Montana Board of Housing - Board Meeting

Meeting Location: Zoom

Date: December 8, 2025

Time: 8:30 am

Board Chair: Bruce Posey

Remote Attendance: Join our meeting in-person or remotely via Zoom and/or phone

Conference Call: Dial: 1-646-558-8656, Meeting ID: 819 3546 5044, Password: 827364

Register for Webinar: https://mt-gov.zoom.us/meeting/register/tZUkdOysqD4qHtCIJvQ4oFrt54yXL5dudYfv

Board Offices: Montana Department of Commerce

Montana Board of Housing

301 S. Park Ave., Room 240, Helena, MT 59601

Phone: 406-841-2840

Agenda Items:

- Meeting Announcements
- Introductions
- Public Comments – Public comment is welcome on any public matter that is not on the agenda and that is within the jurisdiction of the Board.
- Approve prior meeting's minutes
- Finance Program – no updates since the November Board meeting.
- Homeownership Program (Jessica Michel)

  - Homeownership Update
- Mortgage Servicing (Jesse Ennis)
  - Servicing Update
- Multifamily Program (Jason Hanson)
  - The Beck Apartments Bond Resolution No. 25-1208-MF10
  - HB 924 Policies
    - Review draft Multifamily Program Guidelines, including general parameters on minimum/maximum loan requests
    - Approve proposed interest rates for programs
  - Multifamily Update
- Operations/Executive Director (Joe DeFilippis + Cheryl Cohen)
  - MBOH Board Training Policy
  - Operations / Executive Director Update
- Miscellaneous
- Meeting Adjourns

All agenda items are subject to Board action after public comment requirements are fulfilled.

Commerce/MBOH makes every effort to hold meetings at fully accessible facilities. Any person needing reasonable accommodation must notify the MBOH at 406-841-2840 or visit Montana Relay 711: dphhs.mt.gov/detd/mtap/traditionalrelayservice before the scheduled meeting to allow for arrangements.

2026 Montana Board of Housing Calendar

Board meetings are generally held the second Monday of each month, excluding Mondays that conflict with other conferences or networking opportunities. In April and October, a Board training and strategic planning session is held on Monday, with the Board meeting following on Tuesday. All Board meetings begin at 8:30 am.

Board Meetings (Training and Strategic Planning Dates in Green)

- Monday, January 12 via Zoom
- Monday, February 9 via Zoom
- Monday, March **16** via Zoom
- **Monday, April 13 – Hamilton, MT**
- Tuesday, April 14 – Hamilton
- Monday, May 11 (Great Northern Hotel, Helena, MT, LOI Presentations)
- Tuesday, May 12 (Great Northern Hotel, Helena, MT, LOI Invitations to Apply)
- Monday, June 8 via Zoom
- Monday, July 13 via Zoom
- Monday, August 10 via Zoom
- Monday, September 14 via Zoom
- **Monday, October 19 – Fort Benton, MT**
- Tuesday, October 20 via Zoom (LIHTC 9% Awards & QAP) – Fort Benton
- Monday, November **16** via Zoom
- Monday, December 14 via Zoom (subject to cancellation)

Conferences & Networking Opportunities

Board members will receive updates on conference agendas, early bird registration deadlines and related logistics from Board staff as more detailed information is available.

1. Monday January 12- Friday January 16: HFA Institute, WA D.C
2. Monday, March 9 – Wednesday, March 11: NCSHA Legislative Conference, WA D.C.
3. Monday, May 18 – Wednesday, May 20: Montana Housing Partnership Conference, Fairmount Hot springs, MT
4. Monday June 2 – Friday June 5: Housing Credit Connect St. Louis, MO
5. Saturday, October 3 – Tuesday, October 6: NCSHA Annual Conference, Detroit, MI

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COMMERCE

MONTANA BOARD OF HOUSING

Meeting Location: Distance via Zoom

Date: December 8, 2025

Time: 8:30 am

Roll Call of Board Members:

Bruce Posey, Chair (Present)

Amber Parish (Present)

Rachel Arthur (Present)

Ryan Aikin (Present)

Sheila Rice (Present)

Jeanette McKee (Present)

Richard Miltenberger (Present)

Staff:

Cheryl Cohen, Executive Director

Logan Colberg, Executive Assistant

Joe DeFilippis, Operations Manager

Vicki Bauer, Finance Manager

Kellie Guariglia, Multifamily Program

Julles Engel, Community Housing

Julie Flynn, Community Housing Manager

Jason Hanson, Multifamily Manager

Bruce Brensdal, Multifamily Program

Charles Brown, Homeownership Program

Jesse Ennis, Mortgage Servicing Manager

Jessica Michel, Homeownership Manager

Counsel:

Nathan Bilyeu

These written minutes, together with the audio recordings of this meeting and the Board Packet, constitute the official minutes of the referenced meeting of the Montana Board of Housing (MBOH). References in these written minutes to tapes (e.g., FILE 1 – 4:34) refer to the location in the audio recordings of the meeting where the discussion occurred, and the page numbers refer to the page in the Board Packet. The audio recordings and Board Packet of the MBOH meeting of this date are hereby incorporated by reference and made a part of these minutes. The referenced audio recordings and Board Packet are available on the MBOH webpage at Past Meetings and Minutes.

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Others:

Angela Getchell	Austin Truckle	Blake Jumper	Cam Hager
Emily Thompson	Jennifer Wheeler	Mina Choo	Larry Phillips
Misty Dalke	Parker Webb	Partick Zhang	Ron Culver
Tyler Currence	Greg Dunfield		

Call Meeting to Order:

00:00:00 Board Chair Bruce Posey called the Montana Board of Housing (MBOH) meeting to order at 8:30 a.m.

00:01:25 Introductions of Board members, Board staff, and attendees were made.

00:04:36 Board Chair Posey asked Public Comment for anything under the Board's jurisdiction but not included on today's agenda.

Approval of Minutes:

November 10 MBOH Board Meeting Minutes – See November Minutes in November's Board Packet

00:05:50 Motion: Jeanette McKee
Second: Richard Miltenberger
November 10, 2025 MBOH Board meeting minutes were approved unanimously.

Homeownership Program:

Homeownership Update

00:06:32 Presenter: Jessica Michel

Mortgage Servicing Program:

Servicing Update

00:11:20 Presenter: Jesse Ennis

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Multifamily Program:

Approval of Bond Resolution No. 25-1208-MF10 The Beck Apartments (aka The Highlands)

00:14:43 Presenter: Jason Hanson

Motion: Ryan Aikin

Second: Richard Miltenberger

The motion to approve Bond Resolution No. 25-1208-MF10 The Beck Apartments (aka The Highlands) in the amount not to exceed $40,000,000 passed unanimously.

Approval of HB 924 Interest Rates for Loan Programs and Eligible Uses

00:18:40 Presenter: Jason Hanson

The Board engaged in discussion regarding loan program interest rates and what makes rates favorable in the market.

00:37:00 Public Comment: Tyler Currence inquired whether under Eligible Activities 1, projects required matching credits. Jason Hanson clarified there is no explicit match requirements and projects can bring a variety of possible funding source combinations to the Board.

Motion: Sheila Rice

Second: Amber Parish

The motion to approve Interest Rates for the Multifamily Loan Programs passed unanimously as follows:

- For loans that fall under Eligibility 1, an interest rate of 3.25%.
- For loans that fall under Eligibility 2, an interest rate of 4.25%.
- For loans that fall under Eligibility 3, Board staff will recommend an interest rate to the Board as needed on a case-by-case basis.

Multifamily Update

00:42:22 Presenter: Jason Hanson

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Operations/ Executive Director:

Approval of MBOH Board Training Policy

00:44:50 Presenter: Cheryl Cohen

The Board expressed importance of training Board members appropriately and thanked the staff for the work that goes into the training.

Motion: Rachel Arthur

Second: Ryan Aikin

The motion to approve MBOH Board Training Policy passed unanimously.

Operations/Executive Director Update

00:56:13 Presenter: Joe DeFilippis and Cheryl Cohen

The Board engaged in a discussion regarding the Continuum of Care and the changes at HUD and monitoring the changes affecting individuals as difficult decisions must be made.

Meeting Adjournment:

01:11:33 Meeting was adjourned at 9:42 a.m.

