

**MINUTES OF MEETING
OF THE
BOARD OF COMMISSIONERS**

January 16, 2025

A Meeting of the Rhode Island Housing and Mortgage Finance Corporation (the “Corporation” or “RIHousing”) Board of Commissioners was held on January 16, 2025, at 9:30 a.m. The meeting was held at the main office of the Corporation, 44 Washington Street, Providence, RI 02903, Conference Boardroom, and via telephone conference call.

Carol Ventura, Executive Director, opened the meeting and introduced Val Lingasami, Assistant Director of Information Technology, who summarized the parameters of the meeting.

Ms. Lingasami stated that (i) this meeting would be recorded and available for review on the RIHousing website within 3-5 business days after the meeting and (ii) except for specific RIHousing staff participating telephonically in the meeting, all callers would be muted during the meeting. Ms. Lingasami also asked that to prevent any feedback or background noise, telephone participants should mute their telephone if they are not speaking. Additionally, Ms. Lingasami announced that if, during the meeting, anyone had technical difficulties with audio or accessing the call, they should call (401) 429-1430.

Corinne Myers, General Counsel, then provided additional guidance for the meeting. Ms. Myers stated that the meeting was being held in person, with all members of the Board of Commissioners appearing in person and specific RIHousing staff participating via teleconference. Members of the public were invited to access the meeting in person or via teleconference according to their preference. Furthermore, members of the public could visit the RIHousing website to view the agenda and information on the actions being taken, and in the event the teleconference was interrupted, staff would stop the meeting until audio was restored.

Ms. Myers stated that Chairman Pryor would preside over the meeting and requested that any Commissioner or staff wishing to comment state their name prior to speaking and telephone participants to mute their phones when not speaking. She then invited Chairman Pryor to call the meeting to order.

A quorum being present, Chairman Pryor introduced himself and officially called the meeting to order at approximately 9:36 a.m. The Chairman then invited Ms. Ventura to proceed with the roll call of Commissioners in attendance.

Ms. Ventura conducted a roll call of Commissioners participating in the meeting. Commissioners participating were: Stefan Pryor; Rebecca Webber, Designee for Jonathan Womer, Director of the Department of Administration; James Diossa, General Treasurer; Sara Cabral, Designee for Elizabeth Dwyer, Director of the Department of Business Regulation; Kevin Orth; Stephen P. McAllister; and Maria Barry.

RIHousing staff participating were: Carol Ventura, Executive Director; James Comer, Deputy Executive Director; Christine Hunsinger, Chief Strategy and Innovation Officer; Brett Pelletier, Chief Administrative Officer; Bernadette MacArthur, Director of Finance; Anne Berman, Director of Real

Estate Development; Corinne Myers, General Counsel; and Val Lingasami, Assistant Director of Information Technology.

Members of the public were also present.

Approval of Minutes of Board Meeting held on December 19, 2024

Chairman Pryor asked for a motion and a second for the approval of the minutes of the Board of Commissioners meeting held on December 19, 2024. A motion was duly made by Commissioner McAllister and seconded by Commissioner Diossa.

There being no comments or discussion, Corinne Myers, General Counsel of RIHousing, conducted a voice vote of the Commissioners.

The Commissioners voted to approve the minutes with six (6) votes in favor, Commissioner Barry abstaining, and zero (0) nay votes.

Ms. Myers then officially stated for the record that the following was adopted:

VOTED: That the minutes of the Board Meeting held on December 19, 2024, are hereby approved.

Chairman's Remarks

Chairman Pryor greeted everyone and offered a few brief remarks. The Chairman expressed his gratitude for a brief agenda and noted that most of the action items were reviewed by the Management Committee.

Executive Director's Review of Recent Activities and Trends

Carol Ventura, Executive Director, welcomed everyone, referred the Commissioners to her report, and commented on a few items of interest.

Ms. Ventura stated that the Executive Director's report has been updated to reflect the 2025 goals. She also mentioned that an update on the Corporation's Strategic Plan was included and said that she would focus on that report.

