



MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF NEVADA AFFORDABLE HOUSING ASSISTANCE CORPORATION ON DECEMBER 7, 2017

The Board of Directors of the Nevada Affordable Housing Assistance Corporation, a Nevada non-profit corporation (“NAHAC”) held a public meeting on December 7, 2017, beginning at 1:30 p.m. PST at the following location:

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

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; Sharath Chandra - Nevada Business & Industry Director; and Rande Johnsen - Independent Director.

Board Members absent were: Mohammad Nemati - Independent 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; Brian Hardy (Ellsworth & Stout CPA’s), CPA – NAHAC; Chantell Legacy (Ellsworth & Stout CPA’s), Auditor – NAHAC; Ann Morgan (Fennemore Craig P.C.), Legal Counsel – NAHAC; Kurt Ouchida (BRAINtrust), Marketing – NAHAC; Dustin Klein (BRAINtrust), Marketing – NAHAC; and Ashley Ellingsen (BRAINtrust), Marketing – 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 for September 28, 2017

Director Johnsen moved to approve Minutes for September 28, 2017. The Motion was seconded by Director Holliday and approved by unanimous vote.

4. Approval of Agenda for December 7, 2017

Director Chandra moved to approve Agenda for December 7, 2017. The Motion was seconded by Director Johnsen and approved by unanimous vote.

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.

5. Items to be Presented for Information and Discussion:

Chairman Whitright requested for the meeting to proceed with item 5(b), while awaiting the arrival of Ellsworth & Stout CPA's.

b. BRAINtrust Marketing Update

Kurt Ouchida and Dustin Klein reviewed the following items:

- New branding
- New website
- Digital marketing initiative
- Web browser flow
- Online results
- Digital marketing results
- Pay-per-click results
- Digital display
- Native advertising
- Social media activity
- Top-line financial results
- Top-line advertising results
- Promotions in 2018

Chairman Whitright thanked Mr. Ouchida and his team, noting positive gains was what he was seeing.

Chairman Whitright advised that Ellsworth & Stout CPA's had arrived and the meeting would proceed with item 5(a).

a. Review of Financials:

i. September 2017

Chantell Legacy with Ellsworth & Stout CPA's walked the Board through the financials for September 2017.

ii. October 2017

Chantell Legacy with Ellsworth & Stout CPA's walked the Board through the financials for October 2017.

iii. November 2017

Brian Hardy with Ellsworth & Stout CPA's briefly referred to financials for November 2017, which had been sent out after the meeting began and not yet reviewed.

Chairman Whitright called for any questions.

Director Holliday inquired, based on trends in spending, if any analysis had been done to determine the status of the admin allocation. Brian Hardy with Ellsworth & Stout CPA's confirmed they had been reviewing that and felt that going forward it was likely they would need to increase that allocation. Mr. Hardy advised that it was currently at 12 percent, and they would like to increase the admin allocation to around 15.3 percent, forecasting out what they expect to



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spend from now until the end of the program. Mr. Hardy also advised that U.S. Treasury would need to be consulted to determine if that would be an option. Mr. Hardy stated that a couple of categories in the budget, especially IT, were looking to exceed the amount NAHAC has allocated to them. Mr. Hardy advised that the two part goal is: a) Increase allocation to approximately 15 percent and b) increase the amount of funding significantly in comparison to spending. Chief Operating Officer/Chief Executive Officer Campbell also advised that NAHAC was factoring the addition of the Down Payment Assistance (DPA) Program into the overall budget and NAHAC believes if the DPA Program is done properly it could bring in about \$1,000,000.00. Mr. Hardy advised that bringing on that program for a relatively minimal cost and having it yield significant amounts would hopefully bring NAHAC spending ratio down quite a bit.

Chairman Whitright inquired, when talking about the percentage of administrative funds, if that refers to the amount spent on the programs or the amount spent of the total funds available. Mr. Hardy confirmed that was the amount spent of the total funds available and explained what the current status was; including reference to an amount from the 5th round funding that was expected to be returned to U.S Treasury.

