 109.989; Cpn=4.0%; Yld=1.87%; Avg. life 5 years from 100-300% PSA						2044 PAC Bond Price: 109.367; Cpn=4.0%; Yld=1.97%; Avg. life 4.9 years from 100-400% PSA		2044 PAC Bond Price: 109.869; Cpn=4.0%; Yld=1.90%; Avg. life 5 years from 75-500% PSA	
Mkt Index Sr Manager		BBI / RBI 4.11% / 4.72% Ramirez & Co.		BBI / RBI 4.11% / 4.78% George K. Baum		BBI / RBI 4.09% / 4.83% BofA Merrill		BBI / RBI 4.21% / 4.85% Citigroup		BBI / RBI 4.33% / 4.93% BofA Merrill		BBI / RBI 4.33% / 4.93% RBC Capital Markets		BBI / RBI 4.33% / 4.93% JP Morgan	

Post-Sale Report $76,000,000 Residential Housing Finance Bonds (RHFB), Series 2014 CDE
December 12, 2014

Board Agenda Item: 9.A
Attachment: Post Sale Report

NON-AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES

Pricing Date Amount Issuer Series Program Rating(s) Tax Status		7/23/14 $65,000,000 Nebraska IFA 2014 Series A Single Family / Negotiated - / AA+ / - Non-AMT		7/15/14 $34,920,000 Illinois HDA Series 2014A-1,B Single Family / Negotiated Aa3 / AA / - Non-AMT		7/9/14 $20,000,000 Vermont HFA 2014 Series B Single Family / Negotiated Aa3 / - / AA Non-AMT		6/16/14 $20,000,000 West Virginia HDF 2014 Series B Single Family / Negotiated Aaa / AAA / - Non-AMT		4/16/14 $50,000,000 Minnesota HFA 2014 Series B Single Family / Negotiated Aa1 / AA+ / - Non-AMT		2/11/14 $50,000,000 Minnesota HFA 2014 Series A Single Family / Negotiated Aa1 / AA+ / - Non-AMT	
Year	Maturity	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD	Coupon/ Yield	Spread to MMD
0	2014												
1	2015	0.15 / 0.25	+4 / +14	0.500	+39					0.20 / 0.30	+5 / +15	0.25 / 0.35	+8 / +18
2	2016	0.40 / 0.50	+9 / +19	0.60 / 0.70	+29 / +39					0.45 / 0.50	+10 / +15	0.45 / 0.55	+14 / +24
3	2017	0.75 / 0.85	+20 / +30	1.05 / 1.15	+44 / +54					0.85 / 0.95	+23 / +33	0.85 / 0.95	+34 / +44
4	2018	1.20 / 1.30	+32 / +42	1.50 / 1.60	+56 / +66					1.20 / 1.35	+30 / +45	1.25 / 1.35	+43 / +53
5	2019	1.65 / 1.70	+43 / +48	1.95 / 2.05	+65 / +75					1.60 / 1.70	+45 / +55	1.65 / 1.75	+55 / +65
6	2020	1.95 / 2.00	+49 / +54	2.35 / 2.45	+78 / +88					2.00 / 2.10	+53 / +63	2.10 / 2.20	+59 / +69
7	2021	2.35 / 2.45	+65 / +75	2.70 / 2.75	+87 / +92					2.35 / 2.45	+61 / +71	2.50 / 2.60	+65 / +75
8	2022	2.600	+69	3.00 / 3.05	+96 / +101					2.70 / 2.75	+74 / +79	2.80 / 2.90	+64 / +74
9	2023	2.800	+73	3.250	+103					2.950	+81	3.05 / 3.10	+67 / +72
10	2024	2.950	+76	3.400	+105					3.050	+78	3.30 / 3.35	+78 / +83
11	2025									3.200	+80		
12	2026			3.600	+104					3.350	+83		
13	2027											3.750	+83
14	2028												
15	2029			3.850	+104	3.700	+86	3.600	+78				
16	2030												
17	2031												
18	2032												
19	2033												
20	2034			4.150	+103	4.000	+85	3.950	+80				
21	2035												
22	2036												
23	2037												
24	2038									2.080	+93 to 5yr	2.170	+107 to 5yr
25	2039			4.350	+101	4.250	+88	4.100	+78				
26	2040												
27	2041												
28	2042												
29	2043												
30	2044	1.25 / 1.90	+70/+68 to 3/5yr	4.450	+106	2.140	+84 to 5yr	4.150	+78				
31	2045												
32	2046												
33	2047												
34	2048												
35	2049												
36	2050												
37	2051												
38	2052												
39	2053												
40	2054												
41	2055												
42	2056												
Notes		2044 PAC1 has 3% coupon priced at 105.115 to yield 1.25% with average life of 3.0 years at 75% - 500% PSA; 2044 PAC2 has 4% coupon priced at 109.848 to yield 1.90% with average life of 5.0 years at 75% - 500% PSA				2044 PAC Bond Price: 108.282; Cpn=4.0%; Yld=2.14%; Avg. life 5 years from 100-400% PSA				2038 PAC Bond Price=108.915 Cpn=4.00%, Avg. life 5.0 years over a range 100-500% PSA		2038 PAC Bond Price=$108.50, Cpn=4.00%, Avg. life 5.0 years over a range of 100-500% PSA	
Mkt Index Sr Manager		BBI / RBI 4.36% / 5.07% JP Morgan		BBI / RBI 4.38% / 5.03% Morgan Stanley		BBI / RBI 4.38% / 5.03% Raymond James		BBI / RBI 4.37% / 4.80% Raymond James		BBI / RBI 4.32% / 5.18% RBC Capital Markets		BBI / RBI 4.46% / 5.32% RBC Capital Markets	

AGENDA ITEM: 9.B
MINNESOTA HOUSING BOARD MEETING
January 22, 2015

ITEM: Report of Complaints Received by Agency or Chief Risk Officer

CONTACT: Will Thompson, 651-296-9813 will.thompson@state.mn.us
Paula Beck, 651-296-9806 paula.beck@state.mn.us

REQUEST:

☐ Approval ☐ Discussion ☑ Information

TYPE(S):

☐ Administrative ☐ Commitment(s) ☐ Modification/Change ☑ Policy ☐ Selection(s) ☐ Waiver(s)

☐ Other: ______________________________

ACTION:

☐ Motion ☐ Resolution ☑ No Action Required

SUMMARY REQUEST:
The Agency and the Chief Risk Officer have developed procedures for the receipt, retention and treatment of complaints received by the Agency or the Chief Risk Officer regarding conflict of interest, misuse of funds and fraud that have been submitted by any person external or internal to the Agency.

Update from the Chief Risk Officer regarding complaints of potential conflict of interest, alleged misuse of funds and alleged fraud that have been reported to the Agency or the Chief Risk Officer since the Board adopted Reporting Non-Compliance with Agency Policy and Procedures on January 27, 2011.

FISCAL IMPACT:
There were 41 instances of potential conflicts of interests, alleged misused funds and alleged fraudulent activity for the 49-month period beginning December 2010 and ending December 2014. A total of $372,120 has not been recovered: $294,577 in misused funds (an increase of $145,819 from last quarter), and $77,543 in fraudulent activity (unchanged from last quarter).