Ms. Ventura was pleased to share that RIHousing attended the groundbreaking for Dexter Street Commons in Pawtucket, a new mixed-use development from Peyser Real Estate Group. Other attendees included Senator Jack Reed, Representative Gabe Amo, Mayor Donald Grebien, and many more elected officials, funders, and community partners. Dexter Street Commons will offer 150 energy-efficient units plus ground-floor commercial space within walking distance of the new Pawtucket-Central Falls Commuter Line. 20% of the units will be affordable to those earning between 80% and 120% of the Area Median Income (AMI). The development received over \$2 million from the Middle-Income Loan Program, a State Fiscal Recovery Funds initiative.

Continuing, Ms. Ventura mentioned that the Communications, Governmental Relations, and Policy staff have prepared a summary of the governance report that the Department of Housing has released. She invited the Commissioners to review the report at their convenience.

Ms. Ventura then reported on the Strategic Plan.

Ms. Ventura began by providing a brief process of the plan. She said that in June 2024, RIHousing contracted with Ninigret Partners (NP) to examine all the available data and interview key stakeholders and board members to evaluate the status of the 2022 Strategic Plan and how the research and engagement may change the plan.

Ms. Ventura stated that Ninigret Partners conducted 52 interviews with a range of stakeholders, elected officials, and board members. They examined a series of documents including reports by HousingWorksRI, RIPEC, The Furman Center report on public developer models, and the Governance Study prepared by the RI Department of Housing, among others. They also reviewed pertinent documents such as the 5-Year Production Plan, among other materials, and conducted analysis related to some specific issues/opportunities identified during the research phase.

Continuing, Ms. Ventura said that the Board Chair urged RIHousing to undertake a review of the strategic plan to ensure that the goals were still applicable and to identify any new needs or gaps that had developed based on the receipts from COVID funding, the availability of funding for various housing programs post SFRF, and the need for the Agency to prioritize programs and initiatives.

During that period, the State Department of Housing was charged with developing a statewide housing plan and governance strategy to align policymaking and housing programs that will impact RIHousing.

Ms. Ventura then touched on a few items of importance. She said the Strategic Plan was created prior to the establishment of the Department of Housing. During the process, the Department of Housing embarked on and developed a statewide housing plan and a governance structure to align policymaking, programs, and decision-making associated with housing. The efforts were being conducted during the RIHousing Strategic Plan. During the interviews, stakeholders expressed that it was difficult to weigh in on strategies or to judge the Agency's goals without understanding the role of the State Department of Housing and its impact on RIHousing. Ms. Ventura said that not knowing what programs will remain with RIHousing, what migrates to the Department, and what guidance stays with the Corporation is a challenge for the Agency.

Next, Ms. Ventura addressed key findings from the interviews. Those included concern over funding processes moving forward the Board structure of RIHousing, along with the role of the Housing Department vis a vis RIHousing. Those observations were solicited prior to the release of the Department of Housing's report.

The Executive Director also touched on the purpose of the Proactive Development Committee. People expressed a lack of clarity around its role. Some concerns were what the entity is doing or charged with doing, if it's a competitor, will the President work for the CEO, and if it will divert funds from RIHousing's core mission.

Notably, the principal area of concern expressed was whether RIHousing will prioritize deals that are formulated or assisted by the Proactive Development arm since it will have already committed to investing resources.

Concerns were also raised regarding the organizational business model. Those worries were about the future financial outlook of the agency because of the development issues impacting new projects, and site constraints because that impacts fee generation. Moreover, changes to the mortgage market with new commercial entrants encroaching on single-family mortgage business, lack of housing to generate single-family mortgage closings, and RIIHousing's ability to create new sources of flexible revenue other than program management fees.

Another area addressed was system capacity. Capacity-related topics included nonprofit developer balance sheets impacting their ability to procure outside capital. Other PHAs and new nonprofits are entering development where there is a limitation on their expertise in acquisition and development. Other concerns involved the small contractor base in Rhode Island and how it's impacting pricing and project timing, the limited planning capacity, at the local level, along with aging of leadership in key organizations and companies, including RIIHousing.

Ms. Ventura then explained that financial resources are not keeping pace with costs. That comprises the cost of acquisition and rehab versus new construction. The challenge is how to prioritize and balance that situation. Ms. Ventura shared a comment that she felt was relevant. That comment was "Not enough money to build our way out of the problem." Rising costs also include construction insurance, cost of construction financing, O&M insurance, and rising utility expenses.

