



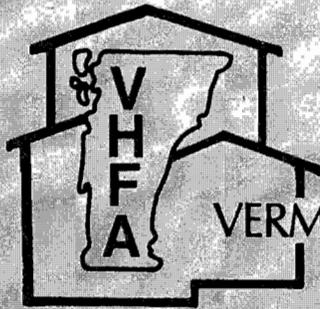
STEWART M. LEDBETTER, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

AGENDA

VERMONT HOUSING FINANCE AGENCY BOARD MEETING
Wednesday, January 20, 1982, 1:30 p.m.
239 South Union Street, Burlington

1. Adoption of Agenda
2. Approval of Minutes of Meeting of November 19, 1982
3. Status Report on Holy Angels project
4. Multifamily Proposals:
 - a. Newport (Postman)
 - b. Gilman (NCIC)
 - c. Barre-Northfield (Tectonics)
5. Multifamily Financing Resolution - Tectonics
6. Single Family:
 - a. Update on Borrower Certifications
 - b. Update on Roll-Over Program
 - c. Discussion on New Directions
 1. Shared Appreciation Mortgages--Taxable/Tax-Exempt
 2. Taxable Pass Through Certificates
7. Discussion on Investments Relative to Roll-Over Program
8. Discussion of Cash Flow (Multifamily/Single Family)
9. Other Old or New Business



STEWART M. LEDBETTER, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

MINUTES

Vermont Housing Finance Agency Board Meeting
239 South Union Street, Burlington
November 19, 1981, 1:00 p.m.

PRESENT: Chairman Ledbetter, Commissioners Behney, Gardner, Myette and Mr. Dennis Ellingson, designee of Commissioner Chaffee; Mr. Hunt, Mr. Dickson, Ms. Thielen, Mr. Falzone, Mr. Brisson, Mr. Kochman and Ms. Chetti, VHFA; Mr. Heilmann of Villa and Heilmann.

The meeting was called to order by Chairman Ledbetter at 1:15 p.m. The Chairman questioned the minutes of the last month's meeting of October 20, 1981, which stated "No action was taken during the execution session". It was decided to amend that sentence to read, "The Executive Director's compensation was determined and the Controller notified." A motion was made and seconded to approve the minutes as amended.

Mr. Hunt reported to the Board on the VHFA management division and its critical importance in assuring the financial well-being of the multi-family projects. Ms. Thielen briefed the Board on the importance of the financial management responsibilities during different stages in a project's history. She informed the Board that there are presently 60 projects being monitored by herself and Mr. Falzone, including nine Burlington NSA Contract Administration projects in operation. In addition to the routine management responsibilities, Mr. Falzone discussed areas of management problems and described in detail the importance of VHFA management functions. Discussion ensued concerning examples where management problems exist and solutions taken. Staff informed the Board that very few owners/managers have serious problems with quarterly budgets and most projects are managed and maintained well.

Mr. Brisson and Mr. Heilmann reported on the borrower's certification mailing relating to borrowers renting VHFA mortgaged property, entering into contract for deeds or other instruments which effectively transfers a right, title or interest in the property. They summarized the four mailings sent to date. Of the 661 certificates sent to borrowers in the Shawmut Bank portfolio, 76 percent have been received by the Agency. Three subsequent mailings to borrowers in the Howard Bank portfolio resulted in returns of 60 percent, 64 percent and 39 percent. To date Mr. Brisson indicated that the initial mailing and a subsequent follow up mailing should result in an 80 percent overall response rate.

Mr. Brisson reported on the Mortgage Rollover Program. He explained that 30 banks have been solicited for participation in the Rollover Program and positive responses have been received from 16 of these banks. Discussion centered around the following issues:

1. setting a floor interest rate on funds provided by lenders in the program,
2. limiting the program to one year,
3. requiring borrowers to certify compliance with certain requirements and conditions of the program,
4. reviewing the terms of the note and mortgage to be used, and
5. providing lenders and borrowers with a policy statement and guideline covering the rental and/or lease of property financed under the program.

After discussion of the various program elements, a motion was made to adopt and implement the program. The motion was seconded and unanimously approved.

Mr. Hunt presented a proposal on the Templeton Avenue Project located in White River Junction which is privately owned by Dany Corporation. The project has been operated by the Vermont State Housing Authority for the past few years and during that time the project encountered substantial problems resulting from too many large-sized apartments, and deferred maintenance resulting in nearly half the units being vacant. He explained that some immediate action must be taken to salvage the buildings and preserve some much-needed housing. After a brief discussion, a motion was made and seconded to give conceptual approval of a participation loan with the Lowell Savings Bank, the Agency share being approximately \$500,000, and forwarding the proposal to Vermont State Housing Authority and HUD contingent upon Section 8 set-aside to be provided by HUD. This motion was approved unanimously.

Ms. Chetti reported on a revised proposal from Pizzagalli Construction on the Bobbin Mill Apartments in Burlington, to reduce the number of Section 8 units from 63 to 49 units by eliminating one of the two new buildings, and to eliminate our requirement for FHA insurance. She explained that this proposal has been delayed due to FHA insurance requirements and a number of obstacles involved with the FHA system. Due to the delay in processing, the Bobbin Mill project must comply with HUD's new regulations including the restrictions on annual rent adjustments and tenant income mix. She explained that the Agency and Pizzagalli Corporation feel disenchanted with the proposal as it is now structured and proposed the following: 1) reduce the number of units from 63 to 49; 2) require the Pizzagalli's to provide a letter of credit for a portion of the mortgage amount in lieu of FHA insurance; 3) fund the project out of our Hartford Bank line of credit for construction financing and out of a future bond issue for permanent financing. A motion was made and seconded to approve the revised proposal and passed unanimously.

Mr. Dickson reported that the Randolph project is ready for a Letter of Intent. The Commissioners stated concern that projects presently recommended for Letters of Intent should not go beyond that stage due to the uncertainty of Section 8 funds. A motion was made and seconded to authorize this Letter of Intent.

Mr. Dickson presented a request from Michael Dressel and Rebecca Kaiser for a mortgage increase of \$8,000 on their project on 134 King Street in the Burlington NSA. He explained to the Board that Mr. Dressel and Ms. Kaiser have contributed additional cash for work done on their own. A motion was made and seconded to approve the increase. The motion passed unanimously.

Mr. Dickson asked the Board if mortgage increases could be authorized without Board approval. A motion was made giving the Executive Director authority to approve mortgage increases no greater than 5 percent of the Board-authorized loan amount, with assurance that such increases will be ratified by the Board after the fact. The motion was seconded and approved unanimously.

Mr. Hunt and Mr. Dickson briefed the Board on revisions to VHFA Construction Standards, which is still in draft form. Discussion ensued concerning the construction standards as they now stand. No action was taken.

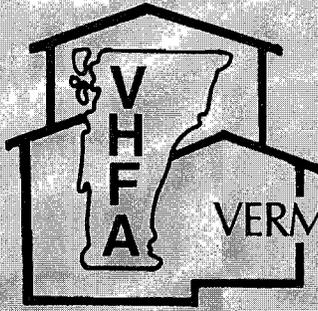
Mr. Dickson presented a proposed unsubsidized multifamily lending program. As specified in the Mortgage Subsidy Bond Tax Act, in order to use tax-exempt financing, at least 20 percent of the units have to be made available to low and moderate income people for a period of 20 years. He then informed the Board that amendments have been introduced that would reduce the 20-year period to 10 years or 1/2 the length of the bond issue, and to specify the meaning of "low and moderate income." Mr. Dickson felt this type of program would work well in Burlington because Burlington is already forced to pay high rents, but perhaps few other market areas could support the high rental rates. He informed the Board that a few developers have expressed an interest in this program and he would talk to more developers and possibly get some proposals together. Mr. Hunt recommended the Board approve this program if it would reduce the level of rent required to stimulate new construction. A motion was made to pursue development of such a program. The motion was seconded and approved unanimously.

The meeting was adjourned at 4:30 p.m.

Respectfully submitted,



Allan S. Hunt, Secretary



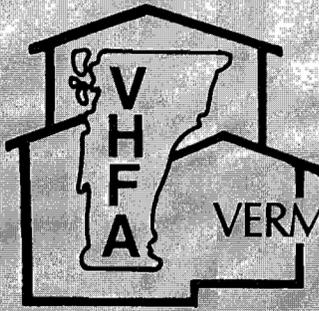
VERMONT HOUSING FINANCE AGENCY

STEWART M. LEDBETTER, Chairman
ALLAN S. HUNT, Executive Director

AGENDA

VERMONT HOUSING FINANCE AGENCY BOARD MEETING
Thursday, March 18, 1982, 1:30 p.m.
239 South Union Street, Burlington

1. Adoption of Agenda
2. Approval of Minutes of Meeting of January 20, 1982.
3. Multifamily proposals:
 - a. Wallingford Housing for the Elderly
 - b. Bardwell Hotel
 - c. Letter of Intent - Canaan
4. Single Family:
 - a. Update on Borrower Certificate Program
 - b. Update on Mortgage Loan Rollover Program
 - c. Update on SAM Program
 - d. Secondary Market Operation Budget Proposal
 - e. Consideration of Single Family Tax-Exempt MRB
5. Personnel Changes
6. Accounting:
 - a. Computer proposal (presented by Chuck Ciali, Results, Inc.)
 - b. Review of quarterly financial statements and proposed budget revision



STEWART M. LEDBETTER, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

MINUTES

VERMONT HOUSING FINANCE AGENCY BOARD MEETING
239 South Union Street, Burlington
January 20, 1982, 1:30 p.m.

PRESENT: Chairman Ledbetter, Vice Chairman Shaw, Commissioners Hebard, Myette, and Gardner, Commissioner Behney arrived late; Mr. Hunt, Mr. Dickson, Mr. Frazier, Mr. Kochman, Ms. Thielen, Ms. Chetti, Ms. Wadhams, and Mr. Brisson, VHFA; Mr. Gurley, Goldman-Sachs; Mr. Ingalls, Palmer & Dodge; Mr. DeSear, Brown, Wood, Ivey, Mitchell & Petty; and Mr. Henderson, E.F. Hutton.

The meeting was called to order by Chairman Ledbetter at 1:40 p.m. A motion was made and seconded to adopt the Agenda with one modification proposed by Mr. Dickson. The motion carried.

Commissioner Hebard questioned the minutes of the meeting of November 19th, which described Mr. Ellingson as designee of Commissioner Hebard. It was amended to identify Mr. Ellingson as designee of Commissioner Chaffee. A motion was made and seconded to approve the minutes as amended.

Ms. Thielen reported on the Holy Angels project in St. Albans, noting that the project has been in operation since the end of November with full occupancy, complete congregate services and no punchlist. She said that before the owners closed on the permanent loan, they wished to clear up what they felt was an inequity in the addendum to their commitment letter. The addendum incorporates all past guarantees for repayment of the General Fund Loan (Additional Balance) which in their case includes the \$60,000 Demand Contingent Note they signed to guarantee a possible operating deficit during the first few years of operations. They ask that the Demand Contingent Note be excluded as a guarantee covered by the addendum. Staff recommends the following:

RESOLVED, that for the sole purpose of considering release of the Demand Contingent Note of Holy Angels Commons Associates in the face amount of \$60,000 dated April 29, 1981 presently held by the Agency, the financial soundness of the project for which the note stands as security shall be determined by the Agency without regard to the ability of the project to repay the "Additional Balance" to be established by the promissory note representing the permanent loan. Nothing herein shall be construed to relieve Holy Angels Commons Associates of its obligation to repay the Additional Balance.

As inducement to adopt the resolution, the owners would agree to deposit the entire 2% working capital (\$27,858) with the Agency to earn interest to cover

the possible deficit. The Demand Contingent Note and Letter of Credit would remain in place. They would also defer withdrawal of any return on equity during the first two years. It would accrue and they would be allowed to withdraw it when there was enough surplus cash after payment of the Additional Balance and prepayment of principle as otherwise required. Under those conditions, the Board unanimously adopted the resolution.

Ms. Chetti presented a proposal from Arthur and Barbara Postman for a 12-unit family housing project in Newport. She reported that this project has the same design as the Derby Line project previously proposed by the Postmans. The proposed mortgage loan amount was \$477,912. A motion was made and seconded to give preliminary approval to the Newport project subject to the availability of Section 8 set-asides. The motion was approved by a vote of 4 to 1, Commissioner Hebard voting in the negative.

Ms. Wadhams presented a proposal for an 18-unit project in Gilman proposed by North Star Housing Corporation. She stated that the developer is interested in developing a minimum of 18 and a maximum of 24 units on a 3 acre site. The proposed loan amounts ranged from \$598,557 to \$768,190. Discussion ensued concerning the uncertainty of set-asides. A motion was made and seconded to give preliminary approval only to the 18 units. The motion carried.

Ms. Wadhams presented a proposal for six units of housing for low income disabled persons in the towns of Barre and Northfield proposed by Tectonics, Inc., a non-profit corporation. The project consists of two buildings in two different towns: 19 French Street, Barre and 17 Pearl Street, Northfield. She reported that Tectonics has proposed budgets for both projects but utility estimates have not been finalized. The proposed mortgage loan amount was \$198,461. Tectonics has requested waiver of one percent of the Agency's 1.5 percent Commitment Fee. A motion was made and seconded to give preliminary approval to the Barre/Northfield project (including the waiver of Commitment fee) contingent upon, (1) finding a solution to the budget problems, and (2) receipt of a set-aside from HUD. The motion passed unanimously.

Mr. Dickson requested approval of a modification of the General Fund loan to A & A Realty, as follows:

- a) From the beginning of year 4 to the end of year 13, interest will be charged at a rate of 13.75 percent instead of 8 percent;
- b) From the end of year 13 until the bond proceeds loan is paid, no interest will be charged;
- c) The balance of the General Fund loan will be due on sale or when the bond proceeds loan is paid, whichever is first.

Mr. Dickson pointed out that there would be no effect on annual payments to the Agency but there would then be an additional payment to the Agency at the end of the loan. A motion was made and seconded to modify the loan as described. The motion was approved by a vote of 3 - 1, Commissioner Hebard voting "no".

Mr. Brisson reported on the status of the Borrower Certificates and results of the mailing. To date, 3853 certificates have been sent, 434 were unreturned and 198 were returned defective, mainly for what appear to be excusable reasons. Discussion centered on the 434 unreturned certificates and what procedures should be taken to track down these borrowers. Mr. Brisson indicated that the following steps could be taken: (1) mail appropriate list to each lender, (2) mail appropriate list to Town Clerks, and (3) review land records to determine record title status. Another mailing would take place relating to the 434 unreturned certificates, and then appropriate action would be taken thereafter. Commissioner Myette suggested we continue to inform the Real Estate Commission and the Attorney General about the situation.

Commissioner Behney arrived at this point.

Mr. Brisson reported on the roll-over program and stated that there are now 19 banks participating in the program. Mr. Hunt reported that he and Mr. Brisson have talked to the State Teacher's Retirement Fund and the State Employee's Pension Fund. The State Teacher's Retirement Fund has committed \$1 million and the State Employee's Pension Fund have indicated a willingness to commit \$1 million to purchase lender participations made under the roll-over program. Mr. Hunt mentioned that the Agency should survey the 19 participating banks, find out how much mortgage paper they would want to sell, then approach the banks not participating in the program and attempt to get firm commitments from them to participate in the program.

On a related topic, Mr. Frazier discussed reserve fund investments in relation to the roll-over program. He suggested that the Agency could cash in some low-yielding long-term government securities held in our reserve funds and buy a security backed by a pool of 18 percent mortgages originated by the banks under the roll-over program. In addition to the reserve fund investments, other funds could benefit such as the multi-family project cost escrow funds and some general fund monies. Commissioner Gardner suggested the Agency perform a more thorough analysis of cash flows and investments relating to Agency programs. Vice-Chairman Shaw recommended the Agency talk this over to the Trustees.

It was suggested that Mr. Hunt write a letter to the banks participating in the roll-over program to inform them that we have secured commitments for up to \$4½ million. A motion was made and seconded for Mr. Hunt to write the letter. It passed unanimously.

Mr. Frazier discussed projected cash income in the 1981 Series A multi-family bond issue. He reported that the cash flow income will be from \$35,000 to \$85,000 short of the amount needed to meet the February 15, 1982 debt service. Any shortage will have to be made up by a transfer of funds from the General Fund. A motion was made and seconded to transfer funds as needed from the General Fund to the 1981 Series A Multi-Family Debt Service Fund on February 15th. The motion passed unanimously.

