

Rhode Island Housing and Mortgage Finance Corporation
Minutes of the Meeting of the Management Committee
November 16, 2020

The Management Committee of the Rhode Island Housing and Mortgage Finance Corporation (the “Corporation” or “RIHousing”) Board of Commissioners was held on Monday, November 16, 2020 at 3:00 p.m. The meeting was held via telephone conference call pursuant to Executive Order 20-46 (extended by Executive Order 20-93, and as may be further amended or extended).

Carol Ventura, Executive Director, introduced Carl Rotella, Director of Information Technology, who outlined the parameters of the meeting.

Mr. Rotella stated that (i) the meeting would be recorded and available for review on the RIHousing website within 3-5 business days after the meeting and (ii) except for the Board of Commissioners and specific RIHousing staff, all callers will be muted during the meeting. Mr. Rotella announced that if during the meeting anyone had technical difficulties with audio or accessing the call, they should call (401) 457-1240.

Nicole Clement, General Counsel, then provided additional guidance for the meeting. Ms. Clement stated that (i) pursuant to Executive Order 20-46 (as extended by Executive Order 20-93 as may be further amended or extended) the meeting was being held via teleconference; (ii) members of the public could visit the RIHousing website to view the agenda and information on the actions being taken and (iii) in the event the teleconference was interrupted, staff would stop the meeting until audio was restored.

Next, Ms. Clement stated that Vice Chairman and Committee Chairman Smiley would preside over the meeting and requested that any Commissioner or staff to state their name prior to speaking and to mute the phone when not speaking. She then invited Committee Chairman Smiley to call the meeting to order.

A quorum being present, Committee Chairman Smiley introduced himself and officially called the meeting to order at approximately 3:03 p.m. Committee Chairman Smiley then invited Ms. Ventura to proceed with the roll call of Commissioners and RIHousing staff (in attendance).

Ms. Ventura then conducted a roll call of Commissioners and staff participating in the meeting. Commissioners participating via conference call were: Brett Smiley, Director of the Department of Administration; Nicolas P. Retsinas; and Stephen McAllister. LeeAnn Byrne, Designee for General Treasurer Seth Magaziner was absent.

RIHousing staff participating were: Carol Ventura, Executive Director; James Comer, Deputy Executive Director; Lisa Primiano, Chief Operating Officer; Kara Lachapelle, Chief Financial Officer; Christine Hunsinger, Assistant Deputy Director External Affairs, Policy & Research; Leslie McKnight, Deputy Assistant Director of Loan Servicing; Peter Pagonis, Director of Homeownership; Nicole Clement, General Counsel; Nancy Bacon, Director of Accounting; and Carl Rotella, Director of Information Technology.

Members of the public were also present.

The following matters were discussed by the Committee.

1. Approval of Minutes of the Management Committee Meeting Held on September 8, 2020

Committee Chairman Smiley asked for a motion and a second for the approval of the Management Committee minutes held on September 8, 2020. A motion was duly made by Commissioner McAllister and seconded by Chairman Retsinas. There being no discussion, Nicole Clement, General Counsel, conducted a roll call vote of the Commissioners. The commissioners voted as follows:

Vice Chairman Smiley	Aye
Chairman Retsinas	Aye
Commissioner McAllister	Aye

Ms. Clement then stated that the following was unanimously adopted:

VOTED: That the minutes of the Management Committee Meeting held on September 8, 2020 hereby are approved.

2. Recommendation for Approval of External Charitable Donations and Contributions

Committee Chairman Smiley introduced Carol Ventura, Executive Director, who made this presentation.

Ms. Ventura stated that the request is for approval and ratification of external Charitable Donations and Contributions of Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) pursuant to the Quasi-Public Corporations Accountability and Transparency Act, Chapter 155 of Title 42 of the Rhode Island General Laws (the “Act”).

Ms. Ventura said that RIHousing’s support of the work of the organization(s) listed on Attachment A, which attachment is included as part of the November 16, 2020 Management Committee package, furthers the corporate purposes of encouraging and stimulating the development of housing to alleviate the shortage of safe and sanitary residential housing for low- and moderate-income persons as set forth in R.I.G.L. §42-55-2(a). For example, the Rhode Island Coalition for the Homeless (“RICH”) is organized to promote and preserve the dignity and quality of life for men, women, and children by pursuing comprehensive and cooperative solutions to the problems of housing and homelessness. RICH is one of the leading organizations in Rhode Island advocating for solutions to the problem of housing for homeless persons and families. The work of this organization furthers and supports the mission of RIHousing.