Chairman Whitright requested confirmation that in terms of admin spending NAHAC was currently at about a 10 percent admin rate and the difference was the result of previous expenses. Mr. Hardy confirmed that was correct. Chairman Whitright advised he wanted to be careful there was not an impression that NAHAC's admin expenses were increasing, causing a need for the percentage of administrative funds increase.

Chief Operating Officer/Chief Executive Officer Campbell agreed that was very important to point out, advising that NAHAC had been operating very frugally and had been able to maximize what was being spent and at a little over 10 percent while she had been with the organization. Chairman Whitright expressed his appreciation of that.

c. NAHAC Operations and Performance Report

i. SIGTARP Update

Brian Hardy with Ellsworth & Stout CPA's provided a brief update of requests for information.

ii-iv. Performance Reports for November, October and September 2017

CPC, HCA & Marketing Manager Cammiso reviewed the organization's performance reports for the past 3 months.

v. Update on Call Center

CPC, HCA & Marketing Manager Cammiso provided an update on the new Call Center. Chief Operating Officer/Chief Executive Officer Campbell advised that because they have the Call Center in house, files are moving over to the next stage of being assigned for doc collection and processing almost immediately, as opposed to there being a lag at the vendor.

Chairman Whitright asked for clarification, as he understood it the call volume was slightly lower but the eligible applications were higher. CPC, HCA & Marketing Manager Cammiso confirmed that this was correct as the efficiency in the new Call Center increased.

Chairman Whitright called for any questions.



Director Johnsen commented that he was encouraged by hearing this, as his experience with situations like this had shown that having buy-in from the staff would bring an increase. Mr. Johnsen complimented the achievement and wished them well.

Chief Operating Officer/Chief Executive Officer Campbell acknowledged Operations Manager Lewis and CPC, HCA & Marketing Manager Cammiso for all of their hard work as well as that of consultant David (Greg) Glover.

Director Johnsen commented that he would be interested to see feedback from the public comparing their experience with the external vendor and now with the internal call center.

CPC, HCA & Marketing Manager Cammiso expressed the great relationship NAHAC has with Credit.org and how helpful that vendor has been in this process.

Chairman Whitright called for any questions.

d. Overview of Proposed Program Changes

Operations Manager Lewis presented changes that are being proposed to the existing programs:

- Unemployment Mortgage Assistance Program (MAP) – Propose reinstating a delinquent first mortgage loan to those who qualify for the program before making monthly payments.

Operations Manager Lewis provided a brief explanation of the proposed changes.

Chairman Whitright asked for clarification currently, whatever amount the homeowner is delinquent remains and continues to accrue fees, penalties, interest etc. and the homeowner cannot make payments but must provide the full amount. Operations Manager Lewis confirmed that is correct.

Chief Operating Officer/Chief Executive Officer Campbell advised that this would also still be reported as a rolling late on the homeowner's credit report.

Chairman Whitright inquired if the proposed change would mean when the homeowner finished the Unemployment Mortgage Assistance Program they would not be faced with the reinstatement fee as well as additional fees, penalties, interest etc. on top of it and it would help clean up credit reports as well. Operations Manager Lewis confirmed that is correct.

Brian Hardy with Ellsworth & Stout CPA's inquired if the homeowner would be participating in more than one program and was there any difference between the programs. Operations Manager Lewis confirmed that is correct and explained the difference as still being in the hardship (unemployed) vs. having overcome the hardship.

Operations Manager Lewis advised that this is a change that the California Hardest Hit Fund implemented in their system a few months ago, and as a result should help reduce the cost involved in the Nevada Mortgage Assistance System (NMAAS) taking on this change because the code is already there.

Director Chandra inquired whether this item was being combined with Item 6. Brian Hardy with Ellsworth & Stout CPA's clarified that this was the overview, and item 6 would be the approval. Director Chandra inquired if they could be combined program by program. Ann Morgan with Fennemore Craig P.C. advised the Board that they could break it out by item if they desired.



Chairman Whitright stated they would go through the whole program all at once, if there was discussion or concern over one item, they would break it out individually, and otherwise they would do one motion for all.

