



MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE NEVADA HOUSING ASSISTANCE CORPORATION ON APRIL 27, 2017

The Board of Directors of the Nevada Affordable Housing Assistance Corporation, a Nevada non-profit corporation (“NAHAC”) held a public meeting on April 27, 2017, beginning at 11:00 a.m. PST at the following locations:

NAHAC Conference Room: 3016 W. Charleston Blvd., Suite 160, Las Vegas, Nevada 89102

By Teleconference to: (669) 224-3412; Access Code: 156-776-309

By Videoconference to: <https://global.gotomeeting.com/join/156776309>

Access Code: 156-776-309

1. Call to order, Roll call.

The meeting was called to order by Timothy Whitright, Board Chairperson.

Roll was taken by AJ Gavilanes, Secretary.

Board Members present were: Timothy Whitright - Board Chairperson; Michael Holliday - Nevada Housing Division Director; Mohammad Nemati - Independent Director; and Rande Johnsen - Independent Director.

Board Members absent were: Sharath Chandra - Nevada Business & Industry Director

Also present were: Verise Campbell, Chief Operating Officer/Chief Executive Officer - NAHAC; Veronica Lewis, Operations Manager - NAHAC; Tony Cammisso, CPC, HCA & Marketing Manager - NAHAC; AJ Gavilanes, Office Administrator / Secretary - NAHAC; Greg Glover, Chief Information Officer (Consultant) – NAHAC; Chantell Legacy (Ellsworth & Stout CPA’s), Auditor – NAHAC; Brian Hardy (Ellsworth & Stout CPA’s), CPA – NAHAC; and Ann Morgan (Fennemore Craig P.C.), Legal Counsel – NAHAC.

Members of the public attending in person were asked to sign in, and the sign-in-sheet is attached to the original minutes as Exhibit A.

2. **Public comment (1st period)¹:** None.

3. Approval of Minutes:

a. March 30, 2017

Director Holliday moved to approve the Minutes for March 30, 2017. The Motion was seconded by Director Johnsen and approved by unanimous vote.

b. April 13, 2017

Director Johnsen moved to approve the Minutes for April 13, 2017. The Motion was seconded by

¹ This public comment agenda item is provided in accordance with NRS 241.020(2)(d)(3) which requires an agenda provide for a period devoted to comments by the general public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken. Comments by the public may be limited to five minutes person as a reasonable time, place and manner restriction, but may not be limited based upon viewpoint.



Director Holliday and approved by unanimous vote.

4. Approval of Agenda for April 27, 2017

Legal Counsel Ann Morgan advised Chairman Whitright that a letter had been left off agenda item 5 “Update regarding NAHAC April Compliance Review by United States Department of the Treasury.” Ms. Morgan stated that agenda item should be 5(b) with the following agenda item as 5(c) and the next agenda item as 5(d) and the last agenda item as 5(e). Chairman Whitright inquired if this change affected anything else on the agenda and Ms. Morgan stated that the purpose was just to reflect the change, for the record, with respect to the numbering so the public would understand what was being discussed.

Director Nemati moved to approve the Agenda for April 27, 2017 with the changes as noted by Legal Counsel Morgan. The Motion was seconded by Director Johnsen and approved by unanimous vote.

5. Items to be Presented for Information and Discussion:

- a. Update regarding reimbursement NAHAC processed to The United States Department of the Treasury Hardest Hit Fund Depository Account.

Brian Hardy with Ellsworth & Stout CPA’s advised the Board that the funds were moved from NAHAC’s unrestricted account to the Hardest Hit Fund® account so that those fund were available to be used in the future with the Hardest Hit Fund® Program. Mr. Hardy also confirmed that NAHAC was in compliance with the request from US Treasury.

Chief Operating Officer/Chief Executive Officer Campbell advised the Board that there was a recent quarterly report released by SIGTARP (Special Inspector General for the Troubled Asset Relief Program) indicating that SIGTARP still believed that NAHAC should reimburse US Treasury in the amount of \$8.2 Million and the report does not specifically delineate what US Treasury actually found to be \$82,000. Ms. Campbell advised this story had been covered the previous evening on Channel 13 News with reporter Darcy Spears, who did indicate there had been an exhaustive review by US Treasury and the result was that the amount owed was \$82,000.