Ms. Ventura announced and congratulated Elizabeth Bioteau, CoC Planner and Program Manager, who was the recipient of the RI Coalition’s Homelessness 2020 Senator Reed Advocacy Award. Committee Chairman Smiley also expressed his congratulations to Ms. Bioteau on the award.

Following the presentation, Committee Chairman Smiley asked for a motion and a second to recommend to the Board of Commissioners the Recommendation for Approval of External Charitable Donations and Contributions.

A motion was made by Commissioner McAllister and seconded by Chairman Retsinas.

Committee Chairman Smiley then asked if anyone had any questions.

Chairman Retsinas asked if January is when the Corporation provides an annual accounting summary of all external charitable donations and contributions. Nicole Clement, General Counsel, confirmed that at the January 2021 board meeting staff will provide a report on the yearly contributions. Chairman Retsinas then requested that the report reflect the past three (3) to four (4) years of contributions. Ms. Clement confirmed that she will work with the Finance Department to include that information for the Board of Commissioners.

Nicole Clement, General Counsel, next conducted a roll call vote of the Commissioners. The commissioners voted as follows:

Vice Chairman Smiley	Aye
Chairman Retsinas	Aye
Commissioner McAllister	Aye

Ms. Clement then stated that the recommendation for Approval of External Charitable Donations and Contributions was unanimously approved.

3. Recommendation for Approval of Fiscal Year (FY) 2021 Operating Budget

Committee Chairman Smiley acknowledged Ms. Ventura and Kara Lachapelle, Chief Financial Officer, who presented this recommendation.

Ms. Ventura began by stating that she and Kara Lachapelle, Chief Financial Officer, would walk through the budget highlights for the Committee. Ms. Ventura referred the Committee to the budget package that included a summary memo, the programmatic and operating budget forecasts and various charts.

Ms. Ventura then said that the budget reflects a bottom line revenue of \$7.7 million, using the bond market instead of the To-Be-Announced (TBA) market. The re-stabilized tax-exempt bond market allows RIHousing to continue financing single-family homeownership loans through the issuance of bonds vs. sale of loans in the TBA market. This move will advance the long-term financial stability of the Corporation by increasing the loans retained on the Corporation's balance sheet and to grow the portfolio.

Ms. Ventura stated that the Finance Department anticipates a reduction in estimates for the Homeownership Division loan production based on current market conditions. However, staff is hopeful that the newly created down payment assistance program will help in generating business.

The proposed budget for FY21 projects a bottom line net revenue of \$7.7 million. This is a slight increase over the prior year net revenue budget of \$7.4 million and a decrease from the actual net revenue for FY20 of \$15.2 million.

Continuing, Ms. Ventura mentioned that the fee income line reflects a decrease due to Federal mandates prohibiting fees on delinquent loans as well as the projected decrease in single-family production. Provision for loan losses is stable with staff expecting some increased delinquency or deterioration of the real estate market.

Program expenses are also down slightly due to a shift in programs and utilization of other funding sources, such as grants from FHLB for rental assistance.

The Corporation's operating expenses indicate an increase compared to prior year budget. The prior year budget had the benefit of reduced costs in employee retirement due to cumulative forfeiture funds. The current year budget reflects a full year of those costs. However, the current year budget also includes reductions in various line items such as seminars, trainings and overall marketing expense as well as a significant increase in technology expenses, due largely to technology required for staff working remotely and increase in technological initiatives. RIHousing presently averages 150-180 staff working remotely, which requires increased resources in technology services and support.

Ms. Ventura also noted that the FY21 budget projects no merit increases for staff and an increase in expenses for health and insurance benefits. However, the budget does not include a \$1.1 million transfer to the State of Rhode Island that was included in Governor Raimondo's proposed budget earlier this year. That amount is to be confirmed once the Governor's budget is finalized and Ms. Ventura will inform the Board of Commissioners of the amount once it is verified.

Ms. Ventura next referred the Management Committee to the overview breakdown of housing investments and mentioned that this overview reflects everything the Board of Commissioners approves throughout the year. For FY21 staff is projecting to deploy \$719 million in federal, state and Corporation funds. Those investments are outlined among six (6) categories: programs to create affordable homes; programs to buy a home; programs to keep your home; programs to preserve homes; programs to support renters; and programs to support housing and community development. Ms. Ventura clarified that the HOME program funds are not part of the actual budget as the Board of Commissioners approves the individual facilities requesting financing. Ms. Ventura then welcomed questions on the presentation.

