



National Homebuyers Fund Inc. (NHF)

Board of Directors Meeting

**Wednesday
November 10, 2021
9:30 A.M.**

**1215 K Street, Suite 1650
Sacramento, CA 95814**



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

**Board of Directors Meeting
Wednesday, November 10, 2021 – 9:30 a.m.
1215 K Street, Suite 1650
Sacramento, CA 95814**

In accordance with Government Code section 54953, subdivision (e) (Assembly Bill 361), the November 10, 2021 National Homebuyers Fund, Inc. Meeting will be facilitated virtually through Zoom with limited in-person attendance. Members of the public may attend the meeting in-person, provided that the National Homebuyers Fund, Inc. reserve the right to limit the number of people in attendance. Members of the public can also 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://rsrcnet.zoom.us/j/89700521252?from=addon>

Enter Password: 925484

2. Call-in and listen to the meeting:

Dial +1 (669) 900-9128

Enter meeting ID: 897 0052 1252

Enter password: 925484

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 mchui@rsrcnet.org before or during the meeting. All emailed public comments will be forwarded to all National Homebuyers Fund, Inc. members.

DISABLED ACCOMMODATION: Meeting facilities are accessible to persons with disabilities. If you have a disability which requires an accommodation or an alternative means to assist you in attending, observing, or commenting on this meeting, or an alternative agenda document format, please contact NHF at (916) 447-4806 or by email at mchui@rsrcnet.org by 9:00 a.m. Tuesday, November 9th to ensure arrangements for accommodation.

NHF Board of Directors:

Supervisor Bob Williams, Tehama County

Supervisor Daron McDaniel, Merced County

Supervisor Stacy Corless, Mono County

Supervisor Dan Miller, Nevada County

Supervisor Jack Garamendi, Calaveras County

Agenda

1. Call to Order & Determination of Quorum

Chair, Supervisor Bob Williams, Tehama County

2. Public Comment

At this time any member of the public may address the Board. Comments are usually limited to no more than 3 minutes per speaker.

3. Consent Agenda – ACTION

a. **July 14, 2021 Board Meeting Minutes** **Page 1**

b. **NHF Resolution TC001-21: Authorizing Remote and Hybrid Teleconference Meetings of the NHF Board of Directors Pursuant to Assembly Bill 361** **Page 3**

4. NHF Quarterly Reports (Discussion and possible action relative to)

Lisa McCargar, Chief Financial Officer

Milena De Melo, RCRC Controller

a. **NHF Condensed Balance Sheet (September 30, 2021)** **Page 7**

b. **NHF Investment Report (Period Ended September 30, 2021)** **Page 11**

c. **NHF Budget v. Actual Report (September 30, 2021)** **Page 15**

5. Business and Administrative Matters (Discussion and possible action related to)

a. **NHF 2022 Proposed Budget – ACTION** **Page 19**

Lisa McCargar

Milena De Melo

6. Program Updates (Discussion and possible action relative to)

Craig Ferguson, Deputy Director

7. Adjournment

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 regular meeting of the National Homebuyers Fund, Inc. was duly posted at its offices, 1215 K Street, Suite 1650, Sacramento, California, 72 hours prior to the meeting.

Any written materials related to an open session item on this agenda that are submitted to the National Homebuyers Fund, Inc. less than 72 hours prior to the meeting, and that are not exempt from disclosure under the Public Records Act, will promptly be made available for public inspection at NHF's principal office, 1215 K Street, Suite 1650, Sacramento, CA 95814, (916) 447-4806, during normal business hours, and on the NHF website, <http://www.nhfloan.org/notices.html>.



**Board of Directors Meeting
Wednesday, July 14, 2021
9:30 a.m.
1215 K Street, Suite 1650
Sacramento CA 95814**

MINUTES

Call to Order, Determination of Quorum

Chair, Supervisor Bob Williams, Tehama County, called to order the meeting of National Homebuyers Fund, Inc. (NHF) at 9:30 a.m. A quorum was determined at that time. Those present:

Directors Present

Chair, Supervisor Bob Williams, Tehama County
Supervisor Stacy Corless, Mono County
Supervisor Dan Miller, Nevada County
Supervisor Jack Garamendi, Calaveras County