Signed by:
Amber Parish
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Amber Parish, Secretary

1/12/2026

Date

HOMEOWNERSHIP PROGRAM DASHBOARD

December 8, 2025

RATES

	CURRENT	LAST MONTH	LAST YEAR
MBOH*	5.625	5.63	5.500
Market	5.92	5.98	6.656
10 yr treasury	4.04	3.99	4.250
30 yr Fannie Mae	6.53	6.53	6.530

*Current Setaside 5.375, DPA 5.875

MBS PROGRAM

RESERVATIONS

	November NUMBER	November AMOUNT
Series 2026 A (since 10.21.25)	35	8,814,586
Series 2026 A DPA (since 10.21.25)	26	288,132
80% Combined (20+)		
SET-ASIDE PROGRAMS		
MBOH Plus DPA	2	18,765
NeighborWorks		
CAP NWMT CLT		
Missoula HRDC XI		
Bozeman HRDC IX		
Home$tart		
HUD 184	1	41,612
MT Street CLT		
Sparrow Group		
City of Billings		
Foreclosure Prevent		
Disabled Accessible		
Lot Refi		
FY26 Habitat		
OTHER PROGRAMS		
Veterans (Orig)		
912 Mrtg Cr Cert (MCC)	4	691,650

LOANS PURCHASED BY IHFA

	November NUMBER	November AMOUNT	
	37	10,765,603	1st Mortgages only

DELINQUENCIES

First Mortgages

30-59 days	60-89	89-120+
6	1	2

DPA

30-59	60-89	89-120+
5	1	1

FORECLOSURES

FHA 1st Mortgages	1
VA 1st Mortgages	
RD 1st Mortgages	
Conventional Mtg	
DPA	1

NOVEMBER MBS TURNTIMES

Lender reservation to closing date	13.84	days
Closing Date to compliance submission	29.89	days
Compliance Submission to review time	1.39	days

LOAN PURCHASES BY LENDER

	Oct-25 1st	Oct-25 DPA	2025 YTD 1st	2025 YTD DPA
1ST SECURITY BK MISSOULA 133			7	3
BANK OF COMMERCE 086				
BAY EQUITY LLC 853				
BRAVARA BANK 186			5	5
CHURCHHILL MORTGAGE 869			9	2
CLEARWATER FEDERAL C U 901			1	
CMG 874			4	3
CORNERSTONE HOME LENDING 850			4	1
CROSSCOUNTRY MORTGAGE 863	4	1	25	8
ENVOY 871	3	3	5	4
EVERGREEN MORTGAGE 875	18	6	112	44
FAIRWAY INDEPENDENT MRTG 847	7	4	43	19

FIRST BANK OF MONTANA 073			1	1
FIRST COLONY MORTGAGE 865				
FIRST FEDERAL BANK & TRUST 731	1		4	
FIRST INTERSTATE BANK-WY 601			4	2
FIRST MONTANA BANK 172	1	1	3	3
FIRST SECURITY BOZEMAN 061				
FLATHEAD HABITAT 991				
GLACIER BANK KALISPELL 735	1		5	
GUARANTEED RATE 864			8	5
GUILD MORTGAGE COMPANY 842	2	2	49	29
HOMETOWN LENDERS 862				
INTREPID CREDIT UNION 903			1	1
LOWER DOT COM, LLC 873	3	3	44	25
NEW AMERICAN FUNDING 878	1		4	2
NOVUS 872			8	6
ONE TRUST HOME LOAN 868			5	1
OPPORTUNITY BANK 700	9	7	79	26
PIONEER SAVINGS AND LOAN 710				
PRIME LENDING 851	1	1	6	2
SECURITY NATIONAL MTG CO 879			2	2
STOCKMAN BANK OF MT MILES 524	1	1	86	38
SYNERGY ONE LENDING 880	2	2	20	13
UNION HOME MORTGAGE 876	2	2	4	4
UNIVERSAL 843				
US BANK 617				
VALLEY BNK DIV OF GLACIER BNK 151			8	5
WESTERN SECURITY BANK 785	2	2	22	13
WINTRUST MORTGAGE 867			7	6
YELLOWSTONE BANK 161			4	1
Grand Count	**58**	**35**	**589**	**274**

OCTOBER 2025 PORTFOLIO SUMMARY

	# of loans	$ of loans	% of #	% of $	
FHA	2,782	405,671,273	48.9%	66.8%	
RD	785	81,238,538	13.8%	13.4%	
VA	393	71,701,159	6.9%	11.8%	
HUD184	34	2,023,392	0.6%	0.3%	
PMI	30	1,836,061	0.5%	0.3%	
Uninsured 1st	268	33,458,847	4.7%	5.5%	
Uninsured 2nd	1,400	11,780,115	24.6%	1.9%	
October 2025 Portfolio Balance	5,692	$ 607,709,384			
October 2024 Portfolio Balance	5,654	$ 629,011,029	0.67%	-3.39%	percent of Incr/Decr

Weighted Average Interest Rate 4.550%

rates up to 4%		
1546	$	186,830,608

rates 4% and above		
3352	$	377,141,658

RAM PROGRAM SEPTEMBER ACTIVITY

Loan Requests		Loans Outstanding		Life of Program		Avail Balance
1	150,000	45	2,779,706.31	250	16,516,329	4,650,123.98

DELINQUENCY AND FORECLOSURE RATES

(most recent available)

	MONTANA BOARD OF HOUSING			MORTGAGE BANKERS ASSOC.09/30/2025		
	Oct-25	Sep-25	Oct-24	Montana	Region	Nation
30 Days	1.39	1.30	1.11	1.37	1.77	2.12
60 Days	0.69	1.11	0.83	0.49	0.65	0.76
90 Days	2.72	2.60	2.74	0.67	0.87	1.11
Total Delinquencies	4.80	5.01	4.68	2.53	3.29	3.99
In Foreclosure	0.54	0.33	0.28	0.29	0.31	n/a

Mortgage Servicing Program Dashboard
Effective 11/30/25

2025 Monthly Servicing Report

MONTH	Last Year	Last Month	This Month
	11/30/2024	10/31/2025	11/30/2025
PORTFOLIO TOTAL LOANS	6333	6020	5988
MBOH	5662	5378	5347
BOI			19
VHLP	291	284	265
MULTIFAMILY	19	18	18
HAF - HOMEOWNERS ASSISTANCE FUND	361	339	339
PRINCIPAL (ALL LOANS)	$ 721,954,013.86	$ 701,252,665	$ 696,726,385
ESCROW (ALL LOANS)	$ 4,464,429.41	$ 7,845,120	$ 4,623,746
LOSS DRAFT (ALL LOANS)	$ 820,867.86	$ 867,196	$ 902,133
LOANS DELINQUENT (60+ DAYS)	279	274	295
ACTUAL FORECLOSURE SALES IN MONTH	2	1	0
FORECLOSURES TOTAL CALENDAR YEAR	8	7	7
DELINQUENT CONTACTS TO MAKE	714	682	738
LATE FEES - NUMBER OF LOANS	836	1056	985
LATE FEES - TOTAL AMOUNT OF REVENUE	$ 25,679.52	$ 35,307	$ 32,750
PAYOFFS	40	36	31
NEW LOANS	33	1	1

HUD's National Servicing Center TRSII SFDMS Reporting
Expected Jan-Mar Q2 2025 in May - Not Released to Servicers yet

LOSS MITIGATION	Last Year	Last Month	This Month
	11/30/2024	10/31/2025	11/30/2025
ACTIVE FINANCIAL PACKETS	0	5	1
REPAYMENT/SPECIAL FORBEARANCES	0	32 / 9	29 / 19
COVID 19 FORMAL FORBEARANCES	0	0	0
PARTIAL CLAIMS & MODS PENDING (TPPs)	0	26	24
CHAPTER 13 BANKRUPTCIES	7	5	5
PRESERVATION PROPERTIES	7	7	7
REAL ESTATE OWNED PROPERTIES	1	1	1
SHORT SALE	0	0	1
3RD PARTY (@ SALE)	0	0	0

FORECLOSURES

	11/30/2025
FORECLOSURES INITIATED	36
#1 BILLINGS	11
#2 GREAT FALLS / HAVRE	7
#3 HELENA	3
OTHER CITIES	15
TOTAL PRINC BALANCE (ALL)	$ 6,914,191
FORECLOSURE SALES SCHEDULED	11
FHA	7
VA	0
USDA/RD	4
OTHER LOAN TYPE	0

Board Agenda Item

Board Meeting: December 8, 2025

Multifamily Program

BOND RESOLUTION NO. 25-1208-MF10 APPROVAL

The Beck Apartments in Bozeman, MT

Background:

The Beck Apartments, also known as The Highlands, is a 149-unit family property located in Bozeman, MT. This is a new construction project costing approximately $391,343 per unit. Kamaka Affordable Housing, LLC is the developer and is requesting a bond amount not to exceed $40,000,000. This amount includes the buffer. Unit AMI's will target 60%.

Staff Recommendation (if any):

Staff supports the proposal noted above.

Motion Option(s):

1. Move to approve Bond Resolution No. 25-1208-MF10 in the amount not to exceed $40,000,000.
2. No motion, proposal fails.