Ms. Ventura remarked that Development remains a key topic of discussion for those interviewees who interact with it. RIIHousing strives to do better yearly, but there is always feedback. The issues range from unclear communications around how projects are scored; that the Corporation is too hands-on compared to other HFAs; that project oversight has implications for deal cost; and finally concerns about time and the amount of rework. Specifically with the fast-changing commodity costs and tight contractor market impacting projects.

Ms. Ventura stated that there's always a continuous need for innovation. Especially to support innovation in construction techniques; more best practices/novel practice sharing; the ability to bring pilot programs to scale (such as the NOAH program); and data sharing for performance improvement.

Regarding communication endeavors, RIIHousing has a strong reputation in the housing sector both locally and nationally. However, there is a general lack of knowledge about various Agency programs/initiatives including among board members and political leadership. The Corporation needs to do a better job utilizing its goodwill and trust to help inform housing policy discussions.

Communication about future spending plans revolves around what is not getting funded going forward and a resource-constrained funding environment for the future. That pertains to not just production but other program budget items such as LISC's NDF program.

Ms. Ventura remarked that better outreach and communications efforts are critical with the minority business partners. RIIHousing can always do better in that area.

Finally, Ms. Ventura addressed the next steps in the process. She said that evaluating proposed modifications to Agency goals and strategies is a prudent step. She emphasized that staff does not know what the Governor's budget will reflect regarding the structure of the statewide housing plan. Staff plans to revamp the Agency's performance reporting, such as evaluating a scorecard approach to performance, and reporting to monitor potential impacts to the Agency based upon the state Housing Department governance structure.

Following the presentation, Ms. Ventura welcomed questions.

Chairman Pryor thanked Ms. Ventura for the presentation. The Chairman mentioned that the report is a work in process and highlighted the key issues that need to be addressed.

The Chairman asked Ms. Ventura what she foresaw regarding a further conversation with the Department of Housing, the Governor's office, and legislative leadership. He wanted to know if there were elements of what has been raised in questions and possible solutions that RIHousing plans to incorporate sooner rather than later.

Ms. Ventura responded that the Department of Housing has been very engaged with the Corporation regarding their thoughts and strategies moving forward. Ms. Ventura said that she wished that she had some conclusive information to share, but she did not know what would happen. Ms. Ventura said that staff needs to continue the course of the Agency, do what it does best, and work through the issues as they arise, especially with various programs migrating to the Department of Housing. However, Ms. Ventura did not foresee that happening quickly. She was not certain that the Department was adequately staffed to absorb many of the programs. The Housing Department's role as a policy maker will be important for the State and RIHousing to ensure that everyone is moving in the same direction.

The Chairman suggested that at the Management Committee meeting the Commissioners and staff could discuss the situation. The Chairman noted that it's part of the broader effort of the General Assembly to do governance reform or legislation. He asked if that was an option and to invite Ninigret Partners and the Department of Housing for that discussion.

Ms. Ventura agreed with the Chairman's suggestion.

Commissioner Designee Webber referenced the depletion of SFRF funding. She asked to what extent Ms. Ventura would be looking to the pre-2023, 2021 version of RIHousing, or if it would be entirely different.

Ms. Ventura reminded the Commissioner that there is a housing bond in place that should carry the organization through the next couple of years. Additionally, the Corporation has an acquisition and pre-development program with SFRF dollars and there is a pipeline that would be ready to tap into the housing bond. RIHousing has committed almost all the SFRF funds. Staff are anxious about the housing bond and having those resources available. Furthermore, RIHousing has the HOME and Housing Trust Fund (HTF) programs that range approximately \$6 million dollars. The HOME funds are only used for rental production and HTF is targeted at extremely low-income households.

Ms. Ventura also mentioned that the Corporation would go back to evaluating funds to determine if the Agency is in a resource-scarce environment. Staff would assess programs such as the deferred payment loan program and can anticipate much lower production in the state.

James Comer, Deputy Executive Secretary, said that it's important to know that RIHousing will look similar except for the loss of SFRF dollars. Staff were able to manage those funds without a huge increase in staff. RIHousing performed a phenomenal job in deploying those funds within the time constraints. Mr. Comer stressed that RIHousing has an excellent pipeline of projects and it's a matter of working within the current constraints to bring those projects to completion.

Ms. Ventura speculated that the municipal partners might step up and create programs on a local level or tap into programs that are not available to RIHousing. The Corporation has always managed to produce housing, but it's likely that it will look different.

