

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



**July 15, 2020  
9:30 A.M.**

**1215 K Street, Suite 1650  
Sacramento, CA 95814  
(916) 384-1600**



National Homebuyers Fund, Inc.  
1215 K Street, Ste 1650 · Sacramento, California 95814  
Phone: 866-643-4968 · Fax: 916-444-3551 · [www.nhfloan.org](http://www.nhfloan.org)

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**Board of Directors Meeting  
Wednesday, July 15, 2020 – 9:30 a.m.  
1215 K Street, Suite 1650  
Sacramento, CA 95814**

In accordance with Executive Orders N-25-20 and N-29-20, the July 15, 2020 NHF Board of Directors meeting will be held virtually.

**MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON**

The July 15, 2020 NHF Board of Directors Meeting will be facilitated virtually through Zoom. Members of the public can watch or listen to the meeting using one of the following methods:

1. Join the Zoom meeting application on your computer, tablet or smartphone:

Go to: <https://rcrcnet.zoom.us/j/91839327359>

Enter Password: 106156

2. Call-in and listen to the meeting:

Dial +1 (669) 900-9128

Enter meeting ID: 918 3932 7359

Enter password: 106156

**PUBLIC COMMENT USING ZOOM:** Members of the public who join the Zoom meeting, either through the Zoom app or by calling in, will be able to provide live public comment at specific points throughout the meeting.

**EMAIL PUBLIC COMMENT:** One may also email public comment to [mdemelo@rcrcnet.org](mailto:mdemelo@rcrcnet.org) before or during the meeting. All emailed public comments will be forwarded to all NHF Board members.

**DISABLED ACCOMMODATION:** If you have a disability which requires an accommodation or an alternative format to assist you in observing and commenting on this meeting, or an alternative agenda document format, please contact NHF at (916) 447-4806 or by email at [mdemelo@rcrcnet.org](mailto:mdemelo@rcrcnet.org) by 9:30 a.m. Tuesday, July 14<sup>th</sup> to ensure arrangements for accommodation.

**NHF Board of Directors:**

Supervisor Kevin Cann, Mariposa County

Supervisor Bob Williams, Tehama County

Supervisor Daron McDaniel, Merced County

Supervisor Stacy Corless, Mono County

Supervisor Les Baugh, Shasta County

**Agenda**

**1. Call to Order & Determination of Quorum**

*Chair, Supervisor Kevin Cann, Mariposa County*

- 2. Approval of Minutes – May 20, 2020 Board Meeting** **Page 1**  
*(Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise.)*
- 3. Public Testimony**  
*At this time any member of the public may address the Board. Speakers are asked to state their name for the record. Comments are usually limited to no more than 3 minutes per speaker.*
- 4. NHF Quarterly Reports** (Discussion and possible action relative to)  
*Lisa McCargar, Chief Financial Officer*  
*Milena De Melo, RCRC Controller*
- a. NHF Budget v. Actual Report (May 31, 2020)** **Page 4**
  - b. NHF Investment Report (May 31, 2020)** **Page 6**
  - c. NHF Condensed Balance Sheet (May 31, 2020)** **Page 8**
- 5. Program Updates** (discussion and possible action relative to)
- a. NHF Program Investment – ACTION** **Page 10**  
*Craig Ferguson, Vice President*
- 6. 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 Milena De Melo 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, May 20, 2020  
9:45 a.m.  
1215 K Street, Suite 1650  
Sacramento CA 95814**

**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 9:47 a.m. A quorum was determined at that time. Those present:

**Directors Present**

Chair, Supervisor Kevin Cann, Mariposa County  
Vice Chair, Supervisor Bob Williams, Tehama County  
Supervisor Daron McDaniel, Merced County  
Supervisor Les Baugh, Shasta County  
Supervisor Stacy Corless, Mono County

**Directors Absent**

None

**Others in Attendance**

Greg Norton, President  
Craig Ferguson, Vice President  
Lisa McCargar, Chief Financial Officer  
Arthur Wylene, RCRC General Council  
Milena De Melo, RCRC Controller  
Barbara Hayes, RCRC Chief Economic Development Officer  
Sarah Bolnik, RCRC Economic Development Specialist  
Terrance Rodgers, RCRC Economic Development Officer  
Maggie Chui, RCRC Senior Governmental Affairs Coordinator  
Layne Frederickson, RCRC IT Director  
Sanjay Lee, RCRC Financial Analyst  
Liz Jensen, RCRC Assistant Controller  
Staci Heaton, RCRC Senior Legislative Advocate  
Supervisor Lee Adams, Sierra County  
Supervisor Gerry Hemmingsen, Del Norte County

