

**National Homebuyers
Fund Inc. (NHF)
Board of Directors Meeting**



**Wednesday, February 15, 2017
1:00 P.M.**

**1215 K Street, Suite 1650
Sacramento CA 95814
916-447-4806**

**National Homebuyers Fund, Inc.
Board of Directors Meeting
Wednesday, February 15, 2017, 1:00 p.m.
1215 K Street, Suite 1650
Sacramento, CA 95814
(916) 447-4806**

Agenda

- 1. Call to Order & Determination of Quorum**
*Chair, Supervisor Kevin Cann, Mariposa County
Vice Chair, Supervisor Randy Hanvelt, Tuolumne County*

- 2. Approval of Minutes – November 16, 2016 Board Meeting** **Page 1**
(Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise.)

- 3. Public Testimony**
Presentation only of any matters of concern to the general public

- 4. Business and Administrative Matters** (Discussion and possible action relative to)
*Greg Norton, President
Lisa McCargar, Chief Financial Officer*
 - a. Recognition of 2017 Board of Directors and Appointment of Corporate Officers – ACTION** **Page 5**
 - b. NHF 2017 Investment Committee – ACTION** **Page 7**

- 5. NHF Quarterly Reports** (Discussion and possible action relative to)
*Greg Norton
Lisa McCargar*
 - a. NHF Budget Report for the Year Ended December 31, 2016** **Page 9**
 - b. NHF Investment Report as of and for Quarter Ended December 31, 2016** **Page 13**
 - c. NHF Cash and Securities Asset Report**

- 6. Program Updates** (Discussion and possible action relative to)
*Craig Ferguson, Vice President
Greg Norton*

CLOSED SESSION

**Conference with Legal Counsel – Anticipated Litigation:
Pursuant to Government Code Section 54956.9(d)(3) - (1Case)**

7. Adjournment

Meeting facilities are accessible to persons with disabilities. By request, alternative agenda document formats are available to persons with disabilities. To arrange an alternative agenda document format or to arrange aid or services to modify or accommodate persons with a disability to participate in a public meeting, contact Sarah Bolnik by calling 916-447-4806 at least 48 hours prior to the scheduled meeting.

Agenda items will be taken as close as possible to the schedule indicated. Any member of the general public may comment on agenda items at the time of discussion. In order to facilitate public comment; please let staff know if you would like to speak on a specific agenda item. The agenda for this meeting of the Board of Directors of National Homebuyer's Fund was duly posted at its offices, 1215 K Street, Suite 1650 Street, Sacramento, CA 72 hours prior to the meeting.



**Board of Directors Meeting
Wednesday, November 16, 2016
1:00 p.m.
1215 K Street, Suite 1650
Sacramento CA 95814
(916) 447-4806**

MINUTES

Call to Order, Determination of Quorum

Chair, Supervisor Kevin Cann, Mariposa County, called to order the meeting of National Homebuyers Fund, Inc. (NHF) at 1:03 p.m. A quorum was determined at that time. Those present:

Directors Present

Chair, Supervisor Kevin Cann, Mariposa County
Vice Chair, Supervisor Randy Hanvelt, Tuolumne County
Supervisor John Viegas, Glenn County
Supervisor Bob Williams, Tehama County
Patricia Megason, RCRC Executive Vice President

Directors Absent

None

Others in Attendance

Greg Norton, President
Craig Ferguson, Vice President
Lisa McCargar, RCRC Chief Financial Officer
Sarah Bolnik, RCRC Office Manager
Supervisor Rex Bohn, Humboldt County
Supervisor John Fenley, Trinity County

Approval of Minutes of the August 17, 2016 Board Meeting

Supervisor John Viegas, Glenn County, motioned to approve the minutes of the August 17, 2016 NHF Board of Directors Meeting. Supervisor Randy Hanvelt, Tuolumne County, seconded the motion. Motion unanimously approved.

Public Testimony

None

NHF Quarterly Budget and Investment Reports

Greg Norton, President, presented the Quarterly NHF Investment Report, the NHF Budget Report, and the NHF Cash and Securities Asset Report for period ending September 30, 2016.

2017 Proposed Budget for NHF

Greg Norton reviewed the proposed 2017 Operating Budget for NHF with the Board of Directors.

Recommendations

It is recommended that the NHF Board of Directors approve the following recommendations:

1. Approve the attached proposed 2017 NHF Operating Budget.
2. Grant the NHF President the authority to make necessary business decisions and utilize up to \$500,000 per decision outside of the approved operating budget when necessary. Such decisions will be made in consultation with the Vice President, the NHF Board Chair and NHF Vice Chair and reported back to the NHF Board at the next available Board meeting.
3. Grant the NHF President the authority to proceed with necessary operating decisions due to changes in opportunities, the market, the economy or changing transactional requirements to provide necessary flexibility to effectively and timely implement programs. Such decisions to be made in consultation with the Vice President, NHF Chair and NHF Vice Chair with subsequent ratification by the Board of Directors as necessary.
4. Approve the 2017 contract service fee to RCRC in the amount of \$2,449,000 and transfer of \$3,000,000 of excess resources to RCRC in accordance with the NHF bylaws.
5. Approve continued commitment of \$1.68 million to veteran's housing or other specific related projects approved by the Board.