Commissioners Hebard and Myette left the Board Meeting at this point.

Mr. Frazier discussed cash flow analyses of the Howard Bank and Shawmut Bank portfolios in relation to Agency prepayments and what effect it will have over the next three years. Discussion ensued. Chairman Ledbetter asked to see more details on both portfolios.

Commissioner Gardner discussed audits done by Coopers & Lybrand and recommended the Agency continue to use them in 1982. A motion was made and seconded to approve his recommendation. The motion passed unanimously.

Mr. Brisson discussed an outline of shared appreciation mortgages and taxable pass-through certificates. This type of program would be aimed at new construction in the State of Vermont and committed to specific builders. Loans would be made available to borrowers on a first-come, first-served basis, for a term of 15 years at a fixed interest rate. Mr. Brisson and Mr. Hunt have discussed this program with some potential builders and have received good comments. Commissioner Behney suggested the Agency continue to do more research.

Director Hunt noted two bills potentially affecting the Agency and had been introduced in the legislature. One bill, introduced by Toby Young Price, will have the Agency administer a loan program on behalf of State employees using State Pension Funds.

The other bill, introduced by Senators Parker and Gibb, would appropriate funds to the Housing Finance Agency to be used in the making of low interest energy loans. Among other things, Director Hunt stated his preference that the money be appropriated to some other state agency who in turn could negotiate with us for the use of that money.

Mr. Hunt informed the Board that Governor Snelling has reappointed Commissioner Myette to serve for 4 more years on the Board.

The Board then agreed to meet every third Thursday of the month. The motion passed unanimously.

The Board meeting adjourned at 5:05 P.M.

Respectfully submitted,



Allan S. Hunt, Secretary

ADDENDUM TO PARTICIPATION AGREEMENT AND
MORTGAGE LOAN SERVICING AGREEMENT

This Agreement, dated as of the _____ day of _____,
1982, by and between Vermont Housing Finance Agency (hereinafter
referred to as the "Agency") and _____
_____, having its principal office in _____
_____, State of Vermont (hereinafter referred to
as "Bank"),

W I T N E S S E T H

WHEREAS, Bank and the Agency are the parties to a certain
"Participation Agreement and Mortgage Loan Servicing Agreement"
dated _____, (the "Participation Agreement") and,

WHEREAS, Bank and the Agency wish to modify the Participation
Agreement to their mutual advantage,

NOW THEREFORE, in consideration of the terms and conditions
of this Agreement and other valuable consideration, the parties
agree as follows:

1. Mortgage loans made by Bank under the Participation
Agreement and this Addendum, including that portion of any such
loan representing the Bank's financial interest (hereinafter
called the "Bank Portion"), shall be initiated for the purpose
of sale to the Agency or others.

2. In addition to its existing obligations pursuant to
the Participation Agreement (which obligations are in no way
diminished hereby), the Agency agrees to purchase the Bank
Portion of any such loan at a price to be agreed upon by the
Bank and the Agency, subject to the following conditions:

A. The Bank shall certify to the Agency that each such loan was initiated for the purpose of sale to the Agency or others and was made after the date of this Addendum and on or before December 31, 1982.

B. The purchase price of any loan shall reflect prevailing market conditions but shall not result in financial return or benefit to the Bank in excess of prevailing market conditions, within the meaning of 10 V.S.A. §623 (e) (3), as determined by the Agency.

C. Issuance by the Agency of securities in an amount sufficient to finance the purchase of the Bank Portions of such loans and the corresponding financial interests of all other lenders participating in the Agency's program under this Addendum (hereinafter called "Other Bank Interests"), but not less than \$500,000.

3. At least sixty days prior to the projected date of purchase, the Bank shall deliver to the Agency its written commitment to sell specific Bank Portions, and the Agency shall be entitled to rely thereon in its efforts to issue securities to finance the purchase of such Bank Portions. If securities are not issued within such 60 day period, the Agency shall have no further obligation hereunder.

4. Upon purchase of Bank Portions by the Agency, the Bank shall deliver to the Agency the original promissory note representing the Bank Portion endorsed payable to the Agency without recourse, and shall cause an assignment to the Agency of the mortgage deed securing such note to be properly recorded in the appropriate land records.

5. To the extent not inconsistent with the Participation Agreement or this Addendum, the Bank shall comply as to each such Bank Portion with all of the "Further Conditions of Purchase" specified for Mortgage Loans in Section 4 of the 1980 Mortgage Loan Purchase Agreement between the Agency and Bank. Said "Section 4" is incorporated herein by reference. In the event that the Bank fails to deliver committed Bank Portions in accordance with the terms of this Addendum, or in the event that any representation or warranty made by Bank to the Agency shall prove to have been untrue when made, or in the event of breach or failure of warranty or term, the Bank shall be liable to the Agency in the manner specified in Section 5 ("Warranties and Repurchase") of said Mortgage Loan Purchase Agreement.

6. All warranties covenants, promises and servicing obligations of the Bank pursuant to the Participation Agreement with respect to the note which represents the Agency's financial interest in a loan shall also apply to any Bank Portion purchased by the Agency. The Bank shall be entitled to a monthly servicing fee therefor equal to one-twelfth of three-eighths of one per centum of the outstanding principal balance of such Bank Portion, and no other fee in connection therewith.

7. In the event that the Agency issues securities in an amount insufficient to finance the purchase of all Bank Portions offered for sale together with all Other Bank Interests which are offered contemporaneously, the Agency shall purchase from Bank that dollar value of Bank Portions which bears

approximately the same ratio to the total dollar value of Bank Portions offered for sale as the proceeds of such securities bears to the sum of all Bank Portions and Other Bank Interests offered for sale.

8. All provisions of the Participation Agreement not inconsistent herewith remain of full force and effect.

9. The Agency shall be completely free to sell or assign any Bank Portions purchased by the Agency, or any interest therein without notice to the Bank and without in any way affecting the servicing obligations or other obligations of the Bank under the Participation Agreement and the Bank shall have no right of first refusal with respect to such sale or assignment.

10. The agreement of the Agency to purchase committed Bank Portions shall expire on March 31, 1983 unless extended or renewed in writing.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed effective the date and year first above written.

VERMONT HOUSING FINANCE AGENCY

ATTEST: _____

BY: _____

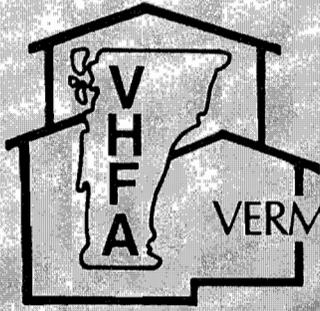
ITS DULY AUTHORIZED AGENT

BANK

ATTEST: _____

BY: _____

ITS DULY AUTHORIZED AGENT



STEWART M. LEDBETTER, Chairman
W. Scott Frazier
Executive Director (Interim)

VERMONT HOUSING FINANCE AGENCY

AGENDA

Vermont Housing Finance Agency Board Meeting
Thursday, April 22, 1982, 1:30 P.M.

State Treasurer's Office, 133 State Street, Montpelier

1. Adoption of Agenda
2. Approval of Minutes of Meeting of March 18, 1982
3. Single Family
 - a. Single Family Tax-Exempt MRB
 - b. Rollover Program Up-date
 - c. Palmer & Dodge work-to-date
 - d. Staffing Considerations
4. Multi-Family
 - a. New Proposals
(1) Burlington NSA (O'Brien)
 - b. Bobbin Mill Financing Up-date
 - c. Pipeline Up-date
 - d. Financing Alternatives
 - e. Unsubsidized Rental Program
5. Up-date on Computer leasing
6. Other old and new business



VERMONT HOUSING FINANCE AGENCY

STEWART M. LEDBETTER, Chairman
W. Scott Frazier
Executive Director (Interim)

MINUTES

Vermont Housing Finance Agency Board Meeting
239 South Union Street, Burlington
March 18, 1982, 1:30 P.M.

PRESENT: Chairman Ledbetter, Vice-Chairman Shaw, Commissioners Hebard, Myette, Gardner, Chaffee and Kreizel; Mr. Lambert, the Department of Housing and Community Affairs; Mr. Hunt, Mr. Dickson, Mr. Kochman, Ms. Wadhams, Ms. Chetti, Mr. Frazier and Mr. Brisson, VHFA.

The meeting was called to order by Chairman Ledbetter at 1:30 P.M. The commissioners voted to go into Executive Session concerning personnel matters. Upon emergence from Executive Session, the Board adopted the Resolutions attached hereto and certified by the Commissioners.

The minutes of the January 20th Board Meeting were approved as submitted.

Mr. Hunt reported on two proposals for housing projects for the elderly in Wallingford and Rutland. It is unclear that units will be available for either of these projects. Both owners are applying for Section 8 subsidy from the HUD Secretary's Discretionary Fund. Both projects are not ready for final approval and submission to HUD, but want the Board to evaluate the development team, site location and project size for each proposal.

Ms. Chetti presented the Wallingford proposal for 41 units of elderly housing. The development team is a Rhode Island real estate development firm and Christopher Fucci, a Rutland area owner/manager. A motion was made to rehabilitate the Wallingford Inn into elderly housing assuming Section 8 subsidy is available and contingent upon reducing the rents to 110 percent of Fair Market and attempting to obtain a tax stabilization agreement that increases at the same rate as the annual adjustment of Section 8 rents. The motion passed unanimously.

Ms. Wadhams presented the Bardwell, Rutland project for elderly housing. A limited partnership is proposed with the Lynnfield Development Corporation, the Stone Company and Barry Stone. The developers are proposing 63 units of elderly and

congregate housing. Fifteen units would be in the new addition, 10 percent proposed for commercial space, and one unit would be a managers apartment. She recommended that the developers provide a handicapped parking lot, increase the green space and the first and second floors be renovated for commercial use, and top three levels for elderly housing. A motion was made and seconded to give conceptual approval to this proposal.

Commissioner Hebard suggested the Agency write a letter to Senator Stafford concerning the Rutland and Wallingford proposals and whether we could be assured of the availability of funding and better support for both projects. The Board voted in favor of his recommendation.

Ms. Wadhams reported that the Canaan proposal consisting of 12 newly constructed units of elderly housing is ready for a Letter of Intent. A motion was made and seconded to authorize this Letter of Intent.

Mr. Hunt asked that the Board approve an amended Letter of Intent by the Bobbin Mill Building Company for the 49 unit housing development located in the City of Burlington. A motion was made and seconded to approve the amended Letter of Intent.

Mr. Brisson reported on the Borrower Certification problem of the 321 borrower certificates not received. The Agency staff has, to date, reviewed the Land Records on 135 properties. The title searches revealed that: two properties were transferred by Warranty Deed, one property was under lease and five properties were the subject of Contracts for Deed. Staff recommended that both cases involving Warranty Deeds be prosecuted to Judgement and the other cases be turned over to Tom Heilmann for further investigation to determine if any of the borrowers had in fact breached covenants in the mortgage deed. Formal Notices of Default would be sent to borrowers in appropriate cases. It was moved and seconded to follow the staffs' recommendation. Tom Brisson indicated that title searches would be made on the remaining 186 properties for which certificates were not received.

Mr. Brisson reported on the Mortgage Rollover Program and stated that there are 22 lenders participating in the program including two new entries, Randolph National and the Howard Bank. The Howard is willing to participate in the program contingent upon limiting their dollar amount commitment to 1/4 million dollars at a time. Lenders not participating total nine plus the Chittenden Bank which decided against the program on March 17th. To date five applications have been received under the program with five more in process.

Mr. Brisson presented the following resolution to the Board explaining that it authorizes the inclusion of an addendum to the Participation and Mortgage Loan Servicing Agreement under the Rollover Program and further authorizes staff to prepare draft regulations under §627. The purpose of the addendum is to meet certain compliance requirements under §627 to effect the sale of securities to be issued by the Agency secured by lender portions of loans made under the program.

"WHEREAS, the Agency's Rollover/Lender Participation Program (the "Program") is intended to promote the expansion of the supply of funds available for mortgages on residential housing in the State; and

WHEREAS, in the judgment of the Agency the Program would be more likely to achieve its potential if the Agency were able to purchase those portions of the loans made under the Program which represents the financial interests of participating banks without restrictions on the use of the proceeds of any such purchase, it is hereby,

RESOLVED, that the Executive Director and/or the Deputy Director and/or the Single Family Program Director is hereby authorized to offer to each bank now or hereafter participating in the Program, and to execute on behalf of the Agency, the "Addendum to Participation and Mortgage Loan Servicing Agreement" which has been presented for discussion, a copy of which shall be appended to the minutes of this meeting. The Executive Director is directed to cause appropriate regulations to be drafted pursuant to 10 V.S.A. §627 and to be presented to the Board for implementation in a manner timely for allowing the Agency to meet its obligations under the Addendum herein authorized."

A motion was made and seconded to adopt the resolution as presented. The motion was carried unanimously.

Mr. Hunt indicated that Palmer & Dodge had performed a substantial amount of work to date on behalf of the Agency's plans to issue taxable securities for which no payments have been made to date and more work is anticipated. Mr. Hunt suggested that in order to continue a viable relationship with the firm, the Agency should consider making some payment. A motion was made and seconded to have Palmer & Dodge submit a bill for services, to date, to the Agency. On a voice vote Chairman Ledbetter opposed, all other commissioners voted in favor. The motion was carried.

Next Mr. Hunt recommended that an amount of \$5,000 should be authorized as a budget for the Agency staff to further develop

its secondary market program. The majority of the budget would be for travel and associated expenses. After discussion, the motion was made and seconded to accept Mr. Hunt's recommendation. The motion carried unanimously.

Mr. Brisson provided the Board with an update on the SAM program. He indicated that the outline and survey sent to 30 Realtors and Developers throughout the State elicited a generally positive response. He reported that a SAM investment proposal had been sent directly to National Life and to St. Paul Fire and Casualty Co. through a Goldman Sachs representative in Chicago. After a brief discussion, the Board directed the staff to further pursue the program.

Mr. Brisson reported on the general considerations for a new Single Family Tax-Exempt Bond Issue. The main considerations are; a) to determine level of lender participation; b) calculate extent of required program subsidy; c) determine level of effective market demand; d) set limit on mortgage coupon; e) determine bond structure and f) prepare necessary documents. The program would be for first-time homebuyers, maximum purchase price on new construction would be \$58,400 and maximum purchase price on existing would be \$47,900. Mr. Brisson cautioned that there are still several severe problems associated with an issue under the Mortgage Subsidy Bond Tax Act, but that an issue is possible. After discussion it was moved and seconded to have the staff proceed with the structuring of an issue and be prepared by summer to go to market should bond rates, at that time, be favorable. The motion passed unanimously.

Mr. Hunt reported that not all of the funds set-aside for single family loans to transferred State Police Troopers have been used yet. He recommended that a letter be written to Mr. Philbrook indicating that \$100,000 would remain for the next six months and to make no other commitments thereafter. The motion was moved and seconded and passed unanimously.

Mr. Frazier discussed the benefits of an in-house computer system versus a time-sharing system under which the Agency is currently operating. He recommended that the Agency convert to an in-house system with the Hewlett-Packard 3000 Series 33 and associated software systems. Discussion centered around leasing versus purchase and basic ways of financing the computer. In addition, Commissioner Gardner questioned the software price as it seemed to be low and recommended Mr. Frazier review the software estimate. A motion was made and seconded to have Mr. Frazier present leasing options to the Board at the April meeting. The motion passed unanimously.

Mr. Frazier briefed the Board on a revised proposed budget for

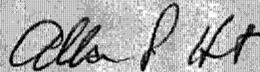
fiscal year end June 30, 1982 reflecting a 4.8 percent cutback due to staffing reductions and tightening up of office procedures, but overall resulting in a .5 percent increase over the original budget. He asked the Board's approval to this increase by approving the revised budget in the amount of \$756,830. The Board voted unanimously.

Mr. Frazier next discussed the Agency's quarterly financial statements for the six months ended December 31, 1981. He discussed the initial work performed on the overall cash flow projection of all Agency programs which will help determine how much of the accumulated fund balances are available for existing programs.

Mr. Hunt discussed the Dubie-Hoag proposal located in Essex and presented drawings to the Board. This proposal would be converted into 22 condominium units for the elderly. He feels the site, general design and development team are good and felt there is a market for this type of program. A motion was made and seconded to approve this proposal relative to possibly providing construction financing and a modest take-out on some portion of the units. The motion passed unanimously.

