

MEETING MINUTES

Nevada Affordable Housing Assistance Corporation (NAHAC) Board of Directors

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF NEVADA AFFORDABLE HOUSING ASSISTANCE CORPORATION ON OCTOBER 24, 2022.

The Board of Directors of the Nevada Affordable Housing Assistance Corporation, a Nevada non-profit corporation (“NAHAC”), held a public meeting on October 24, 2022, beginning at 2:00 p.m. PST at the following location:

Housing Division, 3rd Floor Conference Room: 3300 W Sahara Ave Ste 300 Las Vegas, NV 89102

1. Call to order, roll call.

The meeting was called to order by Timothy Whitright, Board Chairperson at 2:05 p.m.
The roll was taken by AJ Gavilanes, Corporate Secretary.

Board Members present: Timothy Whitright (*Nevada Department of Business & Industry, Housing Division*) Board Chairperson; Sharath Chandra (*Nevada Department of Business & Industry, Real Estate Division*) Director; Rande Johnsen - Independent Director; and Jim Hastings - Independent Director.

Board Members absent: Michael Holliday (*Nevada Department of Business & Industry, Housing Division*) Director

Also present:

- Verise Campbell, Chief Operating Officer/Chief Executive Officer
- Jennifer Varsallona, Operations Manager
- David Greg Glover, Chief Information Officer
- Kamelah Flintroy, Administrator/Human Resources Generalist/Corporate Assistant Secretary
- Richard Suba, Senior Accountant
- AJ Gavilanes, Administrator/Payroll Manager/Corporate Secretary
- Veronica Lewis, Contractor
- Brian Hardy (Ellsworth & Stout)
- Melanie Rollo (Ellsworth & Stout)
- Lori Grimm (Ellsworth & Stout)
- Scott Cooper (Fennemore Craig)
- Kurt Ouchida (Braintrust)
- Dustin Klein (Braintrust)

Participating members of the public are asked to identify themselves and are noted on the attendance sheet attached to the original minutes as Exhibit A.

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

3. Approval of September 14, 2022, Minutes

Director Johnsen’s name was spelled incorrectly.

Director Hastings moved to approve September 14, 2022, Minutes with the noted corrections to Director Johnsen’s name. 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.

MEETING MINUTES

Nevada Affordable Housing Assistance Corporation (NAHAC) Board of Directors

4. Approval of October 24, 2022, Agenda

Director Johnsen moved to approve the Agenda for October 24, 2022. The Motion was seconded by Director Hastings and approved by unanimous vote.

5. Items to be Presented for Information and Discussion:

a. August 2022 Financials

Mr. Brian Hardy presented.

b. September 2022 Financials

Mr. Hardy presented.

Mrs. A.J. Gavilanes noted the month on page 1 is incorrect. Mr. Hardy advised he will correct and resubmit.

c. September 2022 Marketing Report

Mr. Dustin Klein presented.

Ms. Verise Campbell advised the media campaign managed by Braintrust has been a key contributor to the increase in production, and she acknowledged the hard work of the Braintrust team, as well as the guidance in assisting in getting the word out about the programs.

Director Hastings inquired if Braintrust had any suggestions on additional efforts. Mr. Klein advised NAHAC was doing a lot more than the average agency and is doing a good job of reaching the targeted audience.

d. NAHAC Operations

i. August 2022 Performance Report

Ms. Jennifer Varsallona presented.

Ms. Varsallona advised there are two corrections to the report:

- Page 4 – Reservations/Allocations: The graph is incorrect.
- Page 6 – Withdrawal: The narrative includes incorrect percentages and does not match the graph. The percentages reflected on the graph are correct. The narrative shows 59.20% to 42.87%, However, the correct percentages are 54.87% to 43.76%.

ii. September 2022 Performance Report

Ms. Varsallona presented.

Ms. Varsallona advised there is a correction to the report:

- Page 4 – Reservations: The second sentence: “This total includes funds already disbursed and funds committed, pending disbursement” does not apply and should be removed.

iii. Program Changes

Mrs. Veronica Lewis presented. Program changes were explored in June 2022 to address top reasons for denials, comprising of unaffordability and delinquency exceeding the program maximum. The implemented changes included an addition of the principal reduction re-amortize (recast) component to the Mortgage Reinstatement Assistance

MEETING MINUTES

Nevada Affordable Housing Assistance Corporation (NAHAC) Board of Directors

Program, which will help to reduce the homeowner's monthly mortgage payment to meet the affordability threshold. The changes went into effect in August 2022. There are some issues that are being worked through. For instance, a servicer sent a notification after a file was funded, indicating that the loan was not eligible for a recast even though they had provided the record stating that the file was eligible for a recast. After much discussion with the servicer, it was learned that Ginnie Mae loans were primarily affected, and the servicer was not able to do anything about it. Other files that are funded by Ginnie Mae are also being reviewed and it was confirmed six files could not be recast with an approximate combined funding amount of \$470,000.

Mrs. Lewis shared that a servicer roundtable was scheduled immediately after learning of the errors to educate the servicers on proper protocol for evaluating loans and sending the correct records to prevent future errors. Solutions are being explored with the servicers to address the noted files.

This challenge has been shared with U.S. Treasury and has been a topic for the National Council of State Housing Agencies (NCSHA). Files will continue to be monitored to avoid recurring issues.

