



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

VERMONT HOUSING FINANCE AGENCY

AGENDA

VERMONT HOUSING FINANCE AGENCY BOARD MEETING
239 SOUTH UNION STREET, BURLINGTON, VERMONT
January 20, 1983, 1:00 p.m.

1. Approval of minutes of December 2, 1982
2. Introduction of New Controller -- Roger Schoenbeck
3. Single Family
 - a. 1982 Mortgage Purchase Program
 - b. Update of Taxable Financing Program
 - c. Amendment to VHFA Statute
4. Multi Family
 - a. Update of 1983 bond issue
 - b. Discussion regarding developer's equity contribution
5. Mortgage Subsidy Bond Tax Act of 1980. Legislative considerations
6. Resolution delegating authority to new Controller
7. Breakup into Committee Meetings (approx. 2:30 p.m.)
 - a. Audit Committee (Scott's Office)
 - (1) Discussion of Coopers & Lybrand Management Comments
 - (2) 6 month budget update
 - (3) Discussion of criteria for in-state investments
 - b. Loan Committee (Boardroom)
 - (1) Bardwell Hotel - review proposal changes
 - (2) Hardwick Housing for the Elderly
 - (3) Rockingham update
8. Reconvene and adjournment of regular board meeting (approx. 3:30 - 4:00 p.m.)



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

VERMONT HOUSING FINANCE AGENCY

MINUTES

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

Present: Vice Chairman Shaw; Commissioners Hebard, Lambert, Gardner, Myette (speaker phone); Mr. Frazier, Mr. Brisson, Ms. Chetti, VHFA.

The meeting was called to order by Vice Chairman Shaw at 1:00 P.M. Upon motion duly made, and seconded, the minutes of the October 28, 1982, Board Meeting were unanimously adopted.

A motion was made, seconded and passed unanimously to go into Executive Session to discuss certain legal and bonding matters.

After emerging from the Executive Session the board meeting continued with Ms. Chetti updating the Board on the Tectonics proposal to rehab 3 units for the handicapped at 95 Smith Street in Barre. The project would be financed with a 15 year General Fund loan for \$45,000 at 12.5%. Upon motion duly made, and seconded, the proposal was given preliminary approval contingent upon construction starting on the project within 60 days after zoning board approval or resolution of the pending court action involving the zoning permit. The motion carried unanimously.

The meeting continued with Ms. Chetti reviewing the status of the Benson Housing for the Elderly project. Discussion concentrated on documenting the total cost of the project, especially the approximately \$165,000 of additional monies spent outside of the Agency's construction loan. After discussion of the issue, the Board instructed the staff to continue working with the principals involved and to report back to the Board after the principal's books have been audited by an independent public accounting firm showing the total sources and uses of funds for this project.

Next, upon motion duly made, seconded, and passed unanimously the Chester Arthur Apartments, Fairfield project was granted a mortgage loan increase to cover construction cost overruns predominantly caused by requirements imposed by the Health Department to the project's well and mound system. The \$7,089 approved

increase is the maximum amount supportable by rents and is contingent upon receipt of a rent increase from HUD and VSHA Board approval.

Upon motion duly made, and seconded, the attached financing resolution for the Burlington NSA, Monroe Street project was unanimously passed.

Mr. Frazier and Ms. Chetti then briefly updated the Board on the status of the upcoming multi family bond issue noting that the bulk of projects would not be far enough along in their processing to go to market with a bond issue until at least late January or February of 1983. It was noted that a loan committee meeting regarding these proposed projects might be necessary prior to the next Board meeting.

Mr. Brisson presented the Board with an updated report on the activity of the Rollover Program. After some discussion, upon motion duly made, and seconded, it was unanimously agreed to continue the program for another year with the same terms and conditions as currently in place except that the allowable amount of the outstanding principal balance to be rolled over would be changed to:

<u>Outstanding Balance</u>	<u>% Allowed To Be Rolled Over</u>
≤ \$40,000	75%
> \$40,000	60%

Next, Mr. Brisson summarized the staff's research to date on a taxable single family program. He noted that staff had met with three different underwriters and at this juncture, it appeared that the best alternative was to further pursue a financing whereby the Agency would assemble eligible mortgage loans originated by participating lenders. The loans would then be swapped for FNMA mortgage backed securities. The Agency would in turn act as master servicer of the underlying loans under contract with FNMA and sell the securities either directly or through an underwriter. Mr. Brisson noted that the Agency needs to be approved by FNMA as a seller/servicer and that an application fee of \$1,000 was required. After submission of the Agency's application, staff would arrange a meeting with FNMA officials.

Mr. Frazier and Mr. Brisson next reviewed each of the four proposed changes to the Agency's statute as summarized on the attached memorandum mailed to each commissioner. Each of the

four proposed changes were discussed and each was passed unani-
mously upon a motion duly made, and seconded, with the exception
of the proposed change increasing tax exempt bonding authority
from \$300 million to \$400 million on which the motion passed by a
majority of the commissioners present, with one absence.

Finally, staff updated the Board on the current status of the
1982 Mortgage Purchase Program. It was noted that mortgage loan
applications have slowed considerably and that interest rates
have fallen farther since the last Board meeting with indications
of further reductions in the near term. Under this climate, it
appeared certain that participating lenders would be unable to
fulfill their original commitments to deliver mortgage loans to
the Agency. In addition, the combination of falling interest
rates and slow delivery of mortgages to the Agency has caused the
Agency to rollover its original investments at a considerable
negative spread. Staffs' recommendation was to proceed with
structuring a redemption for this bond issue. After considerable
discussion of the issues, upon motion duly made, and seconded, it
was unanimously passed to proceed with a redemption of \$10 mil-
lion of lendable proceeds of the 1982 Series A, Single Family
Mortgage Purchase Bonds.

There being no further business before the Board, the meeting
was adjourned at 3:15 P.M.

Respectfully Submitted,



W. SCOTT FRAZIER, SECRETARY

WSF:lac

Approved per
minutes of
December 2, 1982

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

- (1) Monroe 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".



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

VERMONT HOUSING FINANCE AGENCY

AGENDA

VERMONT HOUSING FINANCE AGENCY BOARD MEETING
239 SOUTH UNION STREET
BURLINGTON, VERMONT
MARCH 4, 1983 1:00 P.M.

EXECUTIVE SESSION -- Regarding Certain Legal Matters

MULTI-FAMILY

1. Discussion of Section 8 Tenant Eligibility
2. Letters of Intent -- Hardwick
3. Sale of 1983 Series A, Multi-Family Housing Bonds
 - a. Execute Contract of Purchase with Underwriters
 - b. Radify Third Supplemental Bond Resolution

LEGISLATIVE

1. S.65 Update
2. Sunset Repeal Update

SINGLE FAMILY

1. Howard Mental Health Proposal
2. State Police Set-Aside Program Update



STATE OF VERMONT

AGENCY OF DEVELOPMENT AND COMMUNITY AFFAIRS

TWX 710-225-8100

MONTPELIER, VERMONT 05602

DEPARTMENTS & DIVISIONS OF:

Administration 828-3211
Administrative Services 828-3231
Economic Development 828-3221
Historic Preservation 828-3226
Housing & Community Affairs 828-3217
Vermont Travel Division 828-3236
Film Bureau
Vermont Life Magazine 828-3241

March 3, 1983

Vermont Housing Finance Agency:

Pursuant to 10 V.S.A., Section 611, Paragraph (b), I hereby designate Alexander J. Shak to serve as a Commissioner of the Vermont Housing Finance Agency for the meeting scheduled March 4, 1983.

Sincerely,

A handwritten signature in cursive script that reads 'Milton A. Eaton'.

Milton A. Eaton, Secretary
Development and Community Affairs

MAE/cal



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

VERMONT HOUSING FINANCE AGENCY

MINUTES

Vermont Housing Finance Agency
239 South Union Street, Burlington, Vermont
January 20, 1983

PRESENT: Chairman Ledbetter; Vice-Chairman Shaw; Commissioners Hebard, Gardner, Chaffee, Kreizel, Myette (speaker phone); Mr. Eaton, Secretary of Development and Community Affairs; Mr. Frazier, Mr. Brisson, Ms. Chetti, Ms. Thielen, Mr. Schoenbeck, VHFA staff.

The meeting was called to order by Chairman Ledbetter at 1:15 P.M. Upon motion duly made, and seconded, the Minutes of the December 2, 1982 Board Meeting were unanimously adopted.

Mr. Frazier introduced Mr. Roger Schoenbeck who has been hired as the Agency's controller. Commissioner Kreizel then introduced Mr. Milton Eaton who would be replacing him as Secretary of Development and Community Affairs upon confirmation from the State Legislature.

Mr. Frazier then outlined the events that have transpired over the prior month and a half with regard to redeeming a portion of the 1982 Series A, Single Family Mortgage Purchase Bonds. He and Mr. Brisson noted that all contracts with the participating lenders have been modified and indicate that \$16 million of lendable bond proceeds should be redeemed. The Agency, upon advice from bond counsel, will also reduce its reserve fund balances to avoid any potential conflict with the IRS. Upon motion duly made, and seconded, it was unanimously voted to redeem \$16 million of lendable proceeds plus the appropriate amount of reserve funds as dictated by bond counsel.

Mr. Brisson then discussed in more detail the modifications to the Application and Commitment Agreement with the participating lenders and reviewed the amounts of commitment fees rebated back to the banks under the modifications. He noted that some banks, under the initial rebate formula were still in a cash out-of-pocket situation. After some discussion a motion was made, seconded, and passed unanimously to make no further rebates of application fees to participating lenders under the 1982 Single Family Mortgage Purchase Program.

Mr. Brisson next updated the staff's work on a taxable single family program since the last board meeting. He noted that the

Agency has submitted its application to FNMA to become an approved seller/servicer and that staff had met with FNMA officials in their regional office in Philadelphia, Pennsylvania, with a representative from Goldman, Sachs & Co.

Next, Mr. Frazier reviewed the status of federal legislation calling for the elimination of the sunset provision of the Mortgage Subsidy Bond Tax Act of 1980. After brief discussion, a motion was made, seconded, and passed unanimously to adopt the attached resolution.

Mr. Brisson then explained the proposed changes to the Agency's statute were now in bill form. The Agency's bill will be originated in the Senate and will be co-sponsored by several members to the Senate Finance Committee. Commissioner Hebard noted for the record that he would support only \$50 million of the \$100 million increase in tax-exempt authority the Agency was seeking.

Mr. Brisson next informed the Board the U.S. Treasury Department has published its new "average area purchase price" limits. These limits coupled with the liberalized percentages allowed by the Tax Equity and Fiscal Responsibility Act of 1982 would translate into the following maximum purchase price limits under new tax exempt single family mortgage purchase programs:

	<u>SMSA</u>	<u>Non SMSA Non ACED</u>	<u>ACED's</u>
New	\$79,000	61,500	67,000
Existing	\$68,500	59,500	65,000

Mr. Brisson further noted that our application for designating 9 out of 14 counties as "areas of chronic economic distress" (ACED's) was approved by the Department of HUD in Washington, D.C. and is now awaiting approval by the IRS. Mr. Brisson noted that those counties approved as ACED's would not have the first time homebuyer requirement.

Next, Mr. Brisson briefly discussed the Agency's single family delinquency statistics, and updated the Board on the Single Family Rollover and State Police Set-Aside Programs. The Board suggested that staff write a letter to the Commissioner of Public Safety in order to access clearly the need to continue the program and the position of the Commissioner on the issue.

Next, upon a motion duly made, and seconded, the attached resolution delegating certain authority to the new controller, Roger Schoenbeck, was passed unanimously.

Mr. Frazier then proceeded to outline a tentative time schedule for the 1983 Multi-Family bond issue. The bonds would be sold at the next board meeting, late February or early March, with a closing scheduled in March. Ms. Chetti followed with a brief review of the status of the five projects being considered for financing.

Next Ms. Chetti informed the Board that it was unclear as to what the current equity requirement is for multi-family developers. Upon the staff's recommendation, a motion was made, seconded, and passed unanimously to require an 8% equity contribution for each project.

At this point the board meeting recessed to allow for meetings of the loan committee and audit committee.

The Board meeting reconvened at approximately 3:45 P.M. Commissioner Gardner reported to the full Board on behalf of the audit committee and Chairman Ledbetter reported on behalf of the loan committee, after which, a motion to ratify all actions taken in the committee meetings was made, seconded, and passed unanimously. Attached hereto and made a part hereof appear Minutes of each respective committee meeting.

The board meeting was adjourned at 4:15 P.M.

Respectfully Submitted,



W. SCOTT FRAZIER
SECRETARY



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

VERMONT HOUSING FINANCE AGENCY

MINUTES

Loan Committee
Vermont Housing Finance Agency
January 20, 1983

PRESENT: Chairman Ledbetter, Commissioners Kreizel and Hebard, Mr. Eaton, Secretary of Development and Community Affairs; Ms. Chetti and Ms. Thielen, VHFA staff.

Ms. Chetti reviewed changes in the Bardwell proposal since the Board had initially approved the project in May, 1982. She noted that all conditions of the Board's approval including on-site parking for handicapped residents, reduction of rents to 110% of Fair Market, and elimination of newly constructed units have been met; however, the originally proposed mansard roof and the unsubsidized resident manager's apartment have been eliminated from the proposal. Loan Committee members expressed their disappointment at the elimination of the mansard roof noting the positive effect the roof had on the massive appearance of the Bardwell building. A motion was made, seconded, and passed unanimously to have the developer reinstate the mansard roof and unsubsidized managers apartment.

Ms. Chetti then presented two proposals for housing in Hardwick to be developed by NCIC. After some discussion a motion was made, seconded, and passed unanimously to approve the proposals contingent upon the stipulations included in the staff recommendation which included:

1. Increasing the operating budget to an acceptable level approved by staff;
2. Acceptance by the owner of major maintenance and repairs of the commercial space as well as the residential space rather than leaving the responsibility for this to the commercial tenants;
3. Waiver of half of the Agency's commitment fee and a subsequent mortgage reduction, rather than owner's equity reduction as had been requested by NCIC;
4. Approval of the request to allow the project's operating budget to make payments on a CDBG loan from the Town of Hardwick to the owner. The loan will be secured by the property;

however, the Town will have no right to foreclose on the property;

5. Approval of the request to allow the property to secure a loan from NCIC to the partnership beyond the Agency required 8% minimum equity.

Ms. Thielen then summarized the proposed permanent loan structure for the Rockingham Canal House as detailed in the Executive Summary dated January 14, 1983. The Loan Committee members approved the structure as presented with the stipulation that the commitment extension fees not be waived. The owner would have to pay the fees at some future time with interest.



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

VERMONT HOUSING FINANCE AGENCY

MINUTES
Audit Committee
Vermont Housing Finance Agency
January 20, 1983

PRESENT: Vice Chairman Shaw, Commissioners Gardner and Chaffee;
Mr. Schoenbeck, Mr. Frazier, VHFA staff.

Mr. Schoenbeck and Mr. Frazier led a discussion with regard to Coopers & Lybrand's comments and Recommendations letter for the year ended June 30, 1982. They informed the audit committee members of accounting policies implemented in response to Coopers' recommendations such as the procedures used regarding the preparation and documentation of journal entries to the Agency's books of record and the use of pro forma worksheets to facilitate the efficiency of the manual accounting system. Other discussion focused on the need for establishing loan loss reserves for the Agency's portfolios and the Agency's accounting policies with regard to foreclosures. No formal action was taken by the audit committee in response to Coopers' & Lybrand recommendations. The adequacy of loan loss reserves and accounting policies was left to the discretion of the Agency staff; however, any changes to accounting policy should be brought to the committee's attention. It was noted that the audit committee hoped to see some progress on computerizing the Agency's accounting records within the next year.

Next, Mr. Schoenbeck reviewed the six month budget performance report previously mailed to all VHFA board members. Certain line items were discussed in detail. It was generally noted the Agency was running over its budget in most categories. Staff indicated that it would seek budget modifications at a later meeting. It was also noted that the six month budget report, as prepared, was confusing and that the staff should modify the form for clarity.

Next, Mr. Frazier presented a listing of all in-state investments. A general discussion followed with regard to the source of funds for these investments and the criteria used in placing the money. It was decided that the staff should formalize its procedures by presenting in written form an outline of the criteria to be used in selecting which bank to invest funds in and to what level. It was suggested that staff work more closely with the Commissioner of Banking's department in obtaining the necessary financial information on the banks.

RESOLVED, the selection of Roger A. Schoenbeck as Controller for the Agency is hereby approved.

FURTHER RESOLVED, Roger A. Schoenbeck, as Controller of the Agency is hereby appointed an Authorized Officer within the meaning of every General Bond Resolution of the Agency and in particular for the purpose of signing and delivering any Officers' Certificate to any Trustee under any General Bond Resolution of the Agency.