The meeting adjourned at 5:10 P.M.

Respectfully,



Allan S. Hunt
Secretary

The undersigned Commissioners of Vermont Housing Finance Agency, being all of the Commissioners present at the meeting of the Agency held March 18, 1982, certify that the following Resolutions of the Agency were duly adopted at said meeting;

RESOLVED, the resignation of Allan S. Hunt as Executive Director of the Agency is accepted effective April 2, 1982 at 12 o'clock noon; and it is further

RESOLVED, effective April 2, 1982 at 12 o'clock noon, W. Scott Frazier is appointed Executive Director and Secretary of the Agency, it being understood that Mr. Frazier has consented to serve on an interim basis only pending a formal search for a permanent Executive Director. During such interim period, Mr. Frazier shall continue to serve as Controller of the Agency; and it is further,

RESOLVED, that during the period in which the offices of Executive Director and Controller are held simultaneously by Mr. Frazier, any check or draft the Agency requiring a countersignature may be countersigned by the Single Family Program Director in the absence of either the Executive Director or the Deputy Director; and it is further,

RESOLVED, that the delegation of authority by Mr. Hunt to Mr. Brisson, as Single Family Program Director, to execute documents on behalf of the Single Family Programs, which delegation was made pursuant to the authority granted to the Executive Director by Resolution of the Agency adopted March 5, 1981, is hereby confirmed as the act of the Agency.

RESOLVED, that Chairman Ledbetter, Vice Chairman Shaw, and Commissioner Myette shall constitute the Search Committee for a permanent Executive Director. The Search Committee shall prepare

a plan for recruitment and hiring of a new Executive Director, may take such other steps as it deems necessary in connection with such plan, and shall report on its doings at the next meeting of the Board.

RESOLVED, that the Executive Director is authorized to enter a Retainer Agreement for legal services with Frank Kochman in accordance with the written proposal presented to Mr. Hunt under cover of Mr. Kochman's letter of March 8, 1982.

DATE: 3-25-82


STEWART M. LEDBETTER, CHAIRMAN

DATE: _____

HORACE SHAW, VICE CHAIRMAN

DATE: _____

EMORY HEBARD

DATE: _____

GEORGE CHAFFEE

DATE: _____

BENJAMIN GARDNER

DATE: _____

ARTHUR KREUZEL

DATE: 4-1-82


RICHARD A. NYETTE



STEWART M. LEDBETTER, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

March 30, 1982

TO MY FELLOW COMMISSIONERS:

I am circulating a resolution which effectively provides for an orderly transition of authority upon Allan's departure. Frank Kochman felt the designation of Scott as Director on an interim basis preferable to assigning the title Acting Director. (Copy attached.)

Please sign and mail as expeditiously as possible to remaining commissioners. Perhaps those in attendance at Friday's gala can finish the job.

Allan has indicated his chagrin with the tax bite on our \$5,000 lump settlement of his unused vacation and sick pay. He calculates that approximately \$2,150 will be deducted for Federal Income Taxes and \$494 for the State of Vermont, leaving a cash balance of just \$2,356. While he seems to understand that the Agency has never paid accrued sick leave upon termination, and therefore, that there is no precedent for such pay, he implies some entitlement. In fact, Scott has calculated that Allan has 25½ days of unused vacation valued at \$3,903 and 51½ days of unused sick leave valued at \$7,884. Obviously, the Board's vote to make a lump sum settlement of \$5,000 was thought generous. Allan wants to know whether the Board would consider absorbing his tax liability, or an additional \$2,644. I said I would enquire without prejudice.

Tom Brisson has invited Chief Operating Officers of our lenders to meet with Tom and me at a luncheon to be held at the Stockyard in Montpelier on April 7th. We are to unveil the obstacles to a single family issue at that meeting and will make every effort to persuade them to participate. According to Andy Gurley, we could do an issue with a five year put, at 11% total cost in the current market. I believe that, despite all the bureaucratic restrictions, there would be considerable demand at 12%. In the event any other Commissioners would like to attend that luncheon, please let Tom know.

I have spent a great deal of time at the Agency since our last Board meeting. Clearly, there is much to do. Hopefully, all will pull together until we are able to find an appropriate helmsman.

Any Commissioner who may wish to discuss these or any VHFA matters on the telephone is invited to call at 223-7260.

Section 2.2. Chairman. The Chairman shall preside at all Meetings of the Agency and shall have such other powers and duties pertaining to the office of Chairman as are prescribed by law or in these Bylaws.

Section 2.3. Vice-Chairman. The Vice-Chairman shall perform the duties of the Chairman in the absence or incapacity of the Chairman; and in case of the resignation or death of the Chairman, the Vice-Chairman shall perform the duties of the Chairman until such time as a new Chairman shall be designated in accordance with the Act.

Section 2.4. Treasurer. The Treasurer of the Agency shall have the responsibility for the receipt, collection and deposit of all funds of the Agency, the investment of same as authorized by the Act or by Resolution of the Commissioners, the maintenance of bank accounts of the Agency in such depository banks as may be designated from time to time by Resolution of the Commissioners and the maintenance of books of account of the Agency. Checks, drafts and other withdrawals and expenditures of funds of the Agency shall be executed on behalf of the Agency in such manner as shall be designated from time to time by Resolution of the Commissioners.

Section 2.5. Executive Director and Secretary.

2.5.1. The Executive Director shall be the chief executive officer of the Agency and, subject to the policies, control and direction of the Commissioners, the Executive Director shall have general responsibility for the administration, management and direction of the affairs and business of the Agency, including the initiation, planning and carrying out of the projects, programs and other activities of the Agency pursuant to the Act. The Executive Director shall have such other powers and duties pertaining to his office as are prescribed by law or in these Bylaws or as may be assigned to him from time to time by the Commissioners. Except as otherwise provided by law or by Resolution of the Agency, the Executive Director shall be empowered to execute all authorized documents on behalf of the Agency.

2.5.2. As is provided in the Act, the Executive Director also shall serve as Secretary of the Agency and, as such, shall act as Secretary at the Meetings of the Agency and record all votes, shall maintain the Minute Books of proceedings of the Agency and all other books, documents, records and papers of the Agency, shall maintain custody of the official seal of the Agency and shall have such other powers and duties pertaining to the office of Secretary as are prescribed by law or in these Bylaws.

Section 2.6. Deputy Director. The Deputy Director shall perform the duties of the Executive Director in the absence or incapacity of the Executive Director; and, in the case of the resignation or death of the Executive Director, the Deputy Director shall perform the duties of the Executive Director until such time as a new Executive Director shall be employed by the Commissioners; and, the Deputy Director shall perform such other duties as from time to time may be assigned to him by the Executive Director or by the Commissioners.

SAMPLE



STEWART M. LEDBETTER, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

May 14, 1982

Jean Gauthier
Pavilion Office Building
Montpelier, VT 05602

Dear Ms. Gauthier:

The Vermont Housing Finance Agency will be having its monthly Board Meeting on Thursday, May 27, 1982, 2:00 P.M., at 239 South Union Street, Burlington, Vermont.

If you have any questions, please call.

Sincerely,

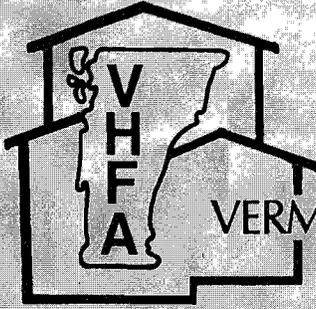
Lisa A. Campbell
Executive Secretary

/lac

Post Office Box 408

Burlington, Vermont 05402

(802) 864-5743



VERMONT HOUSING FINANCE AGENCY

STEWART M. LEDBETTER, Chairman
W. SCOTT FRAZIER, Controller &
Interim Executive Director

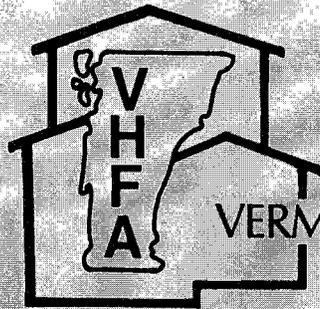
AGENDA

VERMONT HOUSING FINANCE AGENCY BOARD MEETING

May 27, 1982, 2:00 p.m.

239 So. Union Street
Burlington, Vermont

1. Approval of Minutes of meeting of April 22, 1982.
2. Ratification of May 20, 1982, conference call motions.
3. Multi-family Business:
 1. Mod-Rehab Proposal - Tectonics
 2. Bardwell Hotel Update
 3. Adoption of Second Supplemental Multi-family Housing Bond Resolution
 4. Execution of Purchase Contract
4. Single Family Business:
 1. Discussion of Single Family Bond Issue
 2. Discussion of Defaulted Mortgage Loan Servicing (policy and procedures)
5. Other old and new business:
 1. "Seed money" loan - Vermont Council of Community Mental Health Services
 2. Proposed 1982 General Fund Budget



STEWART M. LEDBETTER, Chairman
ALLAN S. HUNT, Executive Director

VERMONT HOUSING FINANCE AGENCY

MINUTES

Vermont Housing Finance Agency Board Meeting
133 State Street, Montpelier
April 22, 1982, 1:30 P.M.

PRESENT: Chairman Ledbetter, Vice Chairman Shaw, Commissioners Hebard, Gardner, Myette (by speaker phone), Mr. Ellingson, designee of Commissioner Chaffee, Mr. Lambert substituting for Commissioner Kreizel; Mr. Frazier, Mr. Kochman, Ms. Chetti, Ms. Wadhams, Ms. Thielen and Mr. Brisson, VHFA.

It was noted that the minutes of the meeting of March 18, 1982 failed to indicate that all motions made at that meeting were duly seconded and carried. On motion duly made and seconded, the Board unanimously resolved to amend the March 18 minutes to so indicate. On motion duly made and seconded, the Board approved the March 18 minutes as amended.

Ms. Wadhams presented a proposal submitted by a limited partnership to be formed with Daniel O'Brien and O'Brien Brothers Realty as the general partners. The proposed development would include 15 family units located at 347-349-355 St. Paul Street in the Burlington NSA. There will be fourteen 2 bedroom units and one 4 bedroom unit. The total mortgage requested would be \$593,074. The project will be solar designed and built by Upright Construction. She informed the Board that there is an NSA set-aside available. A motion was made and seconded to give preliminary approval to this project. The motion passed unanimously.

Ms. Chetti reported that the Bobbin Mill Apartments in Burlington NSA proposed by Pizzagalli Construction is ready for a commitment letter. Two issues remain before issuance of the commitment letter. Prior to the last bond issue the Board approved a general fund note but the project never got into the bond issue. The rents are at 120% which is the maximum allowed with a permanent interest rate at 12.5%, the developer would put in additional equity to compensate a rate up to 13%. Beyond 13%, the Agency would contribute half of the compensation in the form of a general fund loan and the developer would contribute the other half as equity. The main concern is whether to commit to a general fund loan with the possibility that repayment cannot be made from project income, but rather have the Pizzagallis pay directly or upon the sale of the project. Upon motion duly

made, seconded and adopted, the Board authorized the staff to make a general fund loan for the Bobbin Mill upon the terms explained and on a residual receipt basis. The second issue is that the Pizzagallis would like a firm commitment from the Agency that in the event a line of credit is provided for construction, and permanent financing cannot be obtained prior to expiration of line of credit funds, that the Agency would continue to provide some sort of interim funding. It was moved to table this issue and consider the problem if and when it occurs. A motion was made and seconded and passed unanimously.

Mr. Frazier and Ms. Chetti reported on the multifamily pipeline. There are currently nine projects which have set-asides or have a good chance of obtaining set-asides through the recapture/reuse provision and 4 projects which have no set-asides but are actively seeking set-asides through HUD. These 13 projects would require \$8.7 million of permanent mortgage financing and all would be feasible at 14%.

Mr. Frazier next led a discussion of the financing alternatives for the multi-family pipeline. Mr. Frazier noted that he has received proposals from the Crocker National Bank and the Hartford National Bank outlining terms of a short term line of credit facility and has also consulted with the underwriters who indicated the bond market is now at a level to make a bond issue feasible. A motion was made and seconded for staff to contact bond counsel and underwriters to begin preparing materials for a multi-family bond issue not to exceed \$15,000,000. The motion passed unanimously.

Mr. Frazier noted that the multi-family bond issue could be structured under either of the two existing general bond resolutions. A motion was made and seconded to proceed with the general bond resolution which proves to be more feasible after consulting with bond counsel and underwriters. The motion passed unanimously.

Ms. Chetti reported on the unsubsidized rental program which is proposed by Jack Heaton to produce 100 rental units over a 3 year period. Eighty units would be constructed in Burlington and 20 in Rutland. The Board was concerned about the fact that tenants would have to vacate their units and strongly urged the staff to look into a better solution where this eviction would be prevented. The Board directed staff to obtain more information and to get a market analysis.

Ms. Chetti reported that the Vermont State Housing Authority is asking for a transfer of additional set-aside for the Round Barn project. HUD has approved a mortgage increase of \$52,000 and a rent increase of \$7,360. It was moved and seconded to approve the transfer of State Agency set-asides of \$7,360 assuming

that projects currently in the State pipeline will not be adversely affected by this transfer. The motion passed unanimously.

Ms. Wadhams discussed an application from Tectonics, Inc. to finance a moderate rehab pilot project. Tectonics submitted a proposal last January for 5 units in Barre and Northfield which was approved by the Board but came to a standstill due to lack of set-asides. They are now proposing a moderate rehab project on a different site for 3 units, accessible to the handicapped, located on Second Street in Barre. Tectonics has applied to the Barre Community Development Agency for the Section 8 units and for a loan of \$10,000. They are requesting \$39,000 from the Agency which would be issued from general fund money. A motion was made and seconded to accept this proposal contingent upon the Agency acquiring first mortgage position. The motion carried.

Ms. Wadhams presented a revised report on the Westminster project for 9 units of family housing. The project was sponsored by Homestead Non-Profit Housing, Inc. and was approved by the Board in April, 1981. Homestead has decided to sell the project to Lawrence Bagden and Alexander Rose. A motion was made and seconded to approve the proposed development team contingent upon a positive credit check and references for the general partners. The motion passed unanimously.

Ms. Wadhams reported on the status of the Pine Manor project in Alburg where one of the partners, Wayne Jameson, abandoned his responsibilities and disappeared leaving the other partner, Jim Lamphere, responsible for the project. Project cost increases have occurred relating primarily to construction cost overruns, but also attributable in part to the apparent misuse by Wayne Jameson of approximately \$18,000. Staff reported that Lamphere is in no way at fault and has been diligent and cooperative in assuming the responsibility for this project. As general partner, he is asking for an additional \$65,471 needed in order to close on a permanent mortgage. After discussion, on motion duly made and seconded, the Board adopted the Resolution attached hereto authorizing the advance of general fund monies for closing the Pine Manor project.

Mr. Frazier presented an update on the in-house computer. An order has been placed for the Hewlett Packard 3000 Series 33 computer with delivery tentatively set for July or August. The cost of the hardware and software package is \$93,672.00. He has talked to several banks concerning a purchase/lease-back arrangement and so far, the banks are only interested in a five year loan financing arrangement. Hewlett Packard still has the best terms for financing. Mr. Frazier noted he will continue discussions with the Merchants Bank and possibly the Chittenden and Howard before financing through Hewlett Packard. The option of financing the computer up front and then at a later date turning around and selling it to a third party who would lease back to the Agency

was also noted. It was moved to have Mr. Frazier continue discussions with the banks and to go with the best offer. The motion was seconded and passed unanimously.

Next Mr. Brisson reported on the proposed Single Family Bond issue and indicated that based on the preliminary meeting held with Lenders it appears that fund allocation requests for the Program would be in the \$50,000,000 range.

Mr. Brisson brought up for consideration alternative mortgage and bond structures, borrower's obligation fees and Agency contribution requirements for a new program. He indicated that based on preliminary discussion and specific cases from analysis from Goldman Sachs that based on the current bond market a 20 year bond with three points from the Borrower would result in a rate to the Borrower of about 13.25% and would require an Agency contribution of approximately \$1,000,000. Based on Mr. Frazier's current cash flow analysis presented earlier to the audit committee, it appeared at least \$1,000,000 is available from the Single Family Mortgage Purchase Program to subsidize a new issue.

After lengthy board discussion it was generally decided to:

- subsidize the bond issue perhaps to 1.5 million dollars if needed.
- Not use any subsidy funds to "buydown" the rate to the borrower.
- Try to limit the borrower's obligation fee requirement to two points.
- Only go forward with an issue if the interest rate to the borrower could be in the 13% range or lower.
- Have Scott and Tom meet with underwriters in New York for more in depth consideration of technical bond financing issues.

