



National Homebuyers Fund Inc. (NHF)

Board of Directors Meeting

**Wednesday
August 16, 2023
9:30 A.M.**

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

**National Homebuyers Fund, Inc.
Board of Directors Meeting
August 16, 2023 – 9:30 a.m.
1215 K Street, Suite 1650
Sacramento, CA 95814**

NHF Board of Directors:

Supervisor Daron McDaniel, Merced County
Supervisor Robert Poythress, Madera County
Supervisor Doug Teeter, Butte County
Supervisor Chris Lopez, Monterey County
Supervisor Jack Garamendi, Calaveras County

(All Teleconference Locations are Accessible to the Public)

This meeting will also be livestreamed for public access. 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/88440806423>

Enter Password: 727252

2. Call-in and listen to the meeting:

Dial +1 (669) 444-9171

Enter meeting ID: 884 4080 6423

Enter password: 727252

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@rcrcnet.org before or during the meeting. All emailed public comments will be forwarded to all NHF Board of Directors members.

AGENDA

1. Call to Order and Determination of Quorum

Chair, Supervisor Daron McDaniel, Merced County

2. Public Comment

At this time, any member of the public may address the Board. Speakers are asked to state their name to the record, but are not required to do so. Comments are usually limited to no more than 3 minutes per speaker.

3. Consent Agenda – ACTION

a. July 12, 2023 Board of Directors Meeting Minutes

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

Milena De Melo, RCRC Finance Director

a. Condensed Balance Sheet (June 30, 2023)

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b. Investment Report (June 30, 2023)

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c. Budget v. Actual Report (June 30, 2023)

Page 11

5. Program Updates (*Discussion and possible action relative to*
Craig Ferguson, Vice President)

a. Business Development and Program Updates

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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, please call (916) 447-4806 at least 48 hours before the 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 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>.

National Homebuyers Fund, Inc.
Board of Directors Meeting
Wednesday, July 12, 2023 - 9:00 a.m.
1215 K Street, Suite 1650
Sacramento, CA 95814

MINUTES

Call to Order, Determination of Quorum

NHF Chair, Supervisor Daron McDaniel, Merced County, presided. Present were President Patrick Blacklock, General Counsel Arthur J. Wylene, and RCRC Director of Board Operations Maggie Chui, clerk. NHF Chair McDaniel called the meeting to order at 2:16 p.m. A quorum was determined at that time. Those members present:

Directors

Chair, Supervisor Daron McDaniel, Merced County
Supervisor Robert Poythress, Madera County
Supervisor Doug Teeter, Butte County
Supervisor Jack Garamendi, Calaveras County

Absent

Supervisor Chris Lopez, Monterey County

Public Comment

None

Consent Agenda

a. April 26, 2023 Board of Directors Meeting Minutes

NHF Chair, Supervisor Daron McDaniel, Merced County, called for approval of the above-listed consent agenda item.

Supervisor Robert Poythress, Madera County, motioned to approve the consent agenda. Supervisor Jack Garamendi, Calaveras County, seconded the motion. Motion passed with all Supervisors present voting “Aye.”

Proposed 2023 NHF Revised Operating Budget

Milena De Melo, RCRC Finance Director, presented the NHF 2023 revised operating budget. The revised operating budget updates the approved 2023 to include a reduction in Contract support service fee.

Recommendations

It was recommended that the NHF Board of Directors approve the following actions:

1. Approve the attached Proposed 2023 NHF Revised Operating Budget.

2. Approve the revised 2023 contract service fee to RCRC in the amount of \$2,317,700 and transfer of \$1,250,000 of excess revenues to RCRC in accordance with the NHF bylaws.

Supervisor Robert Poythress, Madera County, motioned to approve the 2023 NHF Revised Operating Budget. Supervisor Jack Garamendi, Calaveras County, seconded the motion. Motion passed with all Supervisors present voting “Aye.”

Business Development and Program Updates

Craig Ferguson, Vice President, provided an update on NHF’s down payment assistance programs. Mr. Ferguson reported on his recent trip to Washington, D.C. to discuss housing opportunities with select Congressional members.