FURTHER RESOLVED, in addition to all other powers they may have as Officers of the Agency, the following persons shall be authorized to sign checks payable against the Agency's General Fund:

W. Scott Frazier, Executive Director
Thomas P. Brisson, Deputy Director
Roger A. Schoenbeck, Controller

Any payroll check shall be valid and negotiable when signed by any one of the foregoing persons. Any other check payable against the General Fund must be signed by at least two of the foregoing persons.



W. Scott Frazier
Executive Director and Secretary
Vermont Housing Finance Agency
January 20, 1983

RESOLUTION

MORTGAGE SUBSIDY BOND TAX ACT REPEAL

WHEREAS, the Vermont Housing Finance Agency has enabled thousands of low and moderate income families to purchase or rent decent, safe and sanitary housing in the State of Vermont; and

WHEREAS, state housing agencies throughout the nation have demonstrated a willingness and capability to provide lower cost financing of housing for low and moderate income persons; and

WHEREAS, the Vermont Housing Finance Agency, as well as other state housing agencies, are being thwarted in the legislatively directed purpose of financing low and moderate income housing primarily due to the excessive restrictions imposed by the Mortgage Subsidy Bond Tax Act of 1980, as modified by the Tax and Fiscal Responsibility Act of 1982; and

WHEREAS, the federal government has stated that it will continue to reduce its efforts to provide low and moderate income housing and simultaneously transfer responsibility for low and moderate income housing to the states;

NOW, THEREFORE, Be it resolved by the Board of the Vermont Housing Finance Agency, that the federal legislative delegation from the State of Vermont is hereby respectfully requested to support and pursue the enactment of federal tax legislation to effectively rescind the applicable provisions of the Mortgage Subsidy Bond Tax Act of 1980 or otherwise ameliorate the underlying burdensome effects thereof, thereby enabling the Vermont Housing Finance Agency to again carry out its primary purpose of providing low and moderate income housing.



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

VERMONT HOUSING FINANCE AGENCY

VERMONT HOUSING FINANCE AGENCY
BOARD MEETING AGENDA
239 South Union Street, Burlington
1:00 p.m., Monday, April 25, 1983

1. Approval of March 4, 1983 Board Meeting minutes
2. Multi-Family
 - (A) Resolution regarding equity contribution for Hardwick (enclosed)
 - (B) Financing Resolutions (enclosed)
 - (i) O'Brien (McKenzie) Project
 - (ii) 2 Hardwick Projects
 - (C) Resolution regarding transfer of ownership for Barton Project to Kokoletsos (enclosed)
 - (D) Letter of intent - Bardwell Hotel (maybe)
3. 1983 Single Family Mortgage Purchase Program
 - (A) Programs Terms and Conditions
 - (B) Review of Lender Participation Levels (enclosed)
 - (C) Discussion of proposed schedule (enclosed)
 - (D) Cash flow consideration
4. Any other old or new business
 - (A) Legislative updates (enclosed)
 - (B) New bonding proposals (enclosed)
 - (C) 1983 audit considerations



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

VERMONT HOUSING FINANCE AGENCY

VERMONT HOUSING FINANCE AGENCY
BOARD MEETING AGENDA
239 South Union Street, Burlington
1:00 P.M.

1. Approval of March 4, 1983 Board Meeting Minutes.
2. Multi-Family
 - (A) Resolution regarding equity contribution for Hardwick.
 - (B) Letter of intent Bardwell (maybe)
3. 1983 Single Family Mortgage Purchase Program.
 - (A) Program terms and conditions
 - (B) Review of Lender Participation Levels
 - (C) Discussion of proposed schedule
 - (D) Cash flow considerations
4. Any other old or new business.



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

VERMONT HOUSING FINANCE AGENCY

MINUTES

Vermont Housing Finance Agency
239 South Union Street, Burlington, Vermont
March 4, 1983

PRESENT: Chairman Ledbetter; Commissioners Chaffee, Hebard, Myette, Shak (designee of Eaton),; Mr. Frazier, Mr. Brisson, Ms. Chetti, Ms. Thielen, VHFA staff; Mr. Kochman, VHFA Attorney; Mr. Gurley, Goldman Sachs & Co.; Mr. Hale, Mr. St. Onge, Palmer & Dodge; Ms. Bancroft, Ms. Cross, Brown, Wood, Ivy, Mitchell & Petty; Mr. Henderson, E.F. Hutton.

The meeting was called to order by Chairman Ledbetter at 1:00 P.M. Upon motion duly made, and seconded, the Minutes of the January 20, 1983 Board Meeting were unanimously adopted.

Upon motion duly made, and seconded, the Commissioners voted unanimously to go into Executive Session concerning certain legal matters.

The board meeting resumed after the Commissioners voted to come out of Executive Session at which time Mr. Frazier recapped the Executive Summary mailed to each Commissioner regarding the restrictions on tenant eligibility promulgated by the Housing and Community Development Amendments of 1981 and the proposed HUD regulations implementing these amendments. After some discussion and upon advise of counsel, the following sentence would be added to the disclosure of this issue in the final Official Statement of the 1983 Series A, Multi-Family Housing Bonds:

". . . The Agency intends to take such action in cooperation with the State Housing Authority as may be required by HUD to correct non-compliance with the 1981 Amendments in existing developments financed by the Bonds and to insure that tenants occupying dwelling units in developments under construction or to be constructed will also comply with the 1981 Amendments."

Next, Ms. Chetti explained to the Board that the two Hardwick proposals were ready for letters of intent and that the Elmwood Avenue proposal would be ready for a letter of intent after receipt of certain documents. Upon motion duly made and seconded, the Board authorized the issuance of letters of intent for the two Hardwick proposals and the Elmwood Avenue proposal upon the satisfactory receipt and review of all necessary documents.

The motion passed by a majority vote, Commissioner Myette abstaining.

At Mr. Frazier's request, Mr. Gurley then presented a financial analysis of the Agency's proposed Multi-Family Housing Bonds 1983 Series A. After some discussion, upon motion duly made and seconded the "Third Supplemental Multi-Family Housing Bond Resolution" was unanimously adopted. Mr. Gurley presented to the Agency a good faith deposit check in the amount of \$74,300.

Next Mr. Brisson updated the Board on the status of the Agency's legislative bill (S.65). He noted the bill was reported out of the Senate finance committee, unchanged, but was now going to be considered in the Senate Appropriations Committee. Chairman Ledbetter suggested that a new part be added to the bill to allow for reconsideration during the biennial legislative session should the Agency use up its bonding authority during 1982.

Mr. Frazier then very briefly updated the Board on the status of the repeal of the sunset provision of the Mortgage Subsidy Bond Tax Act of 1980. He noted that all three of Vermont's delegates had informed him that they had signed up as co-sponsors of the bill, making Vermont the first state to have its entire delegation sponsor this legislation. Co-sponsors now total 139 in the House and 35 in the Senate.

Next, a discussion ensued regarding the possibility of another single family tax exempt bond issue in late spring or early summer. Staff was requested to mail to the Board members a written outline of the general parameters of a new program before the next board meeting to be used to canvas the banks for their intended participation.

Mr. Brisson informed the Board of a proposal to finance a therapeutic community residence operated by Howard Mental Health Services, Inc. of Burlington. The facility would provide living accommodations for six developmentally disabled residents with on-site supervision. After some discussion, upon motion duly made, and seconded, it was unanimously agreed to commit a General Fund loan of up to \$84,000, not to exceed 12% interest rate, 15 year term, and 75% loan to value ratio to finance the facility.

Next Mr. Brisson informed the Board that pursuant to a meeting with Commissioner Philbrook, it was determined that the State Police Set-Aside Program had served its needs. Under the Program, nine loans totaling \$344,000 have been financed with two

potential borrowers in the pipeline. Upon motion duly made and seconded, it was decided to end the program after the two remaining applicants are financed. The motion carried unanimously.

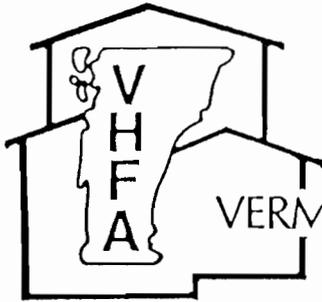
Mr. Frazier then explained there appeared to be some possibilities opening up for office space in downtown Burlington. After a brief discussion, staff offered to explore the possibilities and put together an outline for the next board meeting. It was noted that the Agency still had two and a half years remaining under its present lease agreement.

There being no further business to come before the Board, the meeting was adjourned at 3:20 P.M.

Respectfully submitted,



W. SCOTT FRAZIER, SECRETARY



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

VERMONT HOUSING FINANCE AGENCY

Pre-Board Meeting luncheon 12:00 p.m. Pauline's
Kitchen Shelburne Road, Shelburne (East side of
Route 7; 6 miles south of Burlington)

VERMONT HOUSING FINANCE AGENCY BOARD MEETING AGENDA

Vermont Housing Finance Agency Office
June 2, 1983, 1:30 p.m.

1. Approval of April 25, 1983 Board Meeting Minutes
2. Multi-Family:
 - (A) Financing resolution and status update - Bardwell Hotel, Rutland.
 - (B) First Congregational and Society of Benson - Financing proposal for construction cost overruns.
 - (C) Ownership transfer of Fair Haven project
3. Single-Family:
 - (A) Discussion - 1983 Single Family Bond Issue - tentative sale of bonds
 - (B) Adopt rules under 10VSA § 627 (VHFA Limited obligation programs)
 - (C) Discussion of condominium conversion projects
4. Executive session to discuss certain legal matters
5. Other old or new business



STATE OF VERMONT

AGENCY OF DEVELOPMENT AND COMMUNITY AFFAIRS

MONTPELIER, VERMONT 05602

OFFICE OF THE SECRETARY (802) 828-3211

MILTON A. EATON, SECRETARY

DEPARTMENTS OF:

Economic Development 828-3221
Housing & Community Affairs 828-3217

DIVISIONS OF:

Administration 828-3231
Historic Preservation 828-3226
Vermont Travel Division 828-3236
Vermont Life Magazine 828-3241

May 31, 1983

Vermont Housing Finance Agency:

Pursuant to 10 V.S.A., Section 611, Paragraph (b), I hereby designate Alexander J. Shak to serve as a Commissioner of the Vermont Housing Finance Agency for the meeting scheduled for Thursday, June 2nd.

Sincerely,

A handwritten signature in cursive script that reads 'Milton A. Eaton'.

Milton A. Eaton, Secretary
Agency of Development and
Community Affairs

MAE/cal



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

VERMONT HOUSING FINANCE AGENCY

MINUTES

VERMONT HOUSING FINANCE AGENCY
239 SOUTH UNION STREET, BURLINGTON, VERMONT
APRIL 25, 1983

PRESENT: Chairman Ledbetter; Commissioners Shaw, Chaffee, Hebard, Myette (speaker phone), Gardner, Eaton; Mr. Frazier, Mr. Brisson, Ms. Chetti, Ms. Thielen, VHFA staff; Mr. Kochman, VHFA attorney; Mr. Shak, Commissioner of Housing and Community Affairs.

The meeting was called to order by Chairman Ledbetter at 1:00 P.M. Upon motion duly made, and seconded, the Minutes of the March 4, 1983 Board Meeting were unanimously adopted with one modification to change the loan to value ratio of the Howard Mental Health proposal to 76%.

Ms. Chetti then reviewed the developers equity in each of the two Hardwick projects. Upon motion duly made, and seconded, the attached resolution was unanimously adopted.

Next, upon motion duly made, and seconded, the attached financing resolutions for the O'Brien (McKenzie) project and the two Hardwick projects were unanimously adopted.

Ms. Thielen then gave an update on the transfer of ownership for the Roaring Brook Housing, Barton project. Upon motion duly made, and seconded, the attached resolution was unanimously adopted.

Ms. Chetti updated the status of the Bardwell Hotel proposal. She noted the budget has been amended, satisfactory to the Agency, to keep the rents at 110% of the 1981 fair market rents set by HUD. Upon motion duly made, and seconded, the Board unanimously authorized the issuance of a letter of intent contingent upon receipt of an acceptable cost estimate. Ms. Chetti further noted that a financing resolution would be needed prior to the next board meeting.

Commissioner Eaton entered the meeting at this point.

Mr. Brisson next proceeded to outline the 1983 Single Family Program terms and conditions, lender participation levels, and the proposed schedule for mailing of contracts and closing on the

bonds. Mr. Frazier informed the Board that the preliminary cash flow projections incorporated an Agency contribution of approximately \$600,000 to satisfy the rating agencies concerns of non-delivery of mortgage loans. After a protracted discussion of the above elements upon a motion duly made, and seconded, the attached resolution was unanimously adopted.

Next a brief discussion ensued regarding competitive bid versus negotiated sale bond issues. Upon a motion duly made, and seconded, the Chairman was empowered, after research by the staff, to decide which method should be pursued. The motion passed unanimously.

Commissioner Hebard noted that he felt the staff should consider structuring another solar design competition for single family homes. Staff agreed to look into this possibility.

Upon motion duly made, and seconded, the Commssioners unanimously voted to go into Executive Session to discuss certain legal matters.

The Board meeting resumed after the Commissioners voted to come out of Executive Session at which time, there being no further business to come before the Board, the meeting was adjourned at 4:00 P.M.

Respectfully Submitted,


W. SCOTT FRAZIER, SECRETARY

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

- (1) McKenzie House 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) Hardwick Family Housing, housing in Hardwick 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 Hardwick, 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) Bemis Block _____ Housing, housing in Hardwick, 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 Hardwick, 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".

BARTON RESOLUTION

WHEREAS, the Agency has been informed that the entire estate of the original mortgagor in real property in Barton, Vermont, securing the Mortgage from Frank Babcock & Son, Inc. to the Agency (the "Mortgage") dated April 14, 1980 has been acquired by Basil Kokoletsos (Kokoletsos) by judicial decree and in a manner hereby deemed sufficiently consistent with the promises of Kokoletsos as set forth in his letter to the Agency of September 25, 1981, (the "Kokoletsos Letter"); and,

WHEREAS, certain terms of the Kokoletsos Letter remain to be fulfilled; it is hereby

RESOLVED, that the Executive Director, the Program Director, or Ronne Thielen, as Director of Housing Management, is authorized to consent to the transfer of the original mortgagor's estate to Roaring Brook Housing Limited Partnership, a Vermont limited partnership consisting of Kokoletsos as general partner and Kokoletsos and Marcella Kokoletsos, as tenants by the entirety, as limited partner, subject to the following conditions:

1. Substantial fulfillment of the documentary requirements set forth in the attached letter of April 14, 1983 from Frank Kochman to Robert A. Gensburg.

2. Funding of reserve accounts required under the Regulatory Agreement in a satisfactory manner. For this purpose, the Agency shall allow as a credit those cash expenditures made by Kokoletsos which could have been funded from the reserve accounts, to the extent such expenditures are documented to the satisfaction of the Director of Housing Management; but such credit shall not exceed an amount which will leave the present balances of the reserve accounts at least at the level at which they now stand.

FURTHER RESOLVED, that pursuant to paragraph 16 of the Mortgage, the Agency shall make a loan in the amount of \$9,158.00 to Roaring Brook Housing Limited Partnership subject to the following conditions:

1. The loan shall bear interest at 8.5% per annum, shall have a term ending coextensively with the primary obligation secured by the Mortgage, shall be evidenced by a promissory note with full recourse against the general partner, and shall otherwise be consistent with the terms of the promissory note evidencing the primary obligation.

2. The Director of Housing Management must be satisfied that sufficient Section 8 subsidy is available to pay the additional debt service.

The Executive Director, the Program Director, or the Director of Housing Management is authorized to execute on behalf of the Agency all documents reasonably required in connection with the foregoing. The Executive Director is authorized in his discretion to withhold consent and to withhold the loan if any of the foregoing conditions are not met within 30 days.

RESOLVED, the Executive Director or the Program Director is authorized to invite commitments by Mortgage Lenders to participate in the Agency's proposed 1983 Mortgage Purchase Program. The 1983 Mortgage Purchase Program shall be conducted in accordance with the Agency's Procedural Guide as modified from time to time by the Program Director, and shall include the terms and conditions set forth in the attached "Proposed Terms for New Mortgage Purchase Program", dated 3/21/83, (the "Proposed Terms") and the following, which shall control over any conflicting term set forth in the Proposed Terms:

1. Purchase Price Limits

(a) Burlington MSA and the following counties or portions thereof: Caledonia, Essex, Franklin (except for the Town of Georgia), Lamoille, Orange, Orleans, Rutland, Washington and Windham.

(b) All other areas of the State:

New	\$66,000	\$60,500
Existing	\$63,500	\$58,500

2. Income Limits

(a) one wage earner household	\$30,000
(b) two wage earner household	\$35,000

3. Mortgage Instrument

25 year fixed rate level amortizing mortgage

Acceptance of commitments from Mortgage Lenders shall be subject to the sale of bonds to finance the program and conditioned on the delivery of such bonds.

