

Request for Action
By
Board of Commissioners

**Approval to Enter into New Loan Origination Program Agreement with Habitat for
Humanity for Rhode Island, South County, Inc.**

1. Summary of Request

This Request for Action (“RFA”) is for authorization for Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) to renew and extend its residential mortgage loan origination program agreement with Habitat for Humanity for Rhode Island, South County, Inc. (“Habitat”). The loan origination program supports the creation of safe, affordable homes for a population that may not otherwise have the opportunity of homeownership.

2. Discussion

From 1999-2016, RIHousing purchased and serviced Habitat-originated mortgage loans pursuant to the RIHousing/Habitat Loan Purchase Program. In 2016, Habitat asked RIHousing to originate these loans on its behalf, as recent federal regulatory changes had made it difficult for Habitat to originate and close residential mortgage loans in-house.

In April 2016, RIHousing’s Board of Commissioners authorized RIHousing to enter a Loan Origination Program Agreement with Habitat (the “Agreement”). Under the Agreement, RIHousing:

- Originates and closes Habitat’s 0% interest loans in accordance with applicable state and federal laws and regulations and Habitat’s underwriting guidelines;
- Retains ownership of the loans at a reduced cost of 68 basis points of the full principal balance; and
- Services the loans by accepting and applying customer payments, engaging in loss mitigation, and the like.

In February 2022, RIHousing’s Board of Commissioners authorized RIHousing to revise and extend the Agreement for an additional three (3) years.

RIHousing has originated one (1) mortgage loan under the 2022 extension for a total of approximately \$159,000.

Under its existing terms, the Agreement will expire on March 1, 2025. Staff recommends authorization to enter into a new agreement for a period of up to three (3) years so that RIHousing and Habitat may continue to serve this important public purpose.

3. Recommendation

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March 20, 2025

Staff recommends that the attached resolution authorizing RIHousing to renew and extend the Agreement be approved by the Board of Commissioners.

4. Attachments

A. Resolution

**Resolution of the
Board of Commissioners of
Rhode Island Housing and Mortgage Finance Corporation**

Whereas, Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is authorized to make loans to persons of low or moderate income who may purchase residential housing; and

Whereas, Habitat for Humanity for Rhode Island, South County, Inc. (“Habitat”) creates safe, affordable homes for persons of low income; and

Whereas, The Loan Origination Program Agreement entered into by RIHousing and Habitat in 2016 and renewed in 2022 (the “Agreement”) will expire on March 1, 2025; and

Whereas, RIHousing finds:

- (1) That originating and closing Habitat loans is of public use and benefit; and
- (2) That the renewal and extension of the Agreement will be under the authority of and consistent with the provisions of RIHousing enabling act, Chapter 55 of Title 42 of the Rhode Island General Laws.

NOW THEREFORE, IT IS HEREBY:

Resolved, that RIHousing be, and hereby is, authorized to enter into a new Agreement for a period not to exceed three (3) years, structured generally in accordance with the description contained herein and similarly to the Agreement entered into in 2022, with such changes as the Executive Director, Deputy Executive Director, and the designee of any such person may, in their sole discretion, determine to be necessary or advisable; and

Resolved, that the Executive Director, Deputy Executive Director, and the designee of any such person, each acting singly be, and hereby is, authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolution, including without limitation the authority to negotiate the terms of the Agreement as he or she may determine are in the best interests of RIHousing, and to execute any and all agreements or documents as he or she deems necessary to carry out the foregoing; and

Resolved, that all prior actions taken by the Executive Director, Deputy Executive Director, or the designee of any such person, which are consistent with the authority conferred herein, are hereby expressly ratified and confirmed.