

SYNOPSIS OF AGENDA ITEMS
SEPTEMBER 28, 2016 MEETING OF NAHAC BOARD OF DIRECTORS

1. AGENDA ITEM 3.c. – Nomination of Election of Independent Board Member

Verise Campbell, NAHAC's COO is recommending Mr. Rande Johnsen for consideration as an Independent Board Member. Ms. Campbell has worked with Mr. Johnsen during his faithful tenor as an advisory committee member with the State of Nevada Foreclosure Mediation Program Advisory Committee, which was an appointment by the Nevada Supreme Court.

Rande Johnsen is the President and co-owner of Trustee Corps with offices in Nevada, California, Arizona, Washington and Texas. Trustee Corps is a multi-state default and foreclosure trustee solution company that represents many of the largest mortgage servicing companies and government entities. Rande graduated from California State University, Long Beach with a Bachelor of Science in Business Administration. In addition to his ownership of Trustee Corps, he also owns Harmony Escrow, Harmony Title Agency and InSource Logic. These companies provide publication, title and escrow services throughout Nevada, California, and Arizona.

Mr. Johnsen's service to the default industry and real estate industry spans over 35 years. Including sitting on the board of the United Trustee Association, serving on several committees, and holding officer positions including two terms as its President. The state of Nevada and its Supreme Court appointed Rande to their Foreclosure Mediation Advisory Board. Rande also maintains memberships in the Arizona Trustee Association, Mortgage Banking Association, American Land Title Association, American Escrow Association, and California Mortgage Banking Association.

Rande lives in both Las Vegas, Nevada and Newport Beach, California. In his spare time, he enjoys boating, scuba diving, trail blazing and acting. He recently appeared on FX in the series "Anger Management" with Charlie Sheen, Boardwalk Empire and Train Wreck.

2. AGENDA ITEM 3.e. – Approval of Engagement Agreement – Fennemore Craig, PC (Legal Services)

Three firms were considered: Snell & Willmer, Fox Rothschild, LLP, and Fennemore Craig. Expertise and rates of all firms were comparable. Rates ranged from \$250 to \$300 per hour.

Fennemore Craig has one of the best governmental relation sections in Nevada that deals with all issues related to state and federal government. Former Nevada governor and US Senator Richard Bryan is a member of the firm. They also represent a number of governmental entities in Las Vegas and Reno. NAHAC's current COO has a prior working relationship with Christopher Byrd, Esq. of Fennemore Craig. Mr. Byrd represented the State of Nevada Foreclosure Mediation Program throughout the development and existence of the program (7+ years).

The firm is well versed in Open Meeting Law requirements and also has a strong employment law group. Employment lawyers are approved for insurance company panel work as well.

3. AGENDA ITEM 3.f. – Approval of Proposed Changes to Seventeenth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement - Removal of Bankruptcy Reaffirmation Requirement and Addition of Requirement of Notarized Affidavit regarding liquid assets. Please see attached.

NAHAC requests the following changes to the Seventeenth Amendment Term Sheets (pages B-1-4; B-2-3; B-4-3):

- Elimination of current exclusion for borrowers that have not re-affirmed the mortgage(s) on their property in order to maintain eligibility for HHF assistance. This action will broaden the homeowner population segment that previously would have been declined immediately. The number of denied and ineligible applications received January through August 2016 that did not re-affirm their mortgage(s) is 114.
- Implementation of a liquid assets affidavit in lieu of collection of documents from borrowers seeking Principal Reduction Program assistance. This affidavit is intended to provide a simpler way for borrowers to formally acknowledge and understand that they may not have non-retirement monies equal to or in excess of the HHF assistance they receive.

Treasury received NAHAC's written proposal and has conditionally approved the proposed changes with no follow-up questions. At this time, the Treasury team is preparing the changes for the amendments and is slated to close the first week of October 2016.