- Mortgage Reinstatement Assistance Program (MRAP) - Propose providing assistance to previous MRAP recipient if the homeowner has suffered a subsequent, qualifying hardship provided that the program assistance amount per household does not exceed the maximum program amount of \$54,000.

Operations Manager Lewis provided a brief explanation of the proposed changes.

Brian Hardy with Ellsworth & Stout CPA's inquired if there would have to be a new hardship or if it could be a continuation of the existing hardship. Operations Manager Lewis clarified that it must be a completely separate hardship reason and the overall assistance must not exceed the maximum.

- Principal Reduction Program (PRP) –
 - A) PRP Affordability Component – i) Propose changing the household income limit from \$37,924 to \$63,206 for homeowners whose primary source of income is from a fixed income source and have an unaffordable payment. ii) Homeowner whose primary source of income is from a fixed income source is eligible for a lien extinguishment on the first mortgage loan with an unpaid principal balance of \$50,000 or less. The housing related expenses such as property taxes, homeowners insurance and homeowners' association dues must be between 25 and 38 percent of the gross monthly household income.

Operations Manager Lewis provided a brief explanation of the proposed changes.

Chairman Whitright inquired if the homeowner only had a second mortgage would that also be eligible. Operations Manager Lewis advised that in that case, where a second mortgage was the only mortgage, by default it would become the first mortgage.

Chief Operating Officer/Chief Executive Officer Campbell inquired if there were some states that had this program. Operations Manager Lewis confirmed there were other states already operating with this.

- B) PRP Curtailment Component – Reduce the affordability level from 25 percent to 15 percent.

Operations Manager Lewis provided a brief explanation of the proposed changes.

- Second Mortgage Reduction Program (SMRP) – Second mortgage must be delinquent or facing imminent default; or the borrower must have a negative equity position in which the Combined Loan-to-Value (CLTV) ratio is 115% or more.

Operations Manager Lewis provided a brief explanation of the proposed changes.

Director Johnsen inquired as to how many homeowners this would affect in Nevada. Operations Manager Lewis confirmed it would not be a large amount, as this program was not the highest performing program. Ms. Lewis further stated they do see some homeowners come through that have a second mortgage with negative equity. Ms. Lewis advised when they see a homeowner in imminent default they try to help them by eliminating as much negative equity as possible that is derived from



that second mortgage.

- General Criteria Changes for All Programs – A) Increase household income limit from \$94,809 to \$107,480. B) Modify residency status language from “Legal U.S. Resident or lawful permanent U.S. resident and Nevada resident” to “Nevada Resident”.

Operations Manager Lewis provided a brief explanation of the proposed changes. Discussion followed.

Chief Operating Officer/Chief Executive Officer Campbell advised that the Down Payment Assistance Program would be covered at a future meeting.

Director Chandra inquired as to the timeline of the proposed changes going to U.S. Treasury and being approved. Operations Manager Lewis advised it would be as soon as possible once the Board had approved the proposed changes. Ms. Lewis shared they would be send to U.S. Treasury in the next day or two and turnaround time was usually around three weeks.

Director Chandra inquired if U.S. Treasury had already reviewed these proposed changes. Ms. Lewis advised they had been made aware of the proposed changes during recurring meetings and no pushback had been received. Director Chandra inquired if it was better to combine the Down Payment Assistance Program with these changes, or submit these changes on their own. Chief Operating Officer/Chief Executive Officer Campbell advised that it was a rolling approval schedule and it was best to submit these changes individually.

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

b. Authorization for President/Chairperson to execute an Amendment (Twentieth) 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:

- Unemployment Mortgage Assistance Program (MAP) – Reinstating a delinquent first mortgage loan to those who qualify for the program before making monthly payments.
- Mortgage Reinstatement Assistance Program (MRAP) - Provide assistance to previous MRAP recipient if the homeowner has suffered a subsequent, qualifying hardship provided that the program assistance amount per household does not exceed the maximum program amount of \$54,000.
- Principal Reduction Program (PRP) – A) PRP Affordability Component – i) Change the household income limit from \$37,924 to \$63,206 for homeowners whose primary source of income is from a fixed income source and have an unaffordable payment. ii) Homeowner whose primary source of income is from a fixed income source is eligible for a lien extinguishment on the first mortgage loan with an unpaid principal balance of \$50,000 or less. The housing related expenses such as property taxes, homeowners insurance and homeowners’ association dues must be between 25 and 38 percent of the gross monthly household income. B) PRP Curtailment Component – Reduce the affordability level from 25 percent to 15 percent.
- Second Mortgage Reduction Program (SMRP) – Second mortgage must be delinquent or facing imminent default; or the borrower must have a negative equity position in which the Combined