Directors Absent

Supervisor Daron McDaniel, Merced County

Others in Attendance

Pat Blacklock, President
Craig Ferguson, Vice President
Lisa McCargar, Chief Financial Officer
Arthur Wylene, RCRC General Council
Milena De Melo, RCRC Controller
Maggie Chui, RCRC Senior Governmental Affairs Coordinator
Liz Jensen, RCRC Assistant Controller
Sanjay Lee, RCRC Financial Analyst
Supervisor Lee Adams, Sierra County
Mary-Ann Warmerdam, RCRC SVP Governmental Affairs
Staci Heaton, RCRC Senior Regulatory Affairs Advocate
Carolyn Jhaji, RCRC Communications Director
Layne Frederiksen, RCRC IT Director

Approval of Minutes of the May 12, 2021 Board Meeting

Supervisor Stacy Corless, Mono County, motioned to approve the minutes of the May 12, 2021 NHF Board of Directors Meeting. Supervisor Jack Garamendi, Calaveras County, seconded the motion. Motion unanimously passed by a roll call vote.

**AYE: Calaveras, Mono, Nevada, Tehama (form only)
NO: None**

Abstain: None
Absent: Merced,

Public Testimony

None

NHF Quarterly Reports

Milena De Melo, RCRC Controller, presented the NHF Condensed Balance Sheet, Investment Report, and Budget v. Actual Report for period ending May 31, 2021.

Chair Bob Williams, asked if NHF had any actual losses compared to the \$175,000 reserve. Lisa McCargar, Chief Financial Officer, added that as summarized on the Budget v. Actual Report, NHF recognized \$0 losses for the period.

Program Updates

Craig Ferguson provided an update on the existing Housing Programs, noting that as demonstrated in the Budget v. Actual report, the Open Doors program with Gateway Mortgage is slow to start so far this year, driven by multiple factors in the market, we continue to promote it and work on expanding the program for NHF.

Adjournment

Chair, Supervisor Bob Williams, Tehama County adjourned the NHF Board of Directors Meeting at 9:50 a.m.



To: Members of the NHF Board of Directors
From: Arthur J. Wylene, General Counsel
Date: November 2, 2021
Re: NHF Resolution TC001-21: Authorizing Remote and Hybrid
Teleconference Meetings of the NHF Board of Directors Pursuant to
Assembly Bill 361 – **ACTION**

Summary

The proposed resolution will allow the Board of Directors to transition back to holding meetings primarily in-person at the NHF offices, while still permitting full remote participation for those members who are unable to attend in person, or prefer to participate virtually.

Background

In accordance with Section 5(k) of the NHF Bylaws, meetings of the NHF Board of Directors are conducted pursuant to the provisions of the Ralph M. Brown Act. The Brown Act has traditionally placed significant restrictions on teleconferenced meetings, including requiring that each teleconference location be accessible to the public (i.e., participation of Board members from homes or private offices has not been permitted).

In the early days of the COVID-19 pandemic, the Governor issued a series of Executive Orders temporarily suspending the restrictions on teleconferenced meetings, under which most NHF Board meetings have been conducted during the last year-and-a-half. These Executive Orders terminated on September 30, 2021. In their place, the Legislature has enacted Assembly Bill 361 (R. Rivas), which permits legislative bodies to continue holding teleconferenced meetings without the traditional Brown Act restrictions (through December 2023) under any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a

result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

At present, neither the California Department of Public Health nor the Sacramento County Health Officer have imposed or recommended social distancing measures. Therefore, to continue to continue holding teleconferenced meetings in the manner to which Board members have become accustomed, each of NHF's legislative bodies will need to make the alternative determinations required by Assembly Bill 361. These determinations are factually supportable, as the continued rates of transmission of the COVID-19 virus, including the Delta variant, can indeed present imminent risks to the health and safety of some in-person attendees, particularly those with pre-existing health conditions.

If the proposed resolution making these determinations is approved, the Board may continue holding remote and hybrid in-person/remote meetings in substantially the same manner as it has during the past 18 months. (Assembly Bill 361 includes several additional requirements for teleconferenced meetings, including providing an opportunity for "real time" public comment, and suspending the meeting in the event that remote connectivity is lost; however, these are all consistent with NHF's existing practices.)

Assembly Bill 361 generally requires that the requisite determinations must be reconsidered every thirty days. Since NHF's legislative bodies typically do not meet that frequently, a new resolution making these determinations will be required at the start of each meeting.

Recommendation

It is recommended that the Board of Directors approve the proposed Resolution Authorizing Remote and Hybrid Teleconference Meetings of the NHF Board of Directors Pursuant to Assembly Bill 361.

