



National Homebuyers Fund Inc. (NHF)

Board of Directors Meeting

**Wednesday
June 19, 2024
9:15 A.M.**

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



**Board of Directors Meeting
June 19, 2024 - 9:15 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 Chris Lopez, Monterey County
Supervisor Geri Byrne, Modoc County
Supervisor Jack Garamendi, Calaveras County

**Additional Teleconference Locations are Listed on the
Last Page of this Agenda**

(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/85814596208>

Enter Password: 927054

2. Call-in and listen to the meeting:

Dial +1 (669) 444-9171

Enter meeting ID: 858 1459 6208

Enter password: 927054

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 for the record. Comments are usually limited to no more than 3 minutes per speaker.

3. Consent Agenda – ACTION

a. April 24, 2024 Board of Directors Meeting Minutes

b. NHF Financial Reports

Milena De Melo, RCRC Finance Director

i. Condensed Balance Sheet (April 30, 2024)

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ii. Investment Report (Period Ended April 30, 2024)

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iii. Budget v. Actual Report (Period Ended April 30, 2024)

Page 11

4. Program Updates *(Discussion and possible action relative to)*

Craig Ferguson, Vice President

a. Business Development and Program Updates

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5. 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>.

Additional Teleconference Location(s)

Madera County Madera County Government Center 200 W. 4 th Street, Suite 4600 Madera, CA 93637	
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**National Homebuyers Fund, Inc.
Board of Directors Meeting
April 24, 2024 - 10:00 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 Office Coordinator Julie Lunn, clerk. NHF Chair McDaniel called the meeting to order at 1:15 p.m. A quorum was determined at that time. Those members present:

Directors

Chair, Supervisor Daron McDaniel, Merced County
Supervisor Chris Lopez, Monterey County
Supervisor Geri Byrne, Modoc County
Supervisor Jack Garamendi, Calaveras County

Absent

Vice Chair, Supervisor Robert Poythress, Madera County

Public Comment

None

Consent Agenda

a. February 21, 2024 Board of Directors Meeting Minutes

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

Supervisor Geri Byrne, Modoc County, motioned to approve the consent agenda. Supervisor Chris Lopez, Monterey County, seconded the motion. Motion passed with all Supervisors present voting “Aye.”

Approval of Audited Financial Statements – December 31, 2023

Milena De Melo, RCRC Finance Director, presented the NHF 2023 audited financial statements. Ms. De Melo reviewed the financial statements, the performance for the year, the net position, and performance compared to the budget.

Recommendation

It was recommended that the NHF Board of Directors review, approve and adopt the 2023 audited financial statements and communications letter as presented.

Supervisor Jack Garamendi, Calaveras County, motioned to approve the 2023 audited financial statements and communications letter as presented.

Supervisor Geri Byrne, Modoc County, seconded the motion. Motion passed with all Supervisors present voting “Aye.”

Condensed Balance Sheet (March 31, 2024)

Milena De Melo, RCRC Finance Director, presented the NHF Condensed Balance Sheet as of March 31, 2024, as compared to 2023 and 2022.

Investment Report (Period Ended March 31, 2024)

Milena De Melo presented the NHF Investment Report which provided a summary of investment transactions from December 31, 2023, to March 31, 2024.

Budget v. Actual Report (Period Ended March 31, 2024)

Milena De Melo presented the NHF Statement of Revenues and Expenses which provided a summary of the budget to actual comparison for the period ended March 31, 2024.

Business Development and Program Updates

Craig Ferguson, Vice President, provided an update on NHF’s down payment assistance programs and the current housing market on the national level.

Adjournment

NHF Chair, Supervisor Daron McDaniel, Merced County, adjourned the NHF Board of Directors Meeting at 1:37 p.m.



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

To: Members of the NHF Board of Directors
From: Milena De Melo, RCRC Finance Director
Date: June 11, 2024
Re: Condensed Balance Sheet (April 30, 2024)

Summary

The Condensed Balance Sheet provides an overview of the Net Position of NHF as of April 30, 2024, compared to audited Net Position as of December 31, 2023 and 2022.

NHF's net position continues to grow, ending at \$108.1 million on April 30, 2024. Items of significance include:

- Total cash and cash equivalents totaling approximately \$65.6 million, a decrease of approximately \$3.6 million compared to December 2023, predominantly used in operations.
- Second mortgages receivable, net of loan loss allowance of \$43.7 million, an increase of approximately \$8.9 million compared to December 2023 driven by additional purchases of 2nd mortgages.

Attachment

- Condensed Balance Sheet - April 30, 2024

National Homebuyers Fund Inc.
Condensed Balance Sheet
April 30, 2024

	(Unaudited)	Audited	
	April 30, 2024	December 31, 2023	December 31, 2023
Assets			
Cash in banks, brokerage, and CalTRUST	\$ 65,635,584	\$ 69,235,139	\$ 75,870,154
Accounts receivable and other assets	5,282,080	4,047,621	335,513
Second mortgages receivable, less loan loss allowance *	43,745,722	34,820,030	13,761,606
Total assets	\$ 114,663,386	\$ 108,102,790	\$ 89,967,273
Liabilities			
Accounts payable and other liabilities	\$ 6,563,935	\$ 4,813,988	\$ 1,951,674
Unearned revenue	1,400	2,800	-
Total liabilities	\$ 6,565,335	\$ 4,816,788	\$ 1,951,674
Net position, unrestricted	\$ 108,098,051	\$ 103,286,002	\$ 88,015,599

* Net of loan loss allowance of \$450,000 as of April 30, 2024 and December 31, 2023 and \$175,000 as of December 31, 2022 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: June 11, 2024
Re: Investment Report (Period Ended April 30, 2024)

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, 2023 to April 30, 2024. Investment returns by investment type and a comparison to the 90-day Treasury Rate for the most recent period of April 30, 2024, have been included.