Loan-to-Value (CLTV) ratio is 115% or more.

- General Criteria Changes for All Programs – A) Increase household income limit from \$94,809 to \$107,480. B) Modify residency status language from “Legal U.S. Resident or lawful permanent U.S. resident and Nevada resident” to “Nevada Resident”.

Director Chandra moved to approve proposed changes to the Term Sheets. The Motion was seconded by Director Johnsen and approved by unanimous vote.

- a. **Authorization for NAHAC to reimburse The United States Department of the Treasury Hardest Hit Fund Depository Account (as defined in the HFA Participation Agreement) in the amount of \$52,555.06 from NAHAC’s unrestricted account for legal fees deemed unallowable in accordance with The Uniform Guidance upon the case being settled.**

Brian Hardy with Ellsworth & Stout CPA’s briefly explained the reason for the reimbursement.

Director Holliday moved to approve authorization for NAHAC to reimburse The United States Department of the Treasury Hardest Hit Fund Depository Account (as defined in the HFA Participation Agreement) in the amount of \$52,555.06 from NAHAC’s unrestricted account for legal fees deemed unallowable in accordance with The Uniform Guidance upon the case being settled.. The Motion was seconded by Director Johnsen and approved by unanimous vote.

- c. **Approval to establish and fill new positions:**

- **“Lead” - Regular Full-Time Employee - Non-Exempt - \$40,000 annually.**

Chief Operating Officer/Chief Executive Officer Campbell reviewed the “Lead” position.

Brian Hardy with Ellsworth & Stout CPA’s inquired if this would be a separate position from the “Lead” position in item 6(e). Chief Operating Officer/Chief Executive Officer Campbell confirmed that it is a separate position.

- **“Outreach Coordinator” - Regular Full-Time Employee - Non-Exempt - \$35,360 annually.**

Chief Operating Officer/Chief Executive Officer Campbell reviewed the “Outreach Coordinator” position.

Brian Hardy with Ellsworth & Stout CPA’s inquired if there would be any additional fee since this position was a temporary employee. Chief Operating Officer/Chief Executive Officer Campbell confirmed there would not be any additional fee.

- **“Systems Manager” - Regular Part-Time Employee - Non-Exempt – Not to exceed \$80,000 annually.**

Chief Operating Officer/Chief Executive Officer Campbell reviewed the “Systems Manager” position.

Director Holliday inquired if this change would reduce the cost. Brian Hardy with Ellsworth & Stout CPA’s advised that it would actually increase the cost some because of the Quarterly Performance Report (QPR). Discussion followed.

Director Holliday recommended that “not to exceed \$80, 000 annually” or “not more than 29 hours per week.” be included in the employment agreement.

Director Chandra inquired what would the budget be if this position was full time. Director Chandra expressed concerns of what would happen if there was a deadline and this position could not go beyond 29 hours. Chief Operating Officer/Chief Executive Officer Campbell stated that she did bring that point up to legal counsel and was advised that as the statute or rules were written, it would have to be a regularly set schedule. Ms. Campbell further stated that if the position exceeded those hours, and it was approved, it would not create a liability. Ms. Campbell also advised there are other vendors and teams to assist in projects to prevent the position from exceeding hours. Discussion followed.

Original Motion died.

Director Chandra moved to approve to establish and fill new positions including Lead and Outreach Coordinator. The Motion did not receive a second, and the motion died and did not pass.

Second Motion was amended.

Director Holliday moved to approve to establish and fill new positions including Lead, Outreach Coordinator, and Systems Manager. The Motion was seconded by Director Johnsen and approved by unanimous vote.