## **Approval of Minutes of the February 19, 2020 Board Meeting**

**Supervisor Les Baugh, Shasta County, motioned to approve the minutes of the February 19, 2020 NHF Board of Directors Meeting. Supervisor Daron McDaniel, Merced County, seconded the motion. Motion unanimously passed by a roll call vote.**

**AYE: Supervisor Kevin Cann, Mariposa County, Supervisor Bob Williams, Tehama County, Supervisor Daron McDaniel, Merced County, Supervisor Les Baugh, Shasta County, Supervisor Stacy Corless, Mono County**

**NO: None**

**Abstain: None**

**Absent: None**

## **Public Testimony**

None

## **NHF Quarterly Reports**

Milena De Melo, RCRC Controller, presented the Quarterly NHF Investment Report, Budget Report, and Condensed Balance Sheet for quarter ending March 31, 2020.

## **Program Updates**

Craig Ferguson, Vice President, provided the NHF Board of Directors an update on the current housing programs.

## **Recess**

Chair, Supervisor Kevin Cann, Mariposa County Recessed the NHF Board of Directors Meeting at 10:01 a.m.

Chair, Supervisor Kevin Cann, Mariposa County called to order the NHF Board of Directors Meeting at 10:49 a.m.

## **Approval of the 2019 NHF Audited Financial Statements**

Lisa McCargar, Chief Financial Officer, and Milena De Melo provided an overview of the NHF 2019 Financial Statements.

## **Recommendation**

It is recommended that the NHF Board of Directors review, approve, and adopt the 2019 audited financial statements and communications letter as presented.

**Supervisor Bob Williams, Tehama County, motioned to approve the 2019 NHF Audited Financial Statements and Communications letter. Supervisor Staci Corless, Mono County, seconded the motion. Motion unanimously passed by a roll call vote.**

**AYE: Supervisor Kevin Cann, Mariposa County, Supervisor Bob Williams, Tehama County, Supervisor Daron McDaniel, Merced County, Supervisor Les Baugh, Shasta County, Supervisor Stacy Corless, Mono County**

**NO: None**  
**Abstain: None**  
**Absent: None**

**Adjournment**

Chair, Supervisor Kevin Cann, Mariposa County Adjourned the NHF Board of Directors Meeting at 10:52 a.m.



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**To:** NHF Board of Directors  
**From:** Lisa McCargar, Chief Financial Officer Milena De Melo, RCRC Controller  
**Date:** July 7, 2020  
**Re:** NHF Budget v. Actual Report (May 31, 2020)

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**Summary**

The Statement of Revenues and Expenses for NHF provides a budget to actual comparison for the five months ended May 31, 2020.

**Attachment**

- NHF Statement of Revenues and Expenses, Budget vs. Actual, for the Five Months Ended May 31, 2020.