MBOH

301 S. Park Ave.

P.O Box 200528

Helena, MT 59620

The Highlands Affordable Housing

Kamaka Affordable Housing, LLC plans to develop approximately 4.3 acres of land in Bozeman as 149-unit family deal financed with 4% tax credits and tax-exempt bonds. The Highlands (the "Community") will consist of two, four-story elevatored buildings with interior corridors that will meet all pertinent zoning requirements. Construction will be wood-frame with four floors of residential over slab on-grade and surface level parking. The Community will consist of 38 one-bedroom units, 72 two-bedroom units and 39 three-bedroom units. The units will be equipped with washer and dryer hook ups.

On-site Community amenities will consist of access for persons with disabilities, clubhouse, office center, gym, play area, and 24-hour emergency maintenance service.

Kamaka will spend approximately $245,000 per unit in hard cost to construct the new apartment community. The construction is tentatively scheduled to begin October 2025 and finish May 2027. The acquisition and construction of the community will be financed with proceeds from the sale of Low- Income Housing 4% Tax Credits, tax exempt bond and permanent financing.

The community is situated in a perfect location for accessibility to the town and other vital services that are important to the family residents. The location makes this a perfect addition to the underserved affordable housing stock in Bozeman, MT. The community has immediate proximity to key amenities that will elevate the experience of its residents such as grocery stores, pharmacies, public golf courses, schools and green space.

Amenities will include central heating/air conditioning, quality cabinets, patios/decks, in unit washer and dryer hook ups. The Community will target families who earn 60% of the area's median income.

There is substantial pent-up demand for affordable housing in the project's submarket. With anticipated low capture rates for our target renter base, the lease-up of the community is expected to be strong.

As a premier real estate development company, Kamaka will utilize its competitive advantages to ensure maximum development cost and financing efficiencies. As an owner/manager of over 70 apartment communities in the Western States, Wasatch and its affiliates can obtain very competitive local pricing for its construction contracts and materials, which translates to more effective and efficient use of taxpayer dollars.

RESOLUTION NO. 25-1208-MF10

A RESOLUTION OF THE MONTANA BOARD OF HOUSING MAKING FINDINGS WITH RESPECT TO HOUSING NEEDS WITHIN MONTANA; APPROVING A BORROWING, AND REPAYMENT THEREOF, IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $40,000,000; APPROVING A FUNDING LOAN AGREEMENT, BORROWER LOAN AGREEMENT AND OTHER RELATED DOCUMENTS; AUTHORIZING THE EXECUTION OF SUCH DOCUMENTS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS, the Montana Board of Housing (the "Board") is authorized pursuant to the Montana Housing Act of 1975, Montana Code Annotated, Sections 90-6-101 through 90-6-127, as amended (the "Act"), to borrow and issue evidences of indebtedness concerning repayment thereof and to make loans and purchase mortgage loans in order to finance housing which will provide decent, safe and sanitary housing for persons and families of lower income in the State of Montana; and

WHEREAS, the Board intends to borrow on a non-recourse limited obligation basis from Citibank, N.A. (or such other financial institution as is approved by the Chair, Vice Chair or Executive Director and Treasurer) (the "Funding Lender") an aggregate principal amount not to exceed $40,000,000, in one or more series, the proceeds of which will be used to finance a mortgage loan for the acquisition, construction and equipping of The Beck Apartments, an affordable housing development consisting of 149 units located in Bozeman, Montana (the "Project"); and

WHEREAS, the borrowing by the Board will be pursuant to a Funding Loan Agreement among the Board, the Funding Lender and U.S. Bank Trust Company, National Association (or such other financial institution as is approved by Borrower, Funding Lender and the Chair, Vice Chair or Executive Director and Treasurer) (the "Fiscal Agent") (the "Funding Loan Agreement"), and the agreement to repay such borrowing shall be reflected in a non-recourse revenue debt obligation (the "Obligation") to be issued to the Funding Lender pursuant thereto, which will be in substantially the form on file with the Multifamily Program Manager with such changes, additions, omissions as approved the Chair, the Vice Chair or the Executive Director and Treasurer of the Board (each an "Authorized Officer"); and

WHEREAS, the proceeds of the borrowing will be used to finance a loan (the "Mortgage Loan") to Beck Apartments, LP, a Montana limited partnership, or a similar affiliate of Kamaka Affordable Housing, LLC or Tailwater Holdings, LLC (the "Borrower"), pursuant to a Borrower Loan Agreement, by and between the Board and the Borrower (the "Borrower Loan Agreement"), which will be in substantially the form on file with the Multifamily Program Manager with such changes, additions, omissions as approved by an Authorized Officer; and

WHEREAS, a portion of the interest on the Obligation is intended to qualify for a federal tax exemption under Section 142 of the Internal Revenue Code of 1986 (the "Code"), and to ensure that the Obligation maintains its tax exempt status, the Borrower will enter into a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), which will be in substantially the form on file with the Multifamily Program Manager with such changes, additions, omissions as approved by an Authorized Officer.

NOW, THEREFORE, BE IT RESOLVED BY THE MONTANA BOARD OF HOUSING AS FOLLOWS:

Section 1. Public Hearing and Findings.

(a) The Board hereby finds and determines that the Project financed through the above described borrowing and issuance of the Obligation constitutes a "housing development" within the meaning of Section 90-6-103(8) of the Act; and

(b) In accordance with Section 90-6-109 of the Act, following a public hearing, the Board finds:

(i) that there exists a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of lower income can afford within the general housing market area to be served;

(ii) that private enterprise has not provided an adequate supply of decent, safe and sanitary housing in the housing market area at rentals or prices which persons or families of lower income can afford or provided sufficient mortgage financing for homes for occupancy by persons or families of lower income;

(iii) that the conditions, restrictions and limitations contained in the Funding Loan Agreement and contained in the program documents relating to the mortgage loan financed thereby and to be financed are sufficient to ensure that the Project will be well planned and well designed so as to constitute decent, safe and sanitary housing and that the "housing sponsors" (as defined in Section 90-6-103(10) of the Act) are financially responsible;

(iv) that the Project to be financed which is referred to in paragraph (a) above will be of public use and will provide a public benefit, taking into account the existence of local government comprehensive plans, housing and land use plans and regulations, area-wide plans and other public desires;

(v) that the Project to be financed with the proceeds of the Obligation does not involve the construction of "second homes," which are defined in the Act to mean homes which would not qualify as the primary residence of the taxpayer for federal income tax purposes relating to capital gains on the sale or exchange of residential property; and

(vi) that if the Mortgage Loan constitutes a direct loan, in accordance with Section 90-6-109(1)(f), by virtue of the Board effectuating the loan of the Obligation proceeds to the Borrower pursuant to the Borrower Loan Agreement, the Project qualifies for federal funds through its receipt of 4% federal low-income housing tax credits.

Section 2. Approval of Funding Loan Agreement. The Funding Loan Agreement is hereby approved in the form hereinabove described, and an Authorized Officer is hereby authorized and directed to execute and deliver the Funding Loan Agreement, with such changes, insertions or omissions therein as may be approved by such signatory, such approval to be evidenced conclusively by such execution of the Funding Loan Agreement.

Section 3. Authorization and Execution of the Obligation. The execution and delivery of the Board's Obligation to the Funding Lender is hereby authorized and approved. The final amount and terms of the Obligation shall be determined by an Authorized Officer, consistent with the terms of the Funding Loan Agreement and subject to the following conditions. The Obligation shall not be a general obligation of the Board but shall be a limited non-recourse obligation payable solely and only from Mortgage Loan payments and any other moneys pledged under the Funding Loan Agreement by the Borrower as required by the Funding Loan Agreement. The Obligation shall mature no later than 40 years from its date of issuance, bear interest at a fixed or floating rate no greater than the net rate paid on the Mortgage Loan (i.e., net of fees due to the Board and any other parties), be in a principal amount not to exceed $40,000,000, be subject to prepayment and have the other terms and provisions as described to the Board, and definitively set forth in the Funding Loan Agreement upon execution and delivery as aforesaid in Section 2 hereof. The Obligation shall be executed and delivered substantially in the form set forth in the Funding Loan Agreement, with such additions, omissions and changes as are required or permitted by the Funding Loan Agreement and approved by the signatories thereto. The Obligation shall be executed in the name of the Board by the Chair or the Vice Chair of the Board, and attested to by the Secretary or the Treasurer, each of whom is hereby appointed as an Authorized Officer for purposes of executing and attesting the Obligation, and their execution shall evidence their approval of the final terms thereof. Such signatures may be by facsimile; provided, however, that such Obligation shall not be valid or obligatory for any purpose unless the attestation by an Authorized Officer shall be a manual signature or the Obligation is authenticated by the manual signature of an authorized officer of the Fiscal Agent.