Commissioner Myette left the meeting at this point.

Mr. Brisson reported on the Mortgage Rollover Program. He indicated that 21 lenders were participating in the Program and that 14 applications have been received to date.

Mr. Brisson reported on the borrower mailing. Presently 11 discrepancies have been discovered. One property was transferred by warranty deed which is in the process of being foreclosed, one property is under lease, and 9 are contracts or notices of contracts for deed. Staff is proceeding with each case on its merits and does anticipate some mortgage loan pay-offs. Some foreclosure actions may be initiated but no contested cases will be brought forward without prior notification to the Board.

Mr. Frazier indicated that Palmer and Dodge have submitted a bill to the Agency in the amount of \$9,053.02 for services

rendered to date in regard to statutory and regulatory work in connection with non general obligation single family mortgage programs.

A motion was made and seconded to pay the bill as submitted. The motion passed unanimously.

Mr. Frazier reported on the single family state police set-aside and informed the Board that Mr. Philbrook would like to keep the issue open. After a brief discussion, it was moved and seconded to have Mr. Ledbetter write to Mr. Philbrook indicating a continuation of the program for one more year with the same eligibility criteria but with a reduced program allocation of \$100,000. The motion passed unanimously.

On motion duly made and seconded, the Board adopted a resolution giving Mr. Brisson certain authority to act under the single family program. See attached Resolution.

Mr. Brisson discussed staff considerations and informed the Board that he would like to hire another single family person. Presently the staff consists of one secretary, one mortgage purchase supervisor and himself and due to the amount of work being produced, that another employee is needed to lessen the heavy workload of his present staff. A motion was made and seconded to approve his recommendation. The motion carried.

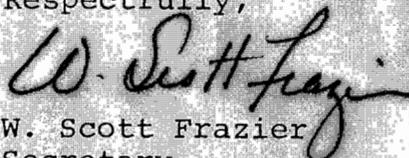
Mr. Brisson discussed a bill which has been passed by the legislature. The bill was introduced by Senators Parker and Gibb, and would appropriate funds to the Housing Finance Agency to be used to establish low interest energy loans.

The commissioners voted to go into Executive Session concerning personnel matters. Upon emergence from Executive Session the following motions were made, seconded and passed unanimously: To grant Donald E. Dickson two weeks severance pay for each year's service to be paid upon Mr. Dickson's execution of a general release to be drafted by outside legal counsel, and to grant Mr. Frazier and Mr. Brisson a 10% pay increase effective with the two week pay period beginning May 3, 1982.

The Board noted for inclusion in the minutes that Chairman Ledbetter on behalf of the Search Committee updated the Commissioners on the Agency's search for a new executive Director. The Board also discussed future staffing consideration in general. No action was taken at this time.

The meeting adjourned at 4:47 P.M.

Respectfully,


W. Scott Frazier
Secretary

Approved per
minutes of
April 22, 1982

RESOLVED, that the Agency shall proceed as soon as practicable to make a permanent mortgage loan to Pine Manor, a general partnership represented by its general partner, James Lamphere, notwithstanding the inability of Pine Manor to meet customary closing requirements, but subject to the following special conditions and such customary closing conditions as are not inconsistent herewith:

1. The total amount of the mortgage loan shall be not more than \$626,851.00.

A. Of the total amount, not more than \$558,851.00 shall consist of proceeds of the Agency's Multi-Family Housing Bonds, 1981 Series A.

B. Of the total amount, not more than \$68,000.00 shall consist of unrestricted funds of the Agency to be deposited by the Controller into the 1981 Series A Mortgage Loan Account, except that unrestricted funds of the Agency previously deposited into said account in order to supplement bond proceeds shall first be used to the extent not otherwise obligated.

2. The form of promissory note initialled by the parties at the construction loan closing shall not be used to evidence the mortgage loan, but shall be replaced by the form of promissory note used in connection with other developments previously financed in part by bond proceeds and in part by other funds of the Agency.

3. An irrevocable letter of credit or letters of credit in the aggregate amount of \$47,000.00 shall be required as security for the contractor's one-year warranty obligation.

4. All matters not of record of which the Agency has knowledge and which may bear on the decision of the title insurer

to issue a final endorsement covering the full amount of the permanent mortgage loan shall be disclosed to the title insurer prior to closing, and an acknowledgement of disclosure shall be obtained from the title insurer. Said final endorsement may contain no exception as to any such matter.

5. Pine Manor shall cause to be delivered the opinion of the law firm of Gravel, Shea & Wright of Burlington that:

A. Certain alleged dealings between Wayne Jameson and John Hanzas have not resulted in the transfer of ownership of 1.) the Pine Manor partnership property or 2.) the elderly housing project in Alburg.

B. No facts regarding the dealings or relationships of Wayne Jameson and of which Gravel, Shea & Wright have notice as of time of closing have resulted in any liability, direct or contingent, against Pine Manor or James Lamphere.

C. James Lamphere and Pine Manor have made adequate provision for a just accounting between James Lamphere and/or Pine Manor on the one hand and any person who may claim an assignment of Jameson's partnership interest or may obtain a charge upon Jameson's interest under 11 V.S.A. §1285.

6. Prior to release of funds to Pine Manor pursuant to the provisions of the Agency's Closing Escrow Agreement, the Closing Escrow Agent shall cause to be recorded in the Alburg Land Records a notice to the effect that Pine Manor disclaims any responsibility for the acts of Wayne Jameson.

7. Pine Manor shall pay such additional interest and fees as is permitted under the terms of the existing construction promissory note and Commitment Letter, but not more than that amount necessary to compensate the Agency for income lost by reason

of the interest rate differential between the interest rate payable by the Agency on its bonds and the interest rate payable by Pine Manor on the construction note from and after the expiration date of the construction note to the date of permanent closing.

8. The written agreement of Pine Manor and James Lamphere personally to apply any funds recovered from Wayne Jameson to immediate prepayment of that portion of the permanent mortgage loan provided from unrestricted funds of the Agency, subject to prior reduction for costs of litigation and reasonable legal fees necessarily incurred in connection with such recovery and not recovered.

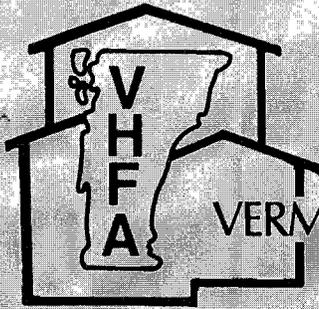
RESOLVED, that Thomas P. Brisson, in his capacity of Single Family Program Director, shall be a duly authorized agent of the Agency in matters related to the operation of the Agency's Single Family programs, including, without limitation,

- a) negotiation of so-called "work-outs" with delinquent or defaulted mortgagors;
- b) management of mortgage foreclosure litigation and related proceedings or agreements, including the retention of attorneys and other limited purpose agents in connection therewith;
- c) discharge of mortgages, entire or partial;
- d) creation of the Agency's power-of-attorney in favor of mortgage lenders for the purpose of facilitating the sale or other disposition of property acquired by the Agency pursuant to foreclosure proceedings or other proceedings or agreements in lieu thereof;
- e) acceptance of service of process on behalf of the Agency;
- f) release of any co-obligor under a mortgage loan;
- g) acceptance of a new or additional obligor under a mortgage loan.

and all persons shall be entitled to rely on any act undertaken by him in such matters, or any document executed by him in such matters, as the act or document of the Agency.

In addition, but subject to the prior approval of the Board of Commissioners of the terms of any such contract or agreement, he is

hereby authorized to execute on behalf of the Agency contracts with mortgage lenders concerning the purchasing or servicing of mortgage loans, contracts with builders related thereto, and contracts with investors or underwriters related thereto.



STEWART M. LEDBETTER, Chairman
W. Scott Frazier
Executive Director

VERMONT HOUSING FINANCE AGENCY

AGENDA

VERMONT HOUSING FINANCE AGENCY
239 South Union Street, Burlington
June 16, 1982
2:00 P.M.

1. Approval of Minutes of May 27, 1982
2. Single Family:
Proposed Bond Issue
3. Multi-Family:
 - a. Burlington NSA proposal -- William Cross, 65-67 Monroe St.
 - b. Financing Resolutions -- Canaan, Burlington NSA, Proctor, Rockingham
 - c. 1982 Series A Bond Closing
4. General Fund Budget
5. Outstanding Commitments



STEWART M. LEDBETTER, Chairman
W. Scott Frazier
Executive Director

VERMONT HOUSING FINANCE AGENCY

MINUTES

Vermont Housing Finance Agency
239 South Union Street, Burlington, Vermont
May 27, 1982, 2:10 P.M.

PRESENT: Chairman Ledbetter, Vice Chairman Shaw, Commissioners Hebard, Chaffee, Myette, Gardner and Lambert; Mr. Frazier, Mr. Brisson, Ms. Chetti and Mr. Kochman, VHFA; Mr. Ingalls and Mr. St. Ange, Palmer & Dodge; Mr. Specter of Goldman Sachs; Mr. Von Hollweg and Mr. Kiyonaga, Brown, Wood, Ivey, Mitchell and Petty; members of the Press.

The meeting was called to order by the Chairman at 2:10 P.M. On motion duly made and seconded, the minutes of the meeting of April 22, 1982 were unanimously approved as submitted.

On motion duly made and seconded, the commissioners unanimously adopted a resolution ratifying the actions taken by the participants in the conference call of May 20, 1982. A copy of the Resolution, including the minutes of the conference call, were ordered to be appended to these minutes.

Mr. Frazier then requested that Ms. Chetti present certain items of multi-family business.

Ms. Chetti requested that the Board consider giving conceptual approval to a moderate rehabilitation proposal in Montpelier submitted by Tectonics, Inc. Ms. Chetti reminded the Board that a general fund loan had been approved at the last meeting for Tectonics to rehabilitate 3 units for the developmentally disabled in Barre. However, for the Montpelier location, Tectonics was requesting site and owner approval only with no commitment from the Agency for financing. On motion duly made and seconded, the commissioners unanimously approved an expression of interest in the Tectonics project in accordance with the terms of Ms. Chetti's recommendation.

The Chairman then directed the staff to prepare for the next meeting a summary of outstanding commitments (and proposals of a non-routine nature) under the General Fund.

Ms. Chetti requested that the Board reconsider the Bardwell Hotel proposal in Rutland. At the March Board meeting, the

Board approved the proposal providing that the first two floors of the building be commercial space and the top two floors as housing for the elderly. This approval was intended to complement the Rutland Board of Aldermens' preference for commercial space. However, the Rutland planning commission actually approved the developer's original proposal comprised of 70 units of housing for the elderly and one floor of commercial space. After a brief discussion, a motion was made and seconded to approve the original proposal consisting of 70 units of housing and approximately 10% commercial space contingent upon adequate on-site parking for the handicapped, no new construction included in the project and revision of the rent structure to 110% of Fair Market. On motion duly made and seconded, the commissioners unanimously approved further action in accordance with Ms. Chetti's recommendation.

Proctor. Ms. Chetti advised the commissioners that this project is ready for a Letter of Intent. On motion duly made and seconded, the commissioners unanimously approved delivery of a Letter of Intent to the developers of the Proctor development.

Mr. Frazier then advised the commissioners that the U.S. Department of the Treasury had issued new proposed regulations on the eve of this meeting. He asked Mr. Ingalls to explain the impact of these regulations.

Mr. Ingalls explained that the proposed Treasury regulations had been issued pursuant to the Mortgage Subsidy Bond Tax Act, which had made some changes in the federal law bearing on bonds issued for rental housing in addition to the more pervasive changes made in the single-family area. Explaining the impact of the new regulations on the Agency's pending issue of multi-family housing bonds, Mr. Ingalls addressed the following requirements:

Substantially all of the proceeds of the bonds must be used to provide residential rental units and subordinate and related commercial facilities. The regulations tighten previous requirements in specifying that this test must be applied on a building-by-building basis.

All units must be rented or available for rental to the general public continuously for a minimum period of twenty years. This requirement applies whether or not the mortgage has been retired at an earlier time.

Twenty percent of all units must be occupied or available for occupancy by Section 8-eligible tenants on a continuous basis for the twenty year period.

No unit may be occupied by an owner or a person related to an owner within the meaning of the regulations during the twenty year period. This is a substantial change which will require Agency monitoring of occupancy to a greater degree than in the past.

Violations which arise after issuance of the bonds may be cured within a reasonable time after they are discovered or should have been discovered by the Agency. A "reasonable time" means not less than 60 days.

Mr. Ingalls concluded by stating that, although the proposed regulations would require tightening of some Agency procedures, he could nevertheless recommend execution of the Purchase Contract for the 1982 Series A Bonds.

At Mr. Frazier's request, Mr. Specter then presented a written and oral financial analysis of the Agency's proposed Multi-Family Housing Bonds, 1982 Series A.

At Mr. Frazier's request, Mr. Ingalls then presented and discussed the proposed "Second Supplemental Multi-Family Housing Bond Resolution", pointing out in particular that Section 306 of the Resolution calls for a transfer of \$76,961 from the General Fund in order to provide a portion of the Mortgage Loan for the Bobbin Mill development.

After discussion, on the motion of Commissioner Hebard, seconded by Commissioner Gardner, the commissioners unanimously adopted the "Second Supplemental Multi-Family Housing Bond Resolution".

The Purchase Contract with Goldman Sachs was then executed.

At Mr. Frazier's request, Mr. Brisson then led a lengthy general discussion of the pending Single Family bond issue and program. At the conclusion of the discussion, on motions duly made and seconded, the following policies were unanimously adopted:

The bank commitment fee shall be one percent, refundable with interest at the passbook rate upon delivery of all Mortgage Loans in accordance with the terms of the commitment.

The greater of One Million Dollars (\$1,000,000.00) or one percent of a bank's total assets shall be the minimum bid for participation in the 1982 Single Family program.

Subject to final negotiations, Investors Mortgage Insurance of Boston is approved as the secondary pool insurer. Mr. Brisson is authorized to contract with that company when he is satisfied with the final form and terms of the policy.

Mr. Brisson then presented the final form of the revised Rules and Regulations pertaining to Mortgage Loans purchased by the Agency pursuant to Sections 622 and 623 of the Act. On motion duly made and seconded, these Rules and Regulations were adopted and ordered to be filed with the Secretary of State, with a copy to be appended to the minutes of this meeting.

Mr. Frazier then presented a request by the Council of Community Mental Health Agencies for additional seed money loans in anticipation of group home permanent financing to be provided by HUD. Mr. Frazier pointed out that the Agency had previously authorized and advanced \$40,000 for this purpose, of which approximately two-thirds has been paid back to date. After discussion, on motion duly made and seconded, it was

RESOLVED, that the Executive Director shall establish a revolving fund of \$40,000 for the purpose of providing seed money loans in anticipation of construction and permanent financing for group homes to be funded by HUD. Such loans shall bear interest at 9% per annum and shall be advanced at such times, in such amounts, and on such other terms as the Executive Director may in his discretion determine, subject to the approval of counsel as to the form of the loan documentation.

Pursuant to the consensus of the board, the Chairman directed that the next meeting shall be held in Burlington on June 16, 1982 at two o'clock in the afternoon.

There being no further business, on motion duly made and seconded, the meeting adjourned at 5:00 P.M.

Respectfully submitted.



W. Scott Frazier, Executive Director
and Secretary

Attachments

Agenda
Resolution and minutes of
May 20th conference call
Second Supplemental Multi-Family
Housing Bond Resolution
Rules and Regulations

RESOLVED, staff actions taken pursuant to the conference call of May 20, 1982, as set forth in the following minutes, are hereby ratified as the actions of the Agency:

MINUTES OF CONFERENCE CALL OF MAY 20, 1982

Present in person at the offices of the State Treasurer: Chairman Ledbetter and Commissioners Hebard, Chaffee and Lambert.

Present by Speaker Phone: Commissioner Myette, Mr. Frazier, Mr. Kochman, Ms. Chetti, Messrs. Specter, Gurley and Baumann of Goldman Sachs and Mr. Von Hollweg of Brown, Wood, Ivey, Mitchell and Petty.

The conference convened at 4:15 P.M. Mr. Frazier explained that the purpose of the conference was to obtain authorization for certain matters in connection with the planned issuance of the Agency's Multi-Family Housing Bonds, 1982 Series A, including selection of underwriters, Letters of Intent for Newport and South St. Paul Street and mailing of the preliminary official statement in the light of certain risks inherent in the existing circumstances.

