

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

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

MINUTES OF FRIDAY, November 13, 2009 @ 3:00 P.M.

**Notice Published: November 8, 2009 – *Omaha World Herald*
November 8, 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, Carl Brasee, Pete Graff, Joseph Jurich, Mike Maroney and Mary Jo McClurg

Board Members Absent: Marlin Brabec
Ginger Langemeier (arrived at 3:10 p.m.)

NIFA Staff Present: Executive Director and Board Secretary Tim Kenny, Clerk Karon Andretti, Chief Operating Officer Steve Clements, Treasurer Judy Krasomil and Single Family Program Manager Jacki Young

Guests: Jeff States, Phil Lorenzen, Jeff Gertz and Patti Peterson

1. Call Meeting to Order and Roll Call

Chair Richard Baier called the meeting to order at 3:00 p.m. with seven 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, November 8, 2009 in the *Omaha World Herald* and in the *Lincoln Journal Star*.

2. Approval of the October 23, 2009 NIFA Board of Directors Meeting Minutes

Moved by Graff, seconded by Maroney to approve the October 23, 2009 NIFA Board of Directors Meeting Minutes. Motion carried unanimously.

3. Executive Director's Report

Tim Kenny expressed his appreciation to the board members for coming to this extra meeting and thanked NIFA staff, Kutak Rock and JP Morgan for their extraordinary work in putting together the documents necessary for the new government program.

4. Public Comment related to the November 13, 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.

SINGLE FAMILY HOUSING FINANCE DIVISION

5. Status Report on Single Family Program and Market Developments

Jacki Young reported NIFA's current interest rates are not competitive in today's market so loan volume has been low. As of October 15, 2009, the ABC Program is no longer being offered to borrowers because the federal tax credit program was scheduled to expire. Thirty homebuyers who participated in the ABC Program have paid off their second mortgage so they will be able to take advantage of lowering their first mortgage rate by fifty basis points. Judy Krasomil reported there is approximately \$40 million in the pipeline for loan reservations. Jeff Gertz, JP Morgan, gave an overview of the national bond market.

6. Adoption of State Bond Allocations

Moved by McClurg, seconded by Graff to adopt the following State Bond Allocations. Motion carried unanimously.

Allocation: 09-20-003 – Single Family Housing Bonds
Issuer: NIFA
Allocation Amount: \$490,000,000
Allocation Classification: Housing

Allocation: 09-20-004 – General Obligation Bonds
Issuer: NIFA
Allocation Amount: \$10,000,000
Allocation Classification: Housing

Ginger Langemeier arrived at 3:10 p.m.

7. Review and Approval of Resolution No. 321 authorizing the issuance of one or more series of up to \$490,000,000 in aggregate principal amount of Single Family Housing Revenue Bonds

Steve Clements reported this Bond Resolution authorizes the issuance of up to \$490,000,000 in aggregate principal amount of single family mortgage revenue bonds in one or more issues and as one or more series to be issued through the end of 2010. (Pursuant to the authority granted by this Bond Resolution No. 321 and by Bond Resolution No. 323, the amount of Bonds issued pursuant to either particular Bond Resolution shall reduce the amount of Bonds which may be issued under the other Bond Resolution, not to exceed in the aggregate pursuant to both such Resolutions, \$490,000,000.) It is the intention of NIFA to issue such bonds in one or more issues and as one or more series. The Bond Resolutions authorizes the Executive Director to issue and sell such bonds in one or more issues and as one or more series at the times and with such terms as the Executive Director determines are in the best interest of NIFA, subject to the parameters of this Bond Resolution, the Indenture and the Act. Bonds issued pursuant to this Bond Resolution would be issued under the existing 1994 General Indenture of Trust. Moved by Graff, seconded by Maroney to approve Resolution No. 321. Motion carried with Brasee abstaining due to his affiliation with Ameritas Investment Corp, an underwriter of the bonds, Graff voting yes, Jurich voting yes, Langemeier voting yes, Maroney voting yes, McClurg voting yes, Baier voting yes and Blazek voting yes.

8. Review and Approval of Resolution No. 322 authorizing the issuance of up to \$10,000,000 in aggregate principal amount of General Obligation Bonds to provide financing for Homebuyer Assistance

Steve Clements reported this resolution authorizes the issuance of General Obligation Bonds with the proceeds to be used in connection with NIFA's homebuyer assistance program to provide assistance to qualified low and moderate income persons in the State with respect to their down payment and closing costs as borrowers under the Authority's single family housing mortgage program. The resolution authorizes the issuance of up to \$10,000,000 in aggregate principal amount of bonds in one or more issues and as one or more series to be issued through the end of 2010 and backed by the general credit of NIFA to fund homebuyer assistance. The resolution further directs the Executive Director to issue and sell such bonds in one or more issues and as one or more series at the times and with the terms as the Executive Director determines are in the best interests of NIFA, subject to the parameters of this Bond Resolution, the Indenture and the Act. Moved by Maroney, seconded by Graff to approve Resolution No. 322. Motion carried with Graff voting yes, Jurich voting yes, Langemeier voting yes, Maroney voting yes, McClurg voting yes, Baier voting yes, Blazek voting yes and Brasee abstaining due to his affiliation with Ameritas Investment Corp, an underwriter of the bonds.

