

**NEBRASKA INVESTMENT FINANCE AUTHORITY  
BOARD OF DIRECTORS MEETING**

**NIFA'S CONFERENCE ROOM - 2<sup>ND</sup> FLOOR - COMMERCE COURT  
1230 'O' Street, Lincoln, NE**

**MINUTES OF FRIDAY, October 23, 2009 @ 1:00 P.M.**

**Notice Published:      October 18, 2009 – *Omaha World Herald*  
October 18, 2009 - *Lincoln Journal Star***

**Open Meetings Act** - A copy of the Open Meetings Act was located on the table as you enter the room.

**NIFA BOARD MEMBERS PRESENT**

Board Members Present: Richard Baier, John Blazek, Marlin Brabec, Joseph Jurich, Mike Maroney and Mary Jo McClurg

Board Members Absent: Carl Brasee  
Pete Graff  
Ginger Langemeier

NIFA Staff Present: Executive Director and Board Secretary Tim Kenny, Clerk Karon Andretti, Chief Operating Officer Steve Clements, Treasurer Judy Krasomil, Ag Program Manager Dudley Beyer, LIHTC and CRANE Manager Robin Ambroz, Single Family Program Manager Jacki Young, Deputy Director of Programs Ted Simpson and Deputy Director of Community Investment Steve Peregrine

Guests: Jeff Gertz, Thomas Judds, Pamela Forster, Phil Lorezen, Bob Peterson and Patti Peterson

**1. Call Meeting to Order and Roll Call**

Chair Richard Baier called the meeting to order at 1:00 p.m. with six members present. Richard stated that a copy of the Open Meetings Act was located on the table as persons entered the room. Karon Andretti reported that the notice of the meeting was published on Sunday, October 18, 2009 in the *Omaha World Herald* and in the *Lincoln Journal Star*.

**2. Approval of the September 25, 2009 NIFA Board of Directors Meeting Minutes**

Moved by Maroney, seconded by McClurg to approve the September 25, 2009 NIFA Board of Directors Meeting Minutes. Motion carried unanimously.

**3. Executive Director's Report**

Tim Kenny reported that his comments would be included in the agenda items as presented.

**4. Public Comment related to the October 23, 2009 Agenda Items (comment period limit to five minutes)**

Richard Baier asked if anyone wished to comment on any of the agenda items and directed that they come forward and state their name and address for the record. No one came forward to comment on any of the agenda items.

**AGRICULTURAL FINANCE DIVISION**

**5. Ratification of the following Public Hearings**

Moved by Blazek, seconded by Brabec to ratify the following Public Hearings. Karon Andretti reported no one attended the Public Hearings. Motion carried unanimously.

Public Hearing held Thursday, September 24, 2009, at 9:30 a.m. for the following project:

#1284 – Gregory and Michelle Romshek

Public Hearing held Thursday, October 22, 2009 at 9:30 a.m. for the following projects:

#1285 – Steven Plambeck

#1286 - Jared and Kristine Walahoski

**6. Adoption of State Bond Allocations**

Moved by Brabec, seconded by Blazek to adopt the following State Bond Allocations. Motion carried unanimously.

Allocation: 09-30-011 – Gregory and Michelle Romshek  
Issuer: NIFA  
Allocation Amount: \$144,522  
Allocation Classification: Industrial Revenue

Allocation: 09-30-012 – Steven Plambeck  
Issuer: NIFA  
Allocation Amount: \$469,200  
Allocation Classification: Industrial Revenue

Allocation: 09-30-013 – Jared and Kristine Walahoski  
Issuer: NIFA  
Allocation Amount: \$221,250  
Allocation Classification: Industrial Revenue

**7. Adoption of the following Agricultural Finance Division Bond Resolutions**

Dudley Beyer reported that the Internal Revenue Service recently released a new bond limit for the first-time farmer program increasing the limit to \$470,100. Moved by McClurg, seconded by Brabec to adopt the following Agricultural Finance Division Bond Resolutions. Motion carried unanimously.

Bond Resolution #1284 - Gregory and Michelle Romshek in the amount of \$144,522 for the purchase of 87 acres, more or less, of farm real estate located in Butler County, Nebraska.

Bond Resolution #1285 – Steven Plambeck in the amount of \$469,200 for the purchase of 149.53 acres, more or less, of farm real estate, including a center pivot, well, and power unit, located in Adams County, Nebraska.

Bond Resolution #1286 - Jared and Kristine Walahoski in the amount of \$221,250 for the purchase of 163.6 acres of farm real estate, including various farm buildings, grain bins, and feedlot structures and equipment, located in Dawson County, Nebraska.