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

Attachment

- NHF Investment Report for the Period Ended April 30, 2024

NATIONAL HOMEBUYERS FUND INC.
Investment Report
For the Period Ended April 30, 2024

	Total	CalTRUST Short-Term	CalTRUST Medium-Term
Balance 12/31/2023 *	\$ 35,562,539	\$ 2,212,497	\$ 33,350,042
Additions	-	-	-
Withdrawals	-	-	-
Interest (includes accrued)	348,628	27,289	321,339
Capital Gain/(Loss)	(208,782)	(4,409)	(204,373)
Balance 03/31/2024 *	\$ 35,702,385	\$ 2,235,377	\$ 33,467,008
Additions	-	-	-
Withdrawals	-	-	-
Interest (includes accrued)	130,291	10,404	119,887
Capital Gain/(Loss)	(280,999)	(6,679)	(274,320)
Balance 04/30/2024 *	\$ 35,551,677	\$ 2,239,102	\$ 33,312,575

Yield:

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

Reported as of April 30, 2024	
Short Term	Mid Term
4.93%	3.82%
310	850
5.46%	

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: June 11, 2024
Re: Budget v. Actual Report (Period Ended April 30, 2024)

Summary

The Statement of Revenues and Expenses for NHF provides a budget to actual comparison for the period ended April 30, 2024.

NHF's revenues exceeded expenditures by approximately \$4.8 million, resulting in a favorable variance of \$2.7 million from the April 2024 year-to-date budget. Items of significance include:

- A favorable variance of approximately \$1.6 million in housing program revenue, driven by increased demand for NHF's housing programs.
- An unfavorable variance of approximately \$132.9 thousand from program management fee revenue driven by lower contract entity's program volume.
- A favorable variance of approximately \$953.8 thousand from interest income on second mortgage, driven by increased demand for NHF's programs that offer 2nd mortgages.
- A favorable variance of approximately \$803.2 thousand from interest from investments at CalTRUST given the high interest rate environment. This negatively impacts the net asset value of the underlying investments at CalTRUST; thus, we show an unfavorable variance of approximately \$496.4 thousand in the unrealized capital losses on those investments.
- An unfavorable variance of \$158.5 thousand for program management primarily driven by greater activity and demand for housing programs.

Attachment

- Statement of Revenues and Expenses, Budget vs. Actual, for the Period Ended April 30, 2024

National Homebuyers Fund, Inc.
Statement of Revenues and Expenses, Budget v. Actual
For the period ended April 30, 2024

	2024 Annual Budget	Period ended April 30, 2024 Budget	Period ended April 30, 2024 Actual	Variance favorable / (unfavorable)	Percent favorable / (unfavorable)
Revenue:					
Housing program revenue	\$ 11,395,833	\$ 3,798,611	\$ 5,383,995	\$ 1,585,384	41.7%
Program management fees	540,000	180,000	47,148	(132,852)	-73.8%
Interest income on second mortgages	161,200	53,733	1,007,487	953,754	1775.0%
Interest and dividend income on cash and investments	250,000	83,333	886,512	803,179	963.8%
Unrealized capital gains / (losses)	20,000	6,667	(489,782)	(496,449)	-7446.7%
Total Revenue	\$ 12,367,033	\$ 4,122,344	\$ 6,835,360	\$ 2,713,016	65.8%
Expenditures:					
Accounting and auditing	\$ 31,763	\$ 10,588	\$ 30,250	\$ (19,662)	-185.7%
Bank fees	500	167	-	167	100.0%
Business development and expansion	100,000	33,333	6,003	27,330	82.0%
Consultants	210,000	70,000	70,000	-	0.0%
Contract support service fee	3,257,200	1,085,733	1,085,733	0	0.0%
Downpayment assistance (DPA)	-	-	95,337	(95,337)	-100.0%
Dues, fees and subscriptions	27,000	9,000	10,215	(1,215)	-13.5%
Excess resources paid to RCRC	2,000,000	666,667	500,000	166,667	25.0%
Insurance	65,400	21,800	18,569	3,231	14.8%
Legal fees	10,000	3,333	188	3,145	94.4%
Loan loss reserve	100,000	33,333	(2,932)	36,265	108.8%
Meetings	1,000	333	-	333	100.0%
Miscellaneous	1,000	333	-	333	100.0%
Pipeline services	30,000	10,000	10,000	-	0.0%
Program management fees	-	-	158,452	(158,452)	-100.0%
Rent	72,400	24,133	41,497	(17,364)	-71.9%
Sponsorships	100,000	33,333	-	33,333	100.0%
Travel	10,000	3,333	-	3,333	100.0%
Total Expenditures	\$ 6,016,263	\$ 2,005,421	\$ 2,023,312	\$ (17,891)	-0.9%
Net Revenue Over Expenditures	\$ 6,350,770	\$ 2,116,923	\$ 4,812,048	\$ 2,695,125	127.3%



To: Members of the NHF Board of Directors
From: Craig Ferguson, Vice President
Date: June 11, 2024
Re: Business Development and Program Updates

Summary

Data updates. Other updates will be provided verbally.

Data Snapshot

	2024 (YTD)	2023	2022	Program Total*
# of individuals/families that purchased a home through a NHF program	2,013	4,961	1,544	53.7K+
Total down payment assistance (2 nd loans and gifts) provided by NHF programs	\$19.8M+	\$49.6M+	\$16.7M+	\$472M+
Total loan financing (1 st and 2 nd loans) provided by NHF programs	\$574M+	\$1.4B+	\$474M+	\$11.1B+

**From inception*