Adjournment

NHF Chair, Supervisor Daron McDaniel, Merced County, adjourned the NHF Board of Directors Meeting at 2:28 p.m.



To: Members of the NHF Board of Directors
From: Milena De Melo, RCRC Finance Director
Date: August 8, 2023
Re: Condensed Balance Sheet (June 30, 2023)

Summary

The Condensed Balance Sheet provides an overview of the Net Position of NHF as of June 30, 2023, compared to audited Net Position as of December 31, 2022, and 2021.

NHF's net position remains strong at \$92.8 million. Items of significance include:

- Total cash and cash equivalents totaling approximately \$74.5 million, a decrease of approximately \$1.37 million compared to December 2022.
- Accounts receivable and other assets of \$4.0 million, an increase of \$3.6 million compared to December 2022 primarily driven by acquisition fees receivable on purchases of 2nd mortgages.
- Second mortgages receivable, net of loan loss allowance of \$19.4 million, an increase of approximately \$5.7 million compared to December 2022 for purchases of 2nd mortgages.
- Accounts payable and other liabilities of \$5.1 million, an increase of \$3.2 million compared to December 2022 primarily driven by payables related to purchases of second mortgages receivable.

Attachment

- Condensed Balance Sheet as of June 30, 2023

National Homebuyers Fund Inc.
Condensed Balance Sheet
June 30, 2023

	Audited	
	December 31, 2022	December 31, 2021
	(Unaudited)	
	June 30, 2023	
Assets		
Cash in banks, brokerage, and CalTRUST	\$ 74,495,873	\$ 86,306,606
Accounts receivable and other assets	3,970,574	2,873,844
Accounts receivable, proceeds from sale of securities *	-	3,003,633
Second mortgages receivable, less loan loss allowance **	19,441,444	2,711,443
Total assets	\$ 97,907,891	\$ 94,895,526
Liabilities		
Accounts payable and other liabilities	\$ 5,071,151	\$ 2,285,514
Accounts payable, securities to be purchased, at fair value *	-	3,002,656
Unearned revenue	2,800	-
Total liabilities	\$ 5,073,951	\$ 5,288,170
Net position, unrestricted	\$ 92,833,939	\$ 89,607,356

* Balances offset each other for a net impact on Statement of Revenues, Expenses, and Changes in Net Position in amounts of \$0, \$0, and \$977, as of June 30, 2023, December 31, 2022, and December 31, 2021, respectively.

** Net of loan loss allowance of \$175,000 as of June 30, 2023, December 31, 2022, and December 31, 2021 has been included as a reduction of mortgage receivables outstanding.



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To: Members of the NHF Board of Directors
From: Milena De Melo, RCRC Finance Director
Date: August 8, 2023
Re: Investment Report (June 30, 2023)

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, 2022 to June 30, 2023. Investment returns by investment type and a comparison to the 90-day Treasury Rate for the most recent period of June 30, 2023, have been included.

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

Attachment

- NHF Investment Report for the Period Ended June 30

NATIONAL HOMEBUYERS FUND INC.
Investment Report
For the Period Ended June 30, 2023

	Total	CalTRUST Short-Term	CalTRUST Medium-Term
Balance 12/31/2022 *	\$ 33,960,680	\$ 2,100,987	\$ 31,859,693
Additions	-	-	-
Withdrawals	-	-	-
Interest (includes accrued)	257,992	19,447	238,545
Capital Gain/(Loss)	234,751	4,217	230,534
Balance 03/31/2023 *	\$ 34,453,423	\$ 2,124,651	\$ 32,328,772
Additions	-	-	-
Withdrawals	-	-	-
Interest (includes accrued)	296,955	22,460	274,495
Capital Gain/(Loss)	(332,123)	(7)	(332,116)
Balance 06/30/2023 *	\$ 34,418,255	\$ 2,147,104	\$ 32,271,151

Yield:

Annualized One Year
Average Maturity (days)
90 Day Treasury Bill Rate

Reported as of June 30, 2023	
Short Term	Mid Term
3.17%	2.56%
321	785
5.43%	

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: Milena De Melo, RCRC Finance Director
Date: August 8, 2023
Re: Budget v. Actual Report (June 30, 2023)

Summary

The Statement of Revenues and Expenses for NHF provides a budget to actual comparison for the period ended June 30, 2023.