Chairman Retsinas applauded this year's budget presentation. He noted that the format was straightforward and easily identified and categorized where the funds were allocated.

Ms. Ventura then referred the Committee to page five (5) of the budget package and briefly touched on the program budget noting the various programs RIHousing administers and funds. Ms. Ventura noted that as recommended by Chairman Retsinas, staff has apportioned funds for a broadband initiative for residents in RIHousing developments. Ms. Ventura also mentioned that this investment in broadband services to families residing in RIHousing's financed developments will explore a range of processes to ensure that vulnerable tenants can access broadband services.

Continuing, Ms. Ventura noted the other programs RIHousing supports that include help for preventing homelessness with the State Rental Assistance Program; Road Home Rental Assistance; Neighborhood Opportunities Program; HomeSafe and the “New Lease” programs for renters. Also included is the support for community partners such as LISC NDF. LISC leverages the subsidy that RIHousing provides four (4) to one (1). Community support programs also include funding for financial literacy post purchase counseling and housing programs. With respect to homeownership programs, staff plans to underwrite the Homeownership Reserve Program, an intensive three month (3) pre-and-post educational escrow incentive program, and a deed restricted loan product. Finally, for multifamily, the budget reflects financing for the Zero Energy for Ocean State (ZEOS) program.

Commissioner McAllister inquired about the federal eviction moratorium. He wanted to know if staff will be prepared once the moratorium is lifted. He foresees a rush for financial assistance. Ms. Ventura responded that she agrees that scenario is possible, but staff is working closely with the State to utilize federal CARES Act dollars for that purpose. The HomeSafe Program is going to be matched by the Federal Home Loan Bank Program. That is a total of \$1 million for staff to deploy for rental assistance. Staff will continue to monitor the issue and demands and will wait to see what the Federal government will do.

Commissioner McAllister mentioned that he has seen media coverage for the New Lease Program and inquired if Ms. Ventura knew how many families the program will support. Ms. Ventura replied that unfortunately she did not have that number available, however, Claribel Shavers, Director of Leased Housing and Rental Services, will provide the information. Ms. Ventura will confer with Ms. Shavers and present an update to the Committee.

Kara Lachapelle, Chief Financial Officer, next summarized the operating budget.

Ms. Lachapelle discussed the proposed budget estimates for net revenue, which is the largest component of the budget and reflects a slight increase from prior year budget. Single family production is estimated at \$306 million with the majority funded through tax-exempt bond financing. This results in lower current year earnings but an increase in net interest income over the life of the loan providing a future annuity and increased portfolio base. Fee income reflects a decrease due to Federal mandates prohibiting fees on delinquent loans as well as the projected decrease in single family production. Provision for loan losses is stable anticipating some increased delinquency or deterioration of the real estate market

Ms. Lachapelle then stated that the FY21 budget reflects a more balanced approach between utilizing the TBA market and the bond market. The breakdown is 60% bonding of loans and 40% of loans being processed through the TBA market. RIHousing’s portfolio is stocked with more FHA insured loans, which mitigates potential losses. Staff has reviewed the provision for loan loss reserves with the auditors and has determined that \$3 million is an adequate amount for that line item.

Chairman Retsinas asked about the interest rates and if Ms. Lachapelle anticipates that the rates will remain stable in the near future. Ms. Lachapelle confirmed that the rates are at an all-time low and believes that they will remain at that level. Chairman Retsinas agreed with Ms. Lachapelle’s projection but wanted to know if FHA would have second thoughts regarding insuring loans in

forbearance. Ms. Lachapelle said that RIHousing is not purchasing loans that are in forbearance and the loans that were purchased were acquired in time to be insured.

Ms. Lachapelle then briefly provided an overview of the programmatic budget and said that the FY21 total of expenses is \$4 million. A small increase in operating expenses is projected due to the heightened technology needs and the increase in the costs of health benefits.

Next, Ms. Lachapelle referred the Committee to her report and mentioned that the graph on page 7 provides an historical outline of budgeted revenue and shows that the Corporation is stable. Committee Chairman Smiley referenced page 8 of the report of budgeted expenses, noting the operating expenses of 2014 were high. Ms. Lachapelle explained that those expenses were mostly for the numerous programs the Corporation was administering during that period as well as expenses relating to an increase in single-family loan production.