**NATIONAL HOMEBUYERS FUND**  
**2020 BUDGET v. ACTUAL**  
**May 31, 2020**

|                                      | <b>2020<br/>ANNUAL<br/>Budget</b> | <b>Five Months Ended<br/>May 31, 2020<br/>Budget</b> | <b>Five Months Ended<br/>May 31, 2020<br/>Actual</b> | <b>Variance<br/>Favorable/<br/>Unfavorable)</b> | <b>Percent<br/>Favorable/<br/>Unfavorable)</b> |
|--------------------------------------|-----------------------------------|--|--|---|--|
| <b>Income:</b>                       |                                   |  |  |   |  |
| Housing Program Revenue              | \$ 9,400,000                      | \$ 3,916,665   | \$ 3,398,243   | \$ (518,422)                                    | -13.2%   |
| Program Management Fee Revenue       | 1,900,000                         | 791,665  | 765,087  | (26,578)  | -3.4%  |
| 2nd Mortgage Interest                | 315,000                           | 131,250  | 107,024  | (24,226)  | -18.5%   |
| Interest Income                      | 1,000,000                         | 416,665  | 402,894  | (13,771)  | -3.3%  |
| Unrealized Capital Gains(Loss)       | 20,000                            | 8,335  | 687,978  | 679,643   | 8154.1%  |
| <b>Total Income</b>                  | <b>\$ 12,635,000</b>              | <b>\$ 5,264,580</b>                                  | <b>\$ 5,361,226</b>                                  | <b>\$ 96,646</b>                                | <b>1.8%</b>                                    |
| <b>Expenditures:</b>                 |                                   |  |  |   |  |
| Accounting & Auditing                | \$ 16,000                         | \$ 6,665   | \$ 17,208  | \$ (10,543)                                     | -158.2%  |
| Business Development and Expansion   | 100,000                           | 41,665   | 6,786  | 34,879  | 83.7%  |
| Consultants                          | 250,000                           | 104,165  | 92,500   | 11,665  | 11.2%  |
| Contract Support Services            | 1,930,000                         | 804,165  | 804,167  | (2)   | 0.0%   |
| County MCC Fees                      | 125,000                           | 52,085   | (2,900)  | 54,985  | 105.6%   |
| Custodian / Trustee Fees             | 16,000                            | 6,665  | 7,500  | (835)   | -12.5%   |
| Dues, Fees & Subscriptions           | 22,000                            | 9,165  | 7,950  | 1,215   | 13.3%  |
| Excess Resources to RCRC             | 1,000,000                         | 416,665  | 250,000  | 166,665   | 40.0%  |
| Insurance                            | 41,000                            | 17,085   | 16,681   | 404   | 2.4%   |
| Legal Services                       | 300,000                           | 125,000  | 10,574   | 114,426   | 91.5%  |
| Loan Losses                          | 100,000                           | 41,665   | 16,778   | 24,887  | 59.7%  |
| Meetings                             | 1,000                             | 415  | -  | 415   | 100.0%   |
| Miscellaneous                        | 5,000                             | 2,085  | -  | 2,085   | 100.0%   |
| Gift Program                         | 8,000,000                         | 3,333,335  | 2,808,165  | 525,170   | 15.8%  |
| Pipeline Services                    | 60,000                            | 25,000   | 12,500   | 12,500  | 50.0%  |
| Rent                                 | 68,400                            | 28,500   | 26,523   | 1,977   | 6.9%   |
| Sponsorships                         | 100,000                           | 41,665   | 37,358   | 4,307   | 10.3%  |
| <b>Total Expenditures</b>            | <b>\$ 12,134,400</b>              | <b>\$ 5,055,990</b>                                  | <b>\$ 4,111,790</b>                                  | <b>\$ 944,200</b>                               | <b>18.7%</b>                                   |
| <b>Net Revenue Over Expenditures</b> | <b>\$ 500,600</b>                 | <b>\$ 208,590</b>                                    | <b>\$ 1,249,436</b>                                  | <b>\$ 1,040,846</b>                             | <b>499.0%</b>                                  |





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To: NHF Board of Directors  
From: Lisa McCargar, Chief Financial Officer  
Milena De Melo, RCRC Controller  
Date: July 7, 2020  
Re: Investment Report for the Five Months Ended May 31, 2020

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### **Summary**

In accordance with NHF's investment policy, we are providing the NHF investment report. This report provides a summary of investment transactions since last reported from December 31, 2019 to May 31, 2020. Investment returns by investment type and a comparison to the 90-day Treasury Rate for the most recent period of May 31, 2020 have been included.

The CalTRUST yields are the funds' reported May 31<sup>st</sup> yields.

### **Attachment**

- NHF Investment Report for the Five Months Ended May 31, 2020

**NATIONAL HOMEBUYERS FUND**  
**Investment Report**  
**For the Five Months Ended May 31, 2020**

|                             | Total         | CalTRUST<br>Short-Term | CalTRUST<br>Medium-Term |
|-----------------------------|---------------|------------------------|-------------------------|
| Balance 12/31/2019 *        | \$ 42,042,721 | \$ 9,945,029           | \$ 32,097,691           |
| Additions                   | -             | -                      | -                       |
| Withdrawals                 | -             | -                      | -                       |
| Interest (includes accrued) | 197,696       | 44,528                 | 153,168                 |
| Capital Gain/(Loss)         | 288,630       | (29,803)               | 318,433                 |
| Balance 3/31/2020 *         | \$ 42,529,047 | \$ 9,959,754           | \$ 32,569,292           |
| Additions                   | -             | -                      | -                       |
| Withdrawals                 | -             | -                      | -                       |
| Interest (includes accrued) | 108,394       | 20,696                 | 87,699                  |
| Capital Gain/(Loss)         | 399,348       | 79,542                 | 319,806                 |
| Balance 5/31/2020 *         | \$ 43,036,789 | \$ 10,059,991          | \$ 32,976,797           |

| Yield:                    | Reported as of May 31, 2020 |          |
|---------------------------|-----------------------------|----------|
|                           | Short Term                  | Mid Term |
| Annualized One Year       | 2.02%                       | 2.02%    |
| Average Maturity (days)   | 310                         | 774      |
| 90 Day Treasury Bill Rate | 0.14%                       |          |

All current cash investments are held in 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.