PROPOSED RESOLUTION: HOUSING FOR THE ELDERLY AND FAMILIES
IN HARDWICK

In that the combined equity contribution by the Owner for the two housing projects in Hardwick is in excess of the minimum Agency requirement of 8% for each project, this equity requirement satisfies the intent of the minimum equity requirement and is approved. Any amount contributed in excess of the 8% will be recognized as a loan to the Owner from Northern Community Investment Corporation.

Pursuant to Act No. 52 of the 1983 session of the Vermont General Assembly the rules of the Agency duly adopted by the Board on July 15, 1982 entitled "VHFA Limited Obligation Program Rules" have been modified. On May 11, 1983 the Legislative Committee on Administrative Rules approved the rule change. Under the Administrative Procedures Act the new rule will take full force and effect 5 days after final filing. Final filing will be made once the Board adopts the rule change.

The text of the rule change is as follows:

Section 3 is amended as follows:

These Rules apply to the purchase of Mortgage Loans, Rehabilitation Loans, and Eligible Securities by the Agency or others pursuant to a Limited Obligation Program where the sources of funds for such purchase are [(i) unrestricted monies in the Agency's General Fund, (ii)] other than bonds, notes, or other obligations [issued by the Agency] , or Eligible Securities which are [not] general obligations of the Agency [but which are payable solely from the receipts, revenues, or other income derived in respect of loans and securities purchased pursuant to 10 V.S.A. Section 627, or (iii) Eligible Securities issued by a trust established by the Agency.] .

Section 5.4 is amended as follows:

The Agency may enter into contracts or other instruments for the administration and implementation of the Limited Obligation Program [.] including, without limitation contracts for the purchase or sale of Mortgage Loans, Rehabilitation Loans, or Eligible Securities, master servicing contracts for such loans or securities, and contracts of brokerage.

Section 5.5 is amended as follows:

For purposes of illustration only, and not by way of limitation, the Agency may contract with builders, housing sponsors,

prospective homeowners, governmental agencies, underwriters, investors, any financial institution with trust powers under the law of the jurisdiction in which it is chartered, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, their successors, or other financial institutions or intermediaries involved in the residential mortgage market, such special agents as it deems necessary or useful to the accomplishment of the purposes of 10 V.S.A. Section 627, as well as Mortgage Lenders.

Section 6.1 is amended as follows:

To the extent deemed necessary by the Agency in order to accomplish the specific objectives of these rules, any contract with a Mortgage Lender for the purchase of Mortgage Loans, Rehabilitation Loans, or Eligible Securities may provide that the proceeds of purchase of Mortgage Loans, Rehabilitation Loans, or Eligible Securities from Mortgage Lenders shall be reinvested by such Mortgage Lenders in new Mortgage Loans and Rehabilitation Loans for Residential Housing; except when such proceeds arise from the sale of new loans initiated for the purpose of sale to the Agency or others.



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

VERMONT HOUSING FINANCE AGENCY

VERMONT HOUSING FINANCE AGENCY
BOARD MEETING AGENDA
239 South Union Street, Burlington
10:00 a.m., Friday, July 8, 1983

1. Executive session to discuss certain legal matters
2. Approval of June 2, 1983 Board Meeting Minutes
3. Multi-Family:
 - (A) Adoption of resolution regarding Benson Housing Project
 - (B) Discussion of general fund loan to Tectonics, Inc.
4. Discussion of and action on FY'84 General Fund Budget
5. Single-Family:
 - (A) Ratification of conference calls of June 29 and 30, 1983
 - (B) Adoption of resolution ratifying contracts with lenders
 - (C) Adoption of Series Resolution
 - (D) Adoption of General Bond Resolution
 - (E) Execution of Purchase Contract
6. Other old and new Business



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

VERMONT HOUSING FINANCE AGENCY

VERMONT HOUSING FINANCE AGENCY
LOAN COMMITTEE MEETING
11:00 A.M., AUGUST 4, 1983
STATE TREASURER'S OFFICE
133 STATE STREET, MONTPELIER, VERMONT

AGENDA

1. Section 23
2. Alburg Family Housing (Jameson)
3. Vehicles for Financing Multi-Family Housing
4. Jensen Lien
5. Weyerhauser



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

VERMONT HOUSING FINANCE AGENCY

MINUTES

VERMONT HOUSING FINANCE AGENCY
239 SOUTH UNION STREET, BURLINGTON, VERMONT
JUNE 2, 1983

PRESENT: Chairman Ledbetter; Vice-Chairman Shaw; Commissioners Hebard, Myette, Chaffee; Mr. Shak (designee of Eaton) Commissioner of Housing and Community Affairs; Mr. Frazier, Mr. Brisson, Ms. Chetti, Ms. Thielen, Mr. Schoenbeck, VHFA staff; Mr. Gurley, Goldman Sachs & Co; Ms. Bancroft, Brown, Wood, Ivy, Mitchell & Petty; Mr. Kochman, VHFA attorney.

The meeting was called to order by Chairman Ledbetter at 1:30 P.M. Upon motion duly made, and seconded, the Minutes of the April 25, 1983 Board Meeting were unanimously adopted with one modification to reflect Commissioner Myette abstaining on the motion passing the financing resolution for the O'Brien (McKenzie) project.

After a brief discussion and update on the status of the Bardwell House project, upon motion duly made, and seconded, the attached financing resolution was unanimously adopted.

Next, Mr. Frazier gave a status report on the Benson project. The audit of the construction accounts of the First Congregational Church and Society of Benson determined that \$60,000 of additional funds is needed to close this project. The staff recommended that a General Fund loan for \$60,000 at 9%, for 13 years with no interest payments for the first two years of operation be made to the Church and that the General Fund of the Agency borrow the money from the Vermont Conference of the United Church of Christ which has expressed an interest in providing the necessary funds. Upon motion duly made, and seconded, the staff's recommendation was adopted by a majority vote. Vice-Chairman Shaw and Commissioner Hebard abstained from the vote.

Ms. Thielen then informed the Board that the current owners of the Fairhaven project intend to sell their project to a limited partnership formed by the March Company, a large syndicator from Boston, Massachusetts. Mr. Frazier further informed the Board that A. Judson Babcock, an owner and manager of other Agency projects, had asked approval of the Agency to be general and managing partner of the syndication of the Fairhaven project of which he was denied based on his managing performance on the other Agency projects. The Board requested a written report on the Fairhaven syndication and instructed the staff to begin a written outline of Agency policy and potential concerns regarding

any resyndication of Agency projects for discussion at the next Board meeting.

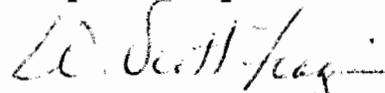
A general discussion regarding the delay of the 1983 Series A, Home Mortgage Purchase Bonds occurred next. Mr. Gurley noted that the tax-exempt bond market lost approximately 100 basis points over the last two weeks and that if the Agency sold bonds today the mortgage rate would be at least 11%. He also noted that other housing finance agencies were delaying their bond sales until a break in the market. Mr. Brisson informed the Board that the bond issue structure which incorporates an Agency funded Loan Loss Claim Fund in lieu of pool insurance and a \$1,000,000 Letter of Credit from the Connecticut National Bank in lieu of a large cash contribution by the Agency will be rated A1 by Moody's. The Agency will not request a rating on the issue from Standard & Poor's. It was further noted that the Agency is prepared to go to market as soon as bond interest rates fall to a more acceptable level. After discussion, upon motion duly made, and seconded, the Board decided to sell the 1983 Series A, Home Mortgage Purchase Bonds when bond rates fall to a level that would allow for a mortgage rate not to exceed 10.5% with the Agency taking the full spread allowable under current law. The motion passed by a majority vote with Vice-Chairman Shaw and Mr. Shak abstaining.

Next, Mr. Brisson reviewed the rule changes pursuant to 10 V.S.A. Section 627 (VHFA Limited Obligation Program). Upon motion duly made, and seconded, the attached rule change was unanimously adopted.

Next Mr. Brisson led a discussion as to whether the criteria used in approving condominium conversion projects under the 1982 Single Family Program should be used in the 1983 Single Family Program. After discussion, a motion was made, and seconded, it was decided to table the issue. The motion passed by a majority vote.

Upon motion duly made, and seconded, the Board unanimously decided to go into Executive Session to discuss certain legal matters. At the conclusion of the Executive Session, upon a motion duly made, and seconded and unanimously approved, the Board Meeting was adjourned at 3:20 P.M.

Respectfully Submitted,



W. Scott Frazier
Executive Director & Secretary

WSF:lac



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

VERMONT HOUSING FINANCE AGENCY

TO: VHFA Commissioners
FROM: Tom ∇
SUBJECT: VHFA Approval of Condominium Conversion Projects
DATE: May 26, 1983

On July 15, 1982 the Board adopted the attached criteria for use in approving condominium conversion projects for participation in the 1982 single family mortgage program.

At the June meeting, I would like the Board to consider employing the same criteria for approval of projects under the 1983 program.

INFORMATION REGARDING

VHFA APPROVAL OF CONDOMINIUM CONVERSION PROJECTS

(1983 Mortgage Purchase Program)

The Agency will consider for approval and inclusion in its 1983 Mortgage Purchase Program condominium conversion projects that are Qualified Condominium Conversion Projects as provided for below.

"Qualified Condominium Conversion Project" means a condominium project containing six or more units duly organized and existing under the laws of the State of Vermont on or before April 1, 1982 and as to which the applicant has supplied the following documentation:

- A. Signed application in a form acceptable to the Agency.
- B. The written opinion of an attorney licensed to practice law in the State of Vermont that:
 - 1) the condominium is duly organized and existing under the laws of the State of Vermont, specifying the date on which the Declaration of Condominium was filed for record, and
 - 2) that all permits required by any governmental authority having jurisdiction over the project and required as a condition of lawful occupancy of any building in the project have been obtained.
- C. The written opinion of a Certified Building Inspector that:
 - 1) no conditions appear to exist that may be hazardous to the health or safety of potential occupants and
 - 2) no structural or mechanical deficiencies appear to exist that would tend to cause accelerated or abnormal deterioration of the project.
- D. A certificate from the applicant/declarant stating that at least 20% of the units have been sold to owner-occupants as of the date of application to the Agency specifying the name of the owner-occupants and the date and sale price of each unit.
- E. A certificate from the applicant/declarant stating that not more than 20% of the units in the project will be sold to investors or others who do not intend to occupy the units as their primary residence.
- F. A final Certificate of Occupancy from the office of the State Fire Marshall.

- G. A copy of the duly recorded declaration of condominium and by-laws of the condominium association.
- H. Insurance binders naming the homeowners association and mortgagee as the insureds which provides for adequate fire and extended coverage on all improvements within the project.
- I. A certified copy of the current years homeowners association operating budget. Such budget must provide for adequate amounts to cover normal operating expenses plus a sinking fund reserve for replacement of all physical elements of common ownership described in the declaration and be based on realistic estimates of the actual remaining life of those elements.
- J. A copy of the construction warranties running from the declarant to both the owners association and the individual unit owners. In general, such warranties should be comprehensive in nature and not limit liability for correction and repair of major structural and mechanical defects to less than two years.
- K. Site plan (s) including all buildings and unit numbers.
- L. Plans for building (s) and typical unit (s) including as built construction specifications.
- M. A current master appraisal report (FHLMC Form 465 including Addendums A & B) or a comprehensive narrative report acceptable to the Agency.
- N. A schedule of unit asking prices and any available promotional brochures and sales literature.

- NOTE:
- 1) The maximum loan amount on any unit within a conversion project financed by the Agency cannot exceed 90% of the value of the unit.
 - 2) The Agency may provide mortgage financing on up to 25% of the total number of units within a qualified project.

Approved per
minutes of
June 2, 1983

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

- (1) Bardwell House Housing, housing in Rutland, 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 Rutland, 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".

SUMMARY OF CONFERENCE CALL

DATE: June 29, 1983

TIME: 11:10 A.M.

PARTICIPANTS: S. Ledbetter, H. Shaw, B. Gardner, M. Eaton,
E. Hebard, G. Chaffee, R. Myette, A. Gurley, J. Ingalls,
S. Frazier, T. Brisson, F. Kochman

1. The board discussed economic and financial market conditions salient to the proposed issuance of single family mortgage revenue bonds.
2. The board authorized the sale of the 1983 Series A Home Mortgage Purchase Bonds at a price that would yield a mortgage rate not in excess of 10.75% and which would allow the Agency to retain the maximum allowable arbitrage spread.
3. Tom and Frank apprised the board of recent federal convictions of a participating bank and the guilty plea of one of its senior officers regarding currency transaction reports. After discussion, the consensus of the board was that these matters were not material to the bond issue and that the bank would be able to participate in the program subject to certain conditions.

SUMMARY OF CONFERENCE CALL

DATE: JUNE 30, 1983

TIME: 1:30 P.M.

PARTICIPANTS: S. LEDBETTER, H. SHAW, M. EATON, E. HEBARD,
G. CHAFFEE, A. GURLEY, T. BRISSON, F. KOCHMAN

1. The board agreed to authorize the lenders participating in the 1983 mortgage purchase program to begin accepting loan applications immediately following the sale of bonds.
2. The board agreed to indemnify borrower applicants in the event of non-delivery of the bonds in accordance with the terms of the attached memo.
3. The board agreed to accept Factory Point National Bank's request for \$1,000,000 in bond proceeds under the program.
4. The board approved specific staff recommendations regarding requirements for participation of the convicted bank discussed during the June 29th conference call in the 1983 mortgage purchase program.
5. The board agreed to hold a formal board meeting at the office of the Agency on July 8, 1983 at 10:00 A.M.



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

VERMONT HOUSING FINANCE AGENCY

TO: Lenders Participating in the 1983 Single Family
Mortgage Purchase Program

FROM: Thomas P. Brisson, ^{VP} Director of Programs

RE: Bond Issue

DATE: June 30, 1983

As you know the Agency has been prepared for several weeks to issue bonds and has held back anticipating a better climate in the bond market.

It appears at this juncture that rates in the tax-exempt market are not likely to improve in the near future. The VHFA Board, therefore, has decided to authorize the sale of bonds at a rate that would result in a mortgage rate to Borrowers not exceeding 10.75%.

The Agency fully expects to be able to sell bonds by Friday of next week that would allow for the 10.75% mortgage rate or possibly slightly less. Once the sale has been consummated, we will contact you by phone and authorize you to begin taking applications under the terms of the Program. We have decided to allow lenders to begin taking applications prior to actual delivery of the bonds which will be approximately three weeks after sale in order to accelerate implementation of the Program.

Should some currently unforeseen catastrophe occurring between the sale date and the anticipated delivery date prevent delivery of the Bonds, (and thus void the Application and Commitment Agreement in accordance with its terms) the Agency is prepared to make equitable compensation to mortgage loan applicants for appraisal, credit check, and employment verification fees incurred by them in reliance on the Program.

Enclosed are the following:

1. A fully executed Application and Commitment Agreement.
2. Camera ready copies of special forms needed for the Program in addition to a supply of actual mortgage riders, affidavits and assignment forms.

We have prepared a written program outline for dissemination to builders, realtors and the public at large. Copies are available upon request as are additional supplies of forms mentioned above.

I would like to take this opportunity to thank you for your participation in the Program.

If you have any questions regarding the material enclosed, please call Ann-Marie Plank at the Agency.



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

VERMONT HOUSING FINANCE AGENCY

July 1, 1983

MEMO TO: VHFA Commissioners
FROM: Janice Chetti
RE: Resolution regarding additional financing for
 Benson Housing for the Elderly

At the June 2, 1983 Board meeting, the Commissioners approved a cooperative financing plan with the Agency and the Vermont Conference of the United Church of Christ to provide an additional \$60,000 to the First Congregational Church and Society of Benson.

Attached is a resolution which will formalize the Board's June approval and will authorize the Agency to execute a promissory note to the Vermont UCC. The First Congregational Church will then execute a note to the Agency. Incorporated in the adoption of the attached resolution is acceptance of the form of the promissory note, which is also attached.

The staff recommends adoption of the attached resolution and promissory note.

RESOLUTION AUTHORIZING THE ISSUANCE OF A
PROMISSORY NOTE TO VERMONT CONFERENCE,
UNITED CHURCH OF CHRIST
IN THE PRINCIPAL AMOUNT OF \$60,000

RESOLVED, a Promissory Note payable to Vermont Conference, United Church of Christ, or order, (the "Note") is hereby authorized to be issued in the principal amount of \$60,000. The Note shall be for a term of 10 years, shall bear interest at the rate of 9% per annum, and shall be payable in equal monthly installments of principal and interest.

The Agency hereby determines (1) that the principal amount of the Note is necessary to provide sufficient funds to the Agency's General Fund to permit the Agency to transfer from the General Fund to the 1982 Series A loan account established pursuant to its Second Supplemental Multi-Family Bond Resolution adopted May 27, 1982 an amount equal to the principal amount of the Note, (2) that the mortgage loan made by or on behalf of the Agency direct or indirectly, with the proceeds of the Note can be issued bearing a rate of interest which will be less than the prevailing rate of interest on a comparable mortgage loan available in the State of Vermont without the assistance of the Agency, and (3) the Agency will derive receipts, revenues or other income from the mortgage loan made with the proceeds of the Note sufficient to provide, together with all other available receipts, revenues and income of the Agency, for the payment of the Note and the payment of all costs and expenses incurred by the Agency with respect to the purpose for which the Note is issued.