**LOW INCOME HOUSING TAX CREDITS**

**8. Report on the Collaborative Resource Allocation for Nebraska (CRANE) Meeting held Wednesday, October 7, 2009**

Robin Ambroz-Hollman reported the following projects are in the CRANE process. Robin indicated that the Prime-Fallesen Development project is considering submitting an application to HUD for the 811 program to assist with 14 units that would target persons with serious mental illness.

Prime-Fallesen Development – Columbus  
Southern Valley – Omaha  
Mosaic – Omaha, Norfolk and Grand Island  
Park School – Omaha  
One World Omaha – Omaha

**SINGLE FAMILY HOUSING FINANCE DIVISION**

**9. Status Report on Single Family Program and Market Developments**

Jacki Young reported the following:

September activity: 113 loans for a total of \$8.8 million  
\$477,000 daily average  
53% is ABC program and 47% is First Home Plus

October activity: 97 loans to date for a total of \$9 million  
\$567,000 daily average  
63% is ABC program and 27% is First Home Plus

<u>ABC Loans:</u>	239 loans for a total of \$24.6 million \$108,000 average first loan \$4,235 average second loan 85% Urban and 15% Rural The ABC Program was discontinued as of October 15, 2009 to allow enough time for the loans in the pipeline to close by the federal government deadline of November 30, 2009. There are approximately 100 loans in the pipeline.
<u>First Home Loans:</u>	\$17.8 million \$81,189 average loan 76% Urban and 24% Rural
<u>Total Reservations:</u> (year-to-date)	455 loans for a total of \$42.4 million \$95,585 average loan 55% Urban and 14% Rural 71% FHA, 28% RD and 1% VA

Jacki Young gave a report on NIFA delinquencies compared to surrounding states and the United States. Delinquencies of NIFA financed loans are below the national average. FNMA loans have slightly higher delinquency rates compared to HBA and GNMA loans. Judy Krasomil reported there is approximately \$38 million in the pipeline. Jeff Gertz, J.P. Morgan, gave a report on the national bond market.

**10. Review and Consideration for Approval to File Notice to Legislature and the Governor for Bond Issuance Totaling \$500,000,000**

Judy Krasomil reported this Notice indicates NIFA's intent to issue single family housing bonds and general obligation bonds from time to time through the calendar year 2010. Moved by Blazek, seconded by Brabec to approve filing the Notice to the Legislature and the Governor for Bond Issuance totaling \$500,000,000. Motion carried unanimously.

**HOUSING INITIATIVES**

**11. Adoption of State Bond Allocation**

Judy Krasomil explained NIFA has been assisting with this subsidized home improvement program operated by the City of Lincoln since 1992. Under the program, NIFA issues tax exempt notes which are sold on a private placement basis to participating banks and they in turn make the loans to the borrowers. The City of Lincoln provides community development block grant funds to buy the interest rate down to 0% for the borrowers. The City supervises the qualification of the buyers and the inspection of the properties; and the banks provide credit underwriting. Moved by Brabec, seconded by Maroney. Motion carried with Mary Jo McClurg abstaining due to Cornhusker Bank being a lender in the program; Baier voting yes, Blazek voting yes, Brabec voting yes, Jurich voting yes and Maroney voting yes.

Allocation: 09-30-014 – City of Lincoln Home Improvement Loan Program  
Issuer: NIFA  
Allocation Amount: \$2,000,000  
Allocation Classification: Non Statewide Housing

**12. Consideration and Approval of Bond Resolution #320 Approving the Form and Authorizing the Execution of Separate Loan and Subsidy Agreements and the Issuance of up to \$2,000,000 Community Development Loan Notes (City of Lincoln-2009) for the Purpose of Financing Home Improvement Loans for Persons of Low and Moderate Income in Certain Areas in the City of Lincoln [Contingent upon a Public Hearing to be held Monday, October 26, 2009, at 9:30 a.m.]**

Moved by Brabec, seconded by Maroney to approve Bond Resolution #320. Motion carried with Baier voting yes, Blazek voting yes, Brabec voting yes, Jurich voting yes, Maroney voting yes and McClurg abstaining due to Cornhusker Bank being a lender in the program.

As part of the Housing Initiatives portion of the agenda, Tim Kenny requested that he be allowed to make a report related to (1) single family housing and (2) bond banks.