Director Nemati asked for clarification of why the SIGTARP amount of \$8.2 Million was so different from the US Treasury amount of \$82,000 and does NAHAC have any breakdown of how the US Treasury determined their figure. Ms. Campbell advised that SIGTARP’s position was that because the unallowable costs were spent that NAHAC should have to reimburse \$8.2 Million. Ms. Campbell stated that US Treasury did an exhaustive investigation of every transaction of the organization from inception, so NAHAC believes with the \$82,000 reimbursement that the matter is closed and is are moving forward.

Mr. Hardy added that when SIGTARP did their initial investigation where they came up with the \$8.2 Million figure, there were a number of citings in their report where they stated they were unable to determine if it was allowable or not, or supported or not and without any further investigation assumed that all of that was waste, abuse or otherwise spent inappropriately. Mr. Hardy advised that when US Treasury came in and did the exhaustive review NAHAC was able to substantiate the expenses and prove that they were both allowable and reasonable, and weren’t wasteful and that was where it came from the \$8.2 Million down to \$82,000. Mr. Hardy stated that a lot of that \$8.2 Million was related to payroll expense that SIGTARP did not get the support for and NAHAC was now able to provide it to US Treasury to evidence why they were allowable and reasonable.



Treasurer Holliday stated for the record that he did speak to reporter Darcy Spears yesterday and agreed with Ms. Campbell that Ms. Spears got it right.

b. Update regarding NAHAC April Compliance Review by United States Department of the Treasury.

Brian Hardy with Ellsworth & Stout CPA's advised the Board that US Treasury came to NAHAC and did their annual compliance review and spent a week at NAHAC with their compliance team and reviewed hundreds of transactions over the course of most of the past year and ultimately there were a few minor things that will be corrected. Mr. Hardy stated that it was nothing like what NAHAC had been through with SIGTARP, but for the most part went very smoothly and US Treasury was happy with NAHAC's progress. Mr. Hardy advised that on the program side of the review there was almost nothing to be addressed and the items on the administration expense side were primarily interpretation differences and NAHAC agreed to comply with US Treasury's guidance on those items.

Chief Operating Officer/Chief Executive Officer Campbell added that on the last compliance review there were a number of issues on the Program side, but since Operations Manager Lewis has been handling the program process there was just one minor finding that had already been corrected. Ms. Campbell acknowledge Ms. Lewis' great job.

c. NAHAC Operations and Performance Report

CPC, HCA & Marketing Manager Cammisio walked the Board through the Performance Report with input from Chief Operating Officer/Chief Executive Officer Campbell.

Director Nemati thanked Mr. Cammisio for the report and expressed how great it was to see how the funding has gone up. Mr. Nemati expressed specific interest in the files that were in the pipeline for 6 months and asked if it was possible to see something on turn around times on applications being in the pipeline (when it came in, was worked, was funded, was denied/withdrawn/cancelled) to see the turnaround times as they are currently and how much that will improve with the new technology.

Mr. Cammisio stated that those files were very much anomalies with extenuating circumstances, but that he and Operations Manager Lewis would work together to provide what was requested. Ms. Lewis stated that the current pipeline was 60-90 days on a file without any issues. Ms. Campbell advised if a homeowner was having difficult getting their paperwork in, and NAHAC could see that they were trying, NAHAC would continue to work with them. Ms. Campbell confirmed that for NAHAC's in-house process, there was not a lag because temporary staffing has been brought on. Ms. Campbell also stated that as NAHAC see's the need to adjust or the volume increase then they will be bringing on more temporary staffing and getting them trained so that the files will get processed.

Chairman Whitright requested, in light of the line of questions, that Chief Information Officer Glover provide an update on NMAS (Nevada Mortgage Assistance System) following Operations Manager Lewis' update.

Operations Manager Lewis provided an update on the April performance thus far with April trending up.

Ms. Campbell advised that NAHAC was also considering bringing the Second Mortgage Reduction Program back in the very near future and that would cause a bit of a delay on the go-live date for



NMAS, due to the incorporation of the very popular program. Ms. Campbell advised the Board that NAHAC was looking at providing the Board with the Principal Reduction Affordability Plan term sheet change as well.

Mr. Glover provided an update on NMAS (Nevada Mortgage Assistance System):

- Go-live date moved to June 1st
- Dependency applications and contracts need to go before the Board for approval
- Infrastructure systems need to go before the Board for approval
- Agreement with Speridian to include the new program as a part of the initial NMAS rollout
- Data migration compliance requirements being determined

d. Review of Financials for March 2017

Brian Hardy with Ellsworth & Stout CPA's walked the Board through the financials.

e. Review of 2016 FINAL Houldsworth, Russo & Company Audited Financial Statements for NAHAC and 2016 FINAL HRC Management Letter for NAHAC.