The purpose for which the Note is being issued is to permit the Agency, without impairment to other programs or purposes of the Agency, to supplement the permanent mortgage loan to be made to the Benson Development described in the Official Statement issued in connection with the Agency's Multi-Family Housing Bonds, 1982 Series A (the Benson Development).

The Agency shall transfer from the General Fund to the 1982 Series A loan account the sum of \$60,000 for the purpose of supplementing the mortgage loan to be made on the Benson Development, such transfer to be made on or before the date of any disbursement from the 1982 Series A loan account with respect to the permanent financing of such development.

The Note shall be substantially in the form attached hereto, which form is incorporated herein by reference. The Chairman or the Executive Director of the Agency is hereby authorized to execute the Note on behalf of the Agency.

The Agency may prepay the principal amount outstanding hereunder in whole or in part at any time without penalty.

The Agency hereby waives presentment, notice of dishonor, and protest.

Any notice to the Agency provided for in this note shall be deemed delivered when mailed certified mail, return receipt requested, postage prepaid and addressed to the Agency at P. O. Box 408, Burlington, Vermont 05402 or to such other address as the Agency may designate by notice to the holder. Any notice to the holder shall be given by mailing such notice by certified mail, return receipt requested, to the holder at such address as may have been designated by notice to the Agency.

This note is a duly authorized obligation issued pursuant to Number 260 of the Vermont Acts of 1973, adjourned session, as amended (the "Act") and under and pursuant to a Resolution of the Agency adopted _____, 1983. This note is a general obligation of the Agency payable out of any of the Agency's revenues, monies 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, monies or assets for the payment thereof. As provided in the Act, the Agency is not obligated to pay this note or the interest hereon except from the revenues or assets of the Agency pledged herein, and neither the faith and credit nor the taxing power of the State of

\$60,000

_____, 19____

VERMONT HOUSING FINANCE AGENCY

PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned Vermont Housing Finance Agency (the "Agency") promises to pay to Vermont Conference, United Church of Christ, or order the principal sum of SIXTY THOUSAND (\$60,000) DOLLARS, with interest on the unpaid principal balance from the date of this note until paid at the rate of NINE PERCENT (9%) per annum. Principal and interest shall be payable in 120 consecutive monthly installments of SEVEN HUNDRED SIXTY DOLLARS AND SIX CENTS (\$760.06) each, on the first day of each month beginning _____, 1983. Such monthly installments shall continue until the entire indebtedness evidenced by this note is fully paid, except that any remaining indebtedness, if not sooner paid, shall be due and payable on _____, 1993.

If any monthly installment under this note is not paid when due and remains unpaid for 15 days after delivery by the holder of a written notice of intent to accelerate to the Agency, the entire principal amount outstanding and accrued interest thereon shall at once become due and payable at the option of the holder. If suit is brought to collect this note, the holder shall be entitled to collect all reasonable costs and expenses of suit including but not limited to reasonable attorney's fees.

The Agency may prepay the principal amount outstanding hereunder in whole or in part at any time without penalty.

The Agency hereby waives presentment, notice of dishonor, and protest.

Any notice to the Agency provided for in this note shall be deemed delivered when mailed certified mail, return receipt requested, postage prepaid and addressed to the Agency at P. O. Box 408, Burlington, Vermont 05402 or to such other address as the Agency may designate by notice to the holder. Any notice to the holder shall be given by mailing such notice by certified mail, return receipt requested, to the holder at such address as may have been designated by notice to the Agency.

This note is a duly authorized obligation issued pursuant to Number 260 of the Vermont Acts of 1973, adjourned session, as amended (the "Act") and under and pursuant to a Resolution of the Agency adopted _____, 1983. This note is a general obligation of the Agency payable out of any of the Agency's revenues, monies 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, monies or assets for the payment thereof. As provided in the Act, the Agency is not obligated to pay this note or the interest hereon except from the revenues or assets of the Agency pledged herein, and neither the faith and credit nor the taxing power of the State of

The purpose for which the Note is being issued is to permit the Agency, without impairment to other programs or purposes of the Agency, to supplement the permanent mortgage loan to be made to the Benson Development described in the Official Statement issued in connection with the Agency's Multi-Family Housing Bonds, 1982 Series A (the Benson Development).

The Agency shall transfer from the General Fund to the 1982 Series A loan account the sum of \$60,000 for the purpose of supplementing the mortgage loan to be made on the Benson Development, such transfer to be made on or before the date of any disbursement from the 1982 Series A loan account with respect to the permanent financing of such development.

The Note shall be substantially in the form attached hereto, which form is incorporated herein by reference. The Chairman or the Executive Director of the Agency is hereby authorized to execute the Note on behalf of the Agency.

Vermont or of any political subdivision thereof is pledged to the payment of the principal of or the interest on this note.

DATED AT Burlington, Vermont this _____ day of _____, 1983.

VERMONT HOUSING FINANCE AGENCY

BY: _____
ITS DULY AUTHORIZED AGENT

ATTEST:

VERMONT HOUSING FINANCE AGENCY
 GENERAL FUND BUDGET
 REVENUES
 FOR THE FISCAL YEAR ENDING JUNE 30, 1984.

Projected Received Through 6/30/83	%		Current Budget 6/30/83	Increase (Decrease)	Proposed Budget 6/30/84	Change
<u> </u>	<u> </u>		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues						
\$35,700	77.6	VHMGB	\$46,000	\$ 9,100	\$ 55,100	19.8
Fee Income						
316,800	2112.0	Mortgage Purchase Program	15,000	125,200	140,200	834.7
225,000	200.9	Multi-Family Program	112,000	(82,000)	30,000	(73.2)
100,000	142.9	Interest Income	105,000	26,400	131,400	25.1
150,500	75.0	Miscellaneous Income	2,000	(700)	1,300	(35.0)
729,000	260.4	Subtotal revenues	280,000	78,000	358,000	27.9
Surplus Funds Transfers (Net)						
180,000	100.0	Loans to Lenders	180,000	-0-	180,000	-0-
-0-	-0-	Mortgage Purchase, Shawmut	100,000	(50,000)	50,000	(50.0)
194,229(1)	64.7	Mortgage Purchase, Howard	300,000	360,000	660,000	120.0
300,000	120.0	Multi-Family, Howard	250,000	25,000	275,000	10.0
(46,961) (2)	-0-	Multi-Family, Hartford	30,000	20,000	50,000	66.7
627,268	72.9	Subtotal transfers	860,000	355,000	1,215,000	41.1
1,356,268	119.0	TOTAL Revenues & Transfers	1,140,000	433,000	1,573,000	38.0

(1) Mortgage purchase, Howard transfers consist of \$950,000 transferred to the general fund less \$305,771 general funds transferred representing bank commitment fees and \$450,000 representing the expected general fund contribution for the 1983 program.

(2) Multi-family, Hartford transfers consist of \$30,000 transferred to the general fund less \$76,961 general fund monies transferred back as a loan for the Bobbin Mill Project.

VERMONT HOUSING FINANCE AGENCY
 GENERAL FUND BUDGET
 EXPENDITURES
 FOR FISCAL YEAR ENDING JUNE 30, 1984

Projected Spent Through <u>6/30/83</u>	<u>% Budget Used</u>		<u>Current Budget Reclassified</u>	<u>Proposed Budget 6/30/84</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
OPERATING EXPENDITURES						
20,371	101.9	Accounting	20,000	20,000	-0-	-0-
3,000	150.0	Advertising	2,000	3,000	1,000	50.0
5,000	200.0	Annual Report	2,500	5,000	2,500	100.0
2,400	85.7	Commissioners Expense	2,800	2,500	(300)	(10.7)
1,200	80.0	Consulting Fees	1,500	1,500	-0-	-0-
74,000	315.3	Computer Expense	23,472	44,300	20,828	88.7
6,200	105.1	Dues and Subscriptions	5,900	6,200	300	5.1
19,565	111.2	Insurance	17,600	25,550	7,950	45.2
8,000	90.5	Interest Expense	8,838	8,500	(338)	(3.8)
3,000	113.6	Legal	31,700	38,000	6,300	19.9
1,699	113.3	Miscellaneous	1,500	1,500	-0-	-0-
8,200	120.1	Office Expenses	6,828	7,500	672	9.8
7,000	40.2	Pension Plan	17,400	12,000	(5,400)	(31.0)
5,300	101.9	Postage	5,200	5,600	400	7.7
29,170	96.0	Rent	30,375	32,500	2,125	7.0
21,250	97.7	Repairs & Maintenance	21,750	27,250	5,500	25.7
170,600	101.6	Salaries & Wages	364,800	406,000	41,200	11.3
2,178	43.6	Secondary Market Program	5,000	-0-	(5,000)	(100.0)
18,900	96.9	Staff Training & Travel	19,500	20,000	500	2.6
26,150	108.1	Taxes-FICA&Unemployment	24,200	29,350	5,150	21.3
18,300	114.4	Telephone	16,000	18,900	2,900	18.1
76,500	96.7	Trustee & Assignee fees	79,100	94,400	15,300	19.3
5,400	100.0	Utilities	5,400	6,200	800	14.8
5,838	-	Single Family Telephone Survey	-0-	-0-	-0-	-0-
7,500	-	Contribution-VCCMHS	-0-	-0-	-0-	-0-
<u>179,721</u>	<u>109.3</u>	TOTAL EXPENSES	<u>713,363</u>	<u>815,750</u>	<u>102,387</u>	<u>14.4</u>
16,074	74.5	Principal Note Payments	21,562	21,350	(212)	(1.0)
<u>7,800</u>	<u>222.9</u>	Furniture & Fixtures	<u>3,500</u>	<u>-0-</u>	<u>(3,500)</u>	<u>(100.0)</u>
<u>103,595</u>	<u>108.8</u>	TOTAL EXPENDITURES	<u>738,425</u>	<u>837,100</u>	<u>98,675</u>	<u>13.4</u>



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

VERMONT HOUSING FINANCE AGENCY

BOARD MEETING AGENDA

VERMONT HOUSING FINANCE AGENCY
239 SOUTH UNION STREET
BURLINGTON, VERMONT
1:00 P.M., FRIDAY, SEPTEMBER 9, 1983

1. *Approval of July 8, 1983 Board Meeting Minutes
2. Multi-Family
 - (A) *Proposal to finance and rehabilitate Section 23 units
 - (B) *Rental Rehabilitation Demonstration Program update
 - (C) Jameson Update
3. Single Family
 - (A) *1983 Series A Bond issue status report
 - (B) *Lomas & Nettleton Depository Resolution
 - (C) Windsor Group Home
 - (D) Condo Conversion update
 - (E) *Ratification of conference calls of August 25 and September 2
 - (F) Adoption of resolution ratifying contracts with lenders
 - (G) Adoption of Series Resolution Authorizing the Issuance and Sale of Home Mortgage Purchase Bonds, 1983 Series B
 - (H) Execution of Purchase Contract
4. Other old or new business

* = Attachment Enclosed



STATE OF VERMONT

AGENCY OF DEVELOPMENT AND COMMUNITY AFFAIRS

MONTPELIER, VERMONT 05602

OFFICE OF THE SECRETARY (802) 828-3211

MILTON A. EATON, SECRETARY

DEPARTMENTS OF:

Economic Development 828-3221
Housing & Community Affairs 828-3217

DIVISIONS OF:

Administration 828-3231
Historic Preservation 828-3226
Vermont Travel Division 828-3236
Vermont Life Magazine 828-3241

September 6, 1983

Vermont Housing Finance Agency:

Pursuant to 10 V.S.A., Section 611, Paragraph (b), I hereby designate Alexander J. Shak to serve as a Commissioner of the Vermont Housing Finance Agency for the meeting scheduled for Friday, September 9th.

Sincerely,

A handwritten signature in cursive script that reads 'Milton A. Eaton'.

Milton A. Eaton
Secretary



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

VERMONT HOUSING FINANCE AGENCY

MINUTES

VERMONT HOUSING FINANCE AGENCY
239 SOUTH UNION STREET, BURLINGTON, VERMONT
JULY 8, 1983

PRESENT: Chairman Ledbetter; Vice-Chairman Shaw; Commissioners Hebard and Eaton; Mr. Frazier, Mr. Brisson, Mr. Schoenbeck, and Ms. Chetti, VHFA staff; Mr. Kochman, VHFA attorney; Mr. Gurley, Goldman, Sachs & Company; Mr. Henderson, E.F. Hutton; Ms. Bancroft and Ms. Krost, Brown, Wood, Ivy, Mitchell & Petty; Mr. Ingalls and Mr. St. Onge, Palmer and Dodge.

Chairman Ledbetter called the meeting to order at 10:15 A.M.

Upon motion duly made, and seconded, the Board unanimously decided to go into Executive Session to discuss certain legal matters. The Board meeting resumed after upon motion duly made, and seconded, the Commissioners unanimously voted to come out of the Executive Session.

The minutes of the June 2, 1983 Board Meeting were unanimously adopted upon a motion duly made, and seconded.

Next, Ms. Chetti briefly recapped the current status of the Benson Housing for the Elderly project. Upon motion duly made, and seconded, Vice-Chairman Shaw was unanimously voted to act as Chairman for the Benson resolution. After which upon motion duly made, and seconded, the attached Resolution Authorizing the Issuance of a Promissory Note to Vermont Conference, United Church of Christ in the Principal Amount of \$60,000 was adopted by a majority vote of the Commissioners. Chairman Shaw and Commissioner Hebard abstaining.

Upon motion duly made, and seconded, Commissioner Ledbetter reassumed his position as Chairman and Acting Chairman Shaw became Vice-Chairman once again. The motion passed unanimously.

Ms. Chetti continued by explaining the 3-unit project of Tectonics in Barre on which a general fund loan commitment of \$45,000 was still in effect had little hope of being successful due to Creative Rentals, a parent organization of Tectonics, has withdrawn its financial commitment to the project and also because Tectonics has lost its funding. Upon motion duly made, and seconded, the Board unanimously approved the staff's recommendation to cancel the general fund loan commitment to Tectonics.

Next Mr. Brisson distributed the attached summaries of the Conference calls of June 29 and 30, 1983. Upon motion duly made, and seconded, the Board unanimously ratified the actions taken during each of the conference calls of June 29 and 30, 1983.

Continuing, Mr. Brisson presented to the Commissioners the attached Resolution Authorizing Purchase of Mortgage Loans Under Vermont Housing Finance Agency 1983 Mortgage Purchase Program, Approval of Contract Documents, and Appointment of Depositories. Upon motion duly made, and seconded, the attached Resolution was adopted by a majority vote. Vice-Chairman Shaw abstaining.

Next Mr. Ingalls of Palmer and Dodge presented the new general bond resolution entitled Home Mortgage Purchase Bond Resolution (the "Bond Resolution"). He explained the major reasons for the new Bond Resolution were to incorporate the Loan Loss Claim Fund and to expand the old resolution to provide for new bond types that are now common such as "zero-coupon bonds" or "term appreciation bonds". Mr. Ingalls noted that due to a last minute decision to include term appreciation bonds in this issue, the underwriters and their counsel had not yet seen the changes in the Bond Resolution necessary to reflect the term appreciation bonds. He said that, although the Bond Resolution presented to the Commissioners was complete and final as far as Palmer and Dodge was concerned, the underwriters might have some comments on the language used to accommodate the term appreciation bonds. There may therefore need to be some minor changes in the Bond Resolution to reflect the comments of the underwriters and their counsel. If any substantial changes were requested, another meeting of the Commissioners would be needed to consider the changes. When asked if he was recommending that the Bond Resolution be adopted, he said yes, it was in proper form for adoption by the Commissioners. He suggested that the Commissioners adopt the Bond Resolution in the form presented at the meeting (identified as "Draft Four 7/7/83") and authorize the Chairman and Executive Director to review and approve the changes (if any) required, with the advice of bond counsel, to accommodate the term appreciation bonds described in the official statement. Upon motion duly made, and seconded, the Home Mortgage Purchase Bond Resolution was unanimously adopted in the form attached, subject only to such changes as may be approved by the Chairman and Executive Secretary, provided, however, that no material or substantial changes may be made without further approval by the Commissioners.

Mr. Ingalls next presented the Series Resolution Authorizing the Issuance and Sale of Home Mortgage Purchase Bonds, 1983

Series A (the "Series Resolution") which also ratifies the distribution of the preliminary Official Statement, approves and authorizes the final Official Statement, and authorizes the execution of the Purchase Contract. He pointed out that Section 601 of the Series Resolution authorizes the execution of the Credit Agreement with the Connecticut National Bank substantially in the form as presented at this meeting relative to the irrevocable \$1 million Letter of Credit provided by the Connecticut National Bank for this bond issue. Section 601 of the Series Resolution also authorizes the execution and delivery of the note referred to in the Credit Agreement. Upon motion duly made, and seconded, the Series Resolution Authorizing the Issuance and Sale of Home Mortgage Purchase Bonds, 1983 Series A was unanimously adopted in the form attached, subject to such changes, omissions, insertions and revisions as the Chairman or the Executive Director may approve with the advice of bond counsel.

