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MEMO

To: Board of Commissioners
From: Carol Ventura
Date: August 21, 2025
Subject: Monthly Update

DIVISION NEWS

HOMEOWNERSHIP

- Through the first seven months of the year, the Homeownership lending team has recorded total closings of 801 first mortgage units on volume of $325.6 million.

- While unit production is down 6.9% year over year, there have been some recent improvements in the homebuying landscape. Recent downward pressure on mortgage interest rates and a much-improved inventory picture should encourage pre-approved homebuyers to purchase and produce a strong fourth quarter. (Per RI State-wide MLS, there were 1,571 single-family listings in June 2025 versus 1,047 in June 2024, an increase of 20.4%).

LOAN SERVICING/ASSET MANAGEMENT

- Loan Servicing's portfolio of single family and multifamily loans, tax liens and loans serviced for others totaled $5.66 billion, which is up from $5.30 billion from the start of the year. This includes loans sold TBA and federal program loans.

- Our single-family portfolio had 1675 delinquent loans for a total delinquency rate of 12.02%. Seriously delinquent loans (90+days) saw an increase of 36 loans (24 basis points) from the prior month.

DEVELOPMENT

DEVELOPMENT PIPELINE:

- RIHousing undertook four closings between July and August: two new construction and two Land Bank transactions. Two closings are scheduled for September.
- ERA2 funding expended from June to August is $5,261,443.

COMMUNICATIONS

Media Coverage

- **East Bay RI**: 'Penny Lane' development in Warren receives last bit of coinage needed to move forward (Aug 4th)
- **Rhode Island Current**: 5 new laws that will make it easier to build the homes Rhode Island needs (July 28th)
- **The Providence Journal:** As housing gets more expensive in RI, a think tank argues more rooming houses are the answer (July 22th)
- **RI News Today**: Blue Cross Blue Shield and Greater Providence Chamber: 2025 Worksite Health Awards honor 48 RI companies (July 18th)
- **Providence Business News**: R.I.'s new 'housing land bank' will set sights on vacant, unused properties (July 11th)
- **RI Central**: With the opening of Soria Apartments in EG, state and local officials tout progress in battle for affordable housing in RI (July 10th)

External Activities

Groundbreakings and Ribbon Cuttings

- **Soria Apartments, July 7, 2025 – Ribbon Cutting**: Executive Director Carol Ventura joined federal, state and local elected officials, fellow funders and community partners to cut the ribbon on Soria, a 63-unit mixed-income development from Pennrose and Cove Homes, Inc. It includes units set aside for HUD Section 811 vouchers and Project-Based vouchers administered by the East Greenwich Housing Authority.

Upcoming Events

- **RIHousing Voucher Partner Night, September 9th**: RIHousing will host partner landlords who rent units to our voucher holders.
- **Operation Stand Down RI, September 18-19th**: RIHousing staff will volunteer with OSDRI.

LeadSafe Homes

LeadSafe Homes Community Liaison Allan Martinez attends community events on behalf of RIHousing, sharing information and resources about our lead remediation program:

- BVCHC Community Health Fair, August 6th
- Pawtucket Police National Night Out, August 5th
- Central Falls Food Truck Event, July 18th

GOVERNMENT RELATIONS

Federal

One Big Beautiful Bill

On July 4, 2025, the One Big Beautiful Bill Act was signed into law. The bill permanently increases the Low-Income Housing Tax Credit authority by 12% for the 9% Credit. The bill also permanently lowers the bond financing test from 50% to 25% for bond-financed 4% Housing Credit properties. This was one of RIHousing's top federal legislative priorities.

Appropriations

Both the House and Senate Appropriations Committees have met and approved FY2026 HUD funding; however, the bills have not yet been considered by the full House or Senate. Both bills rejected the consolidation of rental assistance and homeless programs proposed by the administration in its "skinny budget". Generally, the Senate provided higher funding levels for HUD programs than the House bill. The Senate bill includes level funding of $1.25 billion for the HOME Investment Partnerships Program, which the House bill proposed eliminating. The Senate bill would provide $73.3 billion for HUD in fiscal year 2026, which is approximately $4.6 billion higher than the FY 2025 enacted level and $5.55 billion higher than the House bill. You can access a full breakdown of funding levels by program in each bill here: https://www.ncsha.org/wp-content/uploads/FY-2026-Budget-for-HUD-and-USDA.pdf

State

Senate District 4 Special Election

During the special election on Tuesday, August 5th, Democrat Stefano Famiglietti won the Senate District 4 special election. The seat has been vacant since Senate President Dominick Ruggerio passed away on April 21. Senator Famiglietti will represent Rhode Island Senate District 4 for the next 15 months, until the next general election.

Speaker's Package Bill Signing

A ceremonial bill signing will take place with House Speaker Joseph Shekarchi and Governor McKee on Friday, August 22nd at the Sheridan Small Homes in Providence. This event will celebrate the passage of housing-related legislation, including the Speaker's housing package, during the 2025 General Assembly Session.

FINANCE

- On Thursday, August 14th, Finance closed a $134 million bond issuance for the single-family Homeownership Opportunity Bond Program. The issuance was an entirely fixed-rate issuance with $105 million in tax-exempt bonds and $29 million in taxable bonds sold to investors, allowing us to continue to affordably finance first mortgages and down payment assistance to first-time homebuyers.

- A tax-exempt/taxable blended structure does not provide the lowest cost of funds that a fully tax-exempt structure might. As we closely manage our volume cap allocation, however, this blended structure still provides a relatively low cost of funds by which to finance our single-family line of business while simultaneously preserving volume cap for multi-family financings. We will continue to subsidize our rates for income-qualified borrowers to provide the lowest rates possible.

- The sale was marketed on our investor webpage, rihousingbonds.com, was almost two times oversubscribed in total and garnered over $56 million in Retail orders. Ultimately, over 32% of the offered bonds were purchased by Retail Investors. This strong presence of Retail interest largely benefits the success and competitive pricing of the issuance overall.

- As part of this transaction, Standard & Poor's and Moody's Rating Services reaffirmed the ratings on the fixed-rate bonds at AA+/Aa2, respectively, and assigned ratings of A-1+/VMIG 1 to the variable-rate bonds.

INFORMATION TECHNOLOGY/FACILITIES

UPDATES

- Cost Savings: On top of the ~$200K IT saved in Q2'25, we have been able to add another ~$100K in savings in Q3'25 thus far.

- Completion of IT Business Continuity and Disaster Recovery Documentation: We have successfully completed the IT Business Continuity and Disaster Recovery documentation initiative. This milestone is a critical component of our organization's ongoing commitment to operational resilience, risk management, and regulatory compliance. The primary objective of this initiative was to develop a comprehensive and actionable documentation framework that ensures the continuity of critical IT services and rapid recovery in the event of a disruption, whether caused by natural disasters or operational failures.