Attachment

- Proposed Resolution TC001-21

NHF RESOLUTION NO. TC001-21

RESOLUTION OF THE BOARD OF DIRECTORS OF NATIONAL HOMEBUYERS FUND AUTHORIZING REMOTE AND HYBRID TELECONFERENCE MEETINGS OF THE BOARD OF DIRECTORS PURSUANT TO ASSEMBLY BILL 361

WHEREAS, National Homebuyers Fund (NHF) is committed to preserving and nurturing public access and participation in meetings of NHF's legislative bodies; and

WHEREAS, the Brown Act, Government Code section 54953, subdivision (e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953, subdivision (b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, on March 4, 2020, the Governor proclaimed pursuant to his authority under the California Emergency Services Act, California Government Code section 8625, that a state of emergency exists with regard to a novel coronavirus (a disease now known as COVID-19); and

WHEREAS, on June 4, 2021, the Governor clarified that the "reopening" of California on June 15, 2021 did not include any change to the proclaimed state of emergency or the powers exercised thereunder; and

WHEREAS, as of the date of this Resolution, neither the Governor nor the Legislature have exercised their respective powers pursuant to California Government Code section 8629 to lift the state of emergency either by proclamation or by concurrent resolution in the state Legislature; and

WHEREAS, the continued rates of transmission of the virus and variants causing COVID-19 within California are such that meeting in person would present imminent risks to the health or safety of some attendees of public meetings, particularly those with pre-existing health conditions;

WHEREAS, the Board of Directors has considered the current circumstances of the state of emergency, and determined that the state of emergency continues to directly impact the ability of the members to meet safely in person;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the National Homebuyers Fund as follows:

1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

2. A proclaimed state of emergency exists and as a result of the emergency, meeting in person would present imminent risks to the health or safety of some attendees, particularly those with pre-existing health conditions.
3. The Board of Directors is hereby authorized and directed to conduct open and public meetings in accordance with Government Code section 54953, subdivision (e) and other applicable provisions of the Brown Act.
4. This Resolution is intended to enable the Board of Directors to meet via teleconference in accordance with Assembly Bill 361 of 2021 (Statutes 2021, Chapter 165), whether solely by teleconference or via a "hybrid" combination of physical location and teleconference.
5. This Resolution shall take effect immediately upon its adoption and shall be effective for a period of thirty (30) days thereafter, unless extended pursuant to Government Code section 54953, subdivision (e)(3). Expiration of this resolution shall not prejudice any subsequent action to adopt another resolution in accordance with Government Code section 54953, subdivision (e) during the present or any future state of emergency.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the National Homebuyers Fund, the 10th day of November 2021.

Secretary's Certificate

I certify that the foregoing is a true and accurate description of action taken at a properly constituted meeting of the Board of Directors of National Homebuyers Fund, Inc. on November 10, 2021.

Secretary's Signature



National Homebuyers Fund, Inc.
1215 K Street, Suite 1650 · Sacramento, California 95814
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To: Members of the NHF Board of Directors
From: Lisa McCargar, Chief Financial Officer
Milena De Melo, RCRC Controller
Date: November 2, 2021
Re: NHF Condensed Balance Sheet (September 30, 2021)

Summary

The Condensed Balance Sheet provides an overview of the Net Position of NHF as of September 30, 2021, compared to audited Net Position as of December 31, 2020 and 2019.

Attachment

- NHF Condensed Balance Sheet as of September 30, 2021

National Homebuyers Fund
Condensed Balance Sheet (Unaudited)
September 30, 2021

	September 30, 2021	December 31, 2020	December 31, 2019
Assets			
Cash in banks	\$ 2,100,425	\$ 1,649,720	\$ 5,677,895
Cash in securities brokerage account	48,557,554	47,505,579	32,337,265
Cash in CalTRUST	35,270,514	35,249,478	41,969,413
Accounts receivable and other assets	1,318,907	765,241	108,845
Accounts receivable, affiliated entities	506,802	544,049	179,799
Accounts receivable, proceeds from sale of securities *	20,884,375	22,573,125	12,820,234
Second mortgages receivable, less loan loss allowance **	2,851,890	2,827,110	3,147,685
	Total Assets \$ 111,490,466	\$ 111,114,301	\$ 96,241,136
Liabilities			
Accounts payable	\$ 1,169,641	\$ 734,697	\$ 11,292
Accounts payable, affiliated entities	16,550	16,607	-
Accounts payable, securities to be purchased, at fair value **	20,882,227	22,708,867	12,812,773
	Total Liabilities \$ 22,068,418	\$ 23,460,171	\$ 12,824,065
	Net Position \$ 89,422,049	\$ 87,654,130	\$ 83,417,071

* Balances offset each other for a net impact on Statement of Revenues, Expenses, and Changes in Net Position of \$2,148, (\$135,742) and \$7,461 as of September 30, 2021, December 31, 2020 and December 31, 2019, respectively.