Next, Mr. Gurley presented a financial analysis of the bond issue. He noted that the Agency's issue with its unique features fared well compared to other single family bond issues in the market at the same time. He also explained the various components of the underwriters spread and noted the gross spread on the Agency's issue was less than the other issues highlighted in the financial analysis. Chairman Ledbetter thanked Mr. Gurley and the members of the underwriting group for an excellent job done. Upon motion duly made, and seconded, the Commissioners unanimously concurred. Mr. Gurley then presented a good faith deposit check in the amount of \$300,000 to the Agency where upon he and Mr. Frazier executed the Purchase Contract.

Next after discussion, and upon motion duly made, and seconded, the attached budget, adjusted to incorporate the new salaries for the Executive Director and Director of Programs, was unanimously adopted.

There being no further business before the Board, upon motion duly made, and seconded, the meeting was adjourned at 12:00 noon.

Respectfully Submitted,



W. SCOTT FRAZIER, SECRETARY

I
RESOLUTION AUTHORIZING PURCHASE OF MORTGAGE LOANS UNDER
VERMONT HOUSING FINANCE AGENCY
1983 MORTGAGE PURCHASE PROGRAM,
APPROVAL OF CONTRACT DOCUMENTS,
AND APPOINTMENT OF DEPOSITORIES

ADOPTED JULY 8, 1983

WHEREAS, pursuant to its Home Mortgage Purchase Bond Resolution adopted July 8, 1983 (the "General Resolution"), Vermont Housing Finance Agency has this date adopted its Series Resolution Authorizing the Issuance and Sale of \$29,205,272.25 Home Mortgage Purchase Bonds, 1983 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 1983 Mortgage Purchase Program, to wit: Mortgage Loan Application and Commitment Agreement dated as of May 9, 1983 (the "Commitment Agreement") incorporating (as to participants in the 1982 Mortgage Purchase Program) the Mortgage Loan Purchase and Servicing Agreement dated July 15, 1982 or (as to Mortgage Lenders who did not participate in the 1982 Mortgage Purchase Program) the Mortgage Loan Purchase and Servicing Agreement dated May, 1983 (both of which are hereinafter referred to as the "Purchase Agreement"), the Purchase Agreement, and the Mortgage Purchase Program Procedural Guide dated as of May, 1983 (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 1983 Series A Home 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.

MORTGAGE LENDERAMOUNT

Bennington Co-Operative Savings and Loan Association, Inc.	\$ 1,000,000
Bradford National Bank	\$ 1,000,000
Burlington Savings Bank	\$ 2,500,000
The Caledonia National Bank of Danville	\$ 1,000,000
Community National Bank	\$ 1,000,000
The Factory Point National Bank	\$ 1,000,000
First Brandon National Bank	\$ 250,000
First Twin-State Bank	\$ 750,000
First Vermont Bank and Trust Company	\$ 2,000,000
Franklin-Lamoille Bank	\$ 300,000
Green Mountain Bank	\$ 400,000
The Lomas & Nettleton Company	\$ 1,000,000
Lyndonville Savings Bank and Trust Company	\$ 500,000
The National Bank of Middlebury	\$ 500,000
Northfield Savings Bank	\$ 2,500,000
Passumpsic Savings Bank	\$ 1,000,000
Peoples Trust Company of St. Albans	\$ 1,500,000
Proctor Bank	\$ 1,500,000
Randolph National Bank	\$ 500,000
Union Bank	\$ 750,000
Vermont Federal Savings and Loan Association	\$ 3,000,000
Wells River Savings Bank	\$ 500,000
TOTAL	<u>\$24,450,000</u>

B. The Commitment Agreements and the Purchase Agreements are hereby approved and reaffirmed, as applicable, and the Chairman, the Vice Chairman, the Executive Director, and the Director of Programs, is each hereby authorized to execute the Commitment Agreements and the Purchase Agreements with the Mortgage Lenders participating in the 1983 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 the Director of 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 1983 Mortgage Purchase Program shall not increase. To the extent replaced by additional application fees of Mortgage Lenders requesting additional allocations, the Executive Director and the Program Director 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.

<u>MORTGAGE LENDER</u>	<u>AMOUNT</u>
Bennington Co-Operative Savings and Loan Association, Inc.	\$ 1,000,000
Bradford National Bank	\$ 1,000,000
Burlington Savings Bank	\$ 2,500,000
The Caledonia National Bank of Danville	\$ 1,000,000
Community National Bank	\$ 1,000,000
The Factory Point National Bank	\$ 1,000,000
First Brandon National Bank	\$ 250,000
First Twin-State Bank	\$ 750,000
First Vermont Bank and Trust Company	\$ 2,000,000
Franklin-Lamoille Bank	\$ 300,000
Green Mountain Bank	\$ 400,000
The Lomas & Nettleton Company	\$ 1,000,000
Lyndonville Savings Bank and Trust Company	\$ 500,000
The National Bank of Middlebury	\$ 500,000
Northfield Savings Bank	\$ 2,500,000
Passumpsic Savings Bank	\$ 1,000,000
Peoples Trust Company of St. Albans	\$ 1,500,000
Proctor Bank	\$ 1,500,000
Randolph National Bank	\$ 500,000
Union Bank	\$ 750,000
Vermont Federal Savings and Loan Association	\$ 3,000,000
Wells River Savings Bank	\$ 500,000
TOTAL	<u>\$24,450,000</u>

B. The Commitment Agreements and the Purchase Agreements are hereby approved and reaffirmed, as applicable, and the Chairman, the Vice Chairman, the Executive Director, and the Director of Programs, is each hereby authorized to execute the Commitment Agreements and the Purchase Agreements with the Mortgage Lenders participating in the 1983 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 the Director of 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 1983 Mortgage Purchase Program shall not increase. To the extent replaced by additional application fees of Mortgage Lenders requesting additional allocations, the Executive Director and the Program Director 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 1983 Mortgage Purchase Program (if a bank or trust company) is hereby appointed a Depository under Section 1101 of the General Resolution.

MINUTES OF CONFERENCE CALL

8/25/83 -- 10.35 A.M.

PRESENT

Chairman Stewart Ledbetter
Commissioner Emory Hebard
Commissioner Ben Gardner
Commissioner Richard Myette
Commissioner Milton Eaton
Andy Gurley, Goldman, Sachs & Co.
Walter St. Onge, Palmer & Dodge
Thomas Brisson, Director of Programs, VHFA
Franklin Kochman, Counsel to VHFA

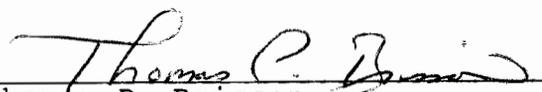
Discussed sale of 1983 Series B Single Family Home Mortgage Purchase Bonds.

On a motion made by Emory Hebard, seconded by Milton Eaton and unanimously adopted by the Board it was decided to:

1. Authorize the Executive Director or the Director of Programs to execute Application and Commitment Agreements and Mortgage Loan Purchase and Servicing Agreements with participating lenders; and
2. Authorize participating banks to begin taking applications immediately following the sale of the Series B Bonds.
3. Indemnify mortgagor applicants in the case of non delivery of the bonds as provided for on the attached page.

Additionally it was decided to hold a conference call sometime during the following week prior to pricing the Bonds.

Respectfully Submitted


Thomas P. Brisson
Director of Programs

FORM OF INDEMNIFICATION

Should some currently unforeseen catastrophe occurring between the sale date and the anticipated delivery date prevent delivery of the Bonds, (and thus void the Application and Commitment Agreement in accordance with its terms) the Agency is prepared to make equitable compensation to mortgage loan applicants for appraisal, credit check, and employment verification fees incurred by them in reliance on the Program.



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

VERMONT HOUSING FINANCE AGENCY

MINUTES OF CONFERENCE CALL

9/2/83 -- 1:45 P.M.

PRESENT

Chairman Ledbetter
Commissioner Shaw
Commissioner Hebard
Commissioner Chaffee
Commissioner Myette
John Ingalls, Palmer & Dodge
Gail Bancroft, Brown, Wood, Ivy, Mitchell & Petty
Scott Frazier, Executive Director, VHFA
Thomas Brisson, Director of Programs, VHFA

Tom and Scott updated the Board as to the current market conditions relative to the pricing and impending sale of the 1983 Series B, Home Mortgage Purchase Bonds.

On a motion made by Emory Hebard, seconded by Horace Shaw and unanimously adopted by the Board it was decided to:

1. Price and sell the Bonds only if the mortgage rate doesn't exceed 11.25% with the Agency taking the full spread allowable by law.

Respectfully Submitted



W. SCOTT FRAZIER
EXECUTIVE DIRECTOR

VERMONT HOUSING FINANCE AGENCY

Series Resolution Authorizing the Issuance and Sale of
Home Mortgage Purchase Bonds, 1983 Series B

Adopted September 9, 1983



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

VERMONT HOUSING FINANCE AGENCY

BOARD MEETING AGENDA

VERMONT HOUSING FINANCE AGENCY
ANNABELLE'S
PITTSFIELD, VERMONT
10:00 A.M., WEDNESDAY, OCTOBER 26, 1983

MULTI-FAMILY

1. Discussion of Multi-Family Management Problems with Certain Owners
2. Alburg Family Housing Update
3. HUD Section 8 Rent Adjustment Requirements VHFA/VSHA Considerations
4. Preliminary Approval Fairhaven Change of Ownership (Tentative)
5. *Discussion of Multi-Family Program Directions (Andy Gurley will be attending)

SINGLE FAMILY

1. Builder Design Competition Outline
2. Condo Conversion Projects
3. Update on 1983 A & B Bond Issues
4. Resolution Delegating Certain Authority

MISCELLANEOUS

1. General Fund Commitments
2. Discussion on Pending Legislation

*Hand-outs to be mailed under separate cover.



STATE OF VERMONT

AGENCY OF DEVELOPMENT AND COMMUNITY AFFAIRS

MONTPELIER, VERMONT 05602

OFFICE OF THE SECRETARY (802) 828-3211

MILTON A. EATON, SECRETARY

DEPARTMENTS OF:

Economic Development 828-3221
Housing & Community Affairs 828-3217

DIVISIONS OF:

Administration 828-3231
Historic Preservation 828-3226
Vermont Travel Division 828-3236
Vermont Life Magazine 828-3241

October 21, 1983

Vermont Housing Finance Agency:

Pursuant to 10 V.S.A., Section 611, Paragraph (b), I hereby designate Alexander J. Shak to serve as a Commissioner of the Vermont Housing Finance Agency for the meeting scheduled for Wednesday, October 26, 1983.

Sincerely,

A handwritten signature in cursive script that reads 'Milton A. Eaton'.

Milton A. Eaton
Secretary

MAE/cal



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

VERMONT HOUSING FINANCE AGENCY

MINUTES

VERMONT HOUSING FINANCE AGENCY
239 SOUTH UNION STREET, BURLINGTON, VERMONT

SEPTEMBER 9, 1983

PRESENT: Chairman Ledbetter, Vice-Chairman Shaw, Commissioners Hebard, Myette, and Shak (designee of Eaton); Mr. Frazier, Mr. Brisson, Mr. Schoenbeck, and Ms. Chetti, VHFA staff; Mr. Kochman, VHFA attorney; Mr. Gurley, Goldman, Sachs & Company; Mr. Sylvester, Mr. Underwood, E.F. Hutton; Ms. Bancroft and Ms. Krost, Brown, Wood, Ivy, Mitchell & Petty; Mr. Ingalls, Palmer & Dodge.

Chairman Ledbetter called the meeting to order at 1:00 P.M.

Upon motion duly made, and seconded, the minutes of the July 8, 1983 Board meeting were unanimously adopted.

Mr. Brisson led a general discussion regarding the proposal to finance and rehabilitate Section 23 units. Staff emphasized the major obstacle to the success of the proposal was the developers ability in securing the necessary long-term tenant rent subsidy. It was also noted, that even with the subsidy, it appeared the purchase price of the projects might be too low to induce the owners to sell. Staff said the proposal is now on hold until the developer secures the necessary subsidy.

Next Ms. Chetti gave a progress report on the Rental Rehab Demonstration Program. It was noted that the Agency was required to make only one loan for \$9,300 to rehab 4 units in Montpelier to date and it appeared that the majority of the remaining \$140,700 committed to the program probably would never be utilized. The attached Memorandum of Agreement between the City of Montpelier Community Development Agency and the Agency would be the model the staff would use for future loans made under this program. Vice-Chairman Shaw noted that the Agency and the local CD agency should consider using the same servicer in future agreements. Commissioner Shak noted that even though this program is pretty much unworkable, the interaction between Agency staff and the staffs of the local CD agencies has proved to be very beneficial.

Mr. Brisson gave a summary of the physical condition of the Alburg Family Housing project focused mainly on the insulation

quality of the project. Upon motion duly made, and seconded, it was unanimously decided to postpone the sale of the project until after the Board has received a professional report as to the adequacy of the insulation and other factors relating to the value of the property.

Next upon motion duly made, and seconded, the attached financing resolution for the Willey Street Housing project in Newport was unanimously adopted.

The attached resolution authorizing certain employees access to Agency safekeeping vault boxes and the resolution appointing new trustees to the Agency's pension plan and the standard bank form resolution authorizing certain officers of the Agency to sign checks on Agency accounts established for the Alburg Family Housing project until the project is sold, were all, upon a motion made, and seconded, unanimously adopted as presented.

Mr. Frazier then spoke briefly on the management conference on October 13-14 at the Basin Harbor Club in Vergennes sponsored by the Champlain Valley Housing Managers Association in conjunction with the Agency and the Vermont State Housing Authority. All commissioners were invited to attend. Mr. Schoenbeck followed with a recap of the financial position of the Agency at June 30, 1983. He suggested that an audit committee meeting be called for early October to discuss the results in further detail after the annual audit was completed. Mr. Brisson concluded with a status report of the 1983 Series A, Home Mortgage Purchase Bond issue.

Next, upon motion duly made, and seconded, the attached Resolution appointing First City National Bank of Houston As A Depository for the funds collected on behalf of the Agency by The Lomas & Nettleton Company was adopted by majority vote of the Board. Commissioner Hebard voted no.

Next, Mr. Brisson described the circumstances surrounding the fire destruction of a group home for the elderly in Windsor. After a brief discussion, upon motion duly made, and seconded, the attached resolution authorizing a \$100,000 General Fund loan to rebuild this group home was unanimously adopted.

Mr. Brisson continued by apprising the Board that more potential "condo conversion" projects have been surfacing. After a brief discussion, the Board tabled the issue and requested the staff to present new criteria at the next Board meeting.

The attached resolution relative to 10 V.S.A. Section 627 and the Agency's Rollover/Lender Participation Program was, upon motion duly made, and seconded, adopted by a majority vote of the Board. Commissioner Hebard abstaining.

A status report on the Freiheit case was then presented to the Board by Mr. Brisson. He noted the case was now in Superior Court and a decision would be forthcoming by the end of the month.

Next, upon motion duly made, and seconded, the Board unanimously ratified the attached minutes of the conference calls of August 25, 1983 and September 2, 1983.

Mr. Gurley next distributed the attached Series Resolution Authorizing the Issuance and Sale of Home Mortgage Purchase Bonds, 1983 Series B (the "Series Resolution"). Mr. Ingalls explained the Series Resolution also ratifies the distribution of the Preliminary Official Statement, approves and authorizes the final Official Statement, and authorizes the execution of the Purchase Contract and the Credit Agreement. After a brief financial analysis presented by Mr. Gurley, upon motion duly made and seconded, the Series Resolution was adopted by a unanimous vote of the Board with Commissioner Ledbetter abstaining. At this point, Mr. Gurley presented a good faith deposit check in the amount of \$285,000 to the Agency.

Continuing, Mr. Brisson presented the attached Resolution Authorizing Purchase of Mortgage Loans Under Vermont Housing Finance Agency 1983 Mortgage Purchase Program, Part B, Approval of Contract Documents, and Appointment of Depositories. Upon motion duly made, and seconded, the Resolution was adopted by a unanimous vote with Vice-Chairman Shaw abstaining.

Next upon motion duly made, and seconded, the Board unanimously authorized staff to immediately start preparing the necessary documentation for a 1983 Series C, Home Mortgage Purchase Bond issue to be sized to the maximum extent permitted by law.

September 9, 1983
Board Meeting Minutes continued

Lastly, a general discussion ensued regarding the Agency sponsoring a design competition or architectural contest encouraging new designs in building moderately priced, energy efficient houses affordable to low and moderate income Vermonters. Staff was instructed to review the feasibility of such a contest and report back to the Board.