MEETING AGENCY PRIORITIES:

☐ Promote and support successful homeownership ☐ Preserve federally-subsidized rental housing

☐ Address specific and critical needs in rental housing markets ☐ Prevent and end homelessness

☐ Prevent foreclosures and support community recovery ☑ Strengthening Organizational Capacity

ATTACHMENT:
Reporting Non-Compliance with Agency Policy and Procedures.

Reporting Non-Compliance with Agency Policy and Procedures

This reporting is designed to convey to the Board any complaints received, their current status, and their resolution, if one has been reached.

An updated report will be delivered to the Board quarterly, with the next report due April 24, 2015.

Complaints Received by Agency or Chief Risk Officer			
Complaint	**Status**		
Resolution	**Closed**	**In Process**	**Grand Total**
Conflict of Interest	**4**		**4**
External Employment Approved	1		1
Insufficient Evidence	3		3
Fraud / Embezzlement	**5**	**1**	**6**
Funding Transferred to Different Entity	1		1
Insufficient Evidence	3		3
FBI Investigation Initiated	1		1
Provided Requested Loan Information		1	1
Misuse of Funds	**21**	**10**	**31**
All Funds Returned to Agency	2		2
Insufficient Evidence	3		3
Issue Cured	2		2
Negotiated Settlement	8		8
None – Nonviable Counterparty	1		1
OLA Forwarded Complaint to County	1		1
Revenue Recapture	2		2
Entry of Judgment	2		2
None Yet		8	8
Settlement offer Proposed		2	2
Grand Total	**30**	**11**	**41**

Key Trends:

- Three new alleged misuse of funds cases opened from October 2014 through December 2014
- Five cases closed from October 2014 through December 2014

Report Legend:

- Complaint – An allegation or inquiry of non-compliance with Agency policy and procedures
- Status – Can be either In Process or Closed
- Resolution – How was the complaint resolved (Closed Status) or current disposition (In Process)

AGENDA ITEM: 9.C
MINNESOTA HOUSING BOARD MEETING
January 22, 2015

ITEM: Semi-annual Variable Rate Debt and Swap Performance Review as of January 1, 2015

CONTACT: Bill Kapphahn, 651-215-5972
William.Kapphahn@state.mn.us

Rob Tietz, 651-297-4009
Rob.Tietz@state.mn.us

REQUEST:

☐ Approval ☐ Discussion ☑ Information

TYPE(S):

☐ Administrative ☐ Commitment(s) ☐ Modification/Change ☐ Policy ☐ Selection(s) ☐ Waiver(s)

☐ Other: ______________________________

ACTION:

☐ Motion ☐ Resolution ☑ No Action Required

SUMMARY REQUEST:
The Agency's board-approved Debt Management Policy calls for the ongoing review and management of swap transactions including regular reporting to the board. This reporting is accomplished though the Semi-annual Variable Rate Debt and Swap Performance Report.

FISCAL IMPACT:
None.

MEETING AGENCY PRIORITIES:

☐ Promote and support successful homeownership ☐ Preserve federally-subsidized rental housing

☐ Address specific and critical needs in rental housing markets ☐ Prevent and end homelessness

☐ Prevent foreclosures and support community recovery ☐ Strengthening Organizational Capacity

ATTACHMENT(S):
- Report Highlights
- Report: Semi-annual Variable Rate Debt and Swap Performance Review as of January 1, 2015

- All of the Agency's swap contracts were evaluated and determined to be effective hedges, at this point in time, under the accounting guidance provided by GASB 53.

- Basis Risk: During the period July, 2014 to December, 2014 the variable interest received on swaps and the variable interest paid on variable rate bonds performed with the anticipated correlation. Staff continues to expect that, over time, the two rates will track each other as originally anticipated.

- Counterparty/Termination Risk: The market value of swaps, which the Agency would owe to the counterparties only if the swaps were terminated, decreased from $21.5 million on July 1, 2014 to $15.3 million on January 1, 2015. While the market value of a swap is a means to quantify current termination risk, it is not a suitable measure to evaluate the original decision to enter into the swap contract. Swap contracts' market values will evaporate as they approach their maturity date. The Agency does not intend to prematurely terminate any of the swap contracts, barring termination events.

- Liquidity Risk: The short-term credit ratings of all the Agency's liquidity providers were unchanged from July 1, 2014 to January 1, 2015.

- Long-term Debt, Fixed vs. Variable graph: Total outstanding variable rate debt decreased substantially to 9% of total long-term debt at January 1, 2015 compared to 15% at July 1, 2014. The decrease is due mainly to the elimination of the swaps for bond series 2005C, 2005I, and 2005M. The variable rate debt from those series was refunded into fixed-rate debt by the issuance of 2014CDE bonds in December, 2014.