Section 4. Approval of Funding Loan Agreement. The Funding Loan Agreement is hereby approved in the form hereinabove described, and an Authorized Officer is hereby authorized to execute and deliver the Funding Loan Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Funding Loan Agreement.

Section 5. Approval of Regulatory Agreement. The Regulatory Agreement is hereby approved in the form hereinabove described, and an Authorized Officer is authorized and directed to execute and deliver the same, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Regulatory Agreement.

Section 6. Ratification of Prior Actions. All action previously taken by the officers, members or staff of the Board within the authority granted herein, with respect to the Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement and the Obligation is hereby approved, confirmed and ratified.

Section 7. Execution of Documents. In the event of the absence or disability of an Authorized Officer, or if for any other reason any of them are unable to execute the documents referred to in this Resolution, such documents may be executed by another member of the Board or by the Multifamily Program Manager or the Accounting and Finance Manager, with the same effect as if done by an Authorized Officer and without the further authorization of the Board. The execution of such documents by such member shall be conclusive evidence of his or her authority to so act.

Section 8. Execution of No-Arbitrage Certificate. An Authorized Officer is hereby authorized to issue certifications as to the Board's reasonable expectations regarding the amount and use of the proceeds of the Obligation as described in Section 148 of the Code, as amended.

Section 9. Additional Actions Authorized. The Chair, the Vice Chair, the Secretary or any other member of the Board, and the Executive Director and Treasurer, the Multifamily Program Manager and the Accounting and Finance Manager, acting alone or acting with others, are hereby authorized and directed to execute and deliver any or all other documents which may be required under the terms of the Funding Loan Agreement and the Borrower Loan Agreement, and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof, and the members and officers named above are hereby designated as Authorized Officers for such purposes. With respect to the issuance of the Obligation authorized by this Resolution, such Authorized Officers are also authorized, with the advice of General Counsel or Bond Counsel, to interpret and apply the Board's Policy for Conduit Multifamily Housing Revenue Bonds (the "Policy") and to waive any requirement of the Policy to the extent such interpretation, application or waiver is consistent with the purpose of the Policy.

Section 10. Effective Date. This Resolution shall become effective immediately.

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ADOPTED by the Montana Board of Housing this 8th day of December, 2025.

MONTANA BOARD OF HOUSING

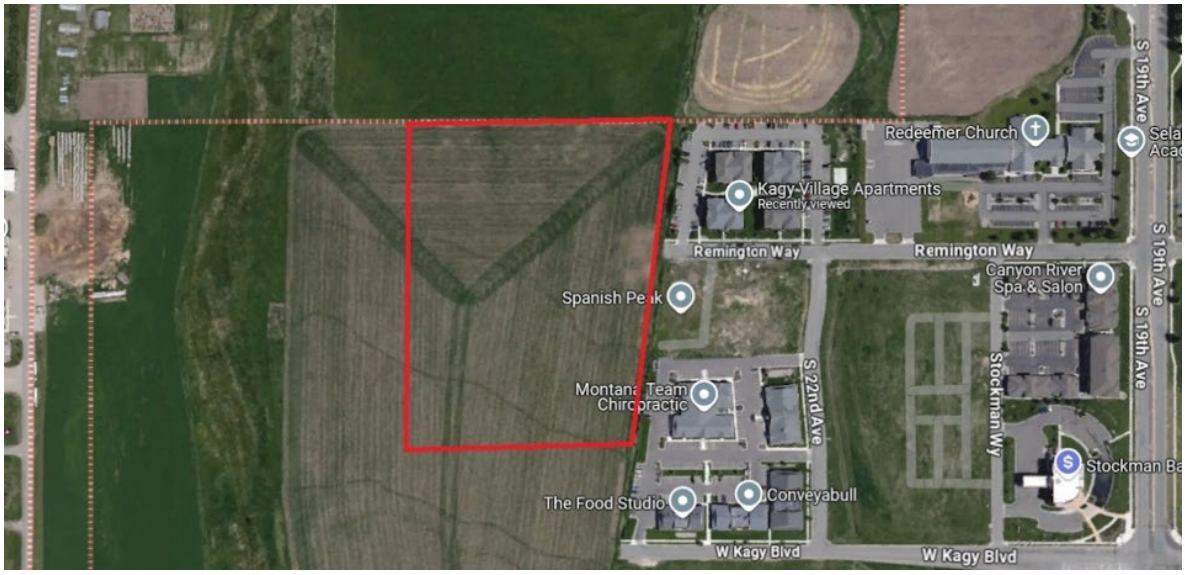
By _____
Bruce Posey, Chair

Attest:

By _____
Cheryl Cohen, Executive Director






Redeemer Church
Kagy Village Apartments
Recently viewed
Remington Way
Remington Way
Canyon River Spa & Salon
Spanish Peak
Montana Team Chiropractic
S 22nd Ave
Stockman Wy
The Food Studio
Conveyabull
W Kagy Blvd
W Kagy Blvd
S 19th Ave
S 19th Ave
S 19th Ave

MARKET STUDY SUMMARY

Market Study Company:	Danter and Associaes, LLC
Project Name:	The Highlands
Project Market Area:	Bozeman, Montana

Is the project, as proposed, viable? YES

Average (comparable/acheivable) market unit rents in immediate area and the percent the proposed project rents are below these rents.

	Market Rents	% Project Rents Below
0 bedroom		
1 bedroom	$ 2,095	60.1%
2 bedroom	$ 2,370	63.5%
3 bedroom	$ 2,960	58.6%
4 bedroom		
5 bedroom		

Reference page: III-40-45

# of all New Units Needed:	2,057	Reference page: III-55
# of units needed for the targeted AMI of the project:	3,800	Reference page: III-55
Vacancy Rate:	12.0%/0.0%	Reference page: III-35/III-47
Months to Lease-up:	10.0-12.0	Reference page: III-57
Capture Rate: (projected income eligible tenants who will move in next year/proposed units)	7.2%	Reference page: III-55
Absorption Rate: (proposed units/existing LIH, market area units required)	4.5%	Reference page: III-56
Penetration Rate: (existing LIH units/total eligible households)	3.9%	Reference page: III-55
Number of LI households that can afford rent of proposed project:	5,142	Reference page: III-55

Distance (miles) to: (only fill this out at full market study)

1 miles to grocery store (convenience store does not count)

2 miles to medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.) and are one of the following:

☑ A Project is located within 1½ miles of the specified amenity or essential service.

☐ Public or contracted transportation (not including taxi or school bus service) is reasonably available to the specified amenity or service (i.e., the Project is located within ¼ mile of fixed bus stop or on a same day call basis) (or letter from provider committing to establish such service); or

☐ Where applicable, the specified amenity or service is available via a no-charge delivery service to the Project Location (all distances must be as specified in the Project's market study).

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PROTECTED

City			**Bozeman**
County			**Gallatin**
Project Name			**The Highlands**
HC Requested			26,658,620
Unit Numbers	**Target**		
	0-bdrm	20%	-
	0-bdrm	30%	-
	0-bdrm	40%	-
	0-bdrm	50% (Low HM)	-
	0-bdrm	50%	-
	0-bdrm	60%	-
	0-bdrm	70%	-
	0-bdrm	80%	-
	0-bdrm	0%	-
	0-bdrm	0%	-
	1-bdrm	20%	-
	1-bdrm	30%	-
	1-bdrm	50% (Low HM)	-
	1-bdrm	40%	-
	1-bdrm	50%	-
	1-bdrm	60%	38
	1-bdrm	70%	-
	1-bdrm	80%	-
	1-bdrm	0%	-
	1-bdrm	0%	-
	2-bdrm	20%	-
	2-bdrm	30%	-
	2-bdrm	40%	-
	2-bdrm	50% (Low HM)	-
	2-bdrm	50%	-
	2-bdrm	60%	72
	2-bdrm	70%	-
	2-bdrm	80%	-
	2-bdrm	0%	-
	2-bdrm	0%	-
	3-bdrm	20%	-
	3-bdrm	30%	-
	3-bdrm	40%	-
	3-bdrm	50% (Low HM)	-
	3-bdrm	50%	-
	3-bdrm	60%	39
	3-bdrm	70%	-
	3-bdrm	80%	-
	3-bdrm	0%	-
	3-bdrm	0%	-
	4-bdrm	20%	-
	4-bdrm	30%	-
	4-bdrm	40%	-

	4-bdrm	50% (Low HM)	-
	4-bdrm	50%	-
	4-bdrm	60%	-
	4-bdrm	70%	-
	4-bdrm	80%	-
	4-bdrm	0%	-
	4-bdrm	0%	-
	other	20%	-
	other	30%	-
	other	40%	-
	other	50% (Low HM)	-
	other	50%	-
	other	60%	-
	other	70%	-
	other	80%	-
	other	0%	-
	other	mkt	-
	other	mgr(60%)	-
	Total Units		149
	Average Income Targeting		60.00%