Commissioner Barry commented that it's important that the leaders come together to ensure clarity is reached on the issues. Additionally, having a partnership with other departments is a valuable endeavor that provides a multidimensional focus on housing matters. To move forward, it requires coordination on all levels.

Continuing, Commissioner Barry stated that housing is complex and fortunately RIHousing and the Department of Housing have great expertise. However, the Commissioner wanted to ensure that anyone else weighing in on the subject takes the time to fully understand the situation. There is a lot of expertise in housing that should be retained. Commissioner Barry said that from a leadership standpoint, she hopes that is how it is viewed.

The Commissioner also mentioned that Rhode Island is fortunate to have a housing bond, where other housing agencies do not. That is a big win and RIHousing should be proud of that fact. If everything is tied together, it would be momentous.

Chairman Pryor thanked Ms. Ventura for the presentation and stated that it would be beneficial to have the Department of Housing join a more comprehensive conversation on the matter. Ms. Ventura concurred.

Approval of External Charitable Donations and Contributions

Chairman Pryor announced that James Comer, Deputy Executive Director, would give the presentation.

Ms. Comer said that the request was for approval and ratification of external Charitable Donations and Contributions of RIHousing pursuant to the Quasi-Public Corporations Accountability and Transparency Act, Chapter 155 of Title 42 of the Rhode Island General Laws (the "Act").

RIHousing is a public corporation of the State of Rhode Island. In carrying out its statutorily defined public purposes, RIHousing collaborates with several organizations that share and advance its mission. In some instances, RIHousing is asked to financially support programs and activities of organizations engaged in activities that are consistent with and further its public purposes. RIHousing is often invited by its community partners to attend or gain recognition at community events, such as annual meetings or fundraisers, where our organizational presence is necessary or desirable.

At its meeting on December 11, 2014, the Board of Commissioners adopted the Handbook of Policies and Procedures to Ensure Accountability (the "Handbook") pursuant to the Act. Section C of the Handbook sets forth RIHousing's policy on charitable and civic donations. This Section provides that, consistent with the Act, all Charitable Donations and Contributions must be approved or ratified by the full Board of Commissioners at an open meeting.

An attachment setting forth events for which RIHousing has or will make a Charitable Donation or Contribution was included as part of the January 16, 2025, Board package. The attachment identified the recipient of the expenditure, the amount of the expenditure, the nature of the event, the reason for supporting the event or recipient, each Commissioner or employee who will receive any benefit from the expenditure, and the general ledger account number where the expenditure will be recorded in RIHousing's accounting system. None of the expenditures require any disclosure under the Rhode Island Code of Ethics.

RIHousing's support of the work of the organization(s) listed in the attachment furthers the corporate

purposes of encouraging and promoting homeownership for low- and moderate-income Rhode Islanders as set forth in R.I.G.L. §42-55-2(a). The Rhode Island Mortgage Bankers Association (“RIMBA”) strives to bring together those businesses operating in the mortgage industry to effectively promote and sustain responsible home lending in Rhode Island and directly support our work. The Annual Dinner and Installation of Officers reviewed RIMBA’s work in 2024, presented its future priorities, and approved the 2025 slate of Directors.

In closing, Mr. Comer announced that Lisa Cabral, Senior Manager Lender Relations, is an active member of RIMBA’s Board.

Following the presentation Chairman Pryor asked for a motion and a second for Approval of External Charitable Donations and Contributions.

A motion was duly made by Commissioner McAllister and seconded by Commissioner Diossa.

There being no questions, Corinne Myers, General Counsel, then conducted a voice vote of the Commissioners. The Commissioners unanimously voted to approve the motion.

Ms. Myers then announced that the following resolution was unanimously adopted:

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

- Whereas,** the legislative findings set forth in Rhode Island Housing and Mortgage Finance Corporation’s (“RIHousing”) enabling act (R.I.G.L. §42-55-2(a)) provide that homeownership is an essential economic driver and offers an opportunity for households to accumulate assets and build wealth over time through equity.; and
- Whereas,** RIHousing is authorized by statute to take action to encourage homeownership in Rhode Island; and
- Whereas,** the organization(s) set forth in Attachment A presented at this meeting have asked RIHousing to provide financial support of their activities as described in Attachment A; and
- Whereas,** the organization(s) set forth in Attachment A plays an important role in supporting homeownership for low- and moderate-income families and individuals and policies that impact RIHousing’s mission; and
- Whereas,** RIHousing staff has reviewed the request for financial support and determined that it is consistent with RIHousing’s legislative purposes; and
- Whereas,** Attachment A sets forth the information required by the Quasi-Public Corporations Accountability and Transparency Act, Chapter 155 of Title 42 of the Rhode Island General Laws.