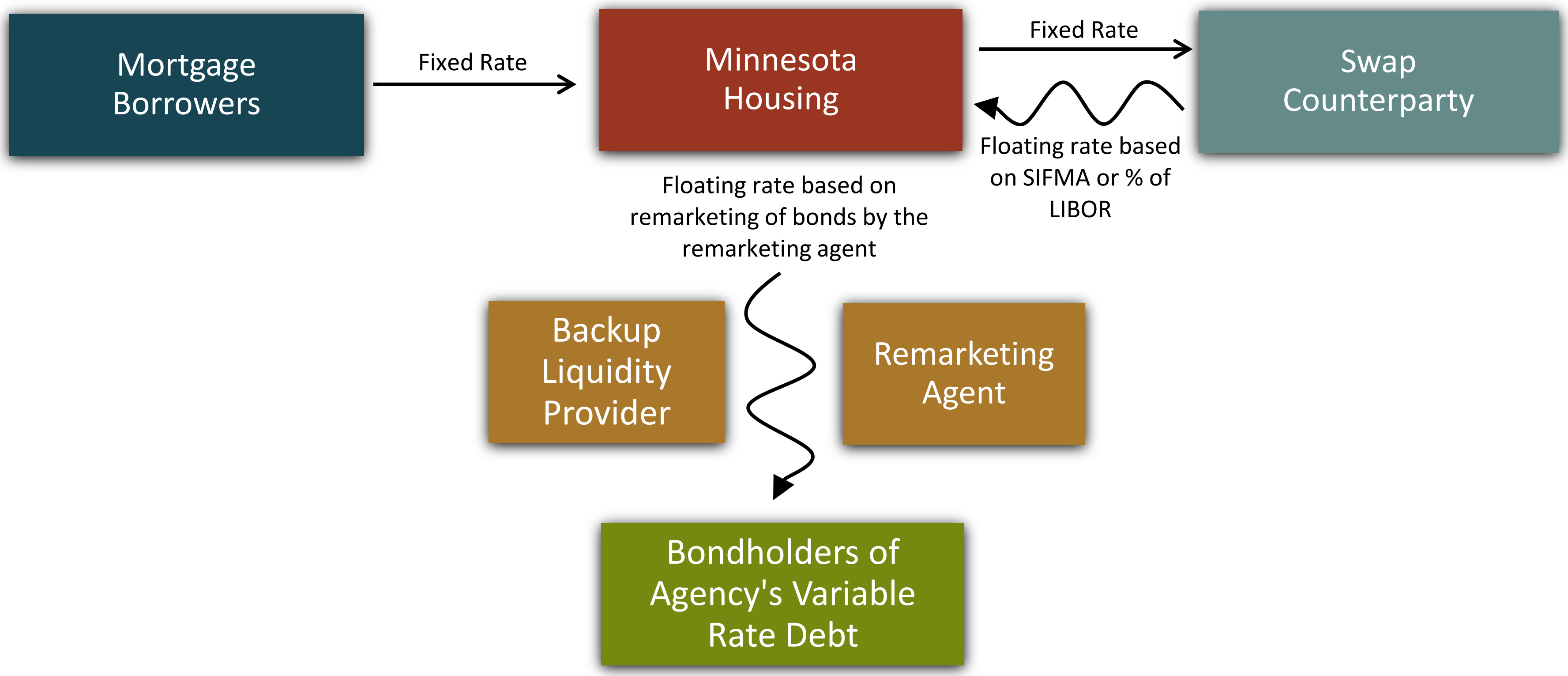
Minnesota Housing
Finance Agency

Semi-annual Variable-Rate Debt and Swap Performance Report

January 1, 2015

Table of Contents

Floating-to-Fixed Interest Rate Swap Structure: Overview

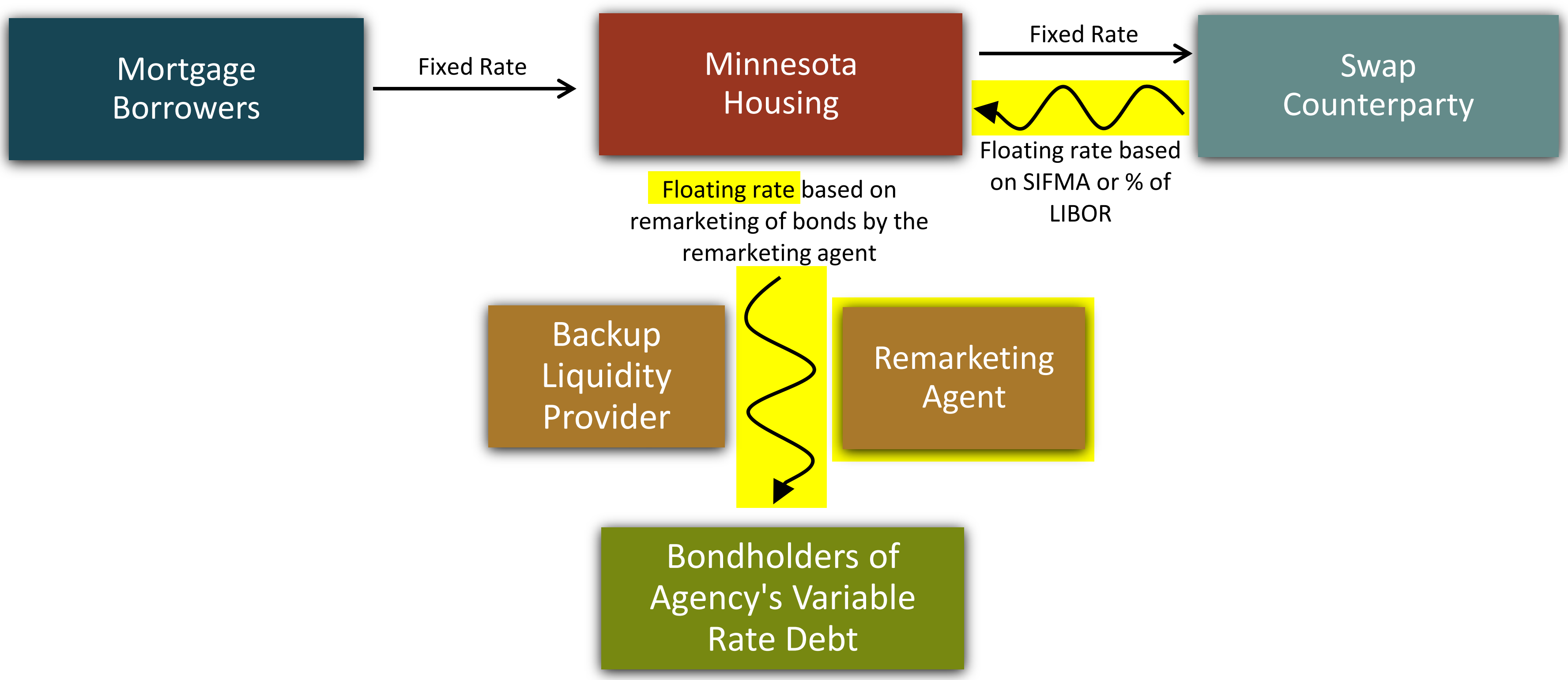


Overview of Swaps

January 1, 2015

Bond Series	Issue Date	Original Notional Amount of Swap	Notional Amount Outstanding	Counterparty	Floating Rate Received
RHFB 2003 B	07/23/2003	$ 25,000,000	$ 10,660,000	The Bank of New York Mellon	65% of LIBOR + 23 basis points
RHFB 2003 J	10/15/2003	25,000,000	8,710,000	The Bank of New York Mellon	65% of LIBOR + 23 basis points
RHFB 2004 G	07/01/2204	50,000,000	18,670,000	Royal Bank of Canada	64% of LIBOR + 26 basis points
RHFB 2005 C	03/02/2005	25,000,000	-	The Bank of New York Mellon	64% of LIBOR + 28 basis points
RHFB 2005 I	06/02/2005	40,000,000	-	The Bank of New York Mellon	64% of LIBOR + 28 basis points
RHFB 2005 M	08/04/2005	60,000,000	-	The Bank of New York Mellon	64% of LIBOR + 29 basis points
RHFB 2006 C	03/21/2006	28,335,000	19,760,000	The Bank of New York Mellon	64% of LIBOR + 29 basis points
RHFB 2007 E (Taxable)	03/07/2007	25,000,000	6,890,000	Royal Bank of Canada	One-month LIBOR
RHFB 2007 J (Taxable)	05/17/2007	37,500,000	10,380,000	Royal Bank of Canada	One-month LIBOR
RHFB 2007 S	12/19/2007	18,975,000	18,975,000	The Bank of New York Mellon	100% of SIFMA Index Rate + 6 basis points
RHFB 2007 T (Taxable)	12/19/2007	37,160,000	15,630,000	The Bank of New York Mellon	One-month LIBOR
RHFB 2008 C	08/07/2008	40,000,000	36,400,000	Royal Bank of Canada	64% of LIBOR + 30 basis points
RHFB 2009 C	02/12/2009	40,000,000	40,000,000	Royal Bank of Canada	64% of LIBOR + 30 basis points
RHFB 2009 F	12/01/2009	34,120,000	12,545,000	Royal Bank of Canada	100% of SIFMA + 8 basis points
	Totals	**$ 486,090,000**	**$ 198,620,000**		.