Square Footage

Income Restricted Units	142,230
Managers Unit(s)	-
Supportive Services	-
Common Space	32,500
Market/Commercial	-
Total	174,730

Unit Rents

	0-bdrm	20%	-
	0-bdrm	30%	-
	0-bdrm	40%	-
	0-bdrm	50% (Low HM)	-
	0-bdrm	50%	-
	0-bdrm	60%	-
	0-bdrm	70%	-
	0-bdrm	80%	-
	0-bdrm	0%	-
	0-bdrm	0%	-
	1-bdrm	20%	-
	1-bdrm	30%	-
	1-bdrm	40%	-
	1-bdrm	50% (Low HM)	-
	1-bdrm	50%	-
	1-bdrm	60%	1,259
	1-bdrm	70%	-
	1-bdrm	80%	-
	1-bdrm	0%	-
	1-bdrm	0%	-
	2-bdrm	20%	-
	2-bdrm	30%	-

	2-bdrm	40%	-
	2-bdrm	50% (Low HM)	-
	2-bdrm	50%	-
	2-bdrm	60%	1,505
	2-bdrm	70%	-
	2-bdrm	80%	-
	2-bdrm	0%	-
	2-bdrm	0%	-
	3-bdrm	20%	-
	3-bdrm	30%	-
	3-bdrm	40%	-
	3-bdrm	50% (Low HM)	-
	3-bdrm	50%	-
	3-bdrm	60%	1,736
	3-bdrm	70%	-
	3-bdrm	80%	-
	3-bdrm	0%	-
	3-bdrm	0%	-
	4-bdrm	20%	-
	4-bdrm	30%	-
	4-bdrm	40%	-
	4-bdrm	50% (Low HM)	-
	4-bdrm	50%	-
	4-bdrm	60%	-
	4-bdrm	70%	-
	4-bdrm	80%	-
	4-bdrm	0%	-
	4-bdrm	0%	-
	other	20%	-
	other	30%	-
	other	40%	-
	other	50% (Low HM)	-
	other	50%	-
	other	60%	-
	other	70%	-
	other	80%	-
	other	0%	-
	other	mkt	-
	other	mgr(60%)	-
Total Monthly Rents			223,906
vacancy factor			5.00%
Adjusted Rent			212,711
other/commercial income			18,402
total rent			231,112
x 12 months			12
Total Annual Income			2,773,346

Expenses

Administration	44,000
Management	83,973
Maintenance	111,865
Operating	333,100

Taxes	4,000
Replacement Reserve	52,150
Total Expenses	629,088
Net Income Before Debt Service	2,144,258

Financing Sources

Hard Loan	30,079,213
Hard Loan	-
Soft Loan	-
Soft Loan	-
State HOME	-
State CDBG	-
State NHTF	-
Other	-
Other	-
Other	-
Other	-
Deferred Dev Fee	5,306,804
HC Equity Competitive	-
HC Equity Non-Competitive	22,924,124
Total Sources:	58,310,141
% of Project Financed by HC:	39.31%

Return on Sale of HTC

HTC Requested	26,658,620
HTC Equity	22,924,124
HTC Return on Sale	0.860

Ratios

Rent (Income)	2,773,346
Operating Expenses	576,938
Replacement	52,150
Net Income Available	2,144,258
Total Debt Service	$1,861,676
Debt Coverage Ratio (DCR)	1.15
Total Expense Ratio	1.11

Project Costs

Land	3,672,067
Building/Acquisition	-
Site Work	2,900,000
Construction / Rehab	33,708,350
Soft Costs	11,140,629
Developer Fees	6,686,945
Reserves	202,150
Total Project Costs	58,310,141
Supportive Services Costs	-
Residential Costs	58,310,141

Costs versus Sources

Total Project Costs	58,310,141
Total Financing Sources	58,310,141
Difference	-

Project Cost Limitations

	Limits	
General Requirements	6.00%	5.65%
Contractor Overhead	2.00%	1.88%
Contractor Profit	6.00%	5.65%
Developer Fees	15.00%	14.00%
Soft Cost	40 or 45%	44.32%

Per Unit Comparison

	Limits	
Cost per unit total	n/a	391,343
Cost per unit residential only	$365,000	391,343
Cost per unit Const / Rehab	n/a	245,694
Credits per unit	n/a	178,917
Operating Cost per unit	$3,000 min	3,872
Replacement Reserves	$350 min	350

Per Square Foot Comparison

Construction / Rehab per sq ft	192.92
Total Project Cost per sq ft	333.72
Credits per sq ft	152.57
Credits per sq ft (residential only)	187.43

Utilities Paid by (Tenant / Owner) Tenant

Market Study Data:

Vacancy Rates	0.0%
Absorption Rate	4.5%
Months to Absorb	45,942
Average Project Rent	1,603
Average Market Rent	2,475
Units needed for Targeted AMI's	3,800

Market Rents	
0-bdrms	-
1-bdrms	2,095
2-bdrms	2,370
3-bdrms	2,960
4-bdrms	-
other	-

Board Agenda Item

Board Meeting: December 8, 2025

Multifamily Program

HB 924 – Multifamily Program Guidelines Review and Approval of Interest Rates for Loan Programs and Eligible Uses

Background:

House Bill 924, which created the Montana Growth and Opportunity Act, passed during the 2025 Legislative session. Administrative rules were adopted on November 7, 2025 and became effective on November 8. Board staff additionally developed the attached Multifamily Program Guidelines to augment and further clarify the program's Administrative Rules and parameters for the loan programs application, review, and approval processes. These Guidelines are provided for Board members to review and provide feedback at its December 8 public meeting. Additionally, the Board is requested to approve interest rates for the programs and each eligible use. These interest rates can be modified by the Board in the future.

Staff Recommendation (if any):

Staff recommends the Board approve Motion Option 1 below.

Motion Option(s):

1. For loans that fall under Eligibility 1, move to approve an interest rate of 3.25%. For loans that fall under Eligibility 2, move to approve an interest rate of 4.25%. For loans that fall under Eligibility 3, Board staff will recommend an interest rate to the Board as needed on a case-by-case basis.
2. Set a different rate.

Multifamily Loan Programs
Program Guidelines

Programs

- **GO Housing – HMF** (Growth & Opportunity Housing Trust – Housing Montana Fund) was established during the 2025 session. The Montana Housing Trust in the Montana Growth and Opportunity Trust permanent fund is held at the Montana Department of Revenue and is funded by scheduled transfers from the capital developments long-range building program, general fund, and annual transfers of volatile revenues. This is a revolving loan fund.

    - MCAs: tbd ; ARMs: 8.111.501 to 507
    - Is 1st lien position required? NO
    - Is project required to pay property taxes? NO
    - Is the project limited to multifamily rental? NO
    - Is development or preservation of mobile home parks allowed? YES

- **GO Housing – MFHP** (Growth & Opportunity Housing Trust – Multifamily Homes Program) was established during the 2025 session. The Montana Housing Trust, in the Montana Growth and Opportunity Trust permanent fund is held by the Montana Department of Revenue. This program includes $65 million established under the original Coal Trust Multifamily Homes program. This is a revolving loan fund.

    - MCAs: tbd ; ARMs: 8.111.801 to 807
    - Is 1st lien position required? YES

DRAFT

- Is project required to pay property taxes? YES (except those located on tribal lands)
- Is the project limited to multifamily rental? YES
- Is development or preservation of mobile home parks allowed? YES

- **MBOH – HMF** (Montana Board of Housing – Housing Montana Fund) was established during the 1999 session. Funding for MBOH-HMF is held by the Montana Board of Housing. This program is not funded annually and is a revolving loan fund.

  - MCAs: Title 90 Chapter 6 Part 1; ARMs: 8.111.501 to 507
  - Is 1st lien position required? NO
  - Is project required to pay property taxes? NO
  - Is the project limited to multifamily rental? NO
  - Is development or preservation of mobile home parks allowed? YES

- **MBOH – MF** (Montana Board of Housing – Multifamily Loan Program) was established by the Montana Board of Housing and is funded by existing indentures of the Board. This program is not funded annually and is a revolving loan fund.

  - MCAs: none; ARMs: none
  - Is 1st lien position required? NO
  - Is project required to pay property taxes? NO
  - Is the project limited to multifamily rental? YES (restricted to only new construction or acquisition rehabilitation.)
  - Is development or preservation of mobile home parks allowed? NO

Definitions

- "Median income" means median income as determined by the U.S. Department of Housing and Urban Development, with adjustments for smaller or larger families.
- "Low-income" means households whose incomes do not exceed 80% of the median income in the area as determined by the U.S. Department of Housing and Urban Development with adjustments for smaller and larger families.