Continuing, Ms. Lachapelle said that the chart on page 9 reflects the single-family production vs. the balance sheets. The orange line depicts the loans that are on the balance sheet.

Finally, Ms. Lachapelle stated that page 10 contains a breakdown of 2020 actual expenses with RIHousing ending the year under budget. The increase seen for FY21 is directly related to the increase in health benefits, unemployment claims and information technology (IT) costs. Ms. Lachapelle did note that there are decreases in numerous line items for FY21.

Commissioner McAllister asked for an update on the number of staff furloughed, working remotely and returning to work. Lisa Primiano, Chief Operating Officer, stated that the Corporation is down 14 full time employees (FTE) with 225 employees presently employed from a high of 244 employed last year. Some positions were eliminated, other positions the duties were combined and there were a few voluntary terminations bringing the total to 225 employees.

Committee Chairman Smiley thanked Ms. Ventura and Ms. Lachapelle and commended staff on the overall budget.

Following the presentation Committee Chairman Smiley asked for a motion and a second to recommend to the Board of Commissioners the Recommendation for Approval of Fiscal Year (FY) 2021 Operating Budget.

A motion was made by Commissioner McAllister and seconded by Chairman Retsinas.

There being no further questions, Nicole Clement, General Counsel, conducted a roll call vote of the Commissioners. The commissioners voted as follows:

Vice Chairman Smiley	Aye
Chairman Retsinas	Aye
Commissioner McAllister	Aye

Ms. Clement announced that the recommendation for Approval of Fiscal Year (FY) 2021 Operating Budget was unanimously approved.

Vice Chairman Smiley thanked staff for their time and efforts in assembling the FY21 budget. He acknowledged the challenge, appreciated the hard work and the opportunity to provide feedback on the recommendations. Committee Chairman Smiley said he looks forward to bringing the budget to the full Board of Commissioners.

4. Recommendation for Approval of Amended Vacation Benefits Policy in the Employee Handbook

Committee Chairman Smiley introduced Barbara Farrand, Director of Human Resources, who presented this request.

Ms. Farrand said that this request seeks approval of amendments to the Vacation Leave Benefits Policy contained in the Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) Employee Handbook in accordance with staff recommendations.

In order for RIHousing to attract and retain a high performing workforce, the Corporation must offer employees a competitive and comprehensive suite of benefits, which includes paid vacation time. Senior and Human Resources staff periodically review the corporation’s compensation and benefits packages. Staff proposes to update and enhance the current Vacation Leave Benefits Policy set forth at Section 401 of the RIHousing Employee Handbook (i) to increase the amount of accrued vacation time for length of service by one (1) week (40 hours) and (ii) to increase the vacation carryover allowance for each calendar year to 140 hours.

Once approved by the RIHousing Board of Commissioners, the amendments to the Vacation Leave Benefits Policy will become effective on January 1, 2021.

Staff recommends that the Board of Commissioners approve adopting the amendments to the Vacation Leave Benefits Policy contained in the RIHousing Employee Handbook and in the form as set forth at Attachment B, which attachment is included as part of the November 16, 2020 Management Committee package, and as presented at this meeting.

At this time, Committee Chairman Smiley asked if staff also received personal days. Ms. Farrand confirmed that there are three (3) personal days allotted as part of employee benefits. Committee Chairman Smiley request clarification that a new employee would then have eighteen (18) vacation days during their first year of service. Ms. Farrand affirmed that number explaining that she has reviewed other HFAs recruiting benefits along with state policies and other quasi-public agencies. Ms. Farrand stated that fifteen (15) HFAs started new employees with a greater number of vacation days in year one (1) and two (2). In years four (4) through nine (9), thirteen HFAs offered a higher number of vacation days. The strategy to provide more days in the first year is to recruit and retain qualified staff. Ms. Farrand noted that those days are beneficial in coordinating work and life balance, to assist in child care, attend a child’s school function, etc.

Committee Chairman Smiley then asked if RIHousing has engaged a benefits consultant to advise staff on best practices in the industry. Ms. Farrand confirmed that Marsh McLennon Associates, Inc. is RIHousing’s benefits consultant.