Mrs. Lewis advised at this time the top two reasons homeowners are denied are unaffordability and no longer being delinquent on the mortgage loan. Since unaffordability is still a concern, NAHAC is exploring how other states are dealing with it. Upon preliminary review, it was discovered that Nevada HAF's affordability threshold (33%) is very conservative compared to other state ranges of 38% - 50%.

Mrs. Lewis suggested the consideration of increasing the affordability threshold from 33% to 40%. She believes at least 20% of applicants currently denied could benefit from this change, but a formal analysis is required to confirm.

Mrs. Lewis shared servicers are taking months to review Participation Agreements and provide feedback, and in some cases, are not responding to participation requests, which was also discussed with Treasury.

Treasury also asked that Nevada strongly consider allowing homeowners in bankruptcy to apply and receive HAF assistance. Nevada currently does not allow homeowners to apply during active bankruptcy. Other states that allow homeowners to apply for active bankruptcies are reaching out to the homeowner's bankruptcy attorney to obtain approval to receive assistance. NAHAC is currently reviewing this process.

Currently, NAHAC verifies and identifies homeowners by Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) as unique identification to determine how much assistance is provided to the homeowner and minimize fraud. U.S. Treasury strongly recommended NAHAC not collect this information. NAHAC is not currently considering this recommendation and advised U.S. Treasury, due to the high risk of fraud. However, more research will be conducted to see if the recommendation is in any way feasible.

Discussion followed.

MEETING MINUTES

Nevada Affordable Housing Assistance Corporation (NAHAC) Board of Directors

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

- a. Approval of the Internal Compliance Review Report for the 4th Quarter of Fiscal Year 2022.**
Ms. Melanie Rollo presented and congratulated the NAHAC team for clearing all prior findings and having no current findings. This is the first time NAHAC has not received prior findings and was given a superior rating in all categories.

Mr. Hardy advised this report included files from the new program.

Director Hastings moved to approve the Internal Compliance Review Report for the 4th Quarter of Fiscal Year 2022. The Motion was seconded by Director Johnsen and approved by unanimous vote.

- b. Authorization for President/Chairperson to enter into an agreement with Integrita Systems for IT Support Services in a total amount not to exceed \$250,000 for the period of October 24, 2022, through September 30, 2025.**

Mr. Greg Glover advised the System Administrator resigned in May 2022. In August, a Request for Proposal (RFP) was posted to outsource those services. As a result, Integrita Systems was selected.

Mr. Glover introduced Dimitri Rodis and Craig Huck, principals of Integrita Systems. Mr. Rodis shared, Mr. Huck and himself have been in business for 19 years and provided a brief background to the company. Mr. Rodis also provided a brief description of the products and services to be provided.

Director Hastings moved to authorize President/Chairperson to enter into an agreement with Integrita Systems for IT Support Services in a total amount not to exceed \$250,000 for the period of October 24, 2022, through September 30, 2025. The Motion was seconded by Director Johnsen and approved by unanimous vote.

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

Ms. Campbell advised future items would include program changes and increases for existing staff.

8. 2nd period of Public Comment and Discussion²: None. provided a brief background and

9. Adjournment.

Director Johnsen moved to adjourn the meeting. The Motion was seconded by Director Hastings.

The meeting adjourned at 3:23 p.m.

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.

MEETING MINUTES

Nevada Affordable Housing Assistance Corporation (NAHAC) Board of Directors

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

a. Approval of the Internal Compliance Review Report for the 4th Quarter of Fiscal Year 2022.

Ms. Melanie Rollo presented and congratulated the NAHAC team for clearing all prior findings and having no current findings. This is the first time NAHAC has not received prior findings and was given a superior rating in all categories.

Mr. Hardy advised this report included files from the new program.

Director Hastings moved to approve the Internal Compliance Review Report for the 4th Quarter of Fiscal Year 2022. The Motion was seconded by Director Johnsen and approved by unanimous vote.

b. Authorization for President/Chairperson to enter into an agreement with Integrita Systems for IT Support Services in a total amount not to exceed \$250,000 for the period of October 24, 2022, through September 30, 2025.

Mr. Greg Glover advised the System Administrator resigned in May 2022. In August, a Request for Proposal (RFP) was posted to outsource those services. As a result, Integrita Systems was selected.

Mr. Glover introduced Dimitri Rodis and Craig Huck, principals of Integrita Systems. Mr. Rodis shared, Mr. Huck and himself have been in business for 19 years and provided a brief background to the company. Mr. Rodis also provided a brief description of the products and services to be provided.

Director Hastings moved to authorize President/Chairperson to enter into an agreement with Integrita Systems for IT Support Services in a total amount not to exceed \$250,000 for the period of October 24, 2022, through September 30, 2025. The Motion was seconded by Director Johnsen and approved by unanimous vote.

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

Ms. Campbell advised future items would include program changes and increases for existing staff.

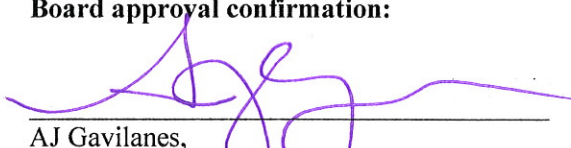
8. 2nd period of Public Comment and Discussion²: None. provided a brief background and

9. Adjournment.

Director Johnsen moved to adjourn the meeting. The Motion was seconded by Director Hastings.

The meeting adjourned at 3:23 p.m.

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.