NOW, THEREFORE, IT IS HEREBY:

Resolved, that the expenditure(s) set forth in Attachment A are consistent with and in furtherance of the mission and policy initiatives of RIHousing.

Resolved, the expenditure(s) set forth in Attachment A are hereby approved and ratified.

Resolved, that the Executive Director, Deputy Executive Director and the Chief Administrative Officer, each acting singly, are hereby authorized and directed to take any and all actions they deem necessary and appropriate to carry out the forgoing resolutions.

Approval of Amendment to LeadSafe Homes Consulting and Training Services Engagement (Residential Construction Workforce Partnership (RCWP))

Chairman Pryor announced that Christine Hunsinger, Chief Strategy and Innovation Officer would report on this request.

Ms. Hunsinger stated that the request was for approval to amend the existing engagement with Residential Construction Workforce Partnership (“RCWP”) to provide consulting services and a training program to build the capacity of contractors working with the LeadSafe Homes Program (“LSHP”) administered by Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”).

The LSHP provides financial assistance to eligible homeowners across the state to remediate their properties of lead-based paint hazards. RIHousing oversees and coordinates all activities around this remediation, including engaging and approving contractors who are eligible to conduct lead paint remediation. The LSHP is funded through a 2019 U.S. Department of Housing and Urban Development (“HUD”) High Impact Neighborhood Grant that targets properties in Central Falls, East Providence, Pawtucket, and Newport, as well as state funding that serves households in other parts of the state.

Due to the challenges of lead remediation work, which requires special licenses and training, RIHousing has found it difficult to attract and retain contractors. In February 2023, a Request for Proposals (“RFP”) was issued seeking proposals from qualified firms to provide worker training and contractor capacity-building training.

In November 2023, the Board approved the engagement of RCWP to provide such services. RCWP is a Rhode Island non-profit corporation affiliated with the Rhode Island Builders Association. Since December 2023, RCWP has been (i) providing consulting services that assist in recruiting and retaining contractors, (ii) providing job site mentoring to new contractors, and (iii) helping develop and implement a training program to ensure contractors have the skills and knowledge to successfully work with RIHousing and complete lead-remediation projects. RCWP has also been providing training to current and prospective LSHP contractors on how to properly install windows and doors, how to apply vinyl siding and paint, and how to address other areas of concern.

RCWP’s current agreement on services includes an option to renew the initial one-year engagement for up to three additional one-year terms; however, the Board authorized a maximum contract value of \$120,000, which does not accommodate any of these additional terms. RIHousing staff is recommending an amendment to the current agreement for services to increase the maximum contract amount to \$300,000, inclusive of the \$120,000 expended in 2024. With this \$180,000 increase, RCWP could continue to provide consulting services to RIHousing, to provide mentoring to new contractors, and it would allow RCWP to further implement the training program that has been developed.

After the presentation, Chairman Pryor asked for a motion and a second for Approval of Amendment to LeadSafe Homes Consulting and Training Services Engagement (Residential Construction Workforce Partnership (RCWP)).

A motion was duly made by Commissioner Diossa and seconded by Commissioner Designee Webber.

There being no questions, Ms. Myers, General Counsel, conducted a voice vote of the Commissioners. The Commissioners unanimously voted to approve the resolution.

