

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 MAY 23, 2024

The Board of Directors of the Nevada Affordable Housing Assistance Corporation, a Nevada non-profit corporation (“NAHAC”), held a public meeting on May 23, 2024, beginning at 10:00 a.m. PST at the following location:

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

1. Call to order, roll call.

The meeting was called to order by Timothy Whitright, Board Chairperson at 10:02 a.m.
The roll was taken by AJ Gavilanes, Corporate Secretary.

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

Board Members absent: None.

Also present:

- Verise Campbell, Chief Operating Officer/Chief Executive Officer
- Jennifer Varsallona, Operations Manager
- Terris Foley, Information Technology Manager
- Veronica Lewis, Contractor
- AJ Gavilanes, Administrator/Payroll Manager/Corporate Secretary
- Brian Hardy (Ellsworth & Stout)
- Austin Slaughter (Fennemore Law)
- Kurt Ouchida (Braintrust)
- Dustin Klein (Braintrust)
- Leiana Lujan (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:

a. Minutes for April 4, 2024

Director Hastings moved to approve Minutes for April 4, 2024. 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 to 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 per 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

b. Minutes for April 18, 2024

Director Johnsen moved to approve Minutes for April 18, 2024. The Motion was seconded by Director Hastings and approved by unanimous vote.

4. Approval of May 23, 2024, Agenda

Ms. AJ Gavilanes requested to table item 5(b).

Director Hastings moved to approve Agenda for May 23, 2024 as amended. The Motion was seconded by Director Johnsen and approved by unanimous vote.

5. Items to be Presented for Information and Discussion:

a. March 2024 Financials

Mr. Brian Hardy presented.

b. April 2024 Financials

This item was tabled.

c. March 2024 Digital Marketing Report

Mr. Dustin Klein presented.

d. April 2024 Digital Marketing Report

Mr. Klein presented.

e. March 2024 Social Media Report

Ms. Leiana Lujan presented.

f. April 2024 Social Media Report

Ms. Lujan presented.

g. NAHAC Operations

i. March 2024 Performance Report

Ms. Jennifer Varsallona presented.

ii. April 2024 Performance Report

Ms. Varsallona presented.

Chairman Whitright inquired to confirm that the April funding assistance was the highest amount ever for a single month and Ms. Varsallona confirmed.

iii. Clarification on MRAP assistance on unemployed applicants

Mrs. Veronica Lewis informed the board that the Mortgage Reinstatement Program (MRAP) was designed to help homeowners who suffered a COVID-related financial hardship, and to specifically cure delinquency of mortgage and housing-related expenses. Criteria includes an affordability threshold of 40 percent or less for mortgage reinstatement, and reinstatement of certain past due housing-related expenses.

If a homeowner's affordability threshold exceeds 40 percent, in addition to reinstatement of the mortgage and housing-related expenses, the homeowner could potentially receive an

MEETING MINUTES

Nevada Affordable Housing Assistance Corporation (NAHAC) Board of Directors

additional three forward mortgage payments. Mrs. Lewis provided the following scenario: Applicant is unemployed but does not have evidence of receiving unemployment benefits. As such, the homeowner would not qualify under the Unemployment Mortgage Assistance Program (UMAP). The applicant would then be considered for MRAP (utilizing the affordability threshold of exceeding 40 percent, which would allow for mortgage reinstatement, and three forward mortgage payments).

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

- a. Approval to transfer \$1,026,882.68 from unrestricted funds into the HAF account to replenish the HAF account for 26 loan files determined non-conforming by U.S. Treasury (Does not include future payments).**

Mr. Hardy advised this transfer is based on U.S. Treasury's (Treasury) request for refund for the identified loans based on Treasury's interpretation of the Conforming Loan Limit statute. Upon board approval, funds will be transferred from the unrestricted account into the Homeowner Assistance Fund (HAF) account. NAHAC has provided a legal opinion to Treasury, outlining the difference in interpretation of the statute (upon which the 26 funded files were predicated). To date, NAHAC has not received a response to its legal opinion from Treasury.

Director Hastings inquired about the source of the unrestricted funds, and Mr. Hardy advised the funds were derived primarily of lien recoveries from previous programs.

Director Hastings moved to approve to transfer \$1,026,882.68 from unrestricted funds into the HAF account to replenish the HAF account for 26 loan files determined non-conforming by U.S. Treasury (Does not include future payments). The Motion was seconded by Director Johnsen and approved by unanimous vote.

- b. Proposed Program Change - Authorization to change the Mortgage Reinstatement Assistance Program (MRAP) as follows:**
- i. Elimination of restriction – “First mortgage loan’s interest rate exceeds 10% per annum.”**
 - ii. Include reinstatement assistance to homeowners that have a first priority lien securing a Home Equity Line of Credit (HELOC) that has passed the draw period.**

Mrs. Lewis advised the proposed changes would apply to both item 6(b) and 6(c).