Amended Motion passed.

Director Holliday moved to amend his previous motion to approve to establish and fill new positions including Lead, Outreach Coordinator, and Systems Manager with the Systems Manager position to be managed by the CEO/COO as part time and not to exceed twenty-nine hours per week on a regular basis without approval. The amended Motion was seconded by Director Johnsen and approved by unanimous vote.

d. Approval to implement new job descriptions:

- “Customer Service Representative”
- “Processing Specialist I”
- “Processing Specialist II”

Chief Operating Officer/Chief Executive Officer Campbell reviewed the new job descriptions.

Director Chandra moved to approve to implement new job descriptions including Customer Service Representative, Processing Specialist I and Processing Specialist II. The Motion was seconded by Director Johnsen and approved by unanimous vote.

e. Approval to restructure existing positions:

- “CPC, HCA and Marketing Manager” changed to “Call Center and Payroll Manager”
- “Eligibility Lead” changed to “Lead”

Chief Operating Officer/Chief Executive Officer Campbell reviewed the positions to be restructured.

Director Holliday moved to approve restructure of existing positions of CPC, HCA and Marketing Manager changed to Call Center and Payroll Manager and Eligibility Lead changed to Lead. The Motion was seconded by Director Johnsen and approved by unanimous vote.

f. Approval to change pay:

- “Eligibility and Quality Control Supervisor” changed to “Eligibility Supervisor” - increase in annual salary from \$48,906 to \$53,000.

Chief Operating Officer/Chief Executive Officer Campbell reviewed the pay change.

Director Chandra moved to approve change in pay for the Eligibility and Quality Control Supervisor, no titled Eligibility Supervisor increasing the annual salary from \$48,906 to \$53,000. The Motion was seconded by Director Johnsen and approved by unanimous vote.

g. Approval to eliminate existing vacant positions:

- Analyst
- Servicing Specialist

Chief Operating Officer/Chief Executive Officer Campbell reviewed the positions to be eliminated.

Director Johnsen moved to approve elimination of existing vacant positions including Analyst and Servicing Specialist. The Motion was seconded by Director Holliday and approved by unanimous vote.

h. Approval of updated Organization chart.

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

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

Chief Operating Officer/Chief Executive Officer Campbell recognized Veronica Lewis and Tony Cammisio for all their hard work in putting all of the changes together.

Ms. Campbell also advised the following items would be on a future agenda:

- Budget update
- Down Payment Assistance Program
- Finding on reimbursement of \$27,000 from the insurance carrier

Director Chandra stated how heartening it was to see so many familiar faces still at NAHAC and remarked on the amazing job Chief Operating Officer/Chief Executive Officer Campbell has done with retention and motivation.

Director Chandra advised that there is an imperative need to move into a Down Payment Assistance Program. Mr. Chandra expressed that he would like to see NAHAC go there with the same enthusiasm, determination and speed that was demonstrated in setting up the Call Center. Mr. Chandra asked that NAHAC push towards this bigger program and get it off the ground as soon as possible.

Director Holliday inquired about changes to U.S. Treasury policies regarding not accepting new programs after March 2018. Chief Operating Officer/Chief Executive Officer Campbell advised they had been in constant discussion with U.S. Treasury in regard to a Down Payment Assistance Program. Ms. Campbell advised that she felt the Down Payment Assistance Program was something they could bring up quickly, especially in light of e-



Housing software that already exists. Ms. Campbell also advised that they would be turning their attention to the Down Payment Assistance Program in the next few days, now that the Call Center was up.

Director Holliday inquired about changes to U.S. Treasury policies, and would any program changes be permitted after March 2018. Operations Manager Lewis advised that U.S. Treasury would not be accepting any changes whatsoever after March 2018. Mr. Lewis added that a new program request must be submitted to U.S. Treasury by March 1, 2018, and discussions after that date will be permitted as long as the submission to U.S. Treasury was done by March 1, 2018.

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 Holliday and approved by unanimous vote.

Board approval confirmation:

AJ Gavilanes
NAHAC Corporate Secretary

² 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.