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

WHEREAS: the enabling act of the Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) provides the agency with all the powers to make and execute contracts necessary for the exercise of its functions under the Rhode Island Housing and Mortgage Finance Corporation Act, R.I. Gen. Laws §42-55-5(6);

WHEREAS: RIHousing has determined that it is in the best interests of the corporation to amend the existing engagement of Residential Construction Workforce Partnership (RCWP) (“RCWP”) to provide consulting and training services for RIHousing’s LeadSafe Homes Program (“LSHP”);

WHEREAS: RIHousing previously issued a Request for Proposals (“RFP”) for qualified firms;

WHEREAS: pursuant to that RFP, RCWP was engaged to provide the requested services to support the LSHP; and

WHEREAS: staff has determined that it is in the best interest of RIHousing to renew the engagement with RCWP and increase the maximum contract amount to allow for such renewal.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: that RIHousing be, and hereby is, authorized to amend the existing agreement for services with Residential Construction Workforce Partnership (RCWP) to reflect a total contract amount not to exceed \$300,000 to provide consulting and training services to RIHousing’s LSHP, as such services are set forth in the RFP, RCWP’s proposal previously submitted in response thereto, and the current agreement for services between RIHousing and RCWP; and

RESOLVED: that the Executive Director, Deputy Executive Director, and Chief Strategy and Innovation Officer, each acting singly, be and hereby are authorized and empowered to negotiate terms, execute contracts, instruments and/or documents, and take any other actions necessary or desirable to carry out the foregoing resolution.

Approval of Maine Legal Counsel

Chairman Pryor recognized Corinne Myers, General Counsel who gave the presentation.

Ms. Myers said that the request seeks authorization from the Board of Commissioners of RIHousing to engage outside legal counsel for Mortgage Servicing Solutions (“MSS”), acting as the mortgage loan sub-servicer for Maine State Housing Authority (“MSHA”).

Under its enabling act (R.I. Gen. Laws §42-55-2), RIHousing was created to address the housing needs of low- to moderate-income Rhode Islanders by encouraging the investment of private capital to stimulate the construction, rehabilitation, operation, retention, and maintenance of residential housing through the use of public financing, providing construction and mortgage loans to eligible homebuyers, and making provision for the purchase of mortgage loans. To accomplish these goals, RIHousing periodically engages a roster of outside legal counsel to provide legal services categorized according to the diverse legal needs of the corporation.

In Autumn 2024, RIHousing issued a Request for Proposals (“RFP”) seeking qualified firms to provide legal services in some or all of the following areas of representation in the State of Maine, where RIHousing, doing business as Mortgage Servicing Solutions, performs mortgage loan sub-servicing for MSHA, the Maine housing finance agency:

- General Litigation
- Bankruptcy/Creditor’s Rights, Foreclosure and Eviction

Notice of the RFP was posted on the MSHA, RIHousing, and R.I. Division of Purchases websites. In addition, the RFP was emailed to multiple attorneys and law firms that have expressed an interest in providing legal services to RIHousing in Maine, and Maine legal professional networks.

In response to the RFP, RIHousing received proposals from two (2) firms of varying sizes, geographic coverage, and experience, both applying for both areas of legal representation. A selection committee comprised of RIHousing staff (the “Selection Committee”) reviewed and evaluated the written proposals in accordance with the criteria outlined in the RFP, such as; the law firm’s experience, capacity to undertake the work, fee structure, experience with RIHousing programs, and determined that both proposals provided favorable responses and met the requirements outlined in the RFP.

The Selection Committee recommends engaging the firms listed in an attachment that was included as part of the January 16, 2025, Board meeting package. The selected firms will be placed on the RIHousing outside legal counsel roster and be engaged for three (3) years with an option to extend for an additional two (2) year term if determined to be in the corporation's best interests. The roster is not meant to replace, supplement, or supersede any existing engagement of law firms that provide RIHousing with public finance counsel, corporate and litigation services, or other specialized representation. The roster will supersede legal engagements entered in 2019 for substantially similar legal counsel services.

After the presentation, Chairman Pryor asked for a motion and a second for Approval of Maine Legal Counsel.

A motion was duly made by Commissioner Designee Webber and seconded by Commissioner Designee Cabral.

Commissioner Designee Webber questioned how the rates were compared. Ms. Myers explained that RIHousing is the client and works with the Maine State Housing Authority to establish an acceptable fee schedule. Most of those fees are set by the various investor programs, for example Fannie Mae and FHA, and those rate schedules are state-specific. Furthermore, Maine is a judicial foreclosure state whereas Rhode Island is a non-judicial foreclosure state.

Chairman Pryor inquired how work was allocated between the firms. Ms. Myers stated that the firms do not offer the same exact scope of work. There are two (2) firms that can provide bankruptcy services. Consequently, they will trade off the work. Eaton will continue as the foreclosure counsel and Perkins can support any loan servicing litigation. Regarding bankruptcy matters, staff will trade off services and compare the work with cost value and rates to determine the best value for the Corporation.