NHF's revenues exceeded expenditures by approximately \$4.8 million, resulting in a \$4.7 million favorable variance from the June 2023 year-to-date budget. Items of significance include:

- A favorable variance of approximately \$3.7 million in housing program revenue, driven by increased demand for NHF's housing programs.
- A favorable variance of approximately \$1.2 million from interest and investment gains from investments at CalTRUST. Variance is primarily driven by better-than-expected performance in the investment markets during the first quarter.

Attachment

- Statement of Revenues and Expenses, Budget vs. Actual, for the Period Ended June 30, 2023

National Homebuyers Fund, Inc.
Statement of Revenues and Expenses, Budget v. Actual
For the period ended June 30, 2023

	2023 Annual Budget	Period ended June 30, 2023 Budget	Period ended June 30, 2023 Actual	Variance favorable / (unfavorable)	Percent favorable / (unfavorable)
Revenue:					
Housing program revenue	\$ 3,291,667	\$ 1,645,834	\$ 5,298,712	\$ 3,652,879	221.9%
Program management fee revenue	610,000	305,000	164,176	(140,824)	-46.2%
2nd mortgage interest	169,000	84,500	77,970	(6,530)	-7.7%
Interest and dividend income	150,000	75,000	1,273,337	1,198,337	1597.8%
Unrealized capital gains / (loss)	20,000	10,000	(97,371)	(107,371)	-1073.7%
Total revenue:	\$ 4,240,667	\$ 2,120,334	\$ 6,716,824	\$ 4,596,491	216.8%
Expenditures:					
Accounting and auditing	\$ 21,050	\$ 10,525	\$ 18,360	\$ (7,835)	-74.4%
Bank fees	2,000	1,000	118	882	88.2%
Business development and expansion	100,000	50,000	12,456	37,544	75.1%
Consultants	210,000	105,000	105,000	-	0.0%
Contract support service fee	2,549,600	1,274,800	1,274,802	(2)	0.0%
Custodian / Trustee Fees	1,000	500	-	500	100.0%
Dues, fees and subscriptions	25,000	12,500	11,026	1,474	11.8%
Excess resources paid to RCRC	750,000	375,000	375,000	-	0.0%
Insurance	49,600	24,800	25,823	(1,023)	-4.1%
Legal fees	10,000	5,000	4,303	697	13.9%
Loan loss reserve	50,000	25,000	-	25,000	100.0%
Meetings	1,000	500	-	500	100.0%
Miscellaneous	1,000	500	1,844	(1,344)	-268.8%
Downpayment assistance gift program	-	-	15,056	(15,056)	-100.0%
Pipeline services	40,000	20,000	15,000	5,000	25.0%
Rent	70,000	35,000	36,198	(1,198)	-3.4%
Sponsorships	60,000	30,000	-	30,000	100.0%
Total expenditures:	\$ 3,940,250	\$ 1,970,125	\$ 1,894,986	\$ 75,139	3.8%
Net revenues over expenditures:	\$ 300,417	\$ 150,209	\$ 4,821,838	\$ 4,671,630	3110.1%



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To: Members of the NHF Board of Directors
From: Craig Ferguson, Vice President
Date: August 8, 2023
Re: Business Development and Program Updates

Summary

Data updates. Other updates will be provided verbally.

Programs

Data Snapshot

	2023 (YTD)	2022	2021	Program Total*
# of individuals/families that purchased a home through a NHF program	1483	1544	2310	48.3K+
Total down payment assistance (2 nd loans and gifts) provided by NHF programs	\$14.5M+	\$16.7M+	\$23.8+	\$417M+
Total loan financing (1 st and 2 nd loans) provided by NHF programs	\$423M+	\$474M+	\$639M+	\$9.5B+

**From inception*