Tim Kenny, Steve Clements and Judy Krasomil reported that NIFA received a federal announcement on October 19, 2009 regarding the release by the Treasury of a new initiative for state and local housing finance agencies (HFA's) whereby the Treasury will purchase long term bonds from HFA's at a rate that is more attractive than HFA's can receive in the current market. The initiative is called the New Issue Bond Program (NIBP) and essentially results in a new potential purchaser for NIFA long bonds. Many details of the program have still not been released but in general Treasury is proposing to purchase up to 60% of HFA bond issuance subject to certain limitations, with the remaining 40% to be sold publicly. Since the Treasury's authority to buy bonds expires December 31, 2009, HFAs will have the option to issue short term convertible option bonds before year end for the entire Treasury commitment. These bonds will be rolled out into permanent financing and combined with the 40% publicly sold bonds up to 3 times during 2010 as each state needs the proceeds to purchase program loans. NIFA plans to submit the required documents to request participation and then evaluate the merits of the program once all terms have been received. There is an upfront fee to participate in the program which is the lesser of .10% of the bonds or \$100,000. To the extent that NIFA chooses not to roll out any long term financings, these bonds can be redeemed at par. NIFA will more than likely create a new indenture for these bonds due to the fact that the Treasury is imposing certain covenants on the indenture. While we have enough bond authority granted by the Board under previous resolutions, a new indenture would require board approval. Therefore NIFA may be calling a Board meeting in November.

Jeff Gertz presented an analysis of the impact that government intervention in the mortgage markets has had on HFA's and their ability to offer competitive mortgage rates with the issuance of tax exempt bonds. In the current environment, the NIBP program as currently presented by the Treasury could allow NIFA to offer a more competitive mortgage rate to first time homebuyers in the state.

Tim Kenny reported that NIFA received an inquiry from several state senators regarding the potential of creating an infrastructure bond bank for the issuance of tax-exempt bonds or essential purpose bonds for projects such as infrastructure, transportation, waste water and sewer and essential equipment purchases such as fire trucks, etc. NIFA can do also do infrastructure bonds but does not have the authority to do transportation or roads. Tim discussed how Idaho, Indiana, Maine, Michigan, New Hampshire and Vermont have used bond banks.

## **OUTREACH**

### **13. Report from the Outreach Department**

Ted Simpson gave the following Outreach Report.

Ag Outreach – Dudley Beyer attended the National Council of State Agricultural Finance Programs annual meeting October 4-7, 2009. The 2009 Fall Agri-Business Conference was on September 3, 2009 and Dudley was a co-presenter.

Elizabeth Fimbres – Elizabeth was awarded the Housing Development Finance Professional designation by the National Development Council.

3<sup>rd</sup> Annual Planning and Real Estate Development Academy – On September 28, Ted joined Ken Johnson from the City of Omaha attended the Omaha Economic Development Corporations 3<sup>rd</sup> Annual Planning and Real Estate Development Academy. This is a seven week, one night per week, program to help citizens and community leaders understand the basic processes involved with planning and development.

NCSHA's Annual Conference and Tradeshow – This conference was held in San Antonio on October 3-6 and was attended by Mike Maroney, Pete Graff, Tim Kenny, Steve Clements, Jody Cook, Meribah-Moore-Christensen, Susan Pulec, Steve Peregrine, Cindy Trautman, Shelley Abraham and Ted. Both Steve Clements and Tim participated on panels.

NCSHA's "2009 Best of Management Innovation – Operations" Award – NIFA was recognized for its entry entitled "Protecting NIFA's Assets Under A Team Umbrella." A description of the internal processes in place, and subsequent actions taken by the NIFA Board and staff and NIFA's partners and advisors in advance of, and in response to the Lehman bankruptcy and other market disruptions that followed.

Omaha A.M. – The NIFA Outreach team has begun holding a series of monthly networking opportunities in Omaha. Fifteen housing professional attended at the October meeting.

First Friday – The next First Friday is scheduled for November 4 at the Fremont Golf Club.

Senator Outreach – Since mid-summer, Tim Kenny, Steve Peregrine and Ted have met with 11 state senators to discuss any housing and development issues relative to NIFA's mission in their District and to leave with then specific information about their District that relates to NIFA's overall work.

USDA Rural Development Briefing – On October 22, Tim Kenny, Cindy Trautman and Steve Peregrine provided a brief NIFA overview for nine new employees at Rural Development.

**OTHER BUSINESS/ANNOUNCEMENTS**


**14. Announcements and Discussion of Upcoming Events and Scheduling**

Tim Kenny distributed a proposed 2010 NIFA Board Meeting schedule. The final schedule will be determined at the December board meeting. Tim indicated a decision would be made the first week of November as to whether a November meeting would be necessary.

**15 Adjournment**

Moved by Blazek, seconded by McClurg to adjourn at 2:15 p.m. Motion carried unanimously.

Respectfully submitted,

  
Timothy R. Kenny  
Executive Director