There being no additional questions, Ms. Myers, General Counsel, conducted a voice vote of the Commissioners. The Commissioners unanimously voted to approve the resolution.

Ms. Myers then officially announced that the following resolution was adopted:

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

- Whereas:** Rhode Island Housing and Mortgage Finance Corporation's ("RIHousing") enabling act provides it with all the power and authority to make and execute contracts necessary to exercise the powers and functions provided to it under the act (R.I. Gen. Laws §42-55-5(6)); and
- Whereas:** RIHousing has determined that it is in the best interest of the corporation to engage outside legal counsel to provide legal services in the State of Maine on an as-needed basis; and
- Whereas:** RIHousing has budgeted sufficient funding in its annual budget for these services; and
- Whereas:** RIHousing issued a Request for Proposals ("RFP") for qualified firms to provide legal services related to General Litigation and Bankruptcy/Creditor's Rights, Foreclosure and Eviction; and
- Whereas:** A selection committee (the "Selection Committee") comprised of RIHousing staff reviewed the proposals according to the criteria set forth in the RFP; and
- Whereas:** The Selection Committee has determined that the firms proposed to be engaged to provide these services have the appropriate experience and capacity to undertake the work;

NOW, THEREFORE, IT IS HEREBY:

Resolved: that RIHousing be, and hereby is authorized, to engage those firms as set forth in Attachment B for legal services in accordance with the RFP and the proposals submitted in response thereto; and;

Resolved: that such engagements shall be for a three-year term, subject to renewal for an additional two years, for an acceptable rate of compensation as outlined in the Firms' individual responses to the RFP;

Resolved: that the Executive Director and the General Counsel, each acting singly, be and hereby are authorized and empowered to take any and all actions necessary or desirable to carry out the foregoing resolutions, including without limitation the authority to negotiate the terms and fees of the engagement 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 to take such further actions as he or she deems necessary to carry out the foregoing resolutions.

Authority to Issue Homeownership Opportunity Bonds - \$600,000,000

Chairman Pryor introduced Bernadette MacArthur, Director of Finance, and asked her to proceed with the presentation.

Ms. MacArthur said that 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 the activities have the objective of maximizing our lending flexibility and minimizing our net interest costs to provide mortgages to low- and moderate-income homebuyers.

The single-family bonding program provides funding for first-time homebuyers. 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.

Ms. MacArthur said that RIHousing's last single-family bond issue was executed in November 2024 with proceeds expected to be utilized by the end of February 2025. Based on the current pipeline of registrations and production estimates, staff anticipate issuing approximately \$600 million 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.

In closing, Ms. MacArthur said that staff recommends the issuance of up to \$600 million of bonds to fund the Homeownership Opportunity Bond Program.

After the presentation, Chairman Pryor asked for a motion and a second for Authority to Issue Homeownership Opportunity Bonds - \$600,000,000.

A motion was duly made by Commissioner McAllister and seconded by Commissioner Barry.

Commissioner Orth commented that the staff have done a fantastic job with the participating originators. He was pleased with the widespread support from the lenders. He wanted to know the nature of the underwriting that the participating underwriters perform versus what RIHousing does.

Peter Pagonis, Director of Homeownership, said that RIHousing has two (2) channels for external partners. One is mortgage brokers, which are small entities that do not have a large staff; therefore, they originate the loan and forward the underwriting portion to RIHousing. The other is the corresponding lender channel. There are two (2) types of corresponding lender clients. One has delegated underwriting authority. They typically have a strong underwriting team, experience, and a strong balance sheet and originate, underwrite, and close in their name. Once the post-closing provider reviews the loan, RIHousing purchases the loan and executes it as a bond transaction or in the TBA market.

The other lenders do not have delegating underwriting authority. Those lenders originate the loan with RIHousing the loan in parallel. Then RIHousing closes the loan in the lender's name. Mr. Pagonis said that it's a privilege to have delegated underwriting authority. Presently, there are eight (8) or nine (9) partners with that privilege.

Commissioner Orth wondered how often the partners are reviewed. Mr. Pagonis remarked that RIHousing has an annual certification process that all partners must comply with. Quality Control spearheads that effort. The partners must provide proof of insurance and finances and disclose if there have been any management changes.