Mr. Frazier then led a discussion of the projects which were to be included in the 1982 Series A issue, explaining that the availability of adequate Section 8 subsidies for Wallingford, Randolph and Hardwick was contingent on Congressional and/or administrative action which could not be predicted with confidence, and that the preliminary official statement as prepared did not include these projects. Mr. Specter said that Goldman Sachs would make every effort to obtain funding for the omitted projects through the issuance of a subsequent series of bonds in the event the subsidy questions are satisfactorily resolved.

Ms. Chetti explained that the bond issue as designed did not call for any general fund supplement, but that it might be necessary to use the board's prior authorization for a general fund loan for the Bobbin Mill if bond market conditions changed prior to sale.

Mr. Specter explained that the scarcity of pipeline projects raised the possibility that the Agency might be required to redeem bonds from unexpended proceeds if any of the anticipated projects do not materialize.

Mr. Specter stated that because of the small size of the issue, he was advising the Agency that it could be marketed through Goldman Sachs and Hutton, and that he could not advise the Agency that the services of a third co-manager would be necessary. After discussion, it was decided that Mr. Frazier and Chairman Ledbetter would write to the Crocker Bank and explain its omission as a co-manager of the 1982 Series A bonds.

After further discussion, on motions duly made and seconded, the commissioners unanimously approved the following actions:

1. Mailing of the Agency's Letter of Intent to the developer of the Newport development.
2. Mailing of the Agency's Letter of Intent to the developer of the South St. Paul Street development.
3. Mailing of a preliminary official statement for the Agency's Multi-Family Housing Bonds, 1982 Series A in the amount of \$8,100,000 for the financing of eleven developments, indicating Mortgage Loan interest rates of 14% for nine of the developments and a rate of 13% for the Bobbin Mill and Proctor, and identifying Goldman, Sachs and Co. and E.F. Hutton and Company, Inc. as the underwriters.

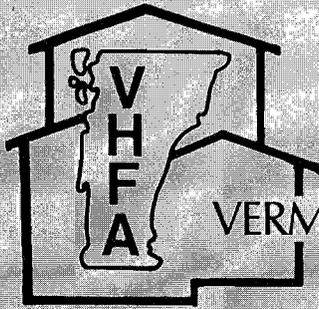
There being no further business, on motion duly made and seconded the conference adjourned.

Respectfully submitted,



W. Scott Frazier
Secretary

Date: May 27, 1982



STEWART M. LEDBETTER, Chairman
W. SCOTT FRAZIER, Executive Director

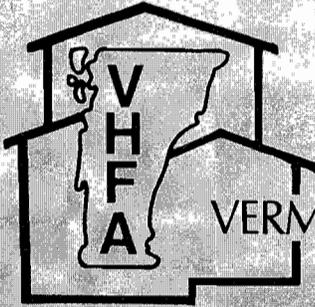
VERMONT HOUSING FINANCE AGENCY

A G E N D A

ANNUAL MEETING

VERMONT HOUSING FINANCE AGENCY
239 South Union Street, Burlington
Thursday, July 15, 1982
1:30 pm

1. Approval of Minutes of June 16, 1982.
2. Election of Vice Chairman and Treasurer of the Agency.
3. Single Family -
 - A. Ratification of conference call of July 13, 1982, setting Lender commitments.
 - B. Review of Group Home problem.
 - C. Adoption of Series Resolution.
 - D. Execution of Purchase Contract.
4. Multi-Family -
 - A. Mortgage increase request for Castleton Family Housing.
 - B. Rental Rehabilitation Program.
 - C. Update on Section 8 projects in process.
 - D. Update on other miscellaneous multi-family requests.
5. General -
 - A. Resolution to finance computer acquisition.
 - B. Open discussion regarding negotiating a new line of credit.
 - C. Preview of the balance of calendar year 1982.



STEWART M. LEDBETTER, Chairman
W. SCOTT FRAZIER, Executive Director

VERMONT HOUSING FINANCE AGENCY

MINUTES

VERMONT HOUSING FINANCE AGENCY
239 So. Union Street, Burlington, Vermont
June 16, 1982 2:00 P.M.

PRESENT: Chairman Ledbetter; Vice-Chairman Shaw; Commissioners Hebard, Lambert, Gardner, Myette (speaker phone); Mr. Frazier, Mr. Brisson, Mr. Kochman, Ms. Wadhams, VHFA; Mr. Ingalls, Palmer & Dodge; Mr. Gurley, Goldman, Sachs, and Co.

The meeting was called to order by the Chairman at 2:00 p.m. On motion duly made seconded, the minutes of the May 27, 1982 meeting were unanimously approved as submitted.

Mr. Brisson handed out to the Board the staff's recommendation for the purchase price and income limits for the 1982 Single Family Program. He discussed in detail the procedures staff followed in determining the purchase price limits for the Burlington SMSA area and noted bond counsel's acceptance of the procedures used. After a review and general discussion of the results, a motion was made, seconded, and unanimously adopted to accept the staff's recommendation of the following purchase price limits subject to upward or downward adjustment during the course of the program without further Board action to the extent permitted or required respectively, under regulations or rulings of the U.S. Department of the Treasury:

	<u>BURLINGTON SMSA</u>	<u>REMAINDER OF STATE</u>
NEW	\$57,000.00	\$52,500.00
EXISTING	56,000.00	43,000.00

Mr. Brisson then presented the staff's recommendation to set the income limit at \$35,000 for this program. After lengthy discussion a motion was made and seconded to set the income limit at \$32,500. The motion passed unanimously.

Continuing his presentation, Mr. Brisson then called the Board's attention to various lenders' responses from an informal telephone survey which indicated the lenders willingness to still participate in our program, although with some reservations now that interest rates indicate a 13% rate to the borrower to be infeasible and a 13.5% rate more likely to be the case. Mr. Gurley, of Goldman, Sachs and Co., was then asked to update the Board on the status of the market and how much

additional subsidy by the Agency might be needed if the bond issue size were increased to \$45,000,000.00. A general discussion then ensued as to the proper size of the bond issue, after which a motion was made and seconded to proceed to market with an issue size not to exceed \$45,000,000 subject to acceptable market conditions and the required subsidy. The motion carried unanimously.

Mr. Brisson then informed the Board that the Application and Commitment Agreement, the Mortgage Loan Purchase and Servicing Agreement, and the Procedural Guide should be ready to be mailed to the Lenders by the end of the month. A motion was made, seconded, and unanimously approved to adopt the attached resolution.

The bond structure and type of mortgage instrument were discussed next. The various options discussed were 20 year, 30 year or put option bonds coupled with a fixed rate mortgage or a GEM mortgage. The pros and cons of each option were debated at length after which a motion was made to proceed with a 25 year fixed rate mortgage under the conventional 27 year bond structure. The motion was seconded and passed by a majority vote with one abstention.

Mr. Brisson next questioned the Board as to what the Agency's policy should be relative to accepting sales agreements dated prior to the start of the Single Family program. It was generally agreed that the "icing" of contracts before the start of our program can't be prevented. Chairman Ledbetter then indicated he would write a letter to the Real Estate Commission voicing the Agency's concern.

Ms. Wadhams presented a proposal for 7 units of substantial rehabilitation and new construction at 65-67 Monroe Street in the Johnson Street NSA in Burlington. The developer, William M. Cross, intends to form a General Partnership. The mortgage amount is for \$241,557.00. There were no major concerns or questions about the proposal. A motion was made to approve the proposal as submitted, which was seconded and was passed unanimously.

A motion was made to approve the attached Financing Resolutions for Cannan, Dan O'Brien's Burlington NSA project, Proctor and Rockingham. The motion was seconded and passed unanimously.

Next a motion was made, seconded, and passed unanimously to accept the budget for the fiscal year ended June 30, 1983, as presented. The budget projects income and transfer of surplus funds totalling \$1,140,000 and operating expenditures totalling \$738,425.

Board Minutes
June 16, 1982
Page 3

Mr. Frazier then noted that he had received a written commitment from the Merchants Bank to finance the acquisition of the Agency's computer. The terms of the loan would be 10.25% for 60 months for the full purchase price, subject to receiving an opinion of counsel to the tax-exempt nature of the loan. A resolution accepting the terms would be presented at the next board meeting.

There being no further business of the board, the meeting was adjourned at 4:50 p.m.

Respectfully submitted,



W. Scott Frazier
Executive Director

WSF:kak

RESOLUTION

RESOLVED, upon approval by the Agency's bond counsel of a form of Mortgage Loan Purchase and Servicing Agreement, Procedural Guide, and Application and Commitment Agreement, the Executive Director or the Director of Single Family Programs is authorized to invite applications from Mortgage Lenders for participation in the Agency's proposed 1982 Single Family Mortgage Purchase Program.

"BE IT HEREBY RESOLVED AS FOLLOWS: Vermont Housing Finance Agency hereby determines that:

- (1) Rockingham Canal House Housing, housing in Rockingham, Vermont (the "Development") is primarily for occupancy by persons and families of low and moderate income;
- (2) the construction costs incurred by the Sponsors are for housing development costs within the meaning of the Act;
- (3) there exists a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low or moderate income are able to afford within the general housing market area of Rockingham, and private enterprise and investment are unable, without assistance, to provide an adequate supply of residential housing and sufficient mortgage financing for residential housing for occupancy by such persons and families;
- (4) the Sponsor of the Development will increase the supply of well-planned, well-designed housing for persons and families of low and moderate income and such Sponsor is a financially responsible person;

THEREFORE, the Executive Director is hereby authorized and directed to ascertain that all applicable covenants and conditions of the Letter of Commitment have been fulfilled. Upon a satisfactory determination of the foregoing, the Chairman or Executive Director is hereby authorized and directed to secure a Promissory Note, Mortgage and Security Agreement, Regulatory Agreement, and all necessary certifications and other documents pertaining to the Development; and is further authorized and directed to execute the Regulatory Agreement, to furnish a requisition of funds to the Trustee and to disburse such funds sufficient to make a loan for the Development in accordance with the Commitment Letter".

"BE IT HEREBY RESOLVED AS FOLLOWS: Vermont Housing Finance Agency hereby determines that:

- (1) Green Hill Housing, housing in Canaan, Vermont (the "Development") is primarily for occupancy by persons and families of low and moderate income;
- (2) the construction costs incurred by the Sponsors are for housing development costs within the meaning of the Act;
- (3) there exists a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low or moderate income are able to afford within the general housing market area of Canaan, and private enterprise and investment are unable, without assistance, to provide an adequate supply of residential housing and sufficient mortgage financing for residential housing for occupancy by such persons and families;
- (4) the Sponsor of the Development will increase the supply of well-planned, well-designed housing for persons and families of low and moderate income and such Sponsor is a financially responsible person;

THEREFORE, the Executive Director is hereby authorized and directed to ascertain that all applicable covenants and conditions of the Letter of Commitment have been fulfilled. Upon a satisfactory determination of the foregoing, the Chairman or Executive Director is hereby authorized and directed to secure a Promissory Note, Mortgage and Security Agreement, Regulatory Agreement, and all necessary certifications and other documents pertaining to the Development; and is further authorized and directed to execute the Regulatory Agreement, to furnish a requisition of funds to the Trustee and to disburse such funds sufficient to make a loan for the Development in accordance with the Commitment Letter".

"BE IT HEREBY RESOLVED AS FOLLOWS: Vermont Housing Finance Agency hereby determines that:

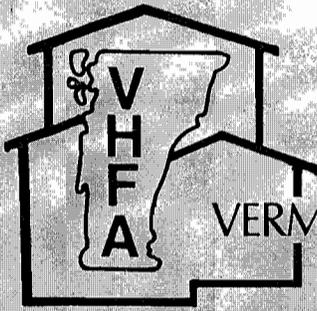
- (1) South St. Paul Street Housing, housing in Burlington, Vermont (the "Development") is primarily for occupancy by persons and families of low and moderate income;
- (2) the construction costs incurred by the Sponsors are for housing development costs within the meaning of the Act;
- (3) there exists a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low or moderate income are able to afford within the general housing market area of Burlington, and private enterprise and investment are unable, without assistance, to provide an adequate supply of residential housing and sufficient mortgage financing for residential housing for occupancy by such persons and families;
- (4) the Sponsor of the Development will increase the supply of well-planned, well-designed housing for persons and families of low and moderate income and such Sponsor is a financially responsible person;

THEREFORE, the Executive Director is hereby authorized and directed to ascertain that all applicable covenants and conditions of the Letter of Commitment have been fulfilled. Upon a satisfactory determination of the foregoing, the Chairman or Executive Director is hereby authorized and directed to secure a Promissory Note, Mortgage and Security Agreement, Regulatory Agreement, and all necessary certifications and other documents pertaining to the Development; and is further authorized and directed to execute the Regulatory Agreement, to furnish a requisition of funds to the Trustee and to disburse such funds sufficient to make a loan for the Development in accordance with the Commitment Letter".

"BE IT HEREBY RESOLVED AS FOLLOWS: Vermont Housing Finance Agency hereby determines that:

- (1) Proctor Place Housing, housing in Proctor, Vermont (the "Development") is primarily for occupancy by persons and families of low and moderate income;
- (2) the construction costs incurred by the Sponsors are for housing development costs within the meaning of the Act;
- (3) there exists a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low or moderate income are able to afford within the general housing market area of Proctor, and private enterprise and investment are unable, without assistance, to provide an adequate supply of residential housing and sufficient mortgage financing for residential housing for occupancy by such persons and families;
- (4) the Sponsor of the Development will increase the supply of well-planned, well-designed housing for persons and families of low and moderate income and such Sponsor is a financially responsible person;

THEREFORE, the Executive Director is hereby authorized and directed to ascertain that all applicable covenants and conditions of the Letter of Commitment have been fulfilled. Upon a satisfactory determination of the foregoing, the Chairman or Executive Director is hereby authorized and directed to secure a Promissory Note, Mortgage and Security Agreement, Regulatory Agreement, and all necessary certifications and other documents pertaining to the Development; and is further authorized and directed to execute the Regulatory Agreement, to furnish a requisition of funds to the Trustee and to disburse such funds sufficient to make a loan for the Development in accordance with the Commitment Letter".



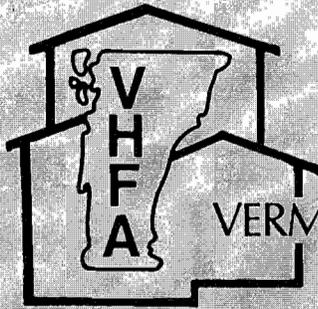
STEWART M. LEDBETTER, Chairman
W. SCOTT FRAZIER, Executive Director

VERMONT HOUSING FINANCE AGENCY

AGENDA

Vermont Housing Finance Agency
239 South Union Street, Burlington
August 26, 1982, 2:00 P.M.

1. Approval of Minutes of July 15, 1982
2. Executive Session
3. Multi-Family:
 - Development
 - a. Market rate apartment proposal - Jack Heaton (Wooden Indian, Inc.) and Arna Rostad (Walker Magnetics Group) to present information to the Board.
 - b. Financing Resolution -- Castleton, Randolph.
 - Management
 - a. Jameson Family Housing
 - b. Utility Allowance Conversions -- Family Projects
 - c. Owners as Managers
4. Single Family:
 - A. 1982 Mortgage Purchase Program
 1. Current Status
 2. Considerations of program modifications (Purchase Price Limits & Duplexes)
 3. Purchase Price Study
 - B. Mortgage Rollover Program
 1. Current Status
 2. Security Sale to Vermont Municipal Employees Retirement System
 - C. Discussion of Mortgage Program Based on Taxable Debt Financing
5. Other old or new business



STEWART M. LEDBETTER, Chairman
W. SCOTT FRAZIER, Executive Director

VERMONT HOUSING FINANCE AGENCY

ANNUAL MEETING MINUTES

Vermont Housing Finance Agency
239 South Union Street, Burlington, Vermont
July 15, 1982 1:30 P.M.

PRESENT: Chairman Ledbetter, Vice-Chairman Shaw; Commissioners Myette, Gardner, Chaffee, Lambert, (designee of Commissioner Kreizel), Gallison, (designee of Commissioner Hebard); Mr. Frazier, Mr. Brisson, VHFA; Mr. Kochman; Mr. Ingalls, Palmer & Dodge; Ms. Bancroft, Ms. Cross, Brown, Wood, Ivy, Mitchell and Petty; Mr. Gurley, Goldman, Sachs & Co.; Mr. Henderson, E.F. Hutton; and, Mr. Wolff, The Howard Bank.