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

\* Amounts shown include accrued interest at the end of the period.

Purpose of transactions in excess of \$1 million:  
-None



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**To:** NHF Board of Directors  
**From:** Lisa McCargar, Chief Financial Officer  
Milena De Melo, RCRC Controller  
**Date:** July 7, 2020  
**Re:** NHF Condensed Balance Sheet (May 31, 2020)

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**Summary**

The Condensed Balance Sheet provides an overview of the Net Position of NHF as of May 31, 2020, compared to audited Net Position as of December 31, 2019 and 2018.

**Attachment**

- NHF Condensed Balance Sheet, as of May 31, 2020.

**National Homebuyers Fund**  
**Condensed Balance Sheet (Unaudited)**  
**May 31, 2020**

|  | <b>May 31, 2020</b>  | <b>December 31, 2019</b> | <b>December 31, 2018</b> |
|--|----------------------|--------------------------|--------------------------|
| <b>Assets</b>  |                      |                          |                          |
| Cash in Banks  | \$ 7,667,143         | \$ 5,677,895             | \$ 2,528,342             |
| Cash in Securities Brokerage Account                           | 30,568,653           | 32,337,265               | 33,121,391               |
| Cash in CalTRUST   | 42,987,691           | 41,969,413               | 40,481,636               |
| Accounts Receivable and Other Assets *                         | 1,334,837            | 288,644                  | 829,798                  |
| Accounts Receivable, Proceeds from Sale of Securities **       | 5,235,078            | 12,820,234               | 32,634,297               |
| Second Mortgages Receivable, less Loan Loss Allowance ***      | 2,784,269            | 3,147,685                | 4,416,704                |
| <b>Total Assets</b>  | <b>\$ 90,577,671</b> | <b>\$ 96,241,136</b>     | <b>\$ 114,012,168</b>    |
| <b>Liabilities</b>   |                      |                          |                          |
| Accounts Payable   | \$ 590,813           | \$ 11,292                | \$ 119,194               |
| Accounts Payable, Securities to be Purchased, at Fair Value ** | 5,320,351            | 12,812,773               | 32,711,641               |
| <b>Total Liabilities</b>                                       | <b>\$ 5,911,164</b>  | <b>\$ 12,824,065</b>     | <b>\$ 32,830,835</b>     |
| <b>Net Position</b>  | <b>\$ 84,666,507</b> | <b>\$ 83,417,071</b>     | <b>\$ 81,181,334</b>     |

\* Includes \$764,465, \$179,799 and \$707,186 as of May 31, 2020, and December 31, 2019 and December 31, 2018, respectively, of accounts receivable from affiliated entities.

\*\* Balances offset each other for a net impact on Statement of Revenues, Expenses, and Changes in Net Position of (\$85,273), \$7,461 and (\$77,344) as of May 31, 2020, December 31, 2019, and December 31, 2018, respectively.

\*\*\* Loan loss allowance of \$250,000 as of May 31, 2020, December 31, 2019 and December 31, 2018, for all types of mortgages has been included as a reduction of amounts outstanding.



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**To:** NHF Board of Directors  
**From:** Craig Ferguson, Vice President July  
**Date:** -~~0~~ 202 0  
**Re:** NHF Program Investment - **ACTION**

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**Summary**

At the May 2<sup>nd</sup>, 2019 Board Meeting, the NHF Board of Directors approved a commitment of up to \$10MM of existing resources to provide down payment assistance (DPA) in the form of second mortgage loans in conjunction with the existing DPA program/s.

The implementation of these funds into a program has seen delays due to certain market factors, although we are moving forward again with one of our lending partners to implement the original program in multiple states.

NHF is working with another one of our lending partners to develop an additional multi-state program, which will also require the use of NHF existing resources. Once the programs are implemented, we believe, under current market conditions, the committed resources will be utilized very quickly, and therefore we are requesting NHF commit an additional \$10MM of existing resources to proactively prepare for the two programs.

NHF would be investing resources into program/s that originally generated these resources. Reinvestment of these resources is in line with NHF's mission and public purpose. Further, with origination, the pricing structure and controls are expected to generate resources sufficient to provide a reasonable return on investment and to protect the investment while meeting NHF's mission to assist homebuyers.

**Recommendation**

It is recommended the NHF Board of Directors approve an additional commitment of up to \$10MM, totaling \$20MM, of existing resources to provide DPA in the form of second mortgage loans in conjunction with the existing DPA program/s.