- "Moderate-income" means households whose incomes are between 81% and 95% of the median income for the area as determined by the U.S. Department of Housing and Urban Development with adjustments for smaller and larger families.
- "Rural area" or "Small municipality" means any area or municipality within the state that is not within the city limits of Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, Missoula, or any municipality which, as of the date of Application, has a population greater than any of the seven cities listed above.
- "Multifamily rental housing project" means a project that is two or more rental units.
- “Mobile home parks” as defined in 70-33-103, MCA means a trailer court as defined in 50-52-101 (7)(a) "Trailer court" means a parcel of land upon which two or more spaces are available to the public and designated for occupancy by trailers or mobile homes for use as residences.
- "Total development cost" means all costs shown in the application on the Uses of Funds less project reserves.

Eligible Applicants (all loan programs)

Applicants can be state government, local governments, tribal governments, local housing authorities, nonprofit community or neighborhood-based organizations, regional or statewide nonprofit housing assistance organizations, and for-profit housing developers.

Eligible Activities

Loans can be made for the following purposes:

1. **Eligible Activity 1**: Matching funds for public or private funds available from other sources for the development (new construction) of housing for low-income or moderate-income households; acquisition of existing housing stock for the purpose of preservation of or conversion to housing for low-income or moderate-income households.
    - Provide for complete amortization at maturity through substantially equal monthly payments of principal and interest.
    - Have an amortization period not to exceed 40 years and a term not to exceed 30 years as approved by the Board based on the loan amount, other funding sources and obligations, and other relevant factors.
    - If a project is for homeownership, a short-term loan would be done during construction, as described below, and the terms of the loan would be considered based on the needs of the project. These loans will be made as interest only.
    - Bear interest at an annual rate as approved by the Board. This rate includes all administrative and servicing fees.
        - 3.25% (approved at 12/8/2025 meeting)
    - Will not exceed 95% of total development cost.

- At least 75% of the project units or lots must be targeted to residents at or below 95% of area median income. Note that homeownership project sales prices will be affordable to income-targeted households.
- Financial feasibility will be used to set amortization period.
- Shorter loan terms will generally be 16- or 20-year terms.
- The property owner must execute and record a land use restriction agreement provided by MBOH as the regulatory agreement running with the land that will include the following:
    - Income targeting;
    - Maximum rent/sale price requirements and restrictions.
    - Related transfer, compliance, and enforcement restrictions
    - A term of the longer of thirty years or the duration of the loan obligation. This would apply to both multifamily and single family units.
- Loans will either:
    - Provide permanent financing, with loan closing and disbursement occurring after completion of construction and three months of stabilized occupancy (90% for 3 months); or
    - Provide financing prior to completion of construction, when the board determines additional public benefit such as but not limited to:
        - Allowing project financial feasibility.
        - Facilitating bridge financing during the construction phase.
        - Providing an increased number of affordable housing units.
        - The Board may require additional security, risk management measures, and other loan terms. Examples of such conditions include additional collateral, third-party construction, and disbursement monitoring obtained or

provided and paid for by the borrower, investor, or other lender.

- Funds will be disbursed at closing and will be held in escrow with a disbursement agent. Escrow funds are allowed to be invested in low-risk investments to minimize negative arbitrage. The disbursement agent will manage draws through an approved disbursement agreement.
- If a loan will be paid off after construction is complete, the loan will be structured as interest only until payoff.

2. **Eligible Activity 2**: Bridge financing necessary to make development of housing for low-income or moderate-income households feasible. This includes acquisition of land for housing developments, land banking, and land trusts. These loans will:
    - Have a short term loan;
    - Have affordability restrictions, limitations on resale for use other than as low- or moderate-income affordable housing, and provide for recapture of the interest savings an applicant received by borrowing from the program rather than at conventional market rates;
    - Comply with loan-to-value and other required loan provisions as approved by the Board;
    - Be interest only and have a term not to exceed 3 years as approved by the board based on the loan amount, other funding sources and obligations, and other relevant factors;
    - And bear interest at an annual rate as approved by the Board. This rate includes all administrative and servicing fees.
        - 4.25% (approved at 12/8/2025 meeting)

- Will not exceed 50% of land value if a land deal. Land value will be the lower of appraised value or purchase price.

3. **Eligible Activity 3**: Preconstruction technical assistance as described in 90-6-134(4), MCA, for housing for low-income and moderate-income households in Rural areas and Small municipalities or short-term, site-based housing vouchers for needy individuals.
    - Shall be subject to terms and conditions, as approved by the Board, which shall ensure a reasonable likelihood of repayment.

General Program Parameters (all Eligible Activities):

- Generally, the minimum and maximum loans that will be considered will be between $250,000 and $5,000,000.
- Loans may not be made that will replace existing or available funding for eligible activities.
- Twenty percent of the money in any fund must be disbursed to Rural areas or Small municipalities based on population.
- Loans will be made to a single asset entity that holds the project.
- Mortgage must be secured by a lien perfected by a trust indenture against the real property benefited by the loan.
- Loan will be subject to a late fee of 4% of the monthly payment due for each monthly payment that is not made within 15 days of its due date.
- Applicants must demonstrate project development progress through submission of quarterly progress reports from the time of preliminary loan application approval through loan closing and construction.

- If progress is not demonstrated as determined by the Board, a loan commitment can be revoked.

Application Process

- A Pre-Application followed by a Full Application with all required attachments will be submitted on the Board's application platform.
- All required items for either application type are listed on the Board's application platform checklists.
- To request access to our application platform, please submit a Pre-Qualification form at the URL below; access will be granted by Board staff to the relevant checklist:
    - https://commerce.mt.gov/Housing/Developers/Housing-Credit/Housing-Credit-Application-and-Process
- A Pre-Application will be submitted, and the Board will issue any loan commitments based on this information.
- If approved, a Full-Application must be submitted with all required attachments within 90 days of loan commitment date.
- If a Full-Application has already been submitted, only the following is required:
    - Updated narrative addressing all items listed in the narrative section below.
    - Updated Proforma with revised structure.
- At the time the application is submitted, the applicant must also submit a written narrative including:
    - A description of the efforts made by the applicant to coordinate the loan with other housing assistance programs administered by the board, the federal government, state agencies, tribal government, local public housing authorities, local governments, and private entities;

- An explanation of how the loan will not replace existing or available funding for the project;
- A detailed description of the public benefit obtained from program funding;
- When applicable, construction phase funding compared to funding from other existing and available funding sources with substantially similar terms and conditions; and
- For mobile home park projects, documentation of lot rents for comparable mobile home parks in the market area and an explanation demonstrating that proposed lot rents will be reasonable and affordable for prospective residents.

- The Board will review the following criteria when considering loan approval:
  - The applicant's experience in managing or developing housing for Low- and/or Moderate-income households;
  - The percentage of the units in the project that will be available for Low- and/or Moderate-income households;
  - The need for Low- and Moderate-income housing in the community where the project is located;
  - The priority of the Board's proposed lien in relation to the amount of the loan; and
  - The priority of the liens and the amount of the loans of the other lenders on the project.
  - Project location;
  - The loan size and whether it maximizes the geographical distribution of the loan program; and
  - The use of other funds to leverage the use of the Board’s funds.
  - The following categories will also be used as consideration for funding:
    - Income Levels Targeted
    - Project Efficiency
    - Location Considerations

- Geographic Distribution
- Community Contributions

- Board staff reserves the right, in consultation with the project, to move projects to a different program than requested to best utilize available funds.

Underwriting and Fee Limitations

Underwriting assumptions and fee limitations will use the most current Qualified Allocation Plan for Housing Credits as a guide.

Fees

Total of 1% of mortgage loan amount due at closing.

Compliance Fees

Compliance fees will match current compliance fees for Housing Credits. Fees will be charged once and not for each funding source, if there are multiple.

Initial One-time Competitive Funding Round and Timeline

Dec. 2025	Start accepting Pre-Qualification Forms
Jan. 2026	Individual project Pre-Application meetings scheduled
Feb. 2026	Application workshop | Grant access to Application Checklists
April 13, 2026	Pre-Application deadline
June 8, 2026	Loan commitment award at Board meeting

- After this initial competitive round, the Board anticipates moving to an open funding process, subject to the availability of funds.
- Pre-Qualification Forms can be submitted after December 11, 2025 (required for all loan applications).

