



Tennessee Housing Development Agency

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Ted R. Fellman

Executive Director

MEMORANDUM:

TO: THDA Board of Directors

FROM: Ted R. Fellman

DATE: September 8, 2009

SUBJECT: September Board Meeting

We are looking forward to seeing everyone at next week's Board of Directors meeting in Nashville. It has been an incredibly busy summer and I am very proud of the work that THDA has done to continue our leadership role in affordable housing for Tennessee.

Governor Bredesen has appointed two new members to the THDA Board of Directors, and several other board members have been re-appointed by the Governor for an additional term. Lisa Reid (Magna Bank – Memphis) and Brian Bills (SunTrust Bank – Knoxville) will join the board. Lisa will represent the Mortgage Banking industry and Brian will represent the Banking industry. Robyn Askew, Janice McNeely and Bill Graves will continue to serve on the board – Robyn as the East Tennessee at-large member, Janice as the Middle Tennessee at-large member, and Bill representing the Manufactured Housing industry. Thanks to each of you for your interest in affordable housing and your commitment to serving on the board.

Enclosed please find the agenda and the relevant materials for this month's meeting. The September meeting is always very important and this year is no exception. Committee and Board action items this month include THDA's comprehensive operating and program budget for FY 2010-11; authorization of bond issue 2009-3 and a reimbursement resolution for bond issue 2009-2; additional funding for THDA's foreclosure prevention initiative; and acceptance of the staff disclosure analysis. There will be discussion that will lead to future action on items such as the Neighborhood Stabilization Program (NSP), the 2010 HOME Program Description, the 2010 Low Income Housing Tax Credit Qualified Allocation Plan, the 2010 Multifamily Tax Exempt Bond Program, and THDA's 2010-2012 Strategic Plan. Finally there will be presentations from staff on a number of important programs and initiatives, including a summary of our financial performance for FY 2009.

Other items of note:

- 1) A combination of several factors enabled THDA to increase single family mortgage production significantly in July and August. After averaging around \$15 million for the previous few months we received applications totaling \$32.5 million in July and \$32.6 million in August. Factors influencing the up tick included a THDA Great Rate interest rate that was finally at the outside market; THDA's ability to provide down payment assistance (Great Advantage and Great Start); and the impact of the federal homebuyer credit and THDA's new Stimulus loan. Our lender and Realtor partners tell us that the next three months may be very busy because of increased buyer interest and the expiration of the federal homebuyer credit on November 30.
- 2) On August 26 and 27 THDA conducted a very successful bond sale (bond issue 2009-2), resulting in \$75 million in new mortgage loan proceeds. Along with great retail sales in the state, the best result of the sale was the interest rate. We were able to keep our mortgage rates the same as before (5.20% for Great Rate) and we also will generate \$2.7 million to help fund New Start mortgages (0% interest rate loans).
- 3) One of the biggest challenges facing THDA at this time is the administration of new federal dollars as a result of last summer's Housing and Economic Recovery Act (HERA) and this spring's American Recovery and Reinvestment Act (ARRA). Along with complex program requirements and tremendous competition among our partners to access these funds, there is an unprecedented level of reporting that is required at both the state and federal levels of government. Lorrie Shearon, THDA's Chief Strategy Officer is our leaders with regards to the implementation of and reporting on these federal programs. If you have any questions or concerns about THDA's role and/or performance please don't hesitate to contact me or Lorrie.
- 4) I e-mailed the board several weeks ago informing you that my assistant, Crystal Canaday, had chosen to take on a new role within THDA. After conducting a search for her replacement I am pleased to announce that Cindy Johnson has accepted our offer to become the new Assistant to the Executive Director for THDA. Cindy joined our team on September 1st and has already shown some of the skills that impressed us during the interview process. Beginning immediately after this month's board meeting Cindy will be your new contact. She can be reached by phone at 615-815-2015 and via e-mail at cjohnson@thda. I hope you will join me in welcoming Cindy to THDA.
- 5) Don't forget to mark your calendars for the next two Governor's Housing Summits. For 2009 and 2010 the event will be on October 19-20 at the Airport Marriott in Nashville. We are finalizing this year's agenda and we have some great sessions. It is always a plus when we have Board members attend this event. Also I hope you have seen Governor Bredesen's video invitation for the summit. If you haven't please let me know and I will have Patricia Smith send it to you. The Governor has also recorded a welcome message for the summit attendees.

Please let me know if you need more information about any of these items, or about anything else going on within the agency. I'll look forward to seeing everyone next week in Nashville.