** Loan loss allowance of \$175,000 as of September 30, 2021 and December 31, 2020 and \$250,000 as of December 31, 2019, for all types of mortgages has been included as a reduction of amounts outstanding.



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To: Members of the NHF Board of Directors
From: Lisa McCargar, Chief Financial Officer
Milena De Melo, RCRC Controller
Date: November 2, 2021
Re: NHF Investment Report (Period Ended September 30, 2021)

Summary

In accordance with NHF's investment policy, we are providing the NHF investment report. This report provides a summary of investment transactions from December 31, 2020 to September 30, 2021. Investment returns by investment type and a comparison to the 90-day Treasury Rate for the most recent period of September 30, 2021 have been included.

The CalTRUST yields are the funds' reported September 30th yields.

Attachment

- NHF Investment Report as of September 30, 2021

NATIONAL HOMEBUYERS FUND
Investment Report
For the Period Ended September 30, 2021

	Total	CalTRUST Short-Term	CalTRUST Medium-Term
Balance 12/31/2020 *	\$ 35,269,609	\$ 2,091,990	\$ 33,177,619
Additions	-	-	-
Withdrawals	-	-	-
Interest (includes accrued)	49,409	1,805	47,603
Capital Gain/(Loss)	(98,863)	(2,071)	(96,792)
Balance 3/31/2021 *	\$ 35,220,155	\$ 2,091,724	\$ 33,128,431
Additions	-	-	-
Withdrawals	-	-	-
Interest (includes accrued)	21,218	836	20,382
Capital Gain/(Loss)	32,300	-	32,300
Balance 5/31/2021 *	\$ 35,273,673	\$ 2,092,560	\$ 33,181,113
Additions	-	-	-
Withdrawals	-	-	-
Interest (includes accrued)	37,587	1,240	36,347
Capital Gain/(Loss)	(32,326)	-	(32,326)
Balance 9/30/2021 *	\$ 35,278,934	\$ 2,093,800	\$ 33,185,133

Yield:	Reported as of September 30, 2021	
	Short Term	Mid Term
Annualized One Year	0.33%	0.52%
Average Maturity (days)	332	748
90 Day Treasury Bill Rate	0.04%	

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 within 72 hours.

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



To: Members of the NHF Board of Directors
From: Lisa McCargar, Chief Financial Officer
Milena De Melo, RCRC Controller
Date: November 2, 2021
Re: NHF Budget v. Actual Report (September 30, 2021)

Summary

The Statement of Revenues and Expenses for NHF provides a budget to actual comparison for the period ended September 30, 2021.

Attachment

- NHF Statement of Revenues and Expenses, Budget vs. Actual, for the Period Ended September 30, 2021

NATIONAL HOMEBUYERS FUND
BUDGET vs ACTUAL
September 30, 2021

	2021 Annual Budget	Period ended September 2021 Budget	Period ended September 2021 Actual	Variance Favorable / (Unfavorable)	Variance Favorable / (Unfavorable)
Revenue:					
Housing Program Revenue	\$ 34,650,000	\$ 25,987,500	\$ 13,638,191	\$ (12,349,309)	-47.5%
Program Management Fee Revenue	2,260,000	1,695,000	1,300,725	(394,275)	-23.3%
2nd Mortgage Interest	230,000	172,500	177,974	5,474	3.2%
Interest Income	750,000	562,500	114,521	(447,979)	-79.6%
Unrealized Capital Gains(Loss)	20,000	15,000	(98,889)	(113,889)	-759.3%
Total Revenue	\$ 37,910,000	\$ 28,432,500	\$ 15,132,522	\$ (13,299,978)	-46.8%
Expenditures:					
Accounting & Auditing	\$ 21,300	\$ 15,975	\$ 13,293	\$ 2,682	16.8%
Business Development and Expansion	100,000	75,000	18,116	56,884	75.8%
Consultants	250,000	187,500	162,500	25,000	13.3%
Contract Support Services	2,058,000	1,543,500	1,543,500	-	0.0%
County MCC Fees	-	-	17,600	(17,600)	-100.0%
Custodian / Trustee Fees	-	-	4,212	(4,212)	-100.0%
Dues, Fees & Subscriptions	20,000	15,000	14,475	525	3.5%
Excess Resources to RCRC	1,000,000	750,000	750,000	-	0.0%
Insurance	43,000	32,250	30,979	1,271	3.9%
Legal Services	150,000	112,500	4,032	108,468	96.4%
Loan Losses	100,000	75,000	(10,643)	85,643	114.2%
Meetings	1,000	750	-	750	100.0%
Miscellaneous	1,000	750	1,195	(445)	-59.3%
Gift Program	16,000,000	12,000,000	10,697,249	1,302,751	10.9%
Pipeline Services	40,000	30,000	32,500	(2,500)	-8.3%
Rent	68,800	51,600	48,236	3,364	6.5%
Sponsorships	100,000	75,000	37,358	37,642	50.2%
Total Expenditures	\$ 19,953,100	\$ 14,964,825	\$ 13,364,602	\$ 1,600,223	10.7%
Net Revenue Over Expenditures	\$ 17,956,900	\$ 13,467,675	\$ 1,767,920	\$ 11,699,755	86.9%