- Submission of the Pre-Qualification Forms serve as the applicant's request to access the Board's application platform for Pre-Application submissions, and Full Application submissions, if selected.
- The Pre-Qualification Forms are available here: https://commerce.mt.gov/Housing/Developers/Housing-Credit/Housing-Credit-Application-and-Process
- Pre-Application meetings for each project will be scheduled in January 2026.
- Access to the Pre-Application and Full-Application system will be given starting in February 2026.
- Application Workshop will be held early February 2026.
- Pre-Application Deadline: Monday, April 13, 2026 by 5:00 pm MDT.
- Pre-Applications will be considered at the June 8, 2026 Board meeting.
- All Pre-Application approvals will be contingent on submission of a Full-Application that meets all underwriting criteria and cashflows.
- Full Application Deadline: If selected, Full Applications will be due no later than Wednesday, September 30, 2026 by 5:00 pm MDT.
- If a project has already submitted a Full Application:
- A Pre-Qualification Form must still be submitted.
- Board staff will grant the applicant access to the application platform and the applicant must then provide:
  - Updated narrative addressing all items listed above that are needed for an application.
  - Updated Proforma with revised structure.
- MBOH expects to approve projects so long as funds remain available.
- Once all available funding is committed, remaining projects will be listed in priority order to be funded if a project is not able to move forward with their loan.

Available Funds as of 11/18/2025

GO Housing-HMF	$22,000,000
GO Housing-MFHP	$13,181,315
MBOH-MFLP	$2,924,4515
MBOH-HMF	$1,625,107
Total:	$39,730,937

Available funding is subject to change. Please contact MBOH Multifamily program staff at dochdmf@mt.gov to inquire about available funds for each program.

Frequently Asked Questions

1. Can existing community land trusts (CLTs) use loan funds to provide affordable housing?
    - Loan funds in either HMF programs could be used.
    - If acquiring land for future development, Eligible Activity 2 could be used to purchase the land using a short-term loan.
    - If trust property has been developed, Eligible Activity 1 could be used for a long-term loan on the land while the homeowner would have separate financing the structure using existing homebuyer programs.
    - Under either scenario, the project would need to meet income targeting requirements and be able to support debt repayment.
2. If acquiring an existing multifamily project or single-family units, is rehabilitation required?

- It is not required if a capital needs assessment does not identify any deficiencies.
- If deficiencies are identified, they will be required to be addressed.

3. Can loan funds be used for mortgages to homebuyers?

    - No, homebuyers will need to use single family programs to purchase their home.

4. Can loan funds be used to develop and construct single family homes that will be sold to families?

    - Both HMF program funds can be used for this purpose.
    - Projects constructing homes for sale will be required to use a Habitat, CLT or similar organization to manage future affordability restrictions.
    - A plan must be submitted by the applicant outlining how current and future sales restrictions will be handled. Example:

        - Property is sold and used as principal, owner-occupied residence.
        - Homebuyers must be an eligible household with annual gross income at or below proposed income targeting (i.e., 75% to moderate income not to exceed 95% AMI).
        - 24 CFR Part 5 will be used to qualify income of homebuyers, consistent with the Board's other single-family programs and Commerce's HOME program. Applicants can refer to the Board's Income Determination Guide available here: https://commerce.mt.gov/_shared/housing/Homeownership/docs/IncomeDeterDef.pdf
        - Purchase prices must be affordable to a reasonable range of income qualified eligible households (i.e., if targeting Moderate-

income at 95%, reasonable range may be 80-95% AMI; if targeting Low-income at 80%, reasonable range may be 50-80% AMI).

- Original homeowners at time of sale will be limited to up to 3% annual appreciation. Consideration for capital improvements made to the home by the original homeowner may be considered if third party documentation evidencing substantial repairs or replacements (i.e., roof, HVAC, electrical, plumbing etc.) are provided.

Multifamily Program Dashboard
December 8, 2025

MBOH Multifamily Loan Programs
Available After Commitments

GO Housing - HMF (New)	$16,620,945	Funds held by DOR
GO Housing-MFHP (Old CT)	$13,181,315	Funds held by DOR
MBOH-MF	$3,621,051	Funds held by MBOH
MBOH-HMF	$1,636,390	Funds held by MBOH

Projects Underway

Amount	Program/Project	City/Units	Year Awarded	Recipient	Est. Completion
8,500,000	9%/Saddle Horn Apts	Miles City/30	2026	CR Builders	Apr-27
8,500,000	9%/4%/Wild Flower Apts	Missoula/96	2026	Missoula Housing Authority	Feb-28, Jul-27
7,500,000	9%/4%/Towers	Billings/145	2026	Homeword	Sep-27, TBD
6,700,000	9%/4%/Sheep Mtn Res	Livingston/48	2026	Boundary Development	Nov-27, TBD
8,336,000	9%/Outpost at Kalispell	Kalispell/24	2026	Mach LLC	Jun-27
37,000,000	4%/Anaconda Portfolio	Anaconda/164	2025	Good Housing Partnership	Feb-27
7,500,000	4%/Centennial Village	Great Falls/48	2025	Vitus Development LLC	Dec-25
12,000,000	4%/Aspen Village	Great Falls/60	2025	Vitus Development LLC	Apr-26
42,000,000	4%/Montana 6	Scattered/232	2025	NWMT Affordable Housing	Aug-25
2,200,000	4%/MF/Rocky Mountain Flats	Bozeman/296	2025	Blueline Development, Inc	Dec-27
30,000,000	4%Goldspur at Urban Farm	Bozeman/145	2025	Roers Bozeman Affordable Apartments Owner LLC	Apr-28
4,702,040	9%/CT/HMF/MF/Skyview	Billings/26	2025	GL Development	Oct-27
33,500,000	9%/4%LB Lofts	Billings/Laurel	2025	Homeword/HomeFront	Nov-27
6,500,000	9%Opportunity Place	Missoula/24	2025	42-44 Developers	Aug-26
46,500,000	9%/4%/MF/Hidden Creek	Bozeman/178	2025	United Housing/HRDC	Nov-27, Feb-28
6,500,000	9%/CT/Polson Gardens	Polson/24	2025	Housing Solutions	Apr-26
6,500,000	9%/CT/The Homestead	Dillon/20	2025	The Housing Company	Sep-26
7,500,000	4%/Franklin School	Great Falls/40	2024	Vitus Development LLC	Mar-26
8,050,000	9%/CT/Riverstone Senior	Hamilton/23	2024	Housing Solutions	Jan-26
27,155,000	4%/The Aurora	Billings/156	2024	Kamaka Affordable Housing, LLC	Jul-26
13,197,880	9%/4%/Midtown Aspen	Bozeman/46	2024	Boundary Dev & HRDC	Jun-26
8,200,000	9%/CT Mitchell Court	Billings/32	2024	GL Development	Jan-26
10,963,840	4%/The Manor	Hamilton/60	2024	Sapphire Lutheran Homes	Jun-26
6,435,000	9%/ANHA LIHTC #2	Agency/20	2023	Apsáalooke Nation HA	Dec-26
41,961,750	9%/4%/Creek Side Apartments	Missoula/161	2023	Homeword	Dec-25, Sep-26
6,500,000	9%/MF/Cabinet Affordable	Libby/24	2023	Cabinet Affordable Housing	Jan-26
7,700,000	9%/MF/Meadowlark Senior	Butte/26	2023	Northwest Real Estate Capital Group	Jan-26

Board Agenda Item

Board Meeting: December 8, 2025

Operations / Executive Director

BOARD MEETINGS

- The next Board meeting will be held on Monday January 12, 2026, at 8:30 a.m. via Zoom.
- The approved 2026 MBOH Board Calendar is now included on each Board meeting agenda.

BOARD MEMBER OPPORTUNITIES

- Save the date – NCSHA LegCon – March 9-11, 2026. Come to Washington this March to help NCSHA educate your legislators about the impact of federal housing programs in your state and the need to expand housing resources. NCSHA is bringing to LegCon key members of Congress and their staffs, senior federal officials, and industry leaders to get their insights on the 2026 legislative agenda — information that will help you advocate most effectively for our affordable housing priorities. Please contact Cheryl Cohen and Logan Colberg if you are interested in attending LegCon.

CONTRACTS / PROCUREMENT

- Emphasys software contract (used by MBOH Accounting, Homeownership, Servicing, and some minor uses by Multifamily) is being reviewed for annual contract renewal, due by December 31.

PERSONELL

- Steven Monroe, Housing Choice Voucher Supervisor, departed from Commerce on Monday, November 18. An internal recruitment process, open to the department, is now underway.
- MBOH Multifamily Development is recruiting for a 0.5 budgeted position on its allocation team.
- An internal recruitment to establish a permanent Loss Mitigation Supervisor is underway. This recruitment is open to mortgage servicing and homeownership employees; the successful applicant's current job position will be reclassified to add the supervisor duties. This is not a new position.