There being no further questions, Ms. Myers, General Counsel, conducted a voice vote of the Commissioners.

The Commissioners voted to approve the motion with six (6) votes in favor, Commissioner Designee Cabral abstaining, and zero (0) nay votes.

Ms. Myers then officially announced that the resolution was unanimously adopted in the form presented at the January 16, 2025, Board meeting.

Presentation:

a. FTC Safeguards Rule Compliance

Chairman Pryor informed the Board that Brett Pelletier, Chief Administrative Officer would give the presentation.

Mr. Pelletier began by mentioning that he provided the Commissioners with a formal report on the FTC Safeguards Rule. He highlighted that memo to give the Commissioners an opportunity to ask questions.

Mr. Pelletier then advised the Commissioners that as part of the compliance, RIHousing is required to develop, implement, and maintain a comprehensive information security program that is written in one or more readily accessible parts and contains administrative, technical, and physical safeguards that are appropriate to the size and complexity, the nature and scope of the Corporation's activities, and the sensitivity of any customer information at issue. The Corporation must report on the status of the rule and any material matters related to its information and security program.

Mr. Pelletier said that RIHousing has deployed a zero-trust policy for its information security and physical security platforms. That means that the Corporation always requires verification prior to granting access. There are two (2) full-time staff members dedicated to network security.

Mr. Pelletier then welcomed questions from the Commissioners.

Chairman Pryor referenced the recent security breaches that have arisen in the State and nationally and inquired if there are new initiatives that the Corporation has implemented to mitigate any possible breaches. The Chairman also asked if staff has engaged with the Department of Administration and Deloitte regarding the State's situation.

Mr. Pelletier stated that RIHousing is aware of the issue with the State's system, however, the Corporation does not cross lines with the State or other departments' system. RIHousing's security team is aware of what is occurring and takes all matters into consideration. The team is vigilant and constantly monitoring. However, the separation of data from the State's is a positive in this situation. Moreover, RIHousing has firewalls in place to prevent any comingling of data.

Chairman Pryor speculated if it made sense for the Corporation to reach out to the State for lessons learned and any information that could be beneficial to all. Mr. Pelletier agreed, saying that RIHousing participates in numerous State and Federal groups on security issues. Additionally, there are other state agencies that offer valuable feedback to the Corporation. It's a very cooperative community.

Commissioner Designee Webber noted that the presentation was for internal safeguards and asked if RIHousing carried cyber security insurance policies. Also, she wanted to know if the Corporation required vendors to carry cyber security insurance.

Mr. Pelletier confirmed that RIHousing has cyber security insurance in place and that all RFPs for services mandate that the vendor disclose their data, security practices, and insurance. Furthermore, the vendors must disclose any data breaches that have occurred.

Commissioner Orth asked how the search for an Information and Technology Director is progressing. Mr. Pelletier was pleased to report that RIHousing has employed an IT Director, and he has been on board for a month and a half.

Commissioner McAllister applauded the fact that RIHousing collaborates with other organizations that are willing to share best practices. He is aware that previously the business community did not want to admit to any breaches, which was a hindrance for other companies to identify what to look out for.

Mr. Pelletier concurred, saying that those groups incorporate a large influence from the military community that is advantageous.

No votes were taken on this agenda item.

Ms. Ventura mentioned that she was pleased to share that RIHousing received a significant increase for the Continuum of Care program. The awards were just released, and she thanked Senator Reed for his support. Ms. Ventura stated that RIHousing received a 10% increase, giving the Corporation almost \$5 million for the permanent supportive housing program, along with an 18% increase in the planning grant, which is critical for Rhode Island. Statewide, that translates to \$17 million for that

grant. Ms. Ventura stated that a press release will be forthcoming. She also commended the team at RIHousing for their work.

There being no further business to discuss, Chairman Pryor asked for a motion to adjourn the Board of Commissioners meeting. Commissioner Barry duly made the motion, which was seconded by Commissioner Orth.

Ms. Myers, General Counsel, then conducted a voice vote of the Commissioners. The Commissioners unanimously voted to adjourn the meeting.

Ms. Myers then announced that the motion to adjourn was unanimously approved. The meeting was adjourned at 10:15 a.m.

Chairman Pryor then thanked everyone for participating in the Board meeting.

Respectfully submitted,

Carol Ventura
Secretary and Executive Director