4. AGENDA ITEM 3.g. - Approval of Renewal of Employee Health Benefits agreement with Prominence (effective October 1, 2016)

NAHAC's Employee Health Benefits are up for Renewal. The approximate premium NAHAC would contribute for the group's medical insurance is approximately \$72,764.64 annually. Current annual medical cost is approximately \$101,537 annually. NAHAC will be changing from the current PPO option under Prominence to a POS (which is a HMO & PPO) plan. The changes were discussed with staff and staff agreed the POS plan is a better option (currently only two (2) employees are enrolled in the PPO plan. With this change and the reduction in staffing, there will be an annual savings of approximately \$28,772.

5. AGENDA ITEM 3.h. - Approval to change providers for Ancillary Employee Benefits from MetLife to Principal (effective October 1, 2016)

NAHAC's Ancillary benefits are also due for renewal. Over the past year NAHAC has expended \$20,112 for Ancillary Employee Benefits which include: Life Insurance, Long-Term Disability, Dental and Vision benefits. It is recommended that NAHAC contract with another carrier (Principal). With current staffing, this will result in an annual cost of approximately \$8,511, which will result in a savings of approximately \$11,601.

Total new costs for both employee medical and ancillary benefits are estimated at \$81,276. The current cost for medical and ancillary benefits is \$121,649. The newly proposed with current staff will result in an overall reduction of \$40,373 annually.

6. AGENDA ITEM 3.i. - Approval to bind coverage with AmTrust North America for Worker Compensation Coverage

At least three quotes were gathered for Worker Compensation Employers Liability Coverage and AmTrust was the lowest quote at \$1,381 annually.

Coverage includes:

- Bodily Injury by Accident \$1,000,000

- Bodily Injury by Disease Policy Limit \$1,000,000
- Bodily Injury by Disease Each Employee \$1,000,000

Changing to AmTrust will result in an annual savings of approximately \$1,878.

7. AGENDA ITEM 3.j. – Approval of Termination of 403b Retirement Plan (effective October 1, 2016)

The retirement only consists of one employee. This employee recently discontinued contributions to the plan. There is little to no interest by the staff to increase participation in this plan. NAHAC's annual cost for this plan is \$2,321. Elimination of this plan will result in an annual savings in the amount of \$2,321.

8. AGENDA ITEM 3.k. - Services Agreement with CoreLogic

Management identified that the most efficient and effective way to handle the areas of property value assessment and analytics is to utilize the CoreLogic RealQuest Reporting component. The RealQuest component will be used in the homeowner application process and determination of eligibility of HHF fund requirements. The information obtained in RealQuest will save NAHAC approximately \$735 for each approved application by eliminating the cost of an appraisal and title services and substituted with AVM, Loan Safe Risk Manager and Liens reporting that are readily available in the RealQuest platform. Currently, NAHAC pays approximately \$885 for each file that requires an appraisal and title. Using CoreLogic for these related functions will cost approximately \$150 per file.

9. AGENDA ITEM 3.l- Approval of Services Agreement with MainNerve for Vulnerability and Penetration Testing

Annual vulnerability and penetration testing of computer systems is a Treasury requirement. However, after consultation with CalHFA consultants, vulnerability and penetration testing requirements will be reconsidered. Therefore, we are withdrawing this item for board consideration at this time.

10. AGENDA ITEM 3.m. – Approval of closure of the Reno office

Currently there is only one staff person in the Reno office. This office was intended to house approximately four staff members. The functions performed in the Reno office can be absorbed in the Las Vegas Office. The lease contains a 60-day out clause. It is recommended that NAHAC close the Reno Office by or before December 1, 2016. The staff member in the Reno office was offered the opportunity to continue in her current capacity in the Las Vegas office; however, she is not interested in relocating. If the closure of the Reno office is approved by the Board, the position will be eliminated. Closure of the Reno office will result in an annual savings of \$23,842 (rent and utilities), and \$37,000 in approximate salaries for a total annual savings of \$60,842.

11. AGENDA ITEM 5.b. – Financials for July

Please see attached Profit & Loss statement and Balance Sheets.

12. AGENDA ITEM 5.b. – Financials for August

The August reports are still in process and will be forwarded under separate cover.