Brian Hardy with Ellsworth & Stout CPA's walked the Board through the 2016 Audited Financial Statements for NAHAC noting the opinion as "In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Nevada Affordable Housing Assistance Corporation as of June 30, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America." which he stated indicated no issues.

Mr. Hardy pointed out a few specific items:

- Financial Statements are for NAHAC as an entity, not just for the Hardest Hit Fund[®] programs
- Includes unrestricted portion relating to NAHAC's Culinary accounts
- Decrease in unrestricted assets primarily due to the SIGTARP finding
- Reflects the subsequent closure of the Reno office

Mr. Hardy also updated the Board on the Management Letter in connection with the 2016 Audited Financial Statements for NAHAC.

6. Items for Board Information, Discussion and Possible Action:

NOTE: Chairman Whitright moved item 6a to a future Board meeting.

- a.** Authorization for President/Chairperson to execute a Twentieth Amendment to Commitment to Purchase Financial Instrument and Housing Finance Agency (HFA) Participation Agreement (between the U.S. Treasury, NAHAC and the Nevada Housing Division) with changes to the Term Sheets as follows:
- Principal Reduction Program (PRP) – Remove the pre-assistance Loan-to-value (LTV) floor of 80% for homeowners with fixed income as the primary source of income.



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- Unemployment - Mortgage Assistance Program (MAP) - Cover non-escrowed taxes and/or homeowner's association dues or assessments in the monthly payment structure for the duration of the MAP assistance; change the approval timeframe of when a homeowner's unemployment insurance benefits are exhausted.
 - Mortgage Reinstatement Assistance Program (MRAP) - Cover any non-escrowed taxes and/or homeowner's association dues or assessments that are delinquent whether there is a lien filed or not.
 - General Criteria Changes for All Programs - Change the language of liquid assets allowed to liquid assets may not exceed the maximum benefit assistance amount for the program reviewed or \$30,000 whichever is less; change the household income limitation from 150% of the county's Average Median Income (AMI) to 150% of the family State Median Income (SMI)
 - Second Mortgage Reduction Program (SMRP) – Reinstate program.
- b. Authorization for President/Chairperson to execute a 12 month agreement with Temperature Control Services in an amount of \$1,040.00 for quarterly preventative maintenance services for the Heating, Ventilation & Air Conditioning (HVAC) System for NAHAC's leased premises, to comply with Article 9(a) of the Omninet Westbay, LP Standard Office Lease dated March 30, 2015.

Chief Operating Officer/Chief Executive Officer Campbell advised the Board that this was a requirement of NAHAC's office lease and the option recommended for Board approval is the same vendor that the landlord uses.

Director Nemati moved to approve authorization for President/Chairperson to execute a 12 month agreement with Temperature Control Services in an amount of \$1,040.00 for quarterly preventative maintenance services for the Heating, Ventilation & Air Conditioning (HVAC) System for NAHAC's leased premises, to comply with Article 9(a) of the Omninet Westbay, LP Standard Office Lease dated March 30, 2015. The Motion was seconded by Director Johnsen and approved by unanimous vote.

- c. Authorization for the CEO/COO to create and fill one additional full time Processing Specialist position.

Chief Operating Officer/Chief Executive Officer Campbell advised that NAHAC had lost some employees over the previous eight weeks or so and has since filled those positions with temporary staffing and stated NAHAC was requesting to fill another Processing Specialist position as it would allow them to focus on the pipeline and work leaner but more efficiently.

Director Holliday moved to approve Authorization for the CEO/COO to create and fill one additional full time Processing Specialist position. The Motion was seconded by Director Johnsen and approved by unanimous vote.

- d. Approval of updated Organization chart.

Chief Operating Officer/Chief Executive Officer Campbell advised that creating a new position with item 6c would require a Board approved update to the Organization chart and confirmed the only changes would be the adding of Processing Specialist position and the realigned reporting structure to more specifically show how NAHAC is currently operating.



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Director Johnsen moved to approve the updated Organization chart. The Motion was seconded by Director Holliday and approved by unanimous vote.

7. General Board Comments, Questions and Items for Future Board Meetings:

a. Chairman Whitright moved item 6a to a future Board meeting.

8. 2nd period of Public Comment and Discussion²: None.

9. Adjournment. (For Possible Action)

Director Johnsen moved to adjourn the meeting. The Motion was seconded by Director Nemati and approved by unanimous vote.

Board approval confirmation:

AJ Gavilanes
NAHAC Corporate Secretary

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