To: Members of the NHF Board of Directors
From: Lisa McCargar, Chief Financial Officer
Milena De Melo, RCRC Controller
Date: November 2, 2021
Re: NHF 2022 Proposed Budget - **ACTION**

The proposed 2022 National Homebuyers Fund, Inc. (NHF) Operating Budget constitutes NHF's continued commitment to the organization's core functions of national affordable housing down payment assistance and other program management services.

2022 Proposed NHF Budget Summary

The proposed 2022 operating budget (Attachment A) includes total revenues of \$20,884,500 and total expenditures of \$20,029,900 and results in net revenue over expenditures of \$854,600. The primary sources of revenue and budgeted expenses are described below.

2022 Proposed Revenue Highlights

Proposed revenues are primarily derived from housing programs and program management services. Second mortgage portfolio interest earnings, interest on investments, and investment gains also contribute to revenues. The proposed 2022 NHF Operating Revenue Budget of \$20,884,500 includes:

- Housing program activity which is projected to generate revenues of \$18,987,500.
- Management services revenue of \$1,540,000.
- NHF second mortgage portfolio interest earnings of \$187,000.
- Interest and dividends on cash and investments held in various investment vehicles of \$150,000.

2022 Proposed Expenditure Highlights

The proposed 2022 NHF Operating Expenditure Budget totaling \$20,029,900 is designed to provide the resources necessary to pursue and implement current and planned housing programs and other services. Primary expenditures include housing program down payment assistance, contract support services payments, and an estimated excess revenue transfer to RCRC.

The key proposed 2022 NHF expenditures include:

- Housing program down payment assistance (DPA) to homebuyers of \$16,000,000 and associated program operations, management, and pipeline services fees of \$40,000.

- Contract support services payments to RCRC in the amount of \$2,608,800.
- In accordance with the NHF Bylaws, the NHF budget includes a proposed transfer of excess revenues of \$750,000 to RCRC in 2022. This item is specifically addressed in a separate report.
- Legal services of \$50,000 for support of programs at the federal level.
- Consultants in the amount of \$205,000 for housing-related matters primarily at the federal level.
- Business development and expansion in the amount of \$100,000.
- Ongoing operating expenses such as audit, insurance, and rent totaling \$139,600.
- Sponsorships of \$60,000 which include possible sponsorships back into communities.
- Budgeted loan losses totaling \$50,000.

Key Differences between 2022 and 2021 Budgets

The proposed 2022 NHF Revenue Budget is \$20,884,500, a decrease of \$17,025,500 million (44.9%). The proposed Expenditure Budget for NHF is \$20,029,900, a \$76,800 (0.4%) decrease from the 2021 approved budget. Following is a summary of the key differences between the proposed 2022 and the 2021 approved budgets:

- **Housing Program Revenue** – A decrease of \$15,662,500 (45.2%) in revenue resulting from reduced expectations for one of NHF’s down payment assistance programs. NHF’s down payment assistance comes in the form of either a Gift or a zero-interest rate Second Mortgage. NHF’s traditional Gift option is expected to remain level, but expectations for the zero-interest option have been reduced.
- **Program Management Fee Revenue** – A decrease of \$720,000(31.9%) in revenue associated with a decrease in a contract entity’s program volume.
- **2nd Mortgage Interest** – A decrease of \$43,000 (18.7%) associated interest earnings on 2nd mortgages declining as balances continue to be paid down.
- **Interest and Dividend Income** – A decrease of \$600,000 (80.0%) associated with earnings on the entity’s investments from CalTRUST. Interest rates have continued to decline on those investments.
- **Housing Program Down Payment Assistance (Expense) to Homebuyers** –This expense represents DPA Grants to homebuyers under a traditional NHF program, and is budgeted to remain level in 2022 consistent with the explanation above in program revenue.