Committee Chairman Smiley then asked what the financial impact of the additional vacation week would have on the Corporation. Ms. Lachapelle responded that based on current values, the amount is \$300,000. However, that is not an additional cost that is apportioned to the budget but rather the value of the staff hours.

Continuing, Committee Chairman Smiley asked if the timing for presenting this request is due to the budget approval. Ms. Farrand mentioned that the Corporation's benefit year commences on January 1, 2021 and that it was the right time to implement the change to the vacation policy during the benefits renewal official launch.

Chairman Retsinas added that since no merit increases were budgeted for FY21, the additional week is a way of recognizing and appreciating staff's hard work, especially the extra effort involved during the pandemic. The timing with the budget is coincidental.

Ms. Lachapelle clarified that the present policy has been in place for many years, at least a decade. Ms. Ventura remarked that the policy was in place when she started, fifteen (15) years ago.

Committee Chairman Smiley asked if staff works 35 or 40 hours a week. Ms. Ventura confirmed that the Corporation has a 40-hour work week.

Commissioner McAllister questioned how many employees carry over the 120 hours and whether that was attributed to staff not taking the time during this pandemic. Ms. Farrand shared that approximately ten (10) employees end up not being able to carry over additional time.

The Committee also discussed the personal days and whether staff has explored implementing a PTO system, which would include vacation, sick and personal days that could be used however an employee wanted. Mr. Farrand stated that concept has been explored but RIHousing has not applied that method. Nonetheless, it is a concept that might be possible for the future.

Ms. Ventura explained that personal days are set annually by Senior staff. The advantage is that if the Corporation experiences a year that the budget will not allow for those extra days, then they are not allocated to staff.

Committee Chairman Smiley inquired if a compensation study was ever initiated. Ms. Farrand stated that a compensation study was performed three (3) years ago. She did note that the National Council of State Housing Agencies (NCSHA) has commissioned a compensation study for HFAs by Gallagher, however those results will not be completed until January.

Committee Chairman Smiley then recommended holding the action until the Gallagher compensation study was completed in January.

Chairman Retsinas asked Ms. Ventura if waiting until January will cause a hardship to RIHousing. Ms. Ventura said that waiting is not a hardship and staff can wait until the beginning of the year.

Vice Chairman Smiley noted that he would not personally vote to recommend this request to the Board as he believes the benefits are too generous. However, he did not want to hold up the process.

Chairman Retsinas recommended presenting the policy to the full Board of Commissioners to allow the members an opportunity to discuss the request. Commissioner McAllister also recommended presenting the policy to the Board of Commissioners. He felt the information was important.

Following the presentation Committee Chairman Smiley asked for a motion and a second to recommend to the Board of Commissioners Approval of Amended Vacation Benefits Policy in the Employee Handbook.

A motion was made by Chairman Retsinas and seconded by Commissioner McAllister.

There being no further questions, Nicole Clement, General Counsel, conducted a roll call vote of the Commissioners. The commissioners voted as follows:

Vice Chairman Smiley	Nay
Chairman Retsinas	Aye
Commissioner McAllister	Aye

Ms. Clement announced that the recommendation for Approval of Amended Vacation Benefits Policy in the Employee Handbook was approved with two (2) votes in favor and one (1) nay vote.

5. Recommendation for Approval for Ratification and Confirmation of the Actions and Votes of the Board of Commissioners

Committee Chairman Smiley noted that Nicole Clement, General Counsel, would present this request.

Ms. Clement announced that Rhode Island Housing and Mortgage Finance Corporation (the “Corporation”) is authorized under the laws of the State of Rhode Island (the “State”), and in particular under the provisions of the Rhode Island Housing and Mortgage Finance Corporation Act, constituting Chapter 55, of Title 42 of the General Laws of Rhode Island, 1956 (2006 Reenactment), as amended and supplemented (the “Act”), and has taken votes, adopted resolutions and taken actions to encourage the investment of private capital and stimulate the construction and rehabilitation of residential housing for persons and families of low- and moderate-income, to provide construction and mortgage loans, and to make provision for the purchase of mortgage loans and to otherwise do any and all things necessary or convenient for carrying out its purposes and exercising its powers given or granted in the Act.

The request is for the Board of Commissioners of Rhode Island Housing and Mortgage Finance Corporation (“Corporation”) to ratify and confirm certain votes, resolutions and actions reflected in the Corporation’s records.