The meeting was adjourned at 2:50 P.M.

Respectfully Submitted,



W. SCOTT FRAZIER
SECRETARY

CREDIT AGREEMENT

CREDIT AGREEMENT between THE CONNECTICUT NATIONAL BANK (herein called "the Bank") and the VERMONT HOUSING FINANCE AGENCY (herein called "the Agency") a body politic and corporate of the State of Vermont dated as of September 27, 1983.

WITNESSETH

Section 1. The Loan

1.1 The Commitment. The Bank unconditionally agrees to honor drafts drawn upon its Letter of Credit No. 83-SB-3303 (VHFA), in the cumulative amount of \$500,000 (the Commitment Amount) and in consideration thereof the Agency agrees to reimburse the Bank the amount required to repay the aggregate principal amount owing thereunder and hereunder as of September 27, 1988 in eight substantially equal quarterly installments payable on the first days of March, June, September and December in each year commencing December 1, 1988, (with interest on the unpaid balance at the rate specified in Section 1.6) with the final installment in the amount of the then unpaid principal balance and accrued interest thereon due and payable on September 1, 1990; provided, however, that if an Event of Default shall occur hereunder then the entire amount owing as of the date of such occurrence shall become immediately due and payable on demand.

1.2 The Note. Payments by the Bank under said Letter of Credit No. 83-SB-3303 (VHFA) shall be evidenced by a promissory note (hereinafter called the "Note") in substantially the form of Exhibit I hereto. The Agency agrees that the aggregate principal amount of the Note outstanding from time to time in accordance with the terms of this Agreement shall constitute the amount owing to the Bank pursuant hereto.

1.3 Making the Advances. Each payment shall be made by honoring drafts drawn on Letter of Credit No. 83-SB-3303 (VHFA) in accordance with its terms. Such payments shall be noted on the Note as an advance made thereunder. The aggregate principal amount of such advances outstanding and unpaid from time to time shall constitute the principal balance of the Note.

1.4 Commitment Fee. The Agency agrees to pay to the Bank, on or before September 27, 1983, a non-refundable commitment fee in the amount of \$15,625.00 for the Bank's Letter of Credit No. 83-SB-3303 (VHFA). In addition, the Agency agrees to pay to the Bank, commencing September 27, 1983 and on September 27 in each year thereafter, an annual fee for confirmation of a Guaranty of its Letter of Credit No. 83-SB-3303 (VHFA) in an amount equal to five-eighths of one percent (5/8%) per annum of the daily unused portion of the Commitment Amount.

1.5 Optional Prepayments. The Agency may, at any time prepay the Note in whole or in part with accrued interest to the date of such prepayment on the amount prepaid. Advances may be prepaid in the order made and each such prepayment shall be applied first to interest accrued and then to the principal balance of such advance in the inverse order of installments due thereunder.

1.6 Interest. (a) The Agency shall pay interest on the unpaid principal balance of the Note from the date of the initial advance until payment in full, payable quarterly on the first day of each calendar quarter during the term of the Note and on the date of payment in full, at a per annum rate of one hundred twenty-five percent (125%) of the Bank's Base Rate of interest on a fixed basis as it is established on the date of each advance (the "Taxable Rate"); provided, however, that if the Agency shall provide an opinion of nationally recognized bond counsel acceptable to the Bank that the interest payable by the Agency on the amount of such principal balance or any portion thereof is exempt from Federal income taxes, then the interest rate shall be adjusted to a per annum rate of seventy percent (70%) of the Bank's Base Rate (the Tax Exempt Rate'), on such principal balance or any portion thereof. The term "Base Rate" shall mean the interest rate announced by the Bank as its Base Rate. Changes in the rate of interest resulting from changes in the Base Rate shall take place immediately without notice or demand of any kind. On default or after maturity or demand, the unpaid principal balance of the Note shall bear interest at a rate which is 300 basis points above the per annum rate which would otherwise be applicable.

(b) If, at any time while Tax Exempt Rate is in effect, the interest on the Note shall be assessed as or deemed taxable for any reason by any federal taxing authority to any holder thereof, then the Bank shall automatically adjust the rate to the Taxable Rate.

(c) All payments of principal, interest and any other amounts payable on or in respect to this Agreement, the Note or the indebtedness represented thereby, shall be made to The Connecticut National Bank, at its principal office located at 777 Main Street, Hartford, Connecticut 06115, in immediately available funds on the date of payment.

1.7 Computation of Interest. Interest hereunder and under the Note shall be computed on the basis of a year of three hundred sixty (360) days and actual days elapsed.

1.8 Payment on Non-Business Days. Whenever any payment to be made hereunder or under the Note shall be stated to be due on a Saturday, Sunday or a public holiday under the laws of the State of Connecticut, such payment may be made on the next succeeding business day, and such extension of time shall in such case be included in the computation of payment of interest hereunder or under the Note.

Section 2. Warranties

The Agency hereby represents and warrants to the Bank (which representation and warranties will survive the delivery of the Note and the making of the loan) that:

2.1 Existence and Power. The Agency is a validly existing body politic and corporate established under the Vermont Housing Finance Agency Act, being Number 260 of the Vermont Acts of 1973, adjourned session, as amended (the "Act"), and has the power under the Act to make this Agreement and to borrow hereunder.

2.2 Authority and Pledge of the State. The making and performance by the Agency of this Agreement has been duly authorized by all necessary action and will not violate any provision of law applicable to the Agency or result in the breach of, or constitute a default under, or result in the creation of any lien, charge or encumbrance upon any property or assets of the Agency prohibited by any indenture or bank loan or credit agreement, or other agreement or instrument to which the Agency is a party. The Commissioners of the Agency have approved the making and execution of this Agreement and the Note and no other approval, authorization, consent or other order of or registration or filing with any other governmental body is required in connection with the authorization and execution of this Agreement.

The State of Vermont pledges with the holders of Notes and Bonds issued under the Act that the State will not limit or restrict the rights vested in the Agency by the Act to perform its obligations and to fulfill the terms of any Agreement made with the holders of its Bonds or Notes or in any way impair the rights and remedies of its holders until the Bonds and Notes, together with interest thereon, and interest on any unpaid installments of interest, are fully met, paid and discharged. The Agency is authorized to execute this pledge and Agreement of the State in any Agreement with the holders of the Notes or Bonds.

2.3 Financial Condition. The financial statements described in Schedule A hereto under the heading "Financial Statement", heretofore delivered to the Bank, were prepared in conformity with generally accepted accounting principles and practices consistently maintained throughout the periods involved and are correct and complete and fairly present the financial condition of the Agency. The Agency has no direct or contingent liabilities not disclosed in such statements other than any such liabilities as may be created by issuance of the Agency's Home Mortgage Purchase Bonds, 1983 Series B; since the date of the latest dated balance sheet included in said financial statements, there has been no material adverse change in the financial condition of the Agency from that set forth in said balance sheet.

2.4 Litigation. There are no matters currently pending or threatened which individually, or in the aggregate, would result, individually or in the aggregate, in a final judgment or judgments against the Agency which would materially affect its financial position or which would affect the validity of this Agreement or of the Note.

2.5 Events of Default. No event of default specified in Section 4 hereof, and no event which pursuant to the provisions of Section 4 with the lapse of time and/or notice specified therein would become such an event of default, has occurred and is continuing.

2.6 Validity. The Agreement and the Note, upon the execution and delivery thereof, will be legal, valid, binding and enforceable obligations of the Agency in accordance with their terms and the Note shall constitute a general obligation of the Agency secured by and payable out of any revenue moneys of the Agency, including its general funds, subject only to agreements heretofore or hereafter made with the holders of obligations of the Agency other than the Note pledging particular revenues, monies or assets for the payment thereof.

2.7 Title to Property. The Agency has good and marketable title to its property and assets (including its general funds) subject to no prior pledge, lien, encumbrance or other charge not set forth in the Financial Statements in Schedule A hereto.

Section 3. Covenants

The Agency covenants and agrees that until payment in full of the Note and performance of all its other obligations hereunder, unless the Bank otherwise consents in writing, the Agency will:

3.1 Financial Statements. Deliver to the Bank (a) within forty-five (45) days after close of each of the first three quarters of each fiscal year of the Agency, a balance sheet of the Agency as of the close of each quarter and statements of revenues and expenditures for that portion of the fiscal year-to-date then ended, prepared in conformity with generally accepted principles, applied on a basis consistent with that of the preceding period or containing disclosure of the effect on financial position or results of operations of any change in the application of generally accepted accounting principles during the period, and certified by the Executive Director of the Agency; (b) within ninety (90) days (or as otherwise allowed by the laws of the State of Vermont after the close of each fiscal year of the Agency, a balance sheet of the Agency as of the close of such fiscal year and statements of revenues and expenditures and source and application of funds for the year then ended, prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year or containing disclosure of the effect on financial position or results of operations of any change in the application of accounting principles during the year and accompanied by a report, thereon, containing an opinion, of a firm of independent certified public accountants selected by the Agency and acceptable to the Bank; (c) promptly upon the Bank's written request, such other information about the financial condition and operations of the Agency, as the Bank may, from time to time, reasonably request; and (d) within three (3) days of becoming aware of any event of default or any event which would become an event of default (but for the giving of notice and lapse of time or either) the Agency shall, by its Executive Director, so notify the Bank.

3.2 Maintenance of Existence. Comply with all valid and applicable statutes, rules and regulations, and maintain its properties in good operating condition, and continue to conduct its business as presently conducted.

3.3 General Obligation. This Agreement and the Note will continue to be direct and general obligations of the Agency and are and will continue to be authorized as such.

Section 4. Defaults

If any one or more of the following "Events of Default" shall occur:

(a) Default in the due payment of the principal of the Note, or in the payment of interest on the Note or in the payment of any other indebtedness (including fees) owing by the Agency to the Bank, now existing or hereinafter incurred, when the same shall be due; or

(b) Failure by the Agency to observe or perform any covenant contained in Section 3 hereof; or

(c) Any representation or warranty made by the Agency herein, or any statement, certificate or other data furnished by the Agency or by the Trustee under the Bank's Letter of Credit No. 83-SB-3303 (VHFA), in connection herewith, proves to be incorrect in any material respect as of the making or furnishing thereof; or

(d) Default by the Agency in the payment of any bond or serial note, or of any tax, revenue or bond anticipation note, or of any other indebtedness or obligation when due in an aggregate principal amount of more than \$25,000, or if any such other indebtedness or obligation shall be accelerated, or if there exists an event of default under any instrument, document or agreement evidencing or securing such other indebtedness or obligation;

Then, and in any such event, the Bank may declare the principal balance of and interest accrued on the Note to be forthwith due and payable automatically without notice or demand of any kind, whereupon the same shall become forthwith due and payable.

Section 5. Miscellaneous

5.1 Waivers. The Agency waives presentment, demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, or other action taken in reliance hereon and all other demands and notices of any description. With respect to liabilities, the Agency assents to any extension or postponement of the time of payment or any other indulgence, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payments thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Bank may deem advisable. The Bank shall not be deemed to have waived any of its rights upon or under liabilities unless such waiver be in writing and signed by the Bank. No delay or omission on the part of the Bank in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. The Bank may revoke any permission or waiver previously granted to Agency, such revocation shall be effective whether given orally or in writing. All rights and remedies of the Bank on liabilities whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly or concurrently.

5.2 Notices. Any requirements of this Agreement with respect to notice may be complied with by depositing said notice in the mails, registered or certified, return receipt requested, or with a telegraph company (with provision of personal delivery and receipt certifying thereto), addressed to the party to whom notice is being given at its address shown as follows: The Connecticut National Bank, 777 Main Street, Hartford, Connecticut 06115, Attn: Government Services Department; Vermont Housing Finance Agency, 239 South Union Street, Burlington, Vermont 05402, Attention: Executive Director.

5.3 Expenses. The Agency will pay all reasonable expenses arising out of the protection and enforcement of this Agreement and the Note (including without limitation all fees of bank's counsel).

5.4 Compliance. The determination of the Agency's compliance with all covenants contained in this Agreement or the Note shall be based on the application of generally accepted accounting principles (where applicable) employed by the Agency as of the date of this Agreement unless otherwise subsequently and specifically agreed to in writing by the Bank.

5.5 Taxes. The Agency will pay any stamp or other tax which becomes payable by the Bank (or any successor or assign of the Bank or any participant or other party claiming through the Bank) in respect of the Note, the interest thereon or this Agreement. Notwithstanding the foregoing, the Agency shall not be obligated to pay any tax paid by the Bank on any interest income paid at the Taxable Rate as hereinabove defined.

5.6 Connecticut Law. This Agreement and the rights and obligations of the parties hereunder and under the Note shall be construed and interpreted in accordance with the law of Connecticut.

5.7 Survival of Representations. All representations, warranties, covenants and agreements herein contained or made in writing in connection with this Agreement shall survive the execution and delivery of the Note, shall continue in full force and effect until all amounts payable on account of the Note, or this Agreement shall have been paid in full.

5.8 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Agency, the Bank and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Credit Agreement to be duly executed as of the day and year first above written.

As to the Bank, signed and sealed in the presence of:

Witness

THE CONNECTICUT NATIONAL BANK

By _____
Its: Vice President

As to the Agency, signed and sealed in the presence of:

Witness

VERMONT HOUSING FINANCE AGENCY

By _____
Its: Executive Director
Duly Appointed

Witness

And _____
Its: Chairman
Duly Appointed

(Handwritten initials)

UNITED STATES OF AMERICA
STATE OF VERMONT

VERMONT HOUSING FINANCE AGENCY
GENERAL OBLIGATION NOTE

\$500,000

\$500,000

For value received, the VERMONT HOUSING FINANCE AGENCY ("the Agency") promises to pay to THE CONNECTICUT NATIONAL BANK ("the Bank"), the sum of Five Hundred Thousand (\$500,000) or the aggregate unpaid principal amount of all advances made by the Bank to the Agency pursuant to a Credit Agreement dated September 27, 1983, ("the Agreement"), as shown on the reverse side of this Note, whichever is less, with interest on such principal amount from date at the per annum rate of one hundred twenty-five per centum (125%) of the Bank's Base Rate of Interest, as defined in the Agreement, (the Taxable Rate) or seventy per centum (70%) of the Bank's Base Rate of Interest, as defined in the Agreement (the Tax Exempt Rate), whichever Rate is applicable under the Agreement, payable quarterly on the first day of each calendar quarter during the term of this note and on the date of payment in full. The Agency agrees to reimburse the Bank the amount required to repay the aggregate principal amount owing hereunder as of September 27, 1988 in eight substantially equal quarterly installments payable on the first days of March, June, September and December in each year commencing December 1, 1988. On default or failure to pay a quarterly installment when due, the unpaid principal balance shall bear interest at a rate which is 300 basis points above the per annum rate which would otherwise be applicable.

This note is duly authorized by resolution of the Agency and is issued pursuant to and subject to the terms and conditions set forth in the Agreement, provided that advances made hereunder shall be cumulative and charged against the total available limit of \$500,000, so that repayment of any advances hereunder shall not have the effect of restoring the available limit to the extent of such repayments.

It is hereby certified that every requirement of law relating to the issue hereof has been duly complied with and that this note is within every debt and other limit prescribed by law or by the Agency. This note is a general obligation of the Agency payable out of any revenues or monies of the Agency, including its general funds, subject only to any agreement with the holders of particular notes or bonds pledging any particular revenues or monies of the Agency. Neither the State of Vermont nor any political subdivision thereof shall be liable on this note, and this note shall not be a debt or a liability or obligation of the State of Vermont or any political subdivision thereof or a pledge of the faith and credit of the State of Vermont or of any political subdivision. No member, officer, agent or employee of the Agency shall be liable personally on this note by reason of the issuance hereof.

All of the terms, conditions and provisions of the Agreement are, by this reference thereto, incorporated herein as a part of this Note.

IN WITNESS WHEREOF the Agency has caused its seal to be affixed hereto and this note to be signed in its name by the manual signatures of its Executive Director and Chairman, all as of the 27th day of September, 1983.

VERMONT HOUSING FINANCE AGENCY

By _____
Executive Director

And _____
Chairman

ADVANCES AND REPAYMENTS OF PRINCIPAL AND INTEREST

Advances and repayments of principal and interest of this Note were made on the dates and in the amounts specified below:

<u>Date</u>	<u>Amount Advanced</u>	<u>Amount of Principal Repaid</u>	<u>Balance of Principal Unpaid</u>	<u>Amount of Interest Paid</u>	<u>Notation Made By</u>
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"BE IT HEREBY RESOLVED AS FOLLOWS: Vermont Housing Finance Agency hereby determines that:

- (1) Willey Street Housing, housing in Newport, 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 Newport, Vermont, 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 # 1

Be it resolved that the following employees of the Agency are hereby authorized to access all safekeeping vault boxes of the Agency for the purpose of safekeeping and retrieving executed original contracts, mortgage notes, and other important documents of the Agency:

Executive Director - W. Scott Frazier

W. Scott Frazier
(Signature)

Director of Programs - Thomas P. Brisson

Thomas P. Brisson
(Signature)

Controller - Roger A. Schoenbeck

Roger A. Schoenbeck
(Signature)

Assistant to Controller - William M. Keyser

W. M. Keyser
(Signature)

Assistant to Controller - Susan Joachim

Susan Joachim
(Signature)

RESOLUTION # 2

Be it resolved that the following officers of the Agency are hereby appointed trustees of the Vermont Housing Finance Agency Employee Pension Plan.