Regarding items 6(b)(i) and 6(c)(i), Mrs. Lewis explained that as mortgage rates continue to climb, the exclusion of the 10% interest rate rule is not as relevant. Additionally, homeowners of non-affixed manufactured homes tend to have a higher interest rate. The elimination of this restriction will allow for assistance to more homeowners.

Regarding items 6(b)(ii) and 6(c)(ii), Mrs. Lewis explained the allowance of assistance to homeowners who have a HELOC as a first mortgage (that have passed the drawdown period), will allow for assistance to more homeowners in that situation.

Director Johnsen recommended an agreement be signed by the homeowner requiring the close of the HELOC (drawdown portion of the agreement) and the agreement be provided to the servicer. Mrs. Lewis advised the team will consult with legal counsel.

Chairman Whitright inquired if Treasury regulations currently allowed assistance for homeowners who have an active HELOC and if Nevada HAF is more restrictive in this area. Mrs. Lewis advised this change is allowable under Treasury guidelines and it would allow for less restrictions of the Nevada HAF.

MEETING MINUTES

Nevada Affordable Housing Assistance Corporation (NAHAC) Board of Directors

Director Hastings inquired if Treasury permitted NAHAC to assist with a third mortgage. Mrs. Lewis stated she did not recall seeing anything relating to a third mortgage but would have to verify that and get back to him.

Director Hastings moved to authorize changing the Mortgage Reinstatement Assistance Program (MRAP) as follows:

- i. Elimination of restriction – “First mortgage loan’s interest rate exceeds 10% per annum.”
- ii. Include reinstatement assistance to homeowners that have a first priority lien securing a Home Equity Line of Credit (HELOC) that has passed the draw period.

The Motion was seconded by Director Johnsen and approved by unanimous vote.

c. Proposed Program Change - Authorization to change the Unemployment Mortgage Assistance Program (UMA) as follows:

- i. **Elimination of restriction – “First mortgage loan’s interest rate exceeds 10% per annum.”**
- ii. **Include UMA assistance to homeowners that have a first priority lien securing a Home Equity Line of Credit (HELOC) that has passed the draw period.**

Please see above (Section 6(b)).

Director Hastings moved to authorize changing the Unemployment Mortgage Assistance Program (UMA) as follows:

- iii. Elimination of restriction – “First mortgage loan’s interest rate exceeds 10% per annum.”
- iv. Include UMA assistance to homeowners that have a first priority lien securing a Home Equity Line of Credit (HELOC) that has passed the draw period.

The Motion was seconded by Director Johnsen and approved by unanimous vote.

d. Authorization for President/Chairperson to execute an engagement agreement with Houldsworth, Russo & Company, P.C. for Professional Auditing and Tax Services for NAHAC for the fiscal year ending June 30, 2024 in an amount not to exceed \$49,050.

Mr. Hardy advised the fee is similar to the prior year.

Ms. Campbell requested this item be approved retroactive to March 1, 2024 as audit prep has already begun.

Director Hastings moved to authorize to execute an engagement agreement with Houldsworth, Russo & Company, P.C. for Professional Auditing and Tax Services for NAHAC for the fiscal year ending June 30, 2024 amended to make it retroactive to March 1, 2021. The Motion was seconded by Director Johnsen and approved by unanimous vote.

e. Authorization for President/Chairperson to execute an amendment to the agreement with Integrita Systems for IT Backup Services in an amount not to exceed \$3,000 per year retroactive to April 17, 2024.

Mr. Terris Foley advised the move to Integrita for back-up services would be more comprehensive and cost effective.

MEETING MINUTES

Nevada Affordable Housing Assistance Corporation (NAHAC) Board of Directors

Director Hastings inquired if the backup would include redundancy. Mr. Foley responded in the affirmative.

Director Girma inquired if the previous provider had been informed and did that in any way affect NAHAC's cybersecurity insurance. Mr. Foley confirmed the previous provider had been properly informed and the contract terminated accordingly. Ms. Campbell added NAHAC had to move immediately on making the change due to unforeseen circumstances as a result of the previous vendor moving to a more expensive backup solution (hence the retroactive request). The new service is more robust, putting the organization in a better risk adverse position.

Director Hastings moved to authorize President/Chairperson to execute an amendment to the agreement with Integrita Systems for IT Backup Services in an amount not to exceed \$3,000 per year retroactive to April 17, 2024. 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 NAHAC will be bringing the Annual Budget to the Board in the near future.

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

9. Adjournment.

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

The meeting adjourned at 10:55 a.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 to 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 per person as a reasonable time, place, and manner restriction, but may not be limited based upon viewpoint.