

**Request for Action
By
Board of Commissioners**

Authority to Issue Homeownership Opportunity Bonds - \$250,000,000

1. Background

This Request for Action (“RFA”) seeks the authority to issue up to \$250,000,000 in Homeownership Opportunity Bonds of the Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”).

RIHousing staff continuously monitors single-family loan origination activity; prepayment speeds of existing mortgages; refunding, recycling and optional redemption opportunities for existing bond offerings; bond market tone; short and long interest rates and available tax-exempt volume cap. All of these activities have the objective of maximizing our lending flexibility and minimizing our net interest costs in order to provide mortgages to low- and moderate-income homebuyers.

The single-family bonding program provides funding for first time homebuyers and is a sustainable source for funding borrower assistance loans, which are used for down payment and closing costs, a key feature for RIHousing borrowers. At the same time, the program strengthens the future financial sustainability of the corporation by increasing the balance sheet and creating a reliable future annuity stream.

RIHousing’s last bond issue was executed in June 2020 with proceeds expected to be utilized by the end of August 2020. Based on the current pipeline of registrations and production estimates, staff anticipates issuing approximately \$250,000,000 of single-family bonds to fund new first-time homebuyer mortgages and/or refund existing bonds to lower interest costs over the next 12-18 months.

The attached resolutions authorize the issuance of up to \$250,000,000 of bonds under various series and tax plan components depending on market conditions and fund delivery requirements. This authority will expire on December 31, 2021.

2. Recommendation

Staff recommends the issuance of up to \$250,000,000 of bonds to fund the Homeownership Opportunity Bond Program.

3. Attachments

- A. Resolution Regarding the Issuance of Homeownership Opportunity Bonds
- B. Resolution Regarding the Participating Mortgage Originators
- C. Resolution Regarding Homeownership Opportunity Program Loans
- D. 2020-2021 Homeownership Opportunity Program Supplemental Resolution

Attachment A

Resolution Regarding the Issuance of Homeownership Opportunity Bonds

[See Attached]

Attachment B

Resolution Regarding the Participating Mortgage Originators

[See Attached]

Attachment C

Resolution Regarding Homeownership Opportunity Loans

[See Attached]

Attachment D

2020-2021 Homeownership Opportunity Program Supplemental Resolution

[See Attached]