Floating-to-Fixed Interest Rate Swap Structure: Basis Risk



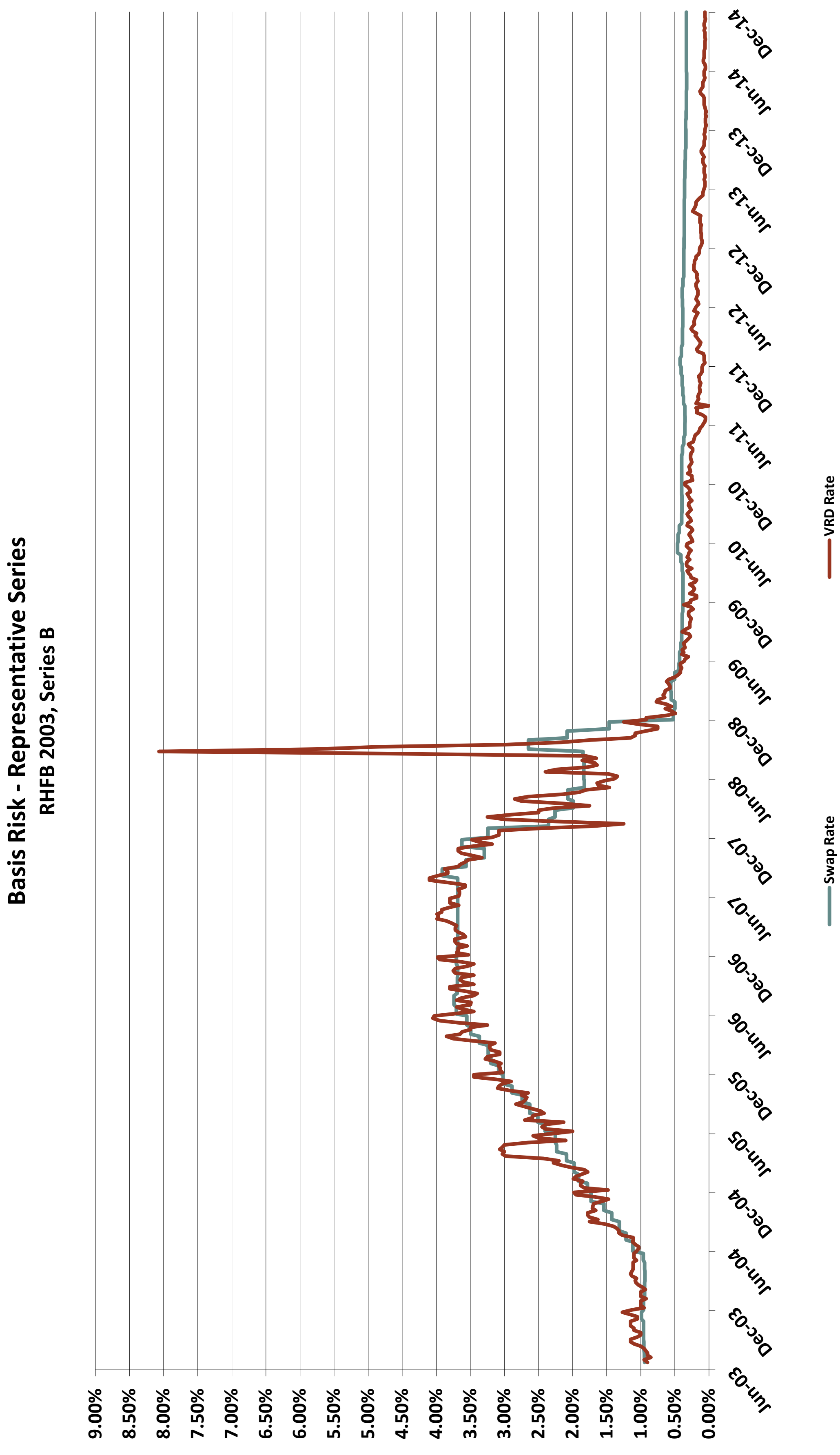
Basis Risk

January 1, 2015

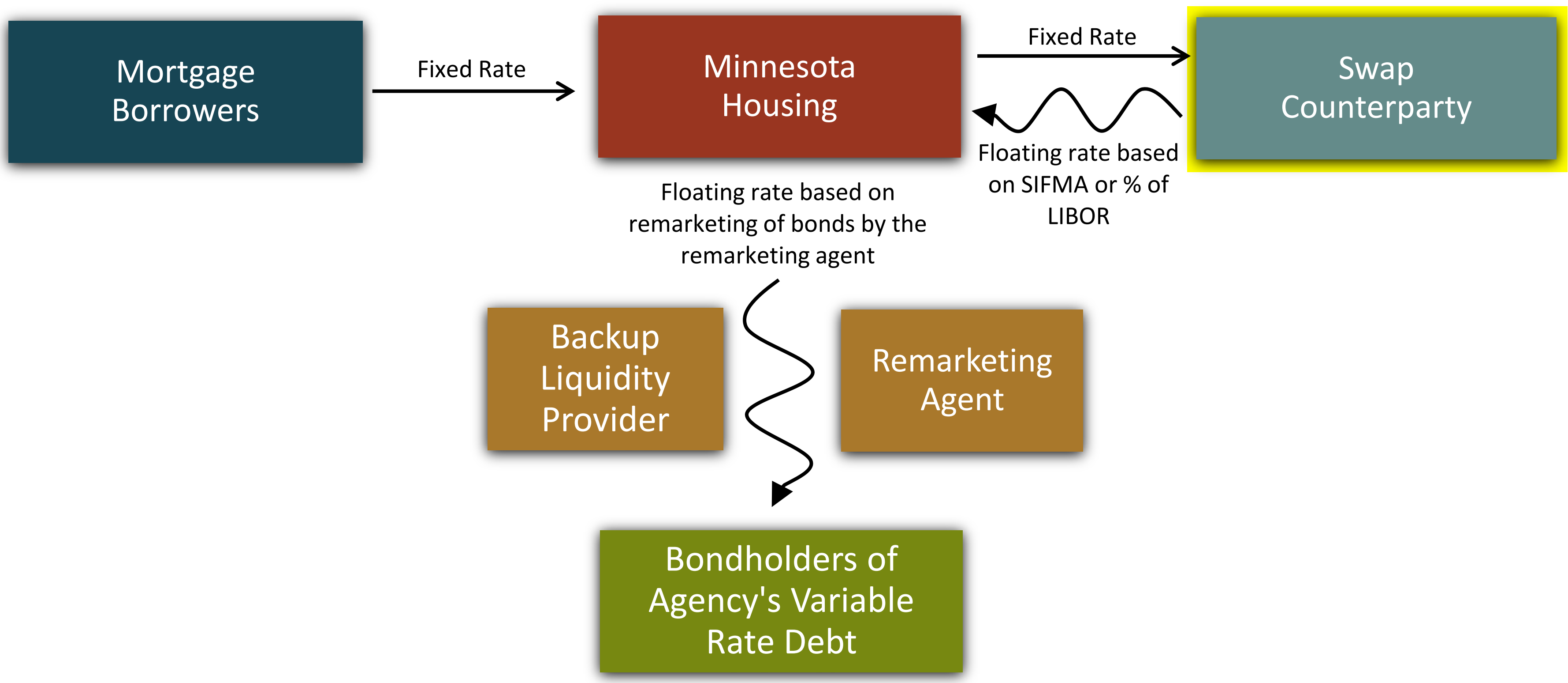
Bond Series	Issue Date	VRDO's and Swaps Outstanding	Net Variable Interest Paid (Received) Basis Risk	Contractual Swap Fixed Rate	Effective Swap Fixed Rate	Effective Rate As a Percentage of Swap Fixed Rate
RHFB 2003 B	07/23/2003	$ 10,660,000	$ (163,699)	3.532%	**3.473%**	98.33%
RHFB 2003 J	10/15/2003	8,710,000	(129,019)	4.183%	**4.128%**	98.69%
RHFB 2004 G	07/22/2004	18,670,000	(277,068)	4.165%	**4.097%**	98.37%
RHFB 2005 C	03/02/2005	-	(220,338)	3.587%	**3.477%**	96.93%
RHFB 2005 I	06/02/2005	-	(325,521)	3.570%	**3.465%**	97.06%
RHFB 2005 M	08/04/2005	-	(624,895)	3.373%	**3.234%**	95.88%
RHFB 2006 C	03/21/2006	19,760,000	(330,743)	3.788%	**3.636%**	95.99%
RHFB 2007 E (Taxable)	03/07/2007	6,890,000	123,359	5.738%	**5.825%**	101.52%
RHFB 2007 J (Taxable)	05/17/2007	10,380,000 [1]	195,227	5.665%	**5.759%**	101.66%
RHFB 2007 S	12/19/2007	18,975,000	(64,713)	4.340%	**4.292%**	98.89%
RHFB 2007 T (Taxable)	12/19/2007	15,630,000	319,377	4.538%	**4.692%**	103.39%
RHFB 2008 C	08/07/2008	36,400,000	(460,124)	4.120%	**3.940%**	95.63%
RHFB 2009 C	02/12/2009	40,000,000	(700,928)	4.215%	**3.917%**	92.93%
RHFB 2009 F	12/01/2009	12,545,000	(84,346)	2.365%	**2.300%**	97.25%
	Totals	**$ 198,620,000** [1]	**$ (2,743,431)** [2]			