Ms. Clement said that it has come to the attention of the Corporation’s staff that certain of the Corporation’s records were not available in the files of the Rhode Island Secretary of State. The Corporation has taken steps to ensure that records of the Rhode Island Secretary of State are

complete and consistent with such steps, it is advisable for the Corporation to ratify and confirm certain votes, resolutions and actions reflected in the Corporation's records.

Ms. Clement stated that staff is recommending that the Board of Commissioners hereby ratify, confirm and approve and adopt in all respects all votes, resolutions and actions done or performed by the Corporation, its Commissioners, officers, staff and agents in furtherance of the purposes of the Corporation beginning on and after April 3, 2014 through the date of this resolution.

After the presentation, Committee Chairman Smiley asked for a motion and a second to recommend to the Board of Commissioners Approval for Ratification and Confirmation of the Actions and Votes of the Board of Commissioners.

A motion was made by Commissioner McAllister and seconded by Chairman Retsinas.

Committee Chairman Smiley then asked if anyone had any questions.

There being no other discussion, Nicole Clement, General Counsel, conducted a roll call vote of the Commissioners. The commissioners voted as follows:

Vice Chairman Smiley	Aye
Chairman Retsinas	Aye
Commissioner McAllister	Aye

Ms. Clement announced that the recommendation for Approval for Ratification and Confirmation of the Actions and Votes of the Board of Commissioners was unanimously approved.

6. Recommendation for Approval of Engagement of Homeownership Lending Consultant

Committee Chairman Smiley recognized Peter Pagonis, Director of Homeownership, who presented this proposal.

Mr. Pagonis stated that this request is for approval to engage a qualified homeownership lending consultant to provide strategic advisory services in the areas of business development and customer relationship management in the residential mortgage lending industry. The consultant will further assist with Rhode Island Housing and Mortgage Finance Corporation's ("RIHousing") goal of strengthening its business development efforts.

RIHousing's Homeownership Division seeks to construct a formal business relationship culture. While in-person sales calls and client trainings are still valuable, the impact of these traditional approaches has changed substantially in recent months. Given the current reality of fewer face-to-face interactions, staff members have identified a need for a consultant to develop new strategies to deepen and develop relationships with participating lenders and real estate industry leaders. The new sales process should leverage all human and technological resources available to RIHousing. With the goal of driving mortgage production, the consulting services would specifically support Lender Services and Loan Center staff.

In September 2020, RIHousing posted a request for proposals (“RFP”) describing the engagement, including the following key areas of advice:

- Business Development Planning: product design, product pricing, channel management, and product promotion;
- Customer Service Training: “virtual sales” and the technology available to take advantage of the new post-pandemic business development paradigm;
- On-line Mortgage Platform: research on technology available to enable RIHousing to leverage existing business to consumer online interfaces to offer its homebuyers a robust online origination platform, similar to those used by national lenders; and
- Customer Relationship Management (“CRM”): advice related to implementing a CRM system that supports, manages, and measures relationships for business development, customer service, and marketing.

The RFP was posted on the RIHousing website and the website maintained by the State of Rhode Island Department of Administration’s Division of Purchases. One firm, SageIndex Inc, submitted a proposal in response to the RFP. A selection committee comprised of the Director of Homeownership, the Senior Lender Services Manager, and the Lender Services Coordinator reviewed the submission and evaluated it in accordance with criteria outlined in the RFP. The selection committee scored the response based upon the firm’s professional capacity, fee structure, experience, and experience with other housing finance agencies.

Based upon the selection committee’s evaluation of the proposal, SageIndex, Inc was determined to be qualified to provide homeownership lending consulting services to RIHousing with a score of 91 out of a possible 100.

SageIndex, Inc specializes in the modernization of business development, CRM and customer service processes and strategies. The applicant has completed seven engagements for housing agencies over the past three years focused on business development plans that employ the latest technology, and methodology to increase business volume, improve customer service levels and achieve mission-focused objectives. Their experience uniquely qualifies them to meet the requirements detailed in this RFP.

Furthermore, RIHousing has had previous experience with the applicant. RIHousing hired SageIndex, Inc in 2019 for a small number of hours to examine the Homeownership Division’s business development model, operations platform, and market position. The firm provided feedback on the team’s strengths, weaknesses, opportunities, and challenges and provided recommendations for management to consider.

Following the presentation, Committee Chairman Smiley asked for a motion and a second to recommend to the Board of Commissioners Approval of Engagement of Homeownership Lending Consultant.