The meeting was called to order by Chairman Ledbetter at 1:45 P.M. Mr. Frazier distributed to the Board copies of minutes of conference calls which took place on July 13 and 14, 1982, relative to the 1982 Single Family Mortgage Purchase bond issue. A motion was made, seconded, and passed unanimously to include the minutes of the conference calls as submitted into the minute book of the Agency as a matter of record.

A motion was then made, seconded, and passed unanimously to approve the minutes of the June 16, 1982 board meeting.

Mr. Frazier explained that this meeting constituted the Annual Meeting pursuant to Section 3.1 of the Agency's By-Laws and that Section 2.8 of the By-Laws states a Vice-Chairman and Treasurer shall be elected at the Annual Meeting. Chairman Ledbetter then opened the meeting for nominations. A motion was made, and seconded to retain Vice-Chairman Shaw as Vice-Chairman and to nominate W. Scott Frazier, as Treasurer. After motion duly made and seconded that the nominations be closed, Mr. Shaw and Mr. Frazier were unanimously elected as ViceChairman and Treasurer, respectively.

Mr. Frazier next proceeded to inform the Board of the group home purchase problem. He explained that four group homes with a current outstanding principal balance totaling \$322,333 that were required to be covered by pool insurance pursuant to the terms of the series resolution for the 1980 Series A, Single Family Mortgage Purchase Bonds were not accepted for insurance. Mr. Frazier also noted that this problem was properly disclosed in the Official Statement for the pending 1982 Series A, Single Family Mortgage Purchase Bonds and that the problem must be corrected prior to the delivery of the 1982 Series A bonds by: (1) obtaining

pool or 100% primary insurance coverage on the mortgage loans, or (2) arranging for a suitable swap of mortgage loans with another portfolio, or (3) failing the first two alternatives, removing these loans from its portfolio by purchasing them with General Fund money. The Board, upon a motion duly made and seconded, granted the staff of the Agency the authority to purchase the four group homes with General Fund money, only after all other possible solutions were exhausted. The motion carried unanimously.

Next, Mr. Brisson updated the Board on the work he has done on the development of the mortgage financing program based on the Agency issuing taxable securities under Section 627 of the Act and that the rules and regulations governing this program are ready for adoption. Upon motion duly made and seconded, the Board unanimously adopted the attached rules and regulations.

Mr. Brisson then raised the issue of the Agency's long standing policy disallowing condominium conversions under the single family programs and inquired of the Board if this policy should be continued for the upcoming 1982 Single Family Program. After some discussion the Board, with the exception of Vice-Chairman Shaw who abstained from any discussion, decided not to change the Agency's policy regarding condominium conversions.

Mr. Frazier then asked Mr. Brisson to present to the Board his recommendation for the bank allocations under the 1982 Single Family Mortgage Purchase Program and explain his rationale for reducing the commitments resulting from the \$10,000,000 reduction in the bond issue size to \$35,000,000. Each of the proposed allocations to the twenty-one participating lenders were then reviewed, Vice-Chairman Shaw abstaining.

Mr. Brisson then informed the Board of the staff's plan to properly inform the public of the single family program through the media and meetings with the realtors. He emphasized the need to inform all involved that applications may be submitted to the participating lenders starting August 6, 1982.

The Commissioners then considered items of Multi-Family business to allow more time for the arrival of part of the New York underwriting group.

Mr. Frazier called the Board's attention to the \$6,000 mortgage loan increase for the Castleton project requested in a handout by Ms. Chetti. A motion was made, seconded, and passed unanimously to grant the Castleton project the increase requested.

Next, Mr. Frazier and Commissioner Lambert gave the Board an overview of the Rental Rehabilitation Demonstration Program. It was explained that the State, through its Community Development office was submitting a blanket application to HUD for eight communities to participate in the Demonstration program. The program would be structured on the state and local levels and would involve a combination of Community Development Block Grant money, private money from local banks, owner equity of at

least 10%, and VHFA funds. Mr. Frazier indicated as part of the application, the Agency had been asked to consider committing approximately \$150,000 of its funds, to which he gave preliminary approval subject to Board approval. On motion duly made and seconded the Board moved to have the Agency continue its participation in structuring the program and to comit \$150,000 of its funds subject to the State's application being accepted by HUD and subject to further Board approval of the details of each project as they become identified under the program. The motion carried unanimously.

Mr. Frazier then referred to the summary of Section 8 projects prepared by Ms. Chetti and included in the Board's mailing. He noted that approximately \$7,300,000 potentially would be needed if the projects on the summary were all successful in securing Section 8 funding. In addition, Mr. Frazier noted several developers had approached him with ideas for non-Section 8 multi-family projects including a proposal by Cliff Dubie to build 24 two bedroom condominiums in Essex Junction exclusively for the elderly. The developer is seeking construction financing for approximately \$1,000,000 from the Agency and possibly a small permanent take-out which presumably could be financed with recycled money under a single family portfolio. The Board requested the staff to secure more details for these projects and present them at a future meeting.

In connection with the multi-family project update, Mr. Frazier noted the need to begin negotiating a new line-of-credit. The Board concurred and instructed staff to begin processing a line-of-credit but to shop the market for the best terms.

Ms. Bancroft and Ms. Cross of Brown, Wood, Ivy, Mitchell & Petty and Mr. Henderson of E.F. Hutton entered the meeting at this time.

Mr. Gurley then proceeded to update the Board on what had transpired in the market over the past few days relative to the pricing of the \$35,000,000 Single Family Mortgage Purchase Bonds, 1982 Series A. Mr. Gurley reviewed the ratings of this issue (Aa/AA-), the price, cash flow, and the components of the underwriter's gross spread.

Mr. Ingalls then led a review of each section of the Series Resolution Authorizing the Issuance and Sale of \$35,000,000 Single Family Mortgage Purchase Bonds, 1982 Series A. Mr. Ingalls noted the special covenants of the Agency in this document with the most notable being the establishment of a Rebate account through which the Agency will rebate excess arbitrage earnings to the mortgagors. After discussion, on motion duly made and seconded the Series Resolution was adopted, Vice-Chairman Shaw abstaining.

Mr. Gurley and Mr. Frazier then executed the Purchase Contract and a good faith check in the amount of \$455,000 was presented to the Agency.

Mr. Brisson presented a copy of a resolution authorizing the approval

of contract documents, lender allocation schedule and appointment of depositories as discussed earlier in the meeting for the 1982 Single Family Mortgage Purchase Program. Upon motion duly made and seconded the attached resolution was adopted and made a part of these minutes, Vice-Chairman Shaw abstaining.

Mr. Frazier and Mr. Gurley notified the Commissioners that the bond closing for the Single Family issue will be on August 4 and 5.

The meeting was adjourned at 3:45 P.M.

Respectfully Submitted,



W. Scott Frazier
Secretary

RESOLUTION AUTHORIZING PURCHASE OF MORTGAGE LOANS UNDER VERMONT HOUSING FINANCE AGENCY 1982 MORTGAGE PURCHASE PROGRAM, APPROVAL OF CONTRACT DOCUMENTS, AND APPOINTMENT OF DEPOSITORIES

ADOPTED JULY 15, 1982

WHEREAS, pursuant to its Single Family Mortgage Purchase Bond Resolution adopted June 16, 1978 (the "General Resolution"), Vermont Housing Finance Agency has this date adopted its Series Resolution Authorizing the Issuance and Sale of \$35,000,000 Single Family Mortgage Purchase Bonds, 1982 Series A (the "Series Resolution", together with the General Resolution herein called the "Resolutions"); and,

WHEREAS, the staff of the Agency has presented for approval the forms of the Contract Documents to be used in connection with the 1982 Mortgage Purchase Program, to wit: Mortgage Loan Application and Commitment Agreement dated as of June 30, 1982 (the "Commitment Agreement"); Mortgage Loan Purchase and Servicing Agreement dated as of July 15, 1982 (the "Purchase Agreement"); and the Mortgage Purchase Program Procedural Guide dated June 30, 1982, together with Program Memorandum No. 1 dated July 19, 1982 to be effective July 29, 1982 (the "Procedural Guide"); and,

WHEREAS, the Agency has received signed Commitment Agreements from the Mortgage Lenders hereinbelow listed; it is hereby

RESOLVED:

(A) Moneys in the 1982 Series A Single Family Mortgage Purchase Program Account established under and pursuant to the Resolutions shall be used to purchase Mortgage Loans from the Mortgage Lenders listed in the schedule set out below, in the amount set forth therein for each Mortgage Lender; provided that the Chairman or Vice Chairman is hereby authorized to determine a different amount for each such Mortgage Lender and to modify such list by adding or deleting Mortgage Lenders so long as the aggregate amount of Mortgage Loans to be purchased is not increased.

<u>MORTGAGE LENDER</u>	<u>AMOUNT</u>
Bennington Cooperative Savings & Loan Association, Inc.	\$ 552,175
Bradford National Bank	800,000
Burlington Savings Bank	4,000,000
Caledonia National Bank	800,000
The Factory Point National Bank	800,000
First Inter-State Bank	800,000
Franklin Lamoille Bank	950,000
Green Mountain Bank	900,000
The Howard Bank	2,700,000
The Lomas & Nettleton Company	2,725,000
Lyndonville Savings Bank and Trust Company	800,000
The Merchants Bank	2,250,000
Northfield Savings Bank	2,750,000
Passumpsic Savings Bank	800,000
Peoples Trust Company	800,000
Proctor Bank	2,000,000
Randolph National Bank	800,000
The Union Bank	800,000
Vermont Federal Savings & Loan Association	1,500,000
Vermont National Bank	2,250,000
Wells River Savings Bank	800,000

TOTAL

\$ 30,577,175

(B) The forms of the Commitment Agreement and the Purchase Agreement are hereby approved, and the Chairman, the Vice Chairman, the Executive Director, and Thomas P. Brisson, employed by the Agency as Director of Single Family Programs, is each hereby authorized to execute the Commitment Agreements and the Purchase Agreements with the Mortgage Lenders participating in the 1982 Mortgage Purchase Program. To the extent requested by the Mortgage Lenders listed in the foregoing Schedule, or as provided under the terms of the Commitment Agreement with respect to recaptured funds, Thomas P. Brisson as Director of Single Family Programs, with the approval of the Executive Director, is authorized in his discretion to reallocate funds among the Mortgage Lenders listed in the foregoing schedule, provided that the aggregate amount of Mortgage Loans to be purchased under the 1982 Mortgage Purchase Program shall not increase. To the extent replaced by additional application fees of Mortgage Lenders requesting additional allocations, the Executive Director and Thomas P. Brisson is each authorized in his discretion to make a pro-rata rebate of application fees to Mortgage Lenders requesting decreased allocations or from whom committed funds have been recaptured.

(C) The Procedural Guide is hereby approved. The Procedural Guide may be modified, amended or supplemented from time to time as the Executive Director shall deem advisable, provided that no change shall be made in any provision thereof necessary to comply with the covenants of the Agency in the Resolutions without the prior approval of the Agency.

(D) Each Mortgage Lender participating in the 1982 Mortgage Purchase Program (if a bank or trust company) is hereby appointed a Depository under Section 1101 of the General Resolution.

RESOLVED, actions taken pursuant to the conference call of July 13, 1982, as set forth in the following minutes, are hereby ratified as the actions of the Agency:

MINUTES OF CONFERENCE CALL OF JULY 13, 1982

Present in person at the offices of VHFA: Chairman Ledbetter, Vice Chairman Shaw, Mr. Frazier, and Mr. Brisson.

Present by speaker phone: Commissioners Mr. Hebard, Mr. Gardner Mr. Myette, Mr. Lambert; Mr. Gurley of Goldman, Sachs & Co.

The conference call convened at 3:00 P.M. Mr. Frazier explained the purpose of the conference call was to review the commitments received by the participating lenders for the pending 1982 Single Family Mortgage Purchase Program.

Mr. Brisson then informed the Board a total of \$39,950,000 in commitments have been received or are anticipated to be received today by the Agency which is \$625,000 in excess of the planned allotment of \$39,325,000 of bond proceeds assuming a \$45,000,000 issue size. Not included in the total was a token request of \$1,000,000 by the First Vermont Bank and Trust Company. After brief discussion of the various commitments by the lenders, a motion was made, seconded, and passed unanimously to proceed as follows:

To contact First Vermont Bank and Trust Company and solicit the proper commitment of \$3,300,000. Reduce Lomas and Nettleton's commitment request by the amount needed to make the total commitment requests equal \$39,325,000.

If First Vermont Bank and Trust Company responds favorably, then staff would reduce all commitments pro rata.

On motion duly made and seconded the conference call
was adjourned at 3:25 P.M.

Respectfully Submitted,



W. SCOTT FRAZIER
SECRETARY

Date: July 15, 1982

RESOLVED, actions taken pursuant to the conference call of July 14, 1982, as set forth in the following minutes, are hereby ratified as the actions of the Agency:

MINUTES OF CONFERENCE CALL OF JULY 14, 1982

Present in person at VHFA office: Mr. Frazier, Mr. Brisson, and Mr. Kochman.

Present by speaker phone: Vice Chairman Shaw; Commissioners, Mr. Myette, Mr. Gardner, Mr. Hebard, and Mr. Lambert; Messrs. Mr. Gurley and Mr. Kinney of Goldman, Sachs & Co.

The conference call convened at approximately 2:00 P.M. Mr. Frazier mentioned the Agency was experiencing difficulty selling the planned \$45 million of Single Family bonds, and requested Mr. Gurley to update the Board on this market crisis and outline the options available to the Agency at this time. Mr. Gurley and Mr. Kinney proceeded to outline the problems with the marketing of our planned issue relative to a number of other housing issues which were now coming to market simultaneously.

The options available to the Agency were to either: postpone the sale of our bonds or to downsize the issue to \$35 million. After brief discussion of the two options a motion was made, seconded, and passed unanimously to downsize the issue to \$35 million, as recommended by Goldman, Sachs & Co., and proceed to market.

A discussion followed as to the proper reduction now necessary for the lenders commitments. It was decided, for purposes of finishing the Official Statement to be executed

at the July 15, 1982 board meeting that all commitments be cut back pro rata and that the final commitment allotments would be decided at the board meeting.

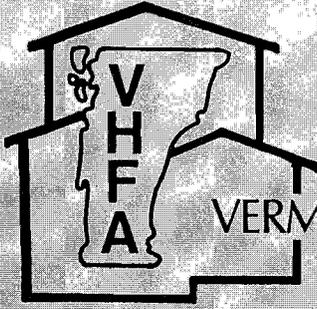
On motion duly made and seconded the conference call adjourned at 2:25 P.M.

Respectfully Submitted,



W. SCOTT FRAZIER
SECRETARY

Date: July 15, 1982



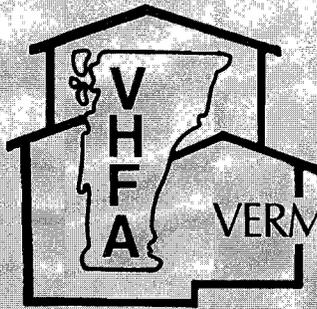
STEWART M. LEDBETTER, Chairman
W. SCOTT FRAZIER, Executive Director

VERMONT HOUSING FINANCE AGENCY

AGENDA

Vermont Housing Finance Agency
Annabelle's Restaurant
Pittsfield, Vermont
September 30, 1982, 11:30 A.M.

1. Approval of Minutes of August 26, 1982.
2. Multifamily:
 - Development
 - a. NSA proposals -- Dan O'Brien (Mackenzie property)
Mitch Fleisher (Wilson Hotel)
 - b. Tectonics -- extension of commitment of general fund loan
 - Management -- Discussion of problems with owners as managers
3. Single-Family:
 - a. Current status of 1982 MPP
 - b. Rollover program and proposed security sale -- October 1982
 - c. Purchase price study -- IRS letter ruling request
 - d. Discussion of VHFA policy regarding condominium conversions
4. General
 - a. Search for Controller update
 - b. Other personnel matters



STEWART M. LEDBETTER, Chairman
W. SCOTT FRAZIER, Executive Director

VERMONT HOUSING FINANCE AGENCY

MINUTES

Vermont Housing Finance Agency
239 South Union Street, Burlington, Vermont
August 26, 1982, 2:00 P.M.