Executive Director - W. Scott Frazier

W. Scott Frazier
(Signature)

Director of Programs - Thomas P. Brisson

Thomas P. Brisson
(Signature)

Controller - Roger A. Schoenbeck

Roger A. Schoenbeck
(Signature)

IN WITNESS WHEREOF I have hereunto set my hand and the seal of the Vermont Housing Finance Agency on September 9, 1983.

W. Scott Frazier
W. SCOTT FRAZIER, EXECUTIVE DIRECTOR

Resolution of Board of Directors

(Authority to Open Deposit Account)

I HEREBY CERTIFY that I am the duly elected and qualified Secretary of VERMONT HOUSING FINANCE AGENCY and the keeper of the records and corporate seal of said corporation and that the following is a true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of said corporation held in accordance with the By-Laws of said Corporation at its offices at BURLINGTON, VERMONT on the 9th day of SEPTEMBER, 19 83.

"Be It Resolved, that THE VERMONT NATIONAL BANK be, and it is hereby, designated a depository of this Corporation and that funds so deposited may be withdrawn upon a check, draft, note or order of the Corporation.

"Be It Further Resolved, that all checks, drafts, notes or orders drawn against said account be signed by any TWO of the following:
(one, two, three, etc.)

NAME	TITLE
<u>W. SCOTT FRAZIER</u>	<u>EXECUTIVE DIRECTOR</u>
<u>THOMAS A. BRISSON</u>	<u>DIRECTOR OF PROGRAMS</u>
<u>RONNE L. THIELEN</u>	<u>DIRECTOR OF MULTI-FAMILY MANAGEMENT</u>
<u>ROGER SCHENBECK</u>	<u>CONTROLLER</u>

and countersigned by any one of the following:

NAME	TITLE

whose signatures shall be duly certified to said Bank, and that no checks, drafts, notes or orders drawn against said Bank shall be valid unless so signed.

"Be It Further Resolved, that said Bank is hereby authorized and directed to honor and pay any checks, drafts, notes or orders so drawn, whether such checks, drafts, notes or orders be payable to the order of any such person signing and/or countersigning said checks, drafts, notes or orders, or any such persons in their individual capacities or not, and whether such checks, drafts, notes or orders are deposited to the individual credit of the person so signing and/or countersigning said checks, drafts, notes or orders, or to the individual credit of any of the other officers or not. This resolution shall continue in force and said Bank may consider the facts concerning the holders of said offices, respectively, and their signatures to be and continue as set forth in the certificate of the Secretary or Assistant Secretary, accompanying a copy of this resolution when delivered to said Bank or in any similar subsequent certificate, until written notice to the contrary is duly served on said Bank.

VERMONT HOUSING FINANCE AGENCY

RESOLUTION APPOINTING FIRST CITY NATIONAL BANK

OF HOUSTON AS A DEPOSITORY

RESOLVED, that subject to the terms hereof, and pursuant to Section 1101 of the Agency's Single Family Mortgage Purchase Bond Resolution of June 16, 1978 and Section 1101 of the Agency's Home Mortgage Purchase Bond Resolution of July 8, 1983, First City National Bank of Houston (the "Bank") is hereby appointed a Depository of funds collected on behalf of the Agency by The Lomas & Nettleton Company on account of mortgages purchased with proceeds of the following series of bonds:

- Single Family Mortgage Purchase Bonds, 1980 Series A
- Single Family Mortgage Purchase Bonds, 1982 Series A
- Home Mortgage Purchase Bonds, 1983 Series A
- Home Mortgage Purchase Bonds, 1983 Series B

The Bank shall establish valid trust accounts held for the benefit of the Agency which accounts shall be insured by FDIC.

The Bank shall indicate its acceptance of this appointment in writing.

RESOLUTION

In discretion of program director, upon satisfactory documentation of construction cost and financial feasibility of a group home for elderly persons in Windsor, Vermont, the Agency shall make a mortgage loan to Clarence and Tina Herschel for the construction and permanent financing of such group in an amount not to exceed \$100,000 for a term of 20 years at an interest rate not to exceed 11% and not to be less than 10%, and provided that mortgage insurance is supplied in accordance with 10 V.S.A Section 622(3).

RESOLVED, pursuant to 10 V.S.A. §627 and the Agency's Rollover/Lender Participation Program, the Executive Director or the Director of Programs is hereby authorized in his discretion to solicit formal offers not more than \$75,000.00 aggregate principal amount of Bank Portions held by Marble Savings Bank under the Program for sale to Vermont Municipal Employees Retirement System (the "System"), and to execute with the System a Master Servicing Agreement substantially similar to the Master Servicing Agreement between the Agency and the System dated November 9, 1982. in order to provide for the pooling, sale and servicing of such Bank Portions.

RESOLUTION AUTHORIZING PURCHASE OF MORTGAGE LOANS UNDER
VERMONT HOUSING FINANCE AGENCY
1983 MORTGAGE PURCHASE PROGRAM, PART B
APPROVAL OF CONTRACT DOCUMENTS,
AND APPOINTMENT OF DEPOSITORIES

ADOPTED SEPTEMBER 9, 1983

WHEREAS, pursuant to its Home Mortgage Purchase Bond Resolution adopted July 8, 1983 (the "General Resolution"), Vermont Housing Finance Agency has this date adopted its Series Resolution Authorizing the Issuance and Sale of \$ 28,596,385.50 Home Mortgage Purchase Bonds, 1983 Series B (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 executed with the Mortgage Lenders listed below to be used in connection with the 1983 Mortgage Purchase Program Part B, to wit: Mortgage Loan Application and Commitment Agreement dated as of August 9, 1983 (the "Commitment Agreement") incorporating (as to participants in the 1982 Mortgage Purchase Program and the Mortgage Purchase Program financed with the 1983 Series A Bonds) the Mortgage Loan Purchase and Servicing Agreements dated July 15, 1982 and May 1983 or (as to Mortgage Lenders who did not participate in the 1983 Series A Mortgage Purchase Program) the Mortgage Loan Purchase and Servicing Agreement dated August 10, 1983 (all of which are hereinafter referred to as the "Purchase Agreement"), the Purchase Agreement, and the Mortgage Purchase Program Procedural Guide dated as of May, 1983 (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 1983 Series B Home 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.

MORTGAGE LENDERAMOUNT

Bank of Vermont	\$ 1,500,000
Bennington Co-Operative Savings and Loan Association, Inc.	\$ 250,000
The Caledonia National Bank of Danville	\$ 500,000
Chittenden Trust Company	\$ 3,000,000
First Brandon National Bank	\$ 300,000
First Twin-State Bank	\$ 500,000
First Vermont Bank and Trust Company	\$ 1,500,000
Green Mountain Bank	\$ 200,000
The Howard Bank	\$ 4,000,000
The Lomas & Nettleton Company	\$ 1,500,000
Lyndonville Savings Bank and Trust Company	\$ 750,000
The Merchants Bank	\$ 3,000,000
The National Bank of Middlebury	\$ 300,000
New England IBM Employees Federal Credit Union	\$ 1,000,000
Peoples Trust Company of St. Albans	\$ 750,000
Proctor Bank	\$ 1,200,000
Randolph National Bank	\$ 500,000
Vermont Federal Bank, FSB	\$ 3,000,000
TOTAL	<u>\$23,750,000</u>

B. The Commitment Agreements as executed by the Program Director and the Purchase Agreements are hereby ratified and reaffirmed, as applicable. 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 the Director of 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 1983 Mortgage Purchase Program shall not increase. To the extent replaced by additional application fees of Mortgage Lenders requesting additional allocations, the Executive Director and the Program Director 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 1983 Mortgage Purchase Program (if a bank or trust company) is hereby appointed a Depository under Section 1101 of the General Resolution.

MORTGAGE LENDERAMOUNT

Bank of Vermont	\$ 1,500,000
Bennington Co-Operative Savings and Loan Association, Inc.	\$ 250,000
The Caledonia National Bank of Danville	\$ 500,000
Chittenden Trust Company	\$ 3,000,000
First Brandon National Bank	\$ 300,000
First Twin-State Bank	\$ 500,000
First Vermont Bank and Trust Company	\$ 1,500,000
Green Mountain Bank	\$ 200,000
The Howard Bank	\$ 4,000,000
The Lomas & Nettleton Company	\$ 1,500,000
Lyndonville Savings Bank and Trust Company	\$ 750,000
The Merchants Bank	\$ 3,000,000
The National Bank of Middlebury	\$ 300,000
New England IBM Employees Federal Credit Union	\$ 1,000,000
Peoples Trust Company of St. Albans	\$ 750,000
Proctor Bank	\$ 1,200,000
Randolph National Bank	\$ 500,000
Vermont Federal Bank, FSB	\$ 3,000,000
TOTAL	\$23,750,000

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D. Each Mortgage Lender participating in the 1983 Mortgage Purchase Program (if a bank or trust company) is hereby appointed a Depository under Section 1101 of the General Resolution.



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

VERMONT HOUSING FINANCE AGENCY

TO: VHFA Commissioners
FROM: W. Scott Frazier
RE: 1984 Builder Design Competition Program Outline
DATE: October 19, 1983

At the last Board meeting, staff was instructed to review the feasibility of the Agency sponsoring a design competition. The following is a general outline of a Builder Design competition Program patterned after the Solar Design Competition sponsored by the Agency in 1980. The main thrust of the new program relative to the old program is to de-emphasize the solar design component and re-emphasize the creative effective use of material components.

If the Board gives its conceptual approval to the following, the next step will be to develop a program guideline booklet to be mailed to all builders who may be interested. The booklet will be presented at the November or December board meeting for your approval.

Funding

The Agency will set aside approximately \$1.2 million on January 1, 1984 of "recyclable" principal collected from the 1978, 79 and 80 Single Family Mortgage Purchase Program portfolios. This is now possible that prepayments on these portfolios have gone out of sight since June of this past summer. The actual size of the program will be adjusted at the end of the year. After the \$1.2 million is set aside, the Agency will have \$2.7 million of principal left (as of September 30th) to meet its \$4.7 million principal debt service due on January 1, 1985. In other words, we'll have 15 months to collect \$2.0 million of principal. Prepayments for July, August and September have average \$700,000 per month.

Eligibility

Only builders who are based in Vermont are eligible.

Submissions

Only one submission per builder.

Competition Schedule

Entries accepted through mid-March 1984.
Awards given late March, early April.
Builders must produce eligible borrowers by October 1, 1984 and have begun construction by that date.
Construction (pouring of foundation) must not have begun prior to the announcement of winners.

Evaluation of Submissions

Designs will be evaluated based upon:

- a. the costs of construction excluding land cost;
- b. the annual cost of energy operations utilizing heat loss calculations;
- c. functional use of materials and feasibility of implementation;
- d. interpretation of creative use and design;
- e. suitability for purchase by low and moderate income Vermonters;
- f. timetable for implementation of construction;
- g. marketability in the area the building will be constructed.

Minimum Building Standards

Single family detached housing. Structure size at least 960 square feet and increased proportionately for each additional bedroom. At least 2 bedrooms; at least 1 full bath; separate kitchen and living rooms; basement not required; expandable buildings accepted.

Financing and Borrower Eligibility Requirements

Interest Rate: 9.75% -- 10.25%?
Loan Term: 25 years

All other requirements will be the same as currently in place for the 1983 Series B, Home Mortgage Purchase Bonds unless the Agency is in position for a 1984 Series A issue and then the requirements would be matched to that program.

Judging

The judging will be conducted by a team of:

1. Board Commissioner?
2. Adam Bortz, VHFA inspector;
3. Tom Brisson, VHFA Director of Programs;
4. Officer of the Vermont Homebuilders Association;
5. Marketing type person (possibly a member from one of the Boards of Realtors), and alternatively
6. A technical type person, such as an instructor from a related subject from Vermont Technical College.

Awards

Five or six builders will be selected as winners and each will be awarded a set-aside (permanent take-out only) to fund 3 or 4 units of his winning design.

In addition, each winner will be awarded a cash prize of approximately \$1,000 to reimburse the builder for professional fees incurred for architects, engineers or designers.



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

VERMONT HOUSING FINANCE AGENCY

BOARD MEETING AGENDA

VERMONT HOUSING FINANCE AGENCY
239 SOUTH UNION STREET
BURLINGTON, VERMONT
2:00 P.M., FRIDAY, DECEMBER 16, 1983

1. Approval of Minutes of October 26, 1983 Board meeting.
2. Legislation Update
 - a. Sunset/IDB Update
 - b. Housing and Urban-Rural Recovery Act of 1983
3. Multi-Family
 - a. Multi-Family Production program for 1984
 - b. Approval of Policies and Procedures for Transfers of Ownership
 - c. Update on Sale of Alburg Family Housing
4. Single Family
 - a. Update on 83A & B issues
 - b. Lomas & Nettleton Depository
 - c. Program Plans for 1984
5. Any other old or new business



STATE OF VERMONT

AGENCY OF DEVELOPMENT AND COMMUNITY AFFAIRS

MONTPELIER, VERMONT 05602

OFFICE OF THE SECRETARY (802) 828-3211

MILTON A. EATON, SECRETARY

DEPARTMENTS OF:

Economic Development 828-3221
Housing & Community Affairs 828-3217

DIVISIONS OF:

Administration 828-3231
Historic Preservation 828-3226
Vermont Travel Division 828-3236
Vermont Life Magazine 828-3241

December 13, 1983

Vermont Housing Finance Agency:

Pursuant to 10 V.S.A., Section 611, Paragraph (b), I hereby designate Alexander J. Shak to serve as a Commissioner of the Vermont Housing Finance Agency for the meeting scheduled for Friday, December 16, 1983.

Sincerely,

A handwritten signature in cursive script that reads "Milton A. Eaton".

Milton A. Eaton
Secretary

MAE/cal



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

VERMONT HOUSING FINANCE AGENCY

MINUTES

VERMONT HOUSING FINANCE AGENCY
ANNABELLE'S RESTAURANT, PITTSFIELD, VERMONT
OCTOBER 26, 1983

PRESENT: Chairman Ledbetter, Vice-Chairman Shaw, Commissioners Hebard, Gardner, and Shak (designee of Eaton); Mr. Frazier, Mr. Brisson, Mr. Schoenbeck, and Ms. Thielen, VHFA staff.

Chairman Ledbetter called the meeting to order at 10:00 A.M.

Upon motion duly made, and seconded, the minutes of the September 9, 1983 Board meeting were unanimously adopted.

A general discussion ensued regarding the frustrations the multi-family management division has been experiencing with certain uncooperative owners. Several case studies were presented and debated at length. With regard to the 75, 128 King Street project in Burlington, upon motion duly made and seconded, the Board unanimously authorized the staff to take whatever steps are necessary to have the current manager replaced and to have the property "dressed-up". With regard to the Lamoyille View project in Morrisville, upon motion duly made and seconded, the board unanimously authorized the staff to take whatever steps are necessary, including the withholding of the HAP payments, to get audited financial statements for the year ended December 31, 1979.

Commissioner Gardner entered the meeting at this point.

Mr. Brisson then initiated discussion concerning the existing of the urea formaldehyde foam insulation in six multi-family projects including the Alburg Family project. After discussing the issue, upon motion duly made, and seconded, the Board unanimously approved the staff's recommendation to replace the insulation and substandard siding for the Alburg Family project in contemplation for the sale of the project.

Discussion continued on the pending sale of the Alburg Family Housing project. After reviewing the various components of the costs associated with the project as well as market value considerations, upon a motion duly made, and seconded, the Board unanimously set the offering price at \$550,000. The Board further instructed the staff to advertise the sale of the project in a local newspaper.

Board Meeting Minutes -- October 26, 1983

Next the staff reviewed for the Board, the procedure it would be implementing with regard to the rent comparability requirement to substantiate annual automatic rent adjustments in the multi-family projects. This procedure would be implemented immediately in the NSA and other projects for which the VHFA is contract administrator. It was noted the process was reviewed with the VSHA who as contract administrator also has the direct responsibility to comply with this requirement for all other projects and that it appeared VSHA would have no trouble using the Agency's methodology.

Mr. Frazier then reviewed the attached Resolution Authorizing Issuance of Commitment Letter for Agency Consent for Sale of Fair Haven Multi-Family Development. Upon motion duly made, and seconded, the Resolution was unanimously adopted.