A motion was made by Commissioner McAllister and seconded by Chairman Retsinas.

Chairman Retsinas requested Mr. Pagonis elaborate on the affirmative action efforts the firm employs. Mr. Pagonis remarked that the RFP has a diversity benchmark specified and SageIndex scored 4.3 on the scale. It's not one of the strongest showing, however staff has had conversations with SageIndex on minority priorities and plans to continue to explore best practices in the country and discuss those best practices with SageIndex.

Commissioner McAllister observed that only one firm responded to the RFP and if there was a reason why only one firm applied. Mr. Pagonis explained that this is a niche business and there aren't many entities that provide these services. Staff felt comfortable with SageIndex due to the fact they are familiar with HFAs and how they work. Additionally, the principal is a former HFA homeownership director at MA Housing.

There being no further questions, Nicole Clement, General Counsel, conducted a roll call vote of the Commissioners. The commissioners voted as follows:

Vice Chairman Smiley	Aye
Chairman Retsinas	Aye
Commissioner McAllister	Aye

Ms. Clement announced that the recommendation for Approval of Engagement of Homeownership Lending Consultant was unanimously approved.

7. Recommendation for Approval of Engagement of Residential Mortgage Post Closing Due Diligence Firm

Committee Chairman Smiley announced that Mr. Pagonis, Director of Homeownership, would also present this request.

The Request for Action ("RFA") was for approval to engage a firm to provide residential mortgage post-closing due diligence services for Rhode Island Housing and Mortgage Finance Corporation's ("RIHousing") Homeownership and Loan Servicing Divisions.

To meet investor requirements, a post-closing compliance review must be conducted of the residential mortgages that RIHousing originates, purchases, and subservices.

In September 2020, RIHousing posted a Request for Proposals ("RFP") on its website and the website maintained by the State of Rhode Island Department of Administration's Division of Purchases. One firm, Titan Lender Services Corporation ("Titan"), submitted a proposal in response to the RFP. A selection committee comprised of the Director of Homeownership, the Assistant Deputy Director of Loan Servicing, the Assistant Director of Homeownership, and the Senior Manager of RIHousing's Quality Control department reviewed the proposal, evaluated it in accordance with criteria outlined in the RFP, and assigned it a score of 91 out of a possible 100. Titan provides a variety of post-closing services to approximately seven hundred fifty (750) mortgage clients nationwide, nine (9) of which are housing finance agencies. RIHousing has been a client of Titan's since 2013 and, since that time, Titan has provided RIHousing with an exceptional purchase review experience by upgrading and automating its purchase review technology and increasing their speed-to-purchase closed loans; producing in-depth reporting,

work queues, and process automation options; performing audit services and clearing lender-submitted conditions; and employing a secure, web-based workflow platform that ensures that discrepancies and deficiencies have been rectified.

Following the presentation Committee Chairman Smiley asked for a motion and a second to recommend to the Board of Commissioners Approval of Engagement of Residential Mortgage Post Closing Due Diligence Firm.

A motion was made by Commissioner McAllister and seconded by Chairman Retsinas.

Chairman Retsinas inquired if Titan is a longstanding entity in the business. Mr. Pagonis confirmed that they are very experienced in the HFA field and nationwide. Once RIHousing entered the TBA market, a third-party verification was recommended, and Titan has the technology and expertise for the services. Mr. Pagonis remarked that lenders are impressed with the overall experience when collaborating with Titan.

There being no further questions, Nicole Clement, General Counsel, conducted a roll call vote of the Commissioners. The commissioners voted as follows:

Vice Chairman Smiley	Aye
Chairman Retsinas	Aye
Commissioner McAllister	Aye

Ms. Clement announced that the recommendation for Approval of Engagement of Residential Mortgage Post Closing Due Diligence Firm was unanimously approved.

There being no further business to discuss, Committee Chair Smiley asked for a motion to adjourn the meeting. A motion was duly made by Commissioner McAllister and seconded by Chairman Retsinas to adjourn the meeting.

Ms. Clement then conducted a roll call vote of the Commissioners in response to a vote for adjournment. The Commissioners voted as follows:

Vice Chairman Smiley	Aye
Chairman Retsinas	Aye
Commissioner McAllister	Aye

Ms. Clement announced that the motion to adjourn was unanimously approved. The meeting was adjourned at 4:00 pm.

Respectfully submitted,

Carol Ventura, Secretary and Executive Director