[1]The variable rate debt outstanding for RHFB 2007 J is $10,375,000.

[2]The cumulative net of total variable interest paid on all VRDO's ($40,243,343) and all variable interest received from the swap counterparties ($42,986,774).


Basis Risk - Representative Series
RHFB 2003, Series B
9.00%
8.50%
8.00%
7.50%
7.00%
6.50%
6.00%
5.50%
5.00%
4.50%
4.00%
3.50%
3.00%
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
Jun-03
Dec-03
Jun-04
Dec-04
Jun-05
Dec-05
Jun-06
Dec-06
Jun-07
Dec-07
Jun-08
Dec-08
Jun-09
Dec-09
Jun-10
Dec-10
Jun-11
Dec-11
Jun-12
Dec-12
Jun-13
Dec-13
Jun-14
Dec-14
Swap Rate
VRD Rate

Floating-to-Fixed Interest Rate Swap Structure: Counterparty/Termination Risk



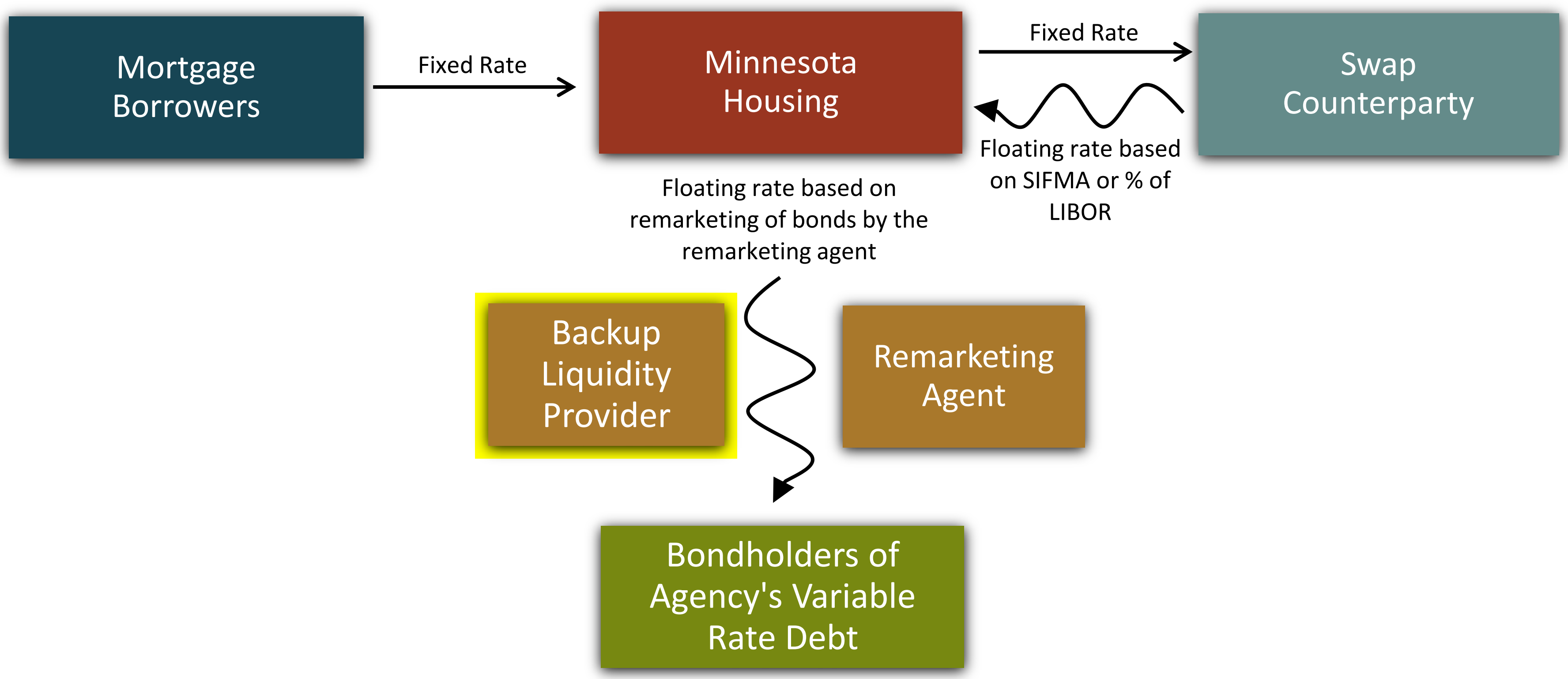
Counterparty/Termination Risk

January 1, 2015

Bond Series	Counterparty	Short-term Credit rating	Long-term Credit Rating of Provider at Swap Inception	Long-term Credit rating	Long-term Credit Outlook	Notional Amount Outstanding	Swap Maturity	Swap Average life at 100% PSA (years)	Swap Fixed Rate	Market Value[1] as of 12/31/2014
RHFB 2003 B	The Bank of New York Mellon	P-1/A-1+	Aa2/AA-	Aa2/AA-	Stable/Stable	$ 10,660,000	01/01/2033	21	3.532%	$ (1,046,928)
RHFB 2003 J	The Bank of New York Mellon	P-1/A-1+	Aa2/AA-	Aa2/AA-	Stable/Stable	8,710,000	07/01/2033	14.3	4.183%	(1,237,543)
RHFB 2005 C	The Bank of New York Mellon	P-1/A-1+	Aa2/AA-	Aa2/AA-	Stable/Stable	-	01/01/2035	9.2	3.587%	(14,464)
RHFB 2005 I	The Bank of New York Mellon	P-1/A-1+	Aa2/AA-	Aa2/AA-	Stable/Stable	-	01/01/2036	9.2	3.570%	-
RHFB 2005 M	The Bank of New York Mellon	P-1/A-1+	Aa2/AA-	Aa2/AA-	Stable/Stable	-	01/01/2036	8.4	3.373%	-
RHFB 2006 C	The Bank of New York Mellon	P-1/A-1+	Aa2/AA-	Aa2/AA-	Stable/Stable	19,760,000	01/01/2037	10.6	3.788%	(691,429)
RHFB 2007 S	The Bank of New York Mellon	P-1/A-1+	Aa2/AA-	Aa2/AA-	Stable/Stable	18,975,000	07/01/2038	27.4	4.340%	(1,189,987)
RHFB 2007 T	The Bank of New York Mellon	P-1/A-1+	Aa2/AA-	Aa2/AA-	Stable/Stable	15,630,000	07/01/2038	11.8	4.538%	(1,107,095)
	Total The Bank of New York Mellon					**73,735,000**				**(5,287,446)**
RHFB 2004 G	Royal Bank of Canada	P-1/A-1+	Aa3/AA-	Aa3/AA-	Negative/Negative	18,670,000	01/01/2032	11.3	4.165%	(980,554)
RHFB 2007 E	Royal Bank of Canada	P-1/A-1+	Aa3/AA-	Aa3/AA-	Negative/Negative	6,890,000	07/01/2038	12	5.738%	(475,956)
RHFB 2007 J	Royal Bank of Canada	P-1/A-1+	Aa3/AA-	Aa3/AA-	Negative/Negative	10,380,000	07/01/2038	11.8	5.665%	(703,433)
RHFB 2008 C	Royal Bank of Canada	P-1/A-1+	Aa3/AA-	Aa3/AA-	Negative/Negative	36,400,000	07/01/2048	20.6	4.120%	(2,970,821)