PRESENT: Chairman Ledbetter, Vice-Chairman Shaw; Commissioners Gardner, Hebard; Mr. Frazier, Mr. Brisson, Ms. Chetti, Ms. Thielen, VHFA; Mr. Kochman, VHFA attorney; Ms. McGrath Mr. Heaton, and Mr. Rostad.

The meeting was called to order by Chairman Ledbetter at 2:03 P.M.. A motion was made, seconded, and passed unanimously to approve the minutes of the July 15, 1982 board meeting.

The commissioners voted to go into Executive Session concerning personnel matters. After emerging from the Executive Session on motion duly made, and seconded, the commissioners unanimously appointed Mr. Frazier the Executive Director of the Agency for the one year term ending June 30, 1983.

The commissioners then created the position of Director of Programs and approved the appointment of Mr. Brisson to fill that position by the attached Resolution. Upon motion duly made, and seconded, the resolution passed unanimously. It was noted for the record that Mr. Brisson has done a commendable job for the Agency.

Mr. Brisson proceeded to review the activity to date on the Agency's 1982 Single Family Mortgage Purchase Program. 278 applications have been taken to date which represent 33 percent of the lendable proceeds. Of the 278 applications, 170 were from outside of Chittenden County.

Mr. Brisson distributed to the commissioners copies of the First Supplemental Resolution Amending Section 403 Of The Series Resolution Authorizing The Issuance And Sale Of \$35,000,000 Single Family Mortgage Purchase Bonds, 1982 Series A. After motion duly made, and seconded, the attached First Supplemental Resolution was passed unanimously.

In response to requests from throughout the State, a draft resolution authorizing the acquisition of Mortgage Loans on two-family residences (duplexes) under the 1982 Single Family Mortgage Purchase Program was distributed next. After brief discussion the attached resolution was unanimously adopted upon motion duly made and seconded.

Mr. Brisson recommended the staff proceed with a purchase price study for the whole State of Vermont using the same procedures as the study conducted for the Burlington SMSA for the 1982 Program, due to the recently enacted federal legislation relative to purchase price limits doesn't benefit prior programs and new safe harbor limits published by the Treasury appear to be unlikely in the near future. The purpose of the study is to establish actual average area purchase prices on residences and to obtain a letter ruling from the IRS approving those purchase price limits for use in the single family program. A motion was made, seconded, and passed unanimously to proceed with the study. Mr. Brisson indicated that the study will cost approximately \$7,000.00.

Next, the Board discussed allowing certain condominium conversion projects to be eligible for participation in the single family mortgage purchase program. A brief discussion ensued. The board then asked staff to prepare a memo to be sent to each board member prior to the next meeting outlining specific criteria that could be used as a basis for approval of conversion projects.

Mr. Frazier informed the board that the Randolph and Castleton projects needed financing resolutions. A motion was made to approve the attached Financing Resolutions. The motion was seconded and passed unanimously.

Mr. Frazier and Ms. Thielen briefly reviewed the delay in the Rockingham permanent closing resulting from disputes with the Fire Prevention Division of the Department of Labor and Industry. The delays and disputes potentially will necessitate approximately \$160,000 of additional costs to complete the project. Upon the recommendation of the staff, the staff was authorized to approach the construction lenders on this project and seek their participation in the permanent financing. Upon motion duly made, and seconded, the attached Resolution Authorizing Restructuring of Rockingham Permanent Loan As A Participation Loan was passed unanimously.

Next, Ms. Thielen updated the commissioners on what had transpired relative to the consideration of transferring title from Wayne Jameson to Ms. McGrath in the Alburg Family Housing project. After brief discussion, Ms. McGrath was then invited into the board meeting to inform the Board of her intentions in meeting the minimum conditions outlined to her by the staff. After Ms. McGrath stated her position and departed, and after further discussion, upon motion duly made and seconded, the board voted unanimously to proceed with a foreclosure action against the Jameson Family Housing Development and all persons claiming ownership of that Development.

Ms. Thielen, then briefed the Board on the work completed to date for the utility allowance conversions at family housing

projects. She pointed out that a problem has developed in that some utility companies were planning to charge each tenant of these projects a sizable deposit of which the Section 8 tenants may not be able to afford. After brief discussion the Board instructed staff to approach the utility companies for relief and to appeal the actions to the Commissioner of Public Service.

Next Mr. Heaton was invited into the Board meeting to present his proposal for an unsubsidized 100 apartment project in Burlington in accordance with Internal Revenue Code Section 103(b)(4)(A), which permits tax-exempt financing for rental housing provided at least 20% of the apartments in the project are rented or held for rental to Section 8 eligible tenants. Accompanying Mr. Heaton was Mr. Rostad of Walker Magnetics Group, Inc., the limited partner for the proposal. Mr. Heaton's proposal is seeking approximately \$6 million of permanent financing and possibly construction financing, from the Agency, phased over 3 years with rents starting at \$450 per month, excluding utilities. Twenty per cent of the units will be available for low and moderate income people, but will not be subsidized. After presenting his cash flow assumptions and answering questions, Mr. Heaton and Mr. Rostad left the board meeting.

Chairman Ledbetter left the meeting at this point.

Although the board continued its conceptual approval of financing some market rate apartments in accordance with Section 103(b)(4)(A) the board felt it still premature to give the "go ahead" to one developer, particularly on as large a project as proposed by Mr. Heaton. After more general discussion a motion was made and seconded to have a market study commissioned to clear up the question of the supply and demand for market rate apartments. Also included in the motion was for the staff to amend where necessary the Multi-Family Rules and Regulations to accommodate this type of financing. The motion carried unanimously.

Mr. Frazier presented to the board the attached Resolution Authorizing the Issuance Of A \$93,000 Secured Note To Finance The Purchase Of The Agency's Hewlett Packard HP3000 Series 33R Computer System. The note would be with the Merchants Bank and the terms would be 5 years, 10.25%, with level principal payments. A motion was made, seconded, and passed unanimously to adopt the attached resolution.

There being no further business to come before the board, the meeting was adjourned at 5:45 P.M.

Respectfully Submitted,


W. Scott Frazier
Secretary

RESOLVED, There is hereby created the office of Director of Programs. The Director of Programs shall report to the Executive Director and shall have general operating responsibility for Agency programs. The Director of Programs shall have all powers and authority necessary and reasonable for carrying out his responsibilities including, without limitation, the authority to execute on behalf of the Agency letters of intent and commitment letters to developers, loan closing documents, deeds conveying acquired properties, and all documents authorized by previous resolutions of the Agency to be executed by the Director of Single Family Programs. In addition, the Director of Programs shall serve ex officio as Deputy Director of the Agency. The office of Director of Single Family Programs is abolished. And further,

RESOLVED, The appointment of Thomas P. Brisson as Director of Programs is hereby approved effective immediately.

WHEREAS, the Agency has this date adopted its First Supplemental Resolution Amending Section 403 of the Series Resolution Authorizing the Issuance and Sale of \$35,000,000 Single Family Mortgage Purchase Bonds, 1982 Series A (the "First Supplemental Resolution"), and

WHEREAS, the First Supplemental Resolution by its terms shall be effective upon filing with the Trustee; and

WHEREAS, certain opinions of Counsel are required in connection with such filing under the terms of the series resolution which is amended by the First Supplemental Resolution (the "Series Resolution") and under the terms of the Agency's "Single Family Mortgage Purchase Bond Resolution adopted June 16, 1978 (the "General Resolution"); it is therefore

RESOLVED, that the Executive Director shall file with the Trustee, the First Supplemental Resolution, together with the Counsel's Opinion required by Section 805 of the General Resolution, immediately upon receipt of the opinion of the Agency's Bond Counsel to the effect that the provisions of the First Supplemental Resolution satisfy the requirements of Section 103 and Section 103A of the Federal Internal Revenue Code of 1954, as amended; and

FURTHER RESOLVED, that upon such filing, the Executive Director shall promulgate amendments to the Agency's Procedural Guide which will implement, in all areas of the State those provisions of the First Supplemental Resolution authorizing the acquisition of Mortgage Loans on two-family Residences, and establishing reasonable procedures which, when complied with, will satisfy the Executive Director that any such two-family Residence was first occupied at least five years before the date that the Mortgage Loan was executed.

DATE ADOPTED: August 25, 1982

"BE IT HEREBY RESOLVED AS FOLLOWS: Vermont Housing Finance Agency hereby determines that:

- (1) Parson's Hill Family Housing, housing in Castleton, Vermont (the "Development") is primarily for occupancy by persons and families of low and moderate income;
- (2) the construction costs incurred by the Sponsors are for housing development costs within the meaning of the Act;
- (3) there exists a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low or moderate income are able to afford within the general housing market area of Castleton, and private enterprise and investment are unable, without assistance, to provide an adequate supply of residential housing and sufficient mortgage financing for residential housing for occupancy by such persons and families;
- (4) the Sponsor of the Development will increase the supply of well-planned, well-designed housing for persons and families of low and moderate income and such Sponsor is a financially responsible person;

THEREFORE, the Executive Director is hereby authorized and directed to ascertain that all applicable covenants and conditions of the Letter of Commitment have been fulfilled. Upon a satisfactory determination of the foregoing, the Chairman or Executive Director is hereby authorized and directed to secure a Promissory Note, Mortgage and Security Agreement, Regulatory Agreement, and all necessary certifications and other documents pertaining to the Development; and is further authorized and directed to execute the Regulatory Agreement, to furnish a requisition of funds to the Trustee and to disburse such funds sufficient to make a loan for the Development in accordance with the Commitment Letter".

"BE IT HEREBY RESOLVED AS FOLLOWS: Vermont Housing Finance Agency hereby determines that:

- (1) Prospect-Forrest Family Housing, housing in Randolph, Vermont (the "Development") is primarily for occupancy by persons and families of low and moderate income;
- (2) the construction costs incurred by the Sponsors are for housing development costs within the meaning of the Act;
- (3) there exists a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of low or moderate income are able to afford within the general housing market area of Randolph, and private enterprise and investment are unable, without assistance, to provide an adequate supply of residential housing and sufficient mortgage financing for residential housing for occupancy by such persons and families;
- (4) the Sponsor of the Development will increase the supply of well-planned, well-designed housing for persons and families of low and moderate income and such Sponsor is a financially responsible person;

THEREFORE, the Executive Director is hereby authorized and directed to ascertain that all applicable covenants and conditions of the Letter of Commitment have been fulfilled. Upon a satisfactory determination of the foregoing, the Chairman or Executive Director is hereby authorized and directed to secure a Promissory Note, Mortgage and Security Agreement, Regulatory Agreement, and all necessary certifications and other documents pertaining to the Development; and is further authorized and directed to execute the Regulatory Agreement, to furnish a requisition of funds to the Trustee and to disburse such funds sufficient to make a loan for the Development in accordance with the Commitment Letter".

RESOLUTION AUTHORIZING RESTRUCTURING
OF ROCKINGHAM PERMANENT LOAN AS A
PARTICIPATION LOAN

Subject to compliance by the Developer with all other conditions of closing and current proposed IRS regulations which may be applicable, the Executive Director, with the consent of a representative of the Loan Committee, is authorized to restructure the Rockingham permanent loan as a participation loan in the manner authorized by the Multi-Family Housing Bond Resolution of September 25, 1981, and such other conditions as the Executive Director, with the advice of counsel, may deem necessary or desirable; provided, however, that the amount to be advanced by the Agency shall in no event exceed the amount specified in the Three-Party Agreement and the amount to be advanced by the participating bank shall not exceed the amount which is covered by an increase in federal rent subsidies, it being understood that the Executive Director shall endeavor to assure that the amount to be advanced by the participating bank shall be reduced by the maximum amount of additional equity which the developer can contribute to the Development without jeopardizing the soundness of the Development by creating a risk of insolvency in the Developer or its principals, all as the Executive Director may in his reasonable discretion determine.

8/26/82

FIRST SUPPLEMENTAL RESOLUTION AMENDING SECTION 403 OF THE SERIES
RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$35,000,000 SINGLE
FAMILY MORTGAGE PURCHASE BONDS, 1982 SERIES A

WHEREAS, the Vermont Housing Finance Agency (the "Agency") on July 15, 1982 adopted its Series Resolution Authorizing the Issuance and Sale of \$35,000,000 Single Family Mortgage Purchase Bonds, 1982 Series A (the "Series Resolution"); and

WHEREAS, Section 403 of the Series Resolution sets forth additional requirements for the purchase of Mortgage Loans under the Agency's Single Family Mortgage Purchase Bond Resolution adopted June 16, 1978; and

WHEREAS, said Section 403 of the Series Resolution may be amended to delete or substitute requirements in the event the Agency receives a Counsel's Opinion that compliance with another provision in lieu of a provision specified therein will satisfy the requirements of Section 103 and Section 103A of the Internal Revenue Code of 1954 as amended (the "Code"); and

WHEREAS, the Tax Equity and Fiscal Responsibility Act of 1982 has amended certain provisions of Section 103A of the Code relating to the first time home-buyer requirement and the Agency has determined to comply with such amended provisions and also to expand the types of Mortgage Loans qualifying for purchase to include duplex or two-family residences.

BE IT RESOLVED by the Vermont Housing Finance Agency and the Commissioners thereof that Section 403 of the Series Resolution be amended as follows, effective upon filing of this resolution with the Trustee:

First, by deleting from clause 403(A)(1) the words "single-family residence consisting of not more than one dwelling unit" and inserting in lieu thereof "one or two family residence".

Second, by adding to clause 403(A)(2) the following sentence at the end thereof:

"With respect to any Mortgage Loan the proceeds of which were used to acquire a two family residence, the Mortgagor shall have certified and the Agency shall have established to its satisfaction that such residence was first occupied as a residence at least five years before the date that the Mortgage Loan was executed, and the Mortgage Loan shall provide that it shall become immediately due and payable if the Agency discovers that such Mortgagor certification is not true."

Third, by adding to the first sentence of clause 403(A)(3) at the end thereof the following proviso:

", provided, however, that with respect to the proceeds (as defined in Section 103A of the Code) of the 1982 Series A Bonds which are not committed as of the date of the enactment of the Tax Equity and Fiscal Responsibility Act of 1982, such requirement need only be satisfied with respect to at least 90% of such proceeds."

* * *

Date Adopted *August 25, 1982*

8/26/82

RESOLUTION AUTHORIZING THE ISSUANCE OF A \$93,000
SECURED NOTE TO FINANCE THE PURCHASE OF THE AGENCY'S
HEWLETT PACKARD HP3000 SERIES 33R COMPUTER SYSTEM

WHEREAS, the Agency has purchased for \$93,672 a Hewlett Packard HP3000 Series 33R computer and associated software; and

WHEREAS, the Agency has determined that it is necessary and advisable to finance the purchase of such computer system through the issuance of its note secured by the computer system; it is therefore

Voted that the Agency borrow \$93,000 from The Merchants Bank to finance the purchase of the computer systems and issue its general obligation note to such Bank, secured by such computer system; and that the Executive Director is hereby authorized and directed (i) to execute and deliver on behalf of the Agency a note substantially in the following form, the terms and provisions of which are hereby approved in all respects, and (ii) to take such other action as may be necessary or desirable in connection with this vote:

VERMONT HOUSING FINANCE AGENCY

NOTE

The Vermont Housing Finance Agency, a body politic and corporate of the State of Vermont (the "Agency"), promises to pay to the order of The Merchants Bank, Burlington, Vermont (the "Bank") the principal sum of \$93,000 in sixty consecutive monthly installments of \$1,550 each commencing October 1, 1982 and ending September 1, 1987, with interest from the date hereof on unpaid balances computed on the basis of a 360 day year consisting of 30 day months, payable on the first day of each month until this note is paid in full, at the rate of ten and one-quarter percent (10.25%) per annum.

This note is issued to finance the purchase by the Agency of a Hewlett Packard HP3000 Series 33R computer and associated software pursuant to a resolution of the Agency duly adopted on August 26, 1982. To secure the payment of this note, the Agency hereby pledges and grants a security interest in such computer system and the proceeds thereof, which shall immediately be subject to the lien of such pledge without any physical delivery or further act. If the Agency shall default in the payment of principal or interest when due on this note, the Bank shall have the rights of a secured party under Vermont law.

This note is a general obligation of the Agency payable out of any of the Agency's revenues, moneys or assets, subject only to agreements heretofore or hereafter made with the holders of obligations of the Agency other than this note pledging particular revenues, moneys or assets for the payment thereof.