- **Legal Services** – A decrease of \$100,000 (66.7%) due a tentative conclusion with an ongoing lawsuit. There are, however, fees budgeted for potential remaining activity.
- **Contract Support Service Expenses** – An increase of \$550,800 (26.8%) in contract service fees due to an increase in direct and indirect costs in services provided by RCRC.
- **Excess resources to RCRC** – A decrease of \$250,000 (25.0%) to align with the budgeted decline in revenue growth.

Budgeted Net Revenue

The proposed budget for 2022 will result in net revenue over expenditures of \$854,600. The budgeted expenditures include noncash adjustments for loan losses of \$50,000 and unrealized gains of \$20,000. Therefore, the proposed 2022 budget is projected to generate positive cash flow of \$884,600.

Other Related Matters

Due to the volatility and pace of the housing programs and markets, request authority for the President to make necessary business decisions up to \$500,000 per decision outside of the approved operating budget. Also request the President be granted with the authority to proceed with necessary operating decisions due to changes in the market, economy or changing transactional requirements to avoid unnecessary delay and provide the necessary flexibility to effectively and timely implement and modify programs. Such expenditure and operational decisions are to be made in consultation with the NHF Vice President, the NHF Chair and the NHF Vice Chair and are to be reported back to the Board with subsequent ratification as necessary.

Recommendations

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

1. Approve the attached proposed 2022 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 NHF Vice President, the NHF Board Chair and NHF Vice Chair and reported back to the NHF Board at the next available NHF 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 NHF Vice President, NHF Chair and NHF Vice Chair with subsequent ratification by the Board of Directors as necessary.

4. Approve the 2022 contract service fee to RCRC in the amount of \$2,608,800 and transfer of \$750,000 of excess revenues to RCRC in accordance with the NHF bylaws.

Attachment

- 2022 NHF Operating Budget (Attachment A)

NATIONAL HOMEBUYERS FUND
Operating Budget
For the Year Ending December 31, 2022

	2022 Budget	2021 Budget	Change Increase / (Decrease)
Revenue:			
Housing Program Revenue	\$ 18,987,500	\$ 34,650,000	\$ (15,662,500)
Program Management Fee Revenue	1,540,000	2,260,000	(720,000)
2nd Mortgage Interest	187,000	230,000	(43,000)
Interest and Dividend Income	150,000	750,000	(600,000)
Unrealized Capital Gains/(Loss)	20,000	20,000	-
Total Revenue	\$ 20,884,500	\$ 37,910,000	\$ (17,025,500)
Expenditures:			
Accounting & Auditing	\$ 27,050	\$ 21,300	\$ 5,750
Bank Fees	2,000	-	2,000
Business Development and Expansion	100,000	100,000	-
Consultants	205,000	250,000	(45,000)
Contract Support Services	2,608,800	2,058,000	550,800
Dues, Fees & Subscriptions	22,500	20,000	2,500
Excess Resources to RCRC	750,000	1,000,000	(250,000)
Insurance	48,500	43,000	5,500
Legal Services	50,000	150,000	(100,000)
Loan Losses	50,000	100,000	(50,000)
Meetings	1,000	1,000	-
Miscellaneous	1,000	1,000	-
Down Payment Assistance Program (DP)	16,000,000	16,000,000	-
Pipeline Services	40,000	40,000	-
Rent	64,050	68,800	(4,750)
Sponsorships	60,000	100,000	(40,000)
Total Expenditures	\$ 20,029,900	\$ 19,953,100	\$ 76,800
Net Revenue Over Expenditures	\$ 854,600	\$ 17,956,900	\$ (17,102,300)
Noncash Adjustments:			
Capital Gains	\$ (20,000)	\$ (20,000)	\$ -
Loan Losses	\$ 50,000	\$ 100,000	\$ (50,000)
Projected net cash flow	\$ 884,600	\$ 18,036,900	\$ (17,152,300)