RHFB 2009 C	Royal Bank of Canada	P-1/A-1+	Aa3/AA-	Aa3/AA-	Negative/Negative	40,000,000	07/01/2039	18.9	4.215%	(4,599,316)
RHFB 2009 F	Royal Bank of Canada	P-1/A-1+	Aa3/AA-	Aa3/AA-	Negative/Negative	12,545,000	07/01/2039	4.2	2.365%	(305,174)
	Total Royal Bank of Canada					**124,885,000**				**(10,035,254)**
	Total All Swaps					**$ 198,620,000**				**$ (15,322,700)**

[1]A positive market value represents money due the Agency from the Counterparty upon termination. A negative number represents money payable by the Agency upon termination. Valuations are provided by BLXSwap.

Floating-to-Fixed Interest Rate Swap Structure: Liquidity Risk



Liquidity Risk
January 1, 2015

Bond Series	Current Liquidity Provider	Short-term Credit Rating	Long-term Credit Rating	Long-term Credit Outlook	VRDO's Outstanding	VRDO Maturity	Liquidity Facility Maturity	Liquidity Fee	Original Liquidity Fee
RHFB 2003 B	Royal Bank of Canada	P-1/A-1+	Aa3/AA-	Negative/Negative	$ 10,660,000	01/01/2033	07/17/2015	0.650%	0.300%
RHFB 2003 J	Royal Bank of Canada	P-1/A-1+	Aa3/AA-	Negative/Negative	8,710,000	07/01/2033	07/17/2015	0.650%	0.300%
RHFB 2004 G	Royal Bank of Canada	P-1/A-1+	Aa3/AA-	Negative/Negative	18,670,000	01/01/2032	07/17/2015	0.650%	0.195%
RHFB 2005 C	Royal Bank of Canada	P-1/A-1+	Aa3/AA-	Negative/Negative	-	NA	NA	NA	NA
RHFB 2005 I	Royal Bank of Canada	P-1/A-1+	Aa3/AA-	Negative/Negative	-	NA	NA	NA	NA
	Royal Bank of Canada subtotal				**38,040,000**				
RHFB 2005 M	Wells Fargo	P-1/A-1+	Aa3/AA-	Stable/Stable	-	NA	NA	NA	NA
RHFB 2006 C	Wells Fargo	P-1/A-1+	Aa3/AA-	Stable/Stable	19,760,000	01/01/2037	03/21/2015	0.450%	0.092%
RHFB 2007 E	Wells Fargo	P-1/A-1+	Aa3/AA-	Stable/Stable	6,890,000	07/01/2038	03/21/2015	0.450%	0.092%
RHFB 2007 J[1]	Wells Fargo	P-1/A-1+	Aa3/AA-	Stable/Stable	10,375,000	07/01/2038	03/21/2015	0.450%	0.092%
RHFB 2007 S	Wells Fargo	P-1/A-1+	Aa3/AA-	Stable/Stable	18,975,000	07/01/2038	03/21/2015	0.450%	0.092%
RHFB 2007 T	Wells Fargo	P-1/A-1+	Aa3/AA-	Stable/Stable	15,630,000	07/01/2048	03/21/2015	0.450%	0.092%
	Wells Fargo subtotal				**71,630,000**				
RHFB 2008 C	FHLB - Des Moines[2]	P-1/A-1+	Aaa/AA+	Stable/Stable	36,400,000	07/01/2048	08/07/2015	0.250%	0.250%
RHFB 2009 C	FHLB - Des Moines[2]	P-1/A-1+	Aaa/AA+	Stable/Stable	40,000,000	07/01/2036	02/12/2016	0.250%	0.250%
RHFB 2009 F	FHLB - Des Moines[2]	P-1/A-1+	Aaa/AA+	Stable/Stable	12,545,000	07/01/2031	12/01/2016	0.250%	0.250%
	FHLB - Des Moines subtotal				**88,945,000**				
	Total All Liquidity Providers				**$ 198,615,000**				

[1]The notional amount outstanding for RHFB 2007 J is $10,380,000.
[2]Federal Home Loan Bank of Des Moines

