

TENNESSEE HOUSING DEVELOPMENT AGENCY
LENDING COMMITTEE
January 29, 2019

Pursuant to the call of the Chairman, the Lending Committee of the Tennessee Housing Development Agency Board of Directors (the "Committee") met in regular session on Tuesday, January 29, 2019, at 10:15 a.m., in the Nashville Room of the William R. Snodgrass Tennessee Tower, Nashville, Tennessee.

The following Committee members were present: Dorothy Cleaves (Chair), Erin Merrick, and Samantha Wilson for Stuart McWhorter. Regina Hubbard was absent. Other Board members present were John Krenson, Lynn Tully, Kevin Bradley (for Treasurer David Lillard), and Katie Armstrong (for Comptroller Justin Wilson). Chair Cleaves called the meeting to order and called for consideration of the minutes from November 13, 2018. Upon motion by Ms. Wilson, and second by Ms. Merrick, minutes were approved.

Chair Cleaves called on Dr. Hulya Arik, THDA Economist, to present the first item on the agenda, the 2019 Housing Cost Index. Referring to her memo dated January 22, 2019, and the attached Board Resolution, Dr. Arik explained the Housing Cost Index (HCI) determines what percentage of the average Tennessee household's gross monthly income is required to pay for primary fixed housing costs under existing market conditions. After describing the calculation method, detailed in her memo of January 22, 2019, Dr. Arik stated the housing cost index for 2019 is 29.52 percent, slightly lower than last year's index of 29.70 percent. Upon motion by Ms. Wilson and second by Ms. Merrick, the Committee recommended adoption of the Board Resolution accepting the 2019 Housing Cost Index and authorizing continued operation of THDA financial assistance programs to the Board.

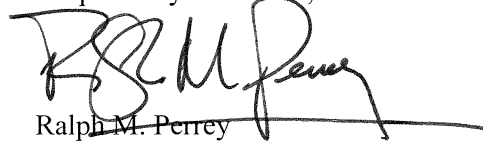
Chair Cleaves next called on Cynthia Peraza, THDA Director of Special Programs, to present modifications to the Hardest Hit Fund (HHF) Program. Ms. Peraza referenced her memo dated January 11, 2019, and reviewed highlights of program activity. She noted that as staff continues to evaluate the needs of the state, it is becoming more apparent that the need for mortgage assistance programs has decreased substantially, but the demand for downpayment assistance continues to be strong. As a result, staff recommends the following program modifications:

1. Move \$4,000,000 of HHF funds from other HHF programs to down payment assistance;
2. Modify, if necessary, the ZIP Codes within which HHF down payment assistance may be offered;
3. Wind down the Principal Reduction with Recast Program and the Reinstatement Only Program; and
4. Authorize staff to make changes as U.S. Treasury may require because all recommendations are subject to U.S. Treasury approval.

Upon motion by Ms. Wilson and second by Ms. Merrick, the staff recommended program modifications will be recommended to the Board.

There being no further business, Chair Cleaves adjourned the meeting.

Respectfully submitted,


Ralph M. Perrey
Executive Director

Approved the 26th day of March, 2019.