The Agency is not obligated to pay this note or the interest hereon except from the revenues or assets of the Agency pledged therefor and neither the faith and credit nor the taxing power of the State of Vermont or of any political subdivision thereof is pledged to the payment of the principal of or the interest on this note.

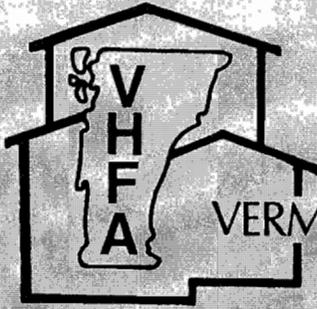
All or any portion of the outstanding principal balance of this note may be paid by the Agency at any time before maturity of this note without penalty.

VERMONT HOUSING FINANCE AGENCY

(SEAL)

Dated: August __, 1982

By _____
W. Scott Frazier, Executive Director



STEWART M. LEDBETTER, Chairman
W. SCOTT FRAZIER, Executive Director

VERMONT HOUSING FINANCE AGENCY

AGENDA

Vermont Housing Finance Agency
State Treasurer's Office, Montpelier
October 28, 1982
2:00 P.M.

1. Approval of Minutes of September 30, 1982
2. Multi-Family business:
 - A. Update of projects with Section 8 authority but not permanently financed.
 - B. Letter of Intent -- Burlington NSA (Cross Proposal)
 - C. Update on Alburg Family Housing
 - D. Other Multi-Family issues
3. Single Family business:
 - A. Discussion of 1982 MPP
 - B. Resolution Re: Master Servicing Agreement with VT Municipal Employees Retirement System.
4. Other old or new business



STEWART M. LEDBETTER, Chairman
W. SCOTT FRAZIER, Executive Director

VERMONT HOUSING FINANCE AGENCY

MINUTES

Vermont Housing Finance Agency
Annabelle's, Pittsford, Vermont
September 30, 1982, 11:30 A.M.

PRESENT: Chairman Ledbetter, Vice-Chairman Shaw; Commissioners Hebard, Gardner, Kreizel; Mr. Frazier, Mr. Brisson, Ms. Thielen, Ms. Chetti, VHFA; Mr. Lambert, Agency of Development & Community Affairs.

The meeting was called to order by Chairman Ledbetter at 11:30 A.M. On a motion duly made, and seconded, the minutes of the August 26, 1982 Board Meeting were unanimously adopted.

Ms. Chetti discussed the two Burlington NSA proposals competing for the remaining NSA set-aside. Both projects were analyzed in detail after which upon motion duly made and seconded, the O'Brien (Mackenzie property) proposal was unanimously accepted.

Mr. Frazier informed the Board that Tectonics has approached the Agency staff for an extension of a General Fund loan commitment to finance three handicapped units in Barre. He noted that a new location had been selected by Tectonics which would probably require increasing the original \$39,000 request to \$45,000. The board continued to express their conceptual approval; however, instructed the staff to bring back a workable proposal from Tectonics within the next 60 days.

Mr. Frazier informed the Board that rumors had been circulating regarding the Bardwell Hotel in Rutland receiving Section 8 set-aside funds. In response to a request from the project's developer, the Agency sent a mailgram to Philip Abrams and R. Carter Saunders of HUD, with copies to all Vermont representatives in Washington, D.C. reaffirming support for both the Wallingford and Bardwell projects.

Ms. Thielen then updated the Board on the status of the Rockingham project. She noted that the construction lenders have agreed to participate in the permanent financing in the amount of \$115,279 on the same terms as the Agency's portion (i.e. 13.75%, 30 years).

Ms. Thielen then reviewed some potential multi-family management problems such as owners as managers who turn out to be less than acceptable and allowable uses of escrow funds. She noted that the Agency's policies regarding these areas are unclear or unformulated. The staff is currently reviewing the policies in

question and will come back with recommendations for Board consideration at a later board meeting. She also informed the Board that VHFA, VSHA and the Champlain Valley Housing Managers Association are jointly sponsoring a two day Housing Managers Workshop on November 3 and 4.

Next, Mr. Brisson proceeded to review the activity to date on the 1982 Single Family Mortgage Purchase Program. He noted that applications have slowed up considerably since the first month of the program.

Mr. Brisson then distributed to the Board the results of the state wide purchase price study authorized at the last Board meeting. The study revealed that the Agency would obtain no relief on the purchase price limits set for the 1982 Single Family Program and therefore a letter ruling from the IRS approving the results of the study is unnecessary. It was noted that the information contained in the study would be useful for future single family tax-exempt issues.

Discussions then ensued as to the best alternative to pursue relative to the funds still available under the 1982 Single Family Mortgage Purchase Program. On motion duly made and seconded it was decided to consult with a professional advertising agency to promote the 1982 Program with a budget not to exceed \$15,000. The motion passed unanimously.

A general discussion followed concerning allowing up to 10% of the lendable proceeds from the 1982 Single Family Program for non-first time homebuyers provided for under an amendment to the Mortgage Subsidy Bond Tax Act. A motion was made, and seconded, to allow up to \$2.4 million of the bond proceeds to be used for mortgages to non-first time homebuyers. The funds are to be made available on a first-come first-serve basis. The motion passed unanimously.

Mr. Brisson then updated the Board on the status of the Rollover Program and the related security sale to the Vermont Municipal Employees Retirement Fund. He noted that the Agency would retain a servicing fee of approximately .825% for its role as master servicer in the transaction and the state pension fund would yield approximately 16.5% if all payments were received in a timely manner. He noted that a resolution would hopefully be presented at the next board meeting authorizing the transaction and that the sale would take place shortly thereafter.

Mr. Brisson then reviewed the staffs recommendations regarding criteria to be used in the review and approval process for condominium conversion projects. A motion was made and seconded to accept the staffs recommendations but to consider only those

projects which legally were converted prior to April 1, 1982. The motion passed by a majority vote, with Vice-Chairman Shaw abstaining. A copy of the approved criteria is attached hereto.

Mr. Frazier concluded the meeting by briefly updating the board on various personnel changes within the Agency and the status of his search for a new controller.

The meeting was adjourned at 1:50 P.M.

Respectfully submitted,

W. Scott Frazier

Date: _____

10/22/82

W. Scott Frazier
Secretary



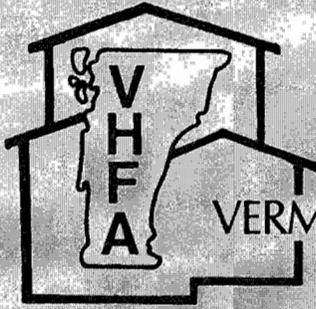
STEWART M. LEDBETTER, Chairman
W. SCOTT FRAZIER, Executive Director

VERMONT HOUSING FINANCE AGENCY

AGENDA

Vermont Housing Finance Agency
239 South Union Street, Burlington, Vermont
December 2, 1982
1:00 P.M.

1. Approval of Minutes of October 28, 1982
2. Executive Session
3. Multi-Family business:
 - A. Tectonics Moderate Rehab proposal
 - B. Status Update -- Benson Housing for the Elderly
 - C. Mortgage increase request -- Fairfield
 - D. Financing Resolution -- 65 Monroe Street, Burlington, NSA
 - E. Scheduling of loan committee meeting prior to next board meeting.
4. Single Family business:
 - A. Discussion of 1982 Mortgage Purchase Program
 - B. Mortgage Rollover Program
 - C. Update on taxable mortgage programs
5. Other Business:
 - A. Discussion of proposed statutory changes
 - B. Any other old or new business



STEWART M. LEDBETTER, Chairman
W. SCOTT FRAZIER, Executive Director

VERMONT HOUSING FINANCE AGENCY

MINUTES

VERMONT HOUSING FINANCE AGENCY
STATE TREASURER'S OFFICE, MONTPELIER
October 28, 1982, 2:00 P.M.

Present: Vice Chairman Shaw; Commissioners Hebard, Kreizel, Chaffee, Myette (speaker phone); Mr. Frazier, Mr. Brisson, VHFA; Mr. Kochman, VHFA attorney; Mr. Lambert, Agency of Development of Community Affairs; Mr. Ingalls, Palmer & Dodge; Mr. Gurley, Goldman, Sachs & Company; Mr. Henderson, E. F. Hutton; Ms. Bancroft, Brown, Wood.

The meeting was called to order by Vice Chairman Shaw at 2:05 P.M. Upon motion duly made, and seconded, the minutes of the September 30, 1982, Board Meeting were unanimously adopted.

Mr. Frazier reviewed the list of Section 8 projects prepared by Ms. Chetti of the Agency which have not been bonded for yet. Mr. Ingalls then led a brief discussion as to some of the benefits of floating a bond issue before the end of the year when certain aspects of the new law take effect. A motion was made and seconded to begin preparing the materials with bond counsel and underwriters for a multi-family bond issue. The motion passed unanimously.

Next, Mr. Frazier explained the Cross proposal, a seven unit Section 8 project on 65-67 Monroe Street, was ready for a letter of intent. A motion was made and seconded to issue a letter of intent for the Cross Proposal. The motion passed unanimously.

Mr. Kochman then proceeded to update the Board on the foreclosure action against the Alburg Family Housing Development and all persons claiming ownership of the development, stating that he expected to file the complaint during the coming week, but that effective service on Mr. Jameson would take more time because of the need to attempt service in New Jersey with the probable ultimate need to obtain service by publication after the New Jersey possibility has been exhausted.

At this time a motion was made, seconded, and passed unanimously to go into Executive session to discuss certain legal and bonding matters.

The Board meeting continued after emerging from the Executive session with Mr. Gurley and Mr. Bancroft now present.

Mr. Brisson presented the Board with an updated report on the status of the 1982 mortgage purchase program. Discussion ensued about increasing the maximum allowable amount of borrower income under the Program. After discussion of the issue, a motion was made and seconded to increase the income limit under the Program to \$40,000 for those loans made to multiple borrowers each of whom earns "income" as defined in the Procedural Guide. The motion passed unanimously.

Discussion next centered on establishing Areas of Chronic Economic Distress (ACED's) under § 6 a. 103A-2(b) (5) of the Treasury regulations. The benefits of establishing ACED's within the State are twofold. First, mortgages made with the proceeds of tax exempt revenue bonds on properties located in an ACED need not be made exclusively to "first time home buyers" and secondly, dwelling purchase price limits within the ACED's are less restrictive. After discussion the attached resolution concerning the establishment of ACED's was unanimously adopted.

Mr. Brisson next reviewed the anticipated sale of interests in mortgage loans to the Vermont State Employees Retirement System originated by certain banks under the Agency's Rollover Program. Upon motion duly made and seconded, the attached Resolution was unanimously adopted.

Commissioners Chaffee and Kreizel left the meeting at this point. Mr. Lambert now filling in as designee of Commissioner Kreizel.

Mr. Brisson and Mr. Frazier then reviewed the State Police Set Aside Program. After some discussion a motion was made, seconded, and passed unanimously to increase the Set Aside to \$250,000 from the present level of \$100,000 with a reassessment for potential future increases once \$250,000 has been financed.

Mr. Frazier informed the Board that only two of the three finalists for the Controller job were still available and were scheduled for second interviews. The commissioners present delegated the final responsibility for hiring the best applicant to Mr. Frazier and Mr. Brisson.

Mr. Frazier then informed the Board of CSHA's intention of putting on a nationwide campaign to extend the sunset provision of the Mortgage Subsidy Bond Tax Act of 1980, which currently eliminates single family tax-exempt mortgage revenue bonds on December 31, 1983. He noted that each state HFA was being looked upon to build a statewide coalition of support.

Mr. Frazier stated that he had a meeting with three Board members of the Vermont Community Housing Services, Inc. (VCHS), pursuant to their request to pursue how VCHS and VHFA could work more closely together. One consideration raised at the meeting was the possibility of a VHFA Commissioner and one or two VHFA employees to sit on the Board of VCHS.

MINUTES OF THE VERMONT HOUSING FINANCE AGENCY
October 28, 1982
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Finally, Mr. Frazier stated that the annual audit was completed and he would mail to each Commissioner the final version of the financial statements in the near future.

The meeting was adjourned at 4:30 P.M.

Respectfully submitted,



W. Scott Frazier, Secretary

RESOLUTION

WHEREAS, certain mortgage lenders desire to sell their interests (the "Bank Portions") in certain mortgage loans initiated by them under the Agency's Rollover/Lender Participation Program; and,

WHEREAS, the Vermont Municipal Employees Retirement System (the "System") stands ready to purchase such Bank Portions; and,

WHEREAS, there being only one buyer, no useful social or economic purpose can be filled by interposing between the Mortgage Lenders and the System any mortgage backed security issued by the Agency or a trust established by the Agency; and,

WHEREAS, the Agency finds that, under the circumstances, a direct sale of the Bank Portions to the System will tend to accomplish the specific objective of the Agency's Limited Obligation Program rules; and

WHEREAS, the Agency finds that such sale, and a sale to the Agency of Bank Programs offered in excess of \$500,000, will not result in a financial return or benefit to the participating mortgage lenders in excess of prevailing market conditions; and,

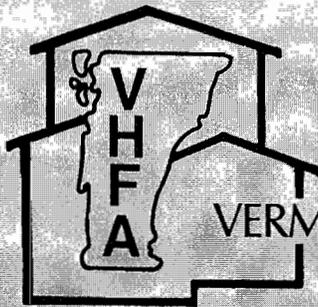
WHEREAS, as a condition of purchase, the System wishes to have the Agency act as its master servicing agent with respect to the Bank Portions; it is hereby

RESOLVED, that the Executive Director or the Program Director is hereby authorized to solicit formal offers of Bank Portions for sale to the System, and to execute a Master Servicing Agreement with the System, substantially in accordance with the form of Master Servicing Agreement attached hereto, but containing such changes as the Executive Director shall deem necessary or desirable, together with all other documents necessary or incidental to the transaction. The Agency finds that the contract is consistent with the intent of 10 V.S.A. Section 627.

FURTHER RESOLVED, to the extent Bank Portions become available for purchase in an aggregate outstanding principal balance in excess of \$500,000, the Executive Director at his discretion is authorized to purchase any or all of such excess Bank Portions from unrestricted monies in the Agency's General Fund. The Agency feels that such purchase by the Agency under the Addendum to Participation Agreement and Mortgage Loan Servicing Agreement, appropriately modified, is consistent with the intent of 10 V.S.A. Section 627 and will tend to accomplish the specific objectives of the Agency's Limited Obligation Program rules.

RESOLUTION

Resolved that the Executive Director or the Program Director is hereby authorized to determine on a county by county basis those areas of the state which appear to qualify as areas of chronic economic distress within the meaning of U.S. Department of Treasury Temporary Regulation 6a. 103A - 2(b)(5), to petition the Governor with supporting documentation to designate all or a portion of such areas as "areas of chronic economic distress" within the meaning of such regulations, and to seek the approval of the U.S. Department of Housing and Urban Development and the U.S. Treasury Department for any such designation.



STEWART M. LEDBETTER, Chairman
W. SCOTT FRAZIER, Executive Director

VERMONT HOUSING FINANCE AGENCY

TO: VHFA Commissioners
FROM: W. Scott Frazier
RE: Legislative Changes to VHFA Statute
DATE: November 23, 1982

The following is a summary of the changes to our statute the staff feels is necessary to give us maximum flexibility for both our existing programs and in further developing new programs.

(1) Bonding authority

Increase the current \$300 million limit to \$400 million for tax exempt debt. Remember, we are facing a sunset provision eliminating tax exempt financing after 12/31/83. Whatever single family bonding we do in '83 could be our last. We should be prepared for maximum bonding authority should the sunset not be extended.

(2) \$10,000,000 of family housing in structures with 6 units or less.

Drop the 6 unit requirement. This provision came about when we increased our bonding authority from \$185 million to \$300 million. \$10 million of that increase was to be for family housing in buildings with 6 units or less. The timing of this provision applies only to the '81, '82 and future multi family issues. To date we have provided \$7 million of this \$10 million requirement. All family housing under these two issues totals approximately \$10.9 million. We feel we must amend the \$10 million requirement in order to increase our authority over the \$300 million level.

(3) Section 627 (Taxable Financings)

A technical correction is necessary to facilitate the issuance of taxable mortgage backed securities by the Agency in situations where the Agency is not guaranteeing the timeliness or amounts of cash flowing to the investor but only passing through collections actually received.

(4) Section 623(g)(1)

Loans to Lenders Financings

The current language only provides for mortgage loans of twenty years or more. We need to amend this section to allow for GEM mortgages or fixed rate mortgages with a term of less than 20 years.