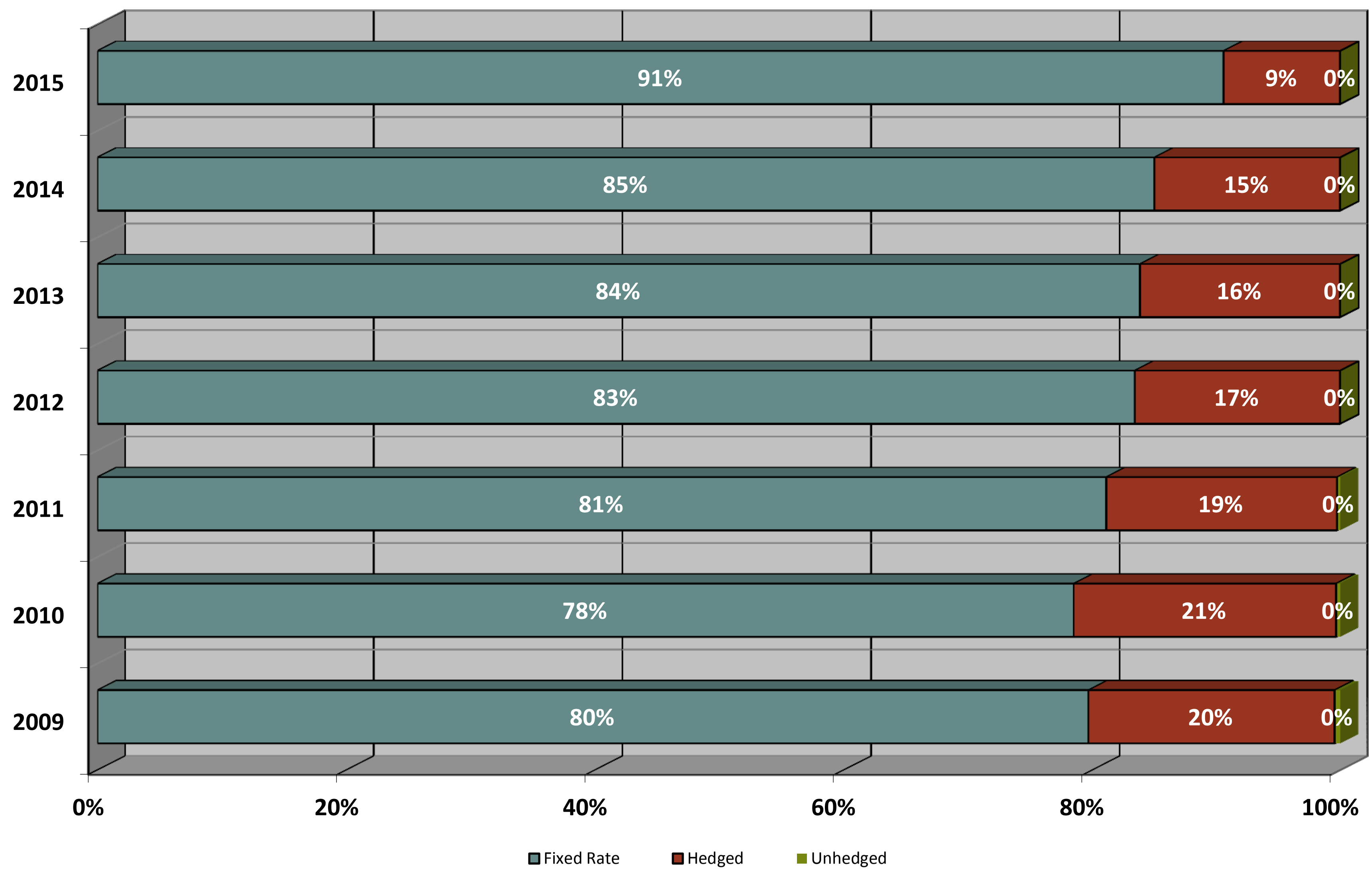
Liquidity Renewal Requirements

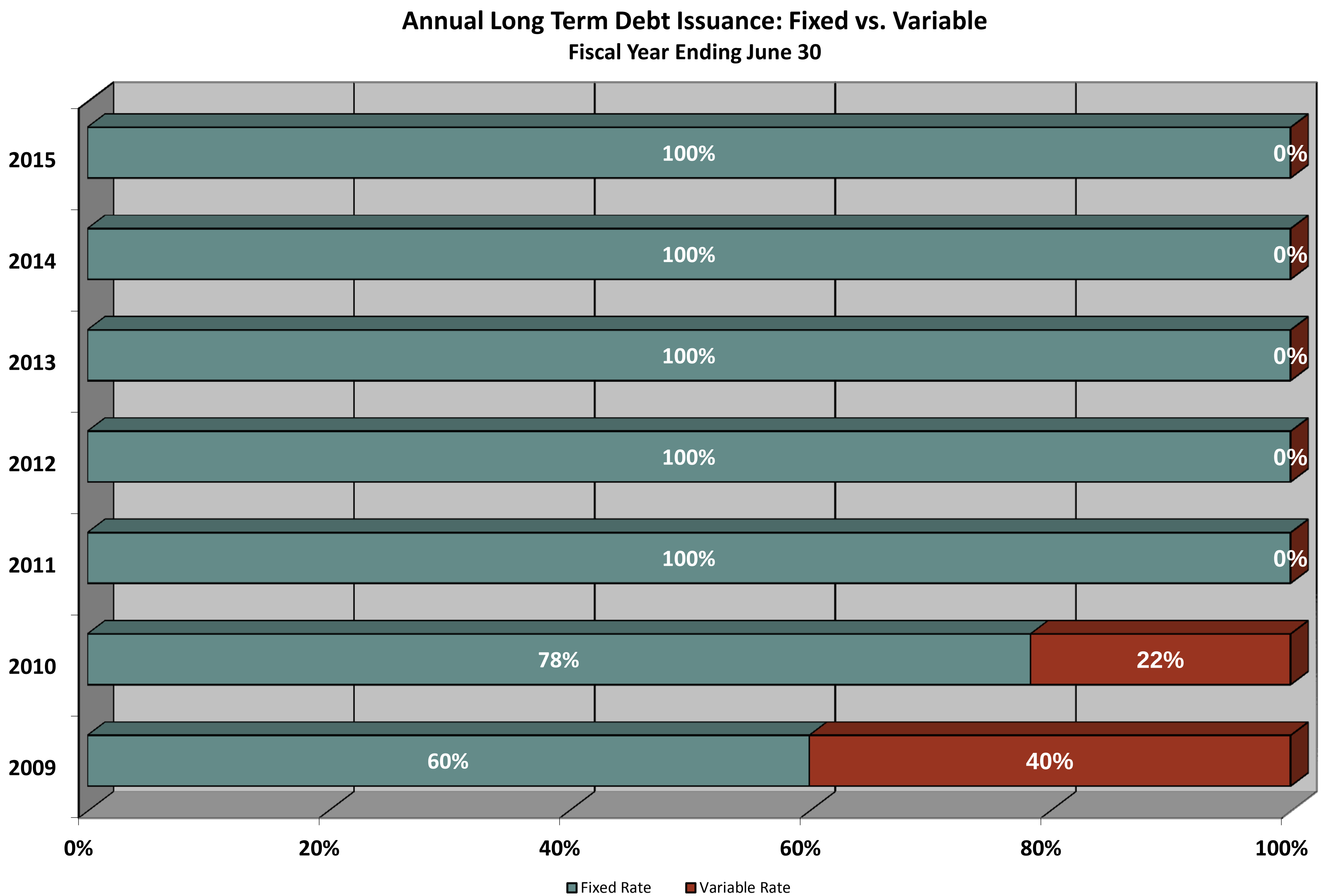
January 1, 2015

Issue	Liquidity Provider	Final Swap Maturity	Full Optional Termination Date	Liquidity Expiration Date	Original Notional Amount	Outstanding Notional Amount as of 01/01/15	Scheduled Notional Amount Outstanding at Liquidity Expiration	Minimum Notional Amount Outstanding at Liquidity Expiration	Swap Counterparty
2003 B	Royal Bank of Canada	01/01/2033	01/01/2022	07/17/2015	25,000,000	10,660,000	10,660,000	9,290,000	BNY[1]
2003 J	Royal Bank of Canada	07/01/2033	01/01/2023	07/17/2015	25,000,000	8,710,000	8,560,000	7,730,000	BNY[1]
2004 G	Royal Bank of Canada	01/01/2032	07/01/2016	07/17/2015	50,000,000	18,670,000	18,210,000	-	RBC[2]
2005 C	Royal Bank of Canada	01/01/2035	01/01/2015	07/17/2015	25,000,000	-	-	-	BNY[1]
2005 I	Royal Bank of Canada	01/01/2036	01/01/2015	07/17/2015	40,000,000	-	-	-	BNY[1]
	Royal Bank of Canada subtotal				165,000,000	38,040,000	37,430,000	17,020,000	
2005 M	Wells Fargo	01/01/2036	07/01/2015	07/17/2015	60,000,000	-	-	-	BNY[1]
2006 C	Wells Fargo	01/01/2037	01/01/2016	03/21/2015	28,335,000	19,760,000	19,760,000	19,760,000	BNY[1]
2007 E	Wells Fargo	07/01/2038	07/01/2016	03/21/2015	25,000,000	6,890,000	6,890,000	6,890,000	RBC[2]
2007 J	Wells Fargo	07/01/2038	07/01/2016	03/21/2015	37,500,000	10,380,000	10,375,000	10,375,000	RBC[2]
2007 S	Wells Fargo	07/01/2038	07/01/2017	03/21/2015	18,975,000	18,975,000	18,975,000	18,975,000	BNY[1]
2007 T	Wells Fargo	07/01/2048	07/01/2017	03/21/2015	37,160,000	15,630,000	15,630,000	15,630,000	BNY[1]
	Wells Fargo subtotal				206,970,000	71,635,000	71,630,000	71,630,000	
2008 C	FHLB - Des Moines[3]	07/01/2048	07/01/2018	08/07/2015	40,000,000	36,400,000	36,400,000	33,210,000	RBC[2]
2009 C	FHLB - Des Moines[3]	07/01/2036	07/01/2019	02/12/2016	40,000,000	40,000,000	40,000,000	40,000,000	RBC[2]
2009 F	FHLB - Des Moines[3]	07/01/2016	NA	12/01/2016	34,120,000	12,545,000	2,480,000	-	RBC[2]
	FHLB - Des Moines subtotal				114,120,000	88,945,000	78,880,000	73,210,000	
	Total All Liquidity Providers				486,090,000	198,620,000	187,940,000	161,860,000	

[1]The Bank of New York Mellon [2]Royal Bank of Canada [3]Federal Home Loan Bank of Des Moines

Total Long Term Debt: Fixed vs. Variable
Fiscal Year Ending June 30




Annual Long Term Debt Issuance: Fixed vs. Variable
Fiscal Year Ending June 30
2015
2014
2013
2012
2011
2010
2009
100%
0%
78%
22%
60%
40%
0%
20%
40%
60%
80%
100%
Fixed Rate
Variable Rate

Glossary of Terms

The following are explanations of certain terms used in this presentation:

Amortization Risk
Minnesota Housing is subject to amortization risk on its hedged VRDOs because the prepayments from mortgage loans securing the bonds may cause the outstanding principal amount of bonds to decline faster than the nominal amount of the swap. To manage amortization risk, termination options have been structured into its outstanding swaps to enable Minnesota Housing in certain circumstances to reduce the nominal amounts of the swaps to correspond to the outstanding principal amount of the bonds hedged by the swap. Additionally, Minnesota Housing may terminate outstanding swaps in whole or in part at fair value at any time if it is not in default thereunder.

Basis Risk
Basis risk refers to a mismatch between the floating interest rate received from the swap counterparty and the interest actually paid on the related series of Minnesota Housing’s variable rate bonds. Under its outstanding swaps, Minnesota Housing pays a fixed interest rate and in return receives a floating variable rate based on LIBOR or the SIFMA Municipal Swap index, plus a specified spread if the swap relates to tax-exempt bonds. Minnesota Housing’s bonds hedged by its swaps bear interest at a variable rate that is reset weekly, based on market conditions. Minnesota Housing’s risk is that the variable interest payments received from the counterparty will be less than the variable interest payments actually paid on the bonds. This mismatch between the actual bond interest rate and the swap floating interest rate would cause additional interest expense to Minnesota Housing. A mismatch could occur for various reasons, including an increased supply of tax-exempt bonds, deterioration of the credit quality of Minnesota Housing or the liquidity facility provider, or a reduction of federal income tax rates for corporations and individuals. Basis risk varies over time due to inter-market conditions. Tax risk is a form of basis risk.