9. Review and Approval of Resolution No. 323 authorizing the execution of the General Indenture of Trust-Homeownership Revenue Bonds and the issuance of one or more series of such Bonds pursuant thereto through the calendar year ending December 31, 2010

Patti Peterson reported that on October 19, 2009, the United States Department of Treasury (the "Treasury") announced a new initiative, pursuant to authority granted to the Treasury pursuant to the Housing and Economic Recovery Act of 2008 (HERA), for state and local housing finance agencies (HFAs). This Initiative is designed to help support low mortgage rates and expand resources for low and middle income borrowers to purchase homes. Pursuant to one aspect of the HFA Initiative, Treasury is authorized to provide financing for HFAs to issue new mortgage revenue bonds (the "New Issue Bond Program" or "NIBP").

Pursuant to this Program, Treasury will purchase securities of Fannie Mae and Freddie Mac backed by issues of new mortgage revenue bonds issued by HFAs. The rates on the bonds to be purchased by Treasury are expected to be significantly below the rate otherwise paid in the capital markets. The NIBP is only available through the end of 2009. Pursuant to an application process for the NIBP, NIFA has requested that Treasury purchase up to \$134,000,000 of NIFA bonds. NIFA has not been notified of the amount of its allocation for this Program. Depending upon the fees/costs of the Program and the ultimate interest rate charged by Treasury, by participating in this Program, NIFA may be able to offer its borrowers attractive mortgage rates. While an initial term sheet describing this Program has been issued by Treasury, there are still a number of program requirements yet to be finalized. Upon first review of some of the proposed restrictions in this Program, it may be in NIFA's best interests to issue any bonds to be purchased by Treasury (and accompanying bonds to be sold to the public) pursuant to a new general indenture. This Bond Resolution authorizes the execution of a new general indenture and the capitalization, from the general unencumbered funds of NIFA, of such indenture in order to obtain an "AAA" rating from Standard and Poors' Corporation. The Bond Resolution also authorizes up to \$490,000,000 in aggregate principal amount of homeownership revenue bonds in one or more issues and as one or more series to be issued through the end of 2010. (Pursuant to the authority granted by this Bond Resolution No. 323 and by Bond Resolution NO. 321, the amount of Bonds issued pursuant to either particular Bond Resolution shall reduce the amount of Bonds which may be issued under the other Bond Resolution, not to exceed in the aggregate pursuant to both such Resolutions, \$490,000,000.) The Bond Resolution further directs the Executive Director to issue and sell such bonds in one or more issues and as one or more or more series at the times and with such terms as the Executive Director determines are in the best interests of NIFA, subject to the parameters of this Bond Resolution, the Indenture and the Act. Tim Kenny reported staff is working with counsel and underwriters in connection with NIFA's potential issuance of its Homeownership Revenue Bonds. The initial structure may involve the issuance of "convertible option bonds" for purchase pursuant to the Treasury Program, with the permanent interest rate to be borne by those series of bonds established subsequent to the issuance thereof. Moved by Blazek, seconded by McClurg. Motion carried with Jurich voting yes, Langemeier voting yes, Maroney voting yes, McClurg voting yes, Baier voting yes, Blazek voting yes, Brasee abstaining due to his affiliation with Ameritas Investment Corp, an underwriter of the bonds, and Graff voting yes.

OTHER BUSINESS/ANNOUNCEMENTS

10. Report from the Audit Committee

Tim Kenny reported that John Blazek, Carl Brasee, Pete Graff, Joseph Jurich and Joseph's successor Jeffrey States met to discuss NIFA's draft financials. A final draft will be presented to the board at the December meeting for discussion and approval.

11. Announcements and Discussion of Upcoming Events and Scheduling

New NIFA Board Member – Tim Kenny reported that Gail Werner-Robertson, Chair of the Nebraska Investment Council, will be designating Jeffrey States to serve on the NIFA Board as the ex-officio member from the Nebraska Investment Council. Tim expressed NIFA's appreciation to Joseph Jurich for his time served on the NIFA Board.

2010 NIFA Board Meeting Schedule - Tim Kenny reported that the proposed board meeting calendar for 2010 is the fourth Friday of each month unless there are conflicting holidays or conferences. The final schedule will be confirmed at the December board meeting.

NIFA Appreciation Luncheon – On December 18, 2009, NIFA will be hosting an Appreciation Luncheon to thank its partners. It will held at the Cornhusker Marriott Hotel.

12. Adjournment

The meeting adjourned at 3:35 p.m.

Respectfully submitted,


Timothy R. Kenny
Executive Director