A general discussion then began relative to an unsubsidized multi-family rental housing program. The discussion covered preliminary marketing considerations, project targeting, and financing considerations. Although no formal action was taken, staff was directed to continue its research and development into an unsubsidized program based on the staff's initial recommendations presented at the Board meeting. In addition, the Board encouraged the staff to put together a basic outline of a potential program for mailing to multi-family housing sponsors to help determine what level of interest such a program would generate.

The Board next discussed Mr. Brisson's status reports for the 1983 Series A and B Home Mortgage Purchase Programs. It was decided to run a statewide advertisement again and to run some special advertisements in the local periodicals serving Windsor and Windham counties such as the Eagle Times.

After reviewing the outline presented for a 1984 Builder Design Competition Program, upon motion duly made and seconded, the Board unanimously authorized the staff to proceed with the program as outlined with the suggestions that the number of judges be limited to three persons and to keep the interest rate below 10%.

Board Meeting Minutes -- October 26, 1983

Next Mr. Brisson explained the attached Resolution for condominium conversion projects. After some discussion, upon a motion duly made and seconded, the Resolution was unanimously adopted.

The attached resolution delegating certain authority to Ann-Marie Plank and Douglas Lothrop was unanimously adopted upon a motion duly made and seconded.

Next, Mr. Frazier brought to the Board's attention a request for a \$64,000 General Fund loan for the Stoughton Community Care residence located in Windsor. This led to a general discussion regarding General Fund commitments. A motion was made, and seconded to place a six month moratorium on any more General Fund commitments. The motion was unanimously adopted.

Finally Mr. Frazier noted that there still remained approximately \$1,650,000 of unexpended bond proceeds from the 1982 Series A Single Family Mortgage Purchase Bonds and there appeared to be little hope of utilizing this money. Upon motion duly made and seconded it was unanimously voted to redeem the balance of the unexpended proceeds.

Lastly, upon a motion duly made, and seconded, the Board unanimously gave special tribute to Janice Chetti for her six years of loyal and praiseworthy work for the Agency.

There being no further business before the Board, the meeting was adjourned at approximately 3:00 P.M.

Respectfully Submitted,



W. Scott Frazier, Secretary

WSF:lam

R E S O L U T I O N

Granting Certain Authority to Douglas Lothrop and Ann-Marie Plank

RESOLVED, Douglas Lothrop and Ann-Marie Plank, in their respective capacities as employees of Vermont Housing Finance Agency, shall be and each of them hereby is authorized as agents of Vermont Housing Finance Agency to perform the following acts:

1. With respect to mortgage loans and property securing mortgage loans held by the Agency:

A. To execute and deliver partial releases of such property from the lien of the Agency's mortgage, provided that the value of the property to be released, as indicated by an appropriate appraisal, does not exceed \$5,000.00.

B. To consent or to withhold consent to easements and rights of way over such property, and to execute appropriate documentation evidencing the same.

C. To consent to the elimination of the personal liability on any mortgage loan of any individual, and to consent to the addition of the personal liability of any mortgage loan of an additional debtor, and to execute appropriate documentation evidencing the same.

D. To endorse insurance claim checks up to the value of \$500 and to direct any servicer with respect to the use of insurance proceeds.

2. With respect to mortgage loans held by the Agency on which the decision to foreclose or to accept a deed in lieu of foreclosure has been made:

A. To execute any document necessary or convenient to the foreclosure or the acceptance of the deed-in-lieu pursuant to the advice and instructions of the attorney respecting the agency.

The authority granted in this Paragraph 2 shall not be construed to include, and is not intended to include, the authority to decide that foreclosure shall commence or that a deed-in-lieu shall be accepted, which authority shall reside only in the Executive Director of the Program Director.

3. With respect to any property to which the Agency has acquired title by foreclosure or deed-in-lieu of foreclosure:

A. To execute a listing agreement with any licensed real estate broker.

B. To execute a deed to the buyer of such property, and any other document necessary or incidental to the consummation of the sale, including without limitation the Vermont Property Transfer Tax Return and the Vermont Land Gains Withholding Return, as applicable.

The authority granted in this Paragraph 3 is not intended to include and shall not be construed to include the authority to execute any sales agreement, which authority shall reside only in the Executive Director or the Program Director.

RESOLUTION AUTHORIZING ISSUANCE OF
COMMITMENT LETTER FOR AGENCY CONSENT FOR
SALE OF FAIR HAVEN MULTI-FAMILY DEVELOPMENT

The Executive Director is hereby authorized to proceed with negotiations and issue a conditional commitment letter for the sale of the Fair Haven multi-family development. Said commitment letter shall contain the following conditions:

- (1) Preliminary approval of H. Clifford Dubie as general partner of a limited partnership.
- (2) Preliminary approval of The March Company as syndicator.
- (3) HUD and VSHA approvals where necessary.
- (4) An application fee of \$1,000 for preliminary approvals and review of key documents.
- (5) A mortgage assumption fee of 1% of the purchase price payable at closing.
- (6) An appraisal fee of \$1,500 if an appraisal is deemed necessary by the Executive Director or Director of Programs (if appraisal price exceeds \$1,500, the Agency will absorb the excess).
- (7) Adequate escrows for necessary repairs and maintenance pursuant to a physical inspection of the development at the discretion of the Executive Director.
- (8) All project accounts and interest earned thereon to be transferred as part of the sale.
- (9) Any other letters of credit or acceptable security for working capital or warranty workmanship in the discretion of the Executive Director.
- (10) Opinions of counsel for the buyer, the seller, and the syndicator and such other assurances as to assumption of liabilities, project use, and the Agency's security as the Executive Director may deem necessary or desirable.
- (11) Character of the note obligation may be changed from recourse to non-recourse upon assumption in order to accommodate syndication needs of buyer.

RESOLUTION

RESOLVED, physical rehabilitation of existing residential property pursuant to a Declaration of Condominium, when combined with new construction under the same Declaration, shall constitute a "new condominium project" within the meaning of Section 2.1(F) of the Agency's Mortgage Purchase Program Procedural Guide, subject to the following definitions and conditions:

1. "New construction", for the purposes of this Resolution only, means the construction of at least a) a discrete structure or b) a new addition to an existing structure which, when completed, will increase the total floor area of the existing residential housing by not less than 50%.
2. The total number of apartments included within the Declaration of Condominium shall equal at least twice the number of dwelling units, whether habitable or not, which comprise the existing residential property at the time of application to the Agency for project approval.
3. The Declaration of Condominium must have been filed for record at least six months prior to date of application to the Agency for project approval.
4. The project must be the subject of a Land Use Permit pursuant to Chapter 151 of Title 10, Vermont Statutes Annotated.

FURTHER RESOLVED, physical rehabilitation of existing non-residential property pursuant to a Declaration of Condominium, whether or not combined with new construction, shall constitute a "new condominium project" within the meaning of Section 2.1(F) of the Procedural Guide; provided, however, that the project must be the subject of a Land Use Permit pursuant to Chapter 151 of Title 10, Vermont Statutes Annotated.

FURTHER RESOLVED, the Executive Director and the Program Director are instructed to amend the Procedural Guide consistently herewith.

LOANS TO MULTI-FAMILY HOUSING SPONSORS PROGRAM
TRANSFER OF OWNERSHIP
GENERAL GUIDELINES

The following general guidelines shall be applied by the Agency when considering the transfer of ownership of a multi-family project. These policies apply for any transfer of physical assets and/or any transfer of beneficial ownership resulting in a dissolution of the mortgagor under the internal revenue code.

A. General Objectives

1. All transfers of ownership approved should provide some economic benefit to the project, its tenants, or other multi-family projects financed by the Agency.
2. To encourage new investments in projects with physical or financial problems.
3. To create long-term incentives for good management.
4. To extend the life of rental housing for low and moderate income Vermonters, when appropriate.

B. Owner/Managing General Partner

The acceptability of the owner/managing general partner will be determined by the Agency by using whatever underwriting standards it considers necessary and advisable under the circumstances. The creditworthiness of the owner/managing general partner will be determined in part by the following:

1. The proposed principal(s) must submit HUD Form-2530 evidencing previous participation clearance by the HUD field office servicing Vermont.
2. A current financial statement shall be presented in a form acceptable to the Agency.
3. The proposed principal(s) should have had some previous experience with the development, management, and/or ownership of multi-family housing.
4. B (1), (2) and (3) shall also apply to third party syndicators.

C. Management Agent

The acceptability of the proposed management agent will be determined by the following:

1. The submission of HUD Form-2530 evidencing previous participation clearance by the HUD field office servicing Vermont.
2. Previous experience with the management of Section 8 multi-family
3. A physical place of business must be located in Vermont.
4. The Agency's direct prior experience, if any, with that management agent.

D. Project Considerations

The project's physical needs will be corrected to the extent considered necessary by the Agency after a physical inspection of the project including each and every unit.

1. Deferred maintenance, repair work, and any other defects in workmanship will be required to be corrected by the time of transfer (or shortly thereafter if the work to be done is seasonal in nature).
2. The Agency may also require certain capital improvements, energy related alterations, or the correction of other physical problems posing health hazards it considers necessary under the circumstances.
3. The requirements, if any, imposed by the Agency under D(1) and (2) above may not be funded from the Project Cost Escrow or Reserve Fund for Replacements but will be satisfied by the escrowing of additional funds in a form acceptable to the Agency.

E. Project Cash and Security Accounts

All cash and security accounts of the project will be assigned over to the new owner entity including the project operations checking and savings accounts, any escrow accounts established for taxes and insurance, tenant security deposits, the project cost escrow and reserve for replacement accounts, and any other residual receipts accounts. In addition, any letters of credit, certificates of deposit, money market funds, or other securities held for the benefit of the project shall likewise be assigned to or replaced by the new owner entity, at the discretion of the Agency.

- a) The Project Cost Escrow and Reserve Fund for Replacements shall be restored to their required levels at the time of transfer if any deficiencies exist.

(12/16/83)

b) Based on a financial review of the project, the Agency may require a Working Capital Deposit of up to 10% of annual expenses, including debt service, to be held for a period of up to five years as determined by the Agency on a case by case basis. Acceptable forms of contribution to the Deposit may include cash, irrevocable letters of credit, pledges of limited partners' capital contributions, or any other security acceptable to the Agency.

F. Agency Security

1. The Agency shall consent to the assignment of the Promissory Note, the First Mortgage Deed and Security Agreement, and the VHFA Regulatory Agreement to the new owner by an Agreement of Assignment, Assumption and Release.

a) Said Agreement shall include warranties that the selling owner entity has obtained any and all permission required to be obtained from HUD and the VSHA in order to transfer its interest in the Housing Assistance Payments Contract to the new owner entity, and buyer shall assume all obligations of the project.

b) As part of the consideration for the Agency's consent, said Agreement shall make any necessary revisions of mortgagor covenants by reference to any and all existing documents for compliance with the applicable sections of the Internal Revenue Code, and the Regulations thereunder whether permanent, temporary, or proposed in order to preserve the tax-exempt status of the Agency's bonds issued for the project.

c) In order to facilitate syndication, the Agreement may contain language converting a recourse promissory note to non-recourse upon assumption by the buyer.

2. In the event the Promissory Note for the project under consideration contains an "Additional Balance" commonly referred to as the VHFA General Fund portion of the note, on a case by case basis the Agency may determine that said portion shall not be assumable and shall be paid in whole or in part from the proceeds of the sale of the project or such other source of funds as may be acceptable to the Agency.

G. Secondary Financing

The Agency will allow secondary financing in the sale of any project so long as the market value can justify the total indebtedness.

1. The total indebtedness, including accrued interest on the secondary financing, may not exceed 95% of the lesser of a) the purchase price, and b) the appraised value of the project. An independent appraisal shall be required before the transfer request can be approved.

(12/16/83)

2. The secondary financing may be assumable and secured by a lien against the project so long as the security may be resorted to only upon sale or refinancing of the project.

3. Any proposal to increase rents to service the secondary financing shall be disallowed.

4. Any debt service on the secondary financing, accrued or otherwise, may only be paid from the owners return on equity of the project or upon sale or refinancing of the project.

H. Agency Fees

1. Application Fee - For a preliminary review of the proposed transaction, the purchase and sale agreement, a review of the project's financial history, and an inspection of the property, the Agency will charge an application fee of the lesser of: \$1,000 or \$40 per unit.

2. Mortgage Assumption Fee - The Agency will charge a mortgage assumption fee equal to 1% of the loan balance being assumed.

3. Appraisal Fee - For those transfers where the Agency determines that an independent appraisal is necessary, the Agency shall charge for the actual cost of the appraisal.

(12/16/83)



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

TO: VHFA Commissioners
FROM: Tom Brisson
SUBJECT: Proposed Multi-Family Program
DATE: December 8, 1983

Attached is a draft proposal for a limited scale multi family program. Please review its terms for discussion at the board meeting on the 16th.

MEMO TO DEVELOPERS

As you are probably aware, federal rent subsidies for multi-family low and moderate income development are not available any longer.

The Agency is exploring several possibilities for continuing to provide affordable rental housing in certain targeted communities where the Agency feels adequate rental stock remains in short supply. This memo outlines one such possibility that could be put in place fairly quickly depending on the interest of developers and their bankers.

The essence of the proposal is that the Agency would issue its tax-exempt obligation (on a private placement basis) to the developer's construction banker and the Agency would promise to use the proceeds to make a permanent loan to the developer. The permanent mortgage loan would be a relatively short-term balloon instrument (ten years, more or less) amortizing on a 25 year basis. The developer's construction banker (or a banker) would have to provide a market-rate take-out commitment callable when the balloon payment falls due (and the Agency's tax-exempt obligation falls due).

PLEASE NOTE: Bank may not hold an equity position in the development.

A schematic outline of general terms and conditions is attached. The constraints in the outline are drawn from the remaining federal rules applying to the tax-exempt obligation that the Agency would issue as well as the Agency's statutory mandate and policies.

I. Physical Requirements

- A. Must meet Agency design standards.
- B. Must be a "Residential Rental Project" within meaning of I.R.C. s103(b)(4)(A):
 - 1) A building(s) or structure(s) together with any functionally related and subordinate facilities,
 - 2) On contiguous land,
 - 3) Containing one or more similarly constructed units.

4) For more detail see I.R.C. Reg. Sl.103-8(b)(4).

C. May be new or rehab.

II. Rental Period

Must equal the longer of the ten year period commencing on the date 50% of the units are occupied or the term of the Agency's obligation issued to finance the development.

III. Tenant Qualification

- A. At least 20% of the units must be occupied during the rental period by persons and families whose gross annual income does not exceed 80% of median income for the county as established by the Agency.
- B. 25% of the units shall be unrestricted as to the income of the occupants.
- C. All other persons and families must have gross annual incomes not exceeding \$30,000 in the case of one wage earner households and \$35,000 in the case of two wage earner households.
- D. Income certification for each tenant shall be required prior to occupancy by that tenant. (Recertifications shall not be required for continuing occupants).

IV. Rent and Lease Requirements

- A. Rent for those units reserved for occupancy by persons and families whose gross incomes do not exceed 80% of median may at no time exceed 25% of median income for the County as established by the Agency.
- B. All leases shall be in writing and:
 - 1) Shall be expressly subordinate to the Agency's mortgage;
 - 2) Shall be for a minimum term of one year (during which no rent increase will be permitted);
 - 3) Shall provide tenant with automatic renewal option unless tenant has committed a material breach of the lease and landlord has given at least sixty days' notice of intention not to renew.
- C. Rents must be certified to the Agency on an annual basis and at such other times as the Agency may request.
- D. Leases shall be subject to review at Agency request.

V. Loan Terms

- A. Maximum Mortgage Loan shall be 90% of the lesser of 1) the security value of the development, and 2) "housing development" costs within the meaning of the Agency's statute.
- B. Interest Rate as determined by the Agency based on the cost to it of the tax exempt obligation it issues to the participating banker to finance the development. (Under current conditions, could be as much as 300 basis points below market).
- C. Minimum Debt Coverage must be at least 1.1.
- D. Term equals 10 years, more or less, amortizing on the basis of 25 years, more or less.
- E. Security
 - 1) Promissory note (may be non-recourse for limited partnership);
 - 2) First mortgage lien (no other encumbrances permitted);
 - 3) Collateral assignments of leases, rents, personal property;
 - 4) Certain reserves, in negotiable amounts on a case by case basis;
 - 5) Bank commitment to refinance when balloon falls due.
- E. Loan origination fee equal to 1.0% of permanent mortgage loan.
- F. Loan application, processing, appraisal, and inspection fees.

VI. Regulatory Agreement

- A. Rent limitations.
- B. Tenant income limitations.
- C. Agency physical and financial oversight rights and inspection procedures.
- D. Must be incorporated into partnership agreement in order to establish owner as "housing sponsor" within the meaning of the Agency's statute.
- E. Will include restrictions on disposition or resyndication of property and amendment of partnership agreement.

VII. Targeted Communities

Barre City
Brattleboro
Burlington
Colchester
Essex
Hartford
Middlebury
Montpelier
Rutland City
South Burlington
Springfield
Swanton
Winooski