Counterparty Risk
Counterparty risk is the risk that the swap counterparty will not perform pursuant to the swap contract’s terms, either in making regular payments or termination payments. Under a fixed payor swap, for example, if the counterparty defaults, Minnesota Housing could be exposed to unhedged variable rate bonds. The creditworthiness of the counterparty is indicated by its senior unsecured long-term credit rating. The outstanding swap agreements contain varying collateral requirements based on the respective parties’ credit ratings and the fair value of the swaps to mitigate potential credit risk exposure.

LIBOR
London Interbank Offered Rate.

Glossary of Terms (continued)

Liquidity Risk
Issuers of VRDOs face liquidity risk due to the ability of holders of the bonds to tender them for purchase upon short notice. The bonds are to be remarketed by a remarketing agent appointed by the issuer, but if the remarketing were to fail, the liquidity facility provider providing liquidity support to cover tenders would be required to purchase the bonds. In such event, the bonds, known as “bank bonds,” would bear interest at a higher “bank rate” and be subject to principal amortization over a much shorter period than their stated terms. The bank rate typically floats at a few percentage points higher than the prime rate. Because of turmoil in the financial markets, substantially fewer financial institutions are providing liquidity facilities and at a substantially higher cost. Consequently, at the expiration of a liquidity facility, Minnesota Housing may have difficulty obtaining a replacement liquidity facility or may have to pay substantially higher fees.

SIFMA
Securities Industry and Financial Markets Association.

Tax Risk
All issuers who issue tax-exempt variable rate debt inherently accept risk arising from changes in marginal federal income tax rates. For variable rate tax-exempt bonds hedged with LIBOR-based swaps, basis risk may be realized if changes in the federal tax code alter the historical relationship between taxable and tax-exempt short-term rates on which the swap was structured.

Termination Risk
Termination risk is the risk that the swap may be terminated as a result of any of events specified in the swap, which may include a ratings downgrade for Minnesota Housing or its counterparties, covenant violation by either party, bankruptcy of either party, swap payment default by either party, events of default under the bond resolution and certain specified termination events.

Upon a termination of the swap at fair value, a termination payment may be due by one party to the other based upon the fair value of the swap at the time (even if the payment is owed to the defaulting party). The potential termination risks to Minnesota Housing are
the liability for a termination payment to the counterparty or the inability to replace the swap with favorable financial terms, in which event the variable rate bonds would no longer be hedged. Under its outstanding swaps, Minnesota Housing has the ability in certain circumstances to terminate the swap in whole or in part at par, rather than at fair value, in order to mitigate amortization risk.

VDROs
Variable Rate Demand Obligations (“VDROs”) are floating rate bonds that have a stated long-term maturity but bear interest at a short-term rate that is reset periodically (generally weekly). The holder of the bonds has the option to tender the bonds for purchase upon short notice (generally seven days). If the bonds cannot be remarketed by the remarketing agent, the liquidity facility provider (and not the issuer) is obligated to purchase the bonds.