HOMEOWNERS ASSISTANCE FUND

- A total of 3,579 applications have been submitted to all statewide programs as of December 1, 2025.
- HAF has spent over $23 million on all programs.
- We hired for our open Compliance Specialist position for a Quality Reviewer, and this was an internal candidate so we will not be hiring a replacement as the program is starting to wind down.
- All audit materials have been finalized for our audit in early 2026.

COMMUNITY HOUSING

- We have recommended making awards for five projects, with two awards from each of the three HUD programs. The recommendations are pending approval from the Governor's Office.
- Commerce has signed grant agreements for 2025 allocations of CDBG, HOME and HTF and returned those to HUD for signatures.
- HOME, HTF and CDBG funds have been awarded to following six entities: HOME and HTF to CR Builders for Saddlehorn Apartments in Miles City; HOME funds to the Crow Tribe for permanent supportive housing in Hardin; HTF to Homeword for the Fraser and Sage Towers in Billings; and CDBG funds to Fergus County for a Heart of Montana Farm in the Dell group home, to Twin Bridges for the Four Rivers fourplex and to Mineral County for its Housing Stabilization Program.
- Commerce's 2025 CDBG, HOME and HTF awards have been allocated in HUD's database.
- We continue to watch for updates n the 2026 HUD budget as it makes its way through Congress. The current Continuing Resolution expires January 31, 2026.
- We continue to watch for updates on the 2026 HUD budget as it makes its way through Congress. The current Continuing Resolution expires January 31, 2026.

EXECUTIVE DIRECTOR

- Board staff are continuing to work with Legislative Auditors on the FY2025 MBOH Financial Statement audit. We anticipate wrapping up in early December. The Board's FY25 audited financial statements will be presented at the January 2026 Legislative Audit Committee.

- Board staff have met several times with Legislative Auditors who are conducting a limited review of our efforts relating to recommendations included within the 2023 Performance Audit. We anticipate wrapping up this review in early December. An update will also be provided at the January 2026 Legislative Audit Committee, and MBOH leadership will be present to answer any questions.
- Changes to HUD Continuum of Care funding: https://montanafreepress.org/2025/11/26/montana-could-lose-millions-for-low-income-housing-under-new-federal-policy/
- The Rental Assistance Special Populations team has been working with DPHHS on various program information-sharing, training, referrals, and updating our interagency MOU. Initial efforts have been positive with significant more referrals to the Mainstream voucher program since collaborating with DPHHS to inform partners about these resources. Similar efforts are underway with the U.S. Department of Veterans Affairs; Commerce is now receiving an increased number of referrals for HUD-VASH from its VA partners.
- Board officer elections were last held in August 2023. Board member discussion on holding elections at the January 2026 Board meeting.

Board Agenda Item

Board Meeting: December 8, 2025

Operations / Executive Program

MBOH Board Training Policy

Background:

In 2023, the MBOH was selected for a Legislative Performance Audit focused on our approach to Board governance and LIHTC administration process. In the auditor's letter dated May 17, 2024, titled *Supporting Low-Income Housing: The Montana Board of Housing and Its Role in Awarding Housing Tax Credits (23P-04)*, the following recommendation was included:

> **Recommendation #5:**
> We recommend the Montana Board of Housing either seek legislation to make training required for board members or develop a policy to implement a training requirement and schedule.

The MBOH, in our written response dated June 4, 2024, included the following:

> **Board Response #5:**
> MBOH *partially concurs* with the recommendation to adopt a training policy implementing a training requirement and schedule. However, the Board does not concur with much of the Auditors' characterization of Board policy and training.

Please see discussion regarding Board training under the previous recommendation (#4).

> *(Note the follow excerpt from recommendation #4: "The Board has provided conflict of interest training to its members at least annually, including training regarding Montana's standards of conduct and ethics for public officers, particular conflict issues that may arise with respect to the Board's programs, how and where to seek guidance regarding possible conflicts, and the disclosure and recusal processes.").*

The Board agrees to develop and adopt a policy regarding training, including content, frequency and mandatory attendance. Note that the May 13, 2024 Board Attendance Policy requires attendance at Board trainings.

There are over 150 boards within the state of Montana, with Board members appointed by the Governor and confirmed by the state senate. It is critical that potential appointees have a clear sense as to the time commitment of the position, including board meetings themselves and any required board trainings. There has been considerable work done at the Executive branch to make standardized trainings available to Board members. A coordinated approach to identifying other standardized trainings that could be made available to all state of Montana Board members may be warranted, or at minimum, increased communication to outline the meeting and training time commitment an appointee could expect *prior* to their acceptance of the position.

During its recent review of our implementation of the 2023 Performance Audit recommendations, auditors inquired about the status of our work under this recommendation. Rather than pursue any legislative changes related to required training for Governor-appointed Board members, staff and legal counsel has developed the enclosed MBOH Board Training Policy to memorialize our historic and recent practices with respect to developing and providing training to Board members.

Staff Recommendation (if any):

Staff recommend the Board move to approve the enclosed MBOH Board Training Policy.

Montana Board of Housing
Board Training Policy

The Montana Board of Housing was established by the Housing Act of 1975 to address a shortage of decent, safe and sanitary housing for lower income persons and families by assisting private and governmental entities in financing critical housing needs in the state. The Board is comprised of members who are informed and experienced in fields of housing, economics and/or finance from diverse areas across the state. The Board is charged with setting policy for the agency.

Purpose

This policy is intended to ensure the Board functions as effectively as possible by ensuring each Board member receives sufficient training on MBOH programs, policies, performance, financials, applicable state law and administrative rules, applicable federal law and regulations, and other topics as identified by Board staff, Board members, and MBOH partners, including but not limited to its bond counsel, general counsel, financial advisor, and senior underwriter.

Providing robust training is a critical component of effective Board governance. The intent of this policy is to ensure all Board members have robust grounding in the agency's purpose, historic and current and policies, operations and performance so they can be fully informed on matters presented to the Board for its role in setting policy for the agency.

Policy

MBOH's Executive Director and Executive Leadership team are responsible for preparing and providing timely, accurate, and comprehensive training to all Board

members. Training is generally developed in collaboration with MBOH partners, as noted above.

Board members are expected to attend and actively participate in scheduled Board training sessions, as indicated in the Board's Meeting Attendance Policy. Active participation includes asking follow-up questions and providing suggestions or policy preferences. If a Board member is lacking clarity about any particular program, policy or activity of MBOH, it is the responsibility of the Board member to ask follow-up questions and/or to notify the Executive Director that additional training may be warranted.

Process

At least twice annually, Board staff, in conjunction with MBOH partners, prepare and present trainings for Board members at dedicated all-day (typically 8:30 am – 4:00 or 4:30 pm) Board training meetings. Generally, these twice annual training dates are scheduled in April and October and are held in-person.

In addition to these dedicated training days, Board staff regularly solicit feedback from Board members on any areas where additional training may be needed, for example, on an emerging regulatory issue, when new programs are established, when a significant change to MBOH's business model is proposed, or when potential policy adjustments are identified for an existing program. When additional training needs are identified, Board staff determine whether the training can be included in an April or October dedicated training day or, if the matter is pressing, the training can be included at the end of any regularly scheduled Board meeting.

Training will be strategically timed based on known or anticipated meeting agenda items that will come before the Board. For example, Board staff generally provide a Low-

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Income Housing Tax Credit training in April in advance of the May LIHTC pre-application presentations and selections for full application.

In the event a new Board member is appointed shortly after the dedicated training days in April or October, the Executive Director will meet with the new Board member and advise him/her to watch the training videos (available at https://commerce.mt.gov/Housing/Montana-Board-of-Housing/), and will schedule a follow-up meeting with the new Board member to answer any questions or provide clarifications on the training materials reviewed. The Executive Director will ask from the new Board member his/her priorities for additional training and will make reasonable efforts to arrange for MBOH staff and/or partners to provide ancillary training to the new Board member as requested.

To the extent feasible and practicable, Board staff will time trainings such that multiple new Board members can participate, preferably in-person, at the same time.

Training Content

The following list reflects standard training content to be provided to all Board members at a frequency to be determined by Board staff, considering Board member composition, Board member longevity, and other factors. Generally, the standard training content will be provided on a biennial basis.

- Boardmanship Basics / Governance Essentials
- Board Meeting Attendance Policy
- Board Training Policy
- Conflict of Interest Policy
- Ex Parte Communications Policy
- Accounting & Finance 101 (i.e., The Color of Money)

- Housing Credits & Multifamily Loans 101
- Mortgage Revenue Bonds 101

Additional training provided to Board members in recent years includes but are not limited to:

- History of Board Policies / Set-aside Evolution
- Program-specific training, i.e., Reverse Annuity Mortgage program
- Interpreting HFA / MBOH Financials
- NCSHA Recommended Practices in Housing Credit Administration
- Qualified Allocation