Supervisor Randy Hanvelt, Tuolumne County, motioned to approve the 2017 NHF Budget and proposed recommendations. Supervisor Bob Williams, Tehama County, seconded the motion. Motion unanimously passed.

Revenue Activity and Resources

Greg Norton addressed the annual requirement per the NHF Bylaws to analyze transfer of excess resources to RCRC with the Board of Directors. Section 3 (d) "Excess Revenues" states that the corporation shall transfer to RCRC all revenues in excess of the business operating needs. Mr. Norton reviewed the current NHF resources with the Board of Directors.

Recommendation

It is recommended that, per NHF bylaws, based on 2016 activity and projected 2017 and future operating needs, the Board approve the transfer of \$3,000,000 of NHF resources to RCRC in equal quarterly transfers in 2017.

Supervisor John Viegas, Glenn County, motioned to approve the proposed recommendations. Supervisor Randy Hanvelt, Tuolumne County, seconded the motion. Motion unanimously passed.

NHF 2017 Investment Policy Renewal

Greg Norton, President, presented the investment policy to the NHF Board of Directors. Mr. Norton pointed out that the only revisions are applicable date changes.

Recommendation

It is recommended that the NHF Board of Directors review and approve the attached 2017 Investment Policy.

Supervisor Bob Williams, Tehama County, motioned to approve the 2017 NHF Investment Policy. Supervisor Randy Hanvelt, Tuolumne County, seconded the motion. Motion unanimously passed.

NHF Resolution 17-01: NHF Board Member Travel Reimbursements

Greg Norton reviewed the 2017 Board Travel Policy, NHF Resolution 2017-01. Mr. Norton explained that the official 2017 IRS rate for reimbursement of mileage for personally owned vehicles has not yet been released. Once released, this rate will be considered a part of the policy.

Recommendation

It is recommended that the NHF Board of Directors approve and adopt the proposed Board Travel Expense Policy, Resolution 17-01.

Supervisor John Viegas, Glenn County, motioned to approve Resolution 17-01: NHF Board Member Travel Reimbursements. Supervisor Randy Hanvelt, Tuolumne County, seconded the motion. Motion unanimously passed.

Adjournment

Chair, Supervisor Kevin Cann, Mariposa County adjourned the NHF Board of Directors Meeting at 1:26 p.m.



To: NHF Board of Directors
From: Greg Norton, President
Date: February 7, 2017
Subject: Recognition of 2017 Board of Directors and Appointment of Corporate Officers - **ACTION**

Summary

Each year the Officers of National Homebuyers Fund (NHF) are to be designated. The NHF Bylaws (Section 4 (e)) state that the directors of the corporation shall be the currently serving Chair, Vice Chair and President (or his or her designee) of RCRC and the currently serving Chair and Vice Chair of the Golden State Finance Authority (GSFA). The Bylaws (Section 6 (a)) further state that the Chair shall be the current Chair of GSFA and the Vice Chair shall be the current Vice Chair of GSFA. As RCRC President, I will participate as a Director rather than designate another individual at this time.

The Bylaws (Section 6.(b)) state the following: the President shall be the President of RCRC, the Chief Financial Officer shall be the Chief Financial Officer of RCRC and Secretary shall be the Secretary of RCRC. For purposes of conducting the business and affairs of NHF, as NHF President, I appoint/designate the following as additional officers of NHF:

Vice President/Secretary
Chief Financial Officer

Craig Ferguson
Lisa McCargar

Recommendations:

- Acknowledge the 2017 NHF Board of Directors and Chair and Vice Chair as reflected above. (No action necessary)
- Confirm the appointment of the additional corporate officers by the NHF President as noted above.



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To: NHF Board of Directors
From: Greg Norton, President
Lisa McCargar, Chief Financial Officer
Date: February 7, 2017
Re: NHF 2017 Investment Committee - **ACTION**

Summary

The Investment Committee is responsible for overseeing the investment activity and is to present the Investment Policy to the Board for review and approval.

Issue

The Investment Committee previously consisted of the NHF President, Executive Vice President and Chief Financial Officer. As a result of Executive Vice President Patricia Megason retiring, it is recommended that the Vice President Craig Ferguson become the third Investment Committee member.

Recommendation

It is recommended that the NHF Board of Directors approve replacing the Executive Vice President with the Vice President as the third Investment Committee member.



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To: NHF Board of Directors
From: Lisa McCargar, Chief Financial Officer
Date: February 7, 2017
Re: NHF Budget Report for the Year Ended December 31, 2016

Summary

The Statement of Revenues and Expenses provides a budget to actual comparison for the year ended December 31, 2016.

Attachment

- NHF Statement of Revenues and Expenses, Budget vs. Actual, for the Year Ended December 31, 2016

NATIONAL HOMEBUYERS FUND
Statement of Revenue and Expenses
Budget Vs. Actual - Unaudited
For the Twelve Months Ended December 31, 2016

	2016 Annual Budget	Twelve Months Ended December 31, 2016 Actual	Variance Favorable / (Unfavorable)	Percent Favorable / (Unfavorable)
Income:				
Housing Program Revenue	\$ 99,100,000	\$ 111,926,293	\$ 12,826,293	12.94%
Program Management Fee Revenue	2,405,000	4,632,371	2,227,371	92.61%
2nd Mortgage Interest	555,000	742,782	187,782	33.83%
Interest Income / Capital Gain	60,000	266,335	206,335	343.89%
Total Income	\$ 102,120,000	\$ 117,567,781	\$ 15,447,781	15.13%
Expenditures:				
Accounting & Auditing	\$ 29,200	\$ 26,507	\$ 2,693	9.22%
Bank Fees	3,000	19	2,981	99.37%
Business Development and Expansion	120,000	31,598	88,402	73.67%
Consultants	150,000	282,687	(132,687)	-88.46%
Contract Support Services	2,413,200	2,413,200	-	0.00%
County MCC Fees	17,000	4,500	12,500	73.53%
Custodian / Trustee Fees	25,000	25,200	(200)	-0.80%
Dues, Fees & Subscriptions	30,000	13,633	16,367	54.56%
Excess Resources to RCRC	3,056,000	3,056,000	-	0.00%
Insurance	36,000	36,728	(728)	-2.02%
Legal Services	250,000	999,866	(749,866)	-299.95%
Lender Training	10,000	-	10,000	100.00%
Licenses and Fees	20,000	-	20,000	100.00%
Loan Losses *	150,000	154,273	(4,273)	-2.85%
Miscellaneous	5,000	504	4,496	89.92%
Gift Program	80,000,000	87,133,363	(7,133,363)	-8.92%
Pipeline Services	75,000	63,750	11,250	15.00%
Trading Platform	2,000,000	2,152,764	(152,764)	-7.64%
Promotion and Marketing	100,000	2,225	97,775	97.78%
Rent	67,950	68,641	(691)	-1.02%
Sponsorships	100,000	100,000	-	0.00%
Travel	25,000	22,053	2,947	11.79%
Total Expenditures	\$ 88,682,350	\$ 96,587,511	\$ (7,905,161)	-8.91%
Net Revenue Over Expenditures	\$ 13,437,650	\$ 20,980,270	\$ 7,542,620	56.13%

* Loan losses subject to adjustment; pending final review.



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To: NHF Board of Directors
From: Lisa McCargar, Chief Financial Officer
Date: February 7, 2017
Re: NHF Investment Report as of and for the Quarter Ended
December 31, 2016

Summary

In accordance with NHF's investment policy, we are providing the December 31, 2016 investment report. The report provides a summary of investment balances and transactions for the quarter ending December 31, 2016. In addition, the report provides the returns by investment type and a comparison to the 90 day Treasury Rate. The CalTRUST yields are the funds' reported December 31, 2016 yields.

Attachment

- NHF Investment Report – As of and for the Quarter Ended December 31, 2016

NATIONAL HOMEBUYERS FUND
Investment Report
As of and for the Quarter Ended December 31, 2016

	Total	CalTRUST Short-Term	CalTRUST Medium-Term
Bal: 9/30/16	\$39,650,754	\$9,366,024	\$30,284,730
Additions	-	-	-
Withdrawals	-	-	-
Interest	133,059	26,852	106,207
Capital Gain/(Loss)	(219,577)	(9,351)	(210,226)
Bal: 12/31/16	\$39,564,236	\$9,383,525	\$30,180,711

<u>Yield:</u>	Short Term	Mid Term
Annualized One Year	0.75%	1.02%
Average Maturity (days)	354	755
90 Day Treasury Bill Rate	0.51%	

All current cash investments are held in either CalTRUST's Short-Term Fund or Medium-Term Fund. Cash in the CalTRUST Short-Term Fund may be accessed within 24 hours. Cash in the CalTRUST Medium-Term Fund may be accessed at the end of each month.

Amounts include accrued interest at the end of the period.

No members of the Investment Committee have any conflict of interest with any current investment firms.

Purpose of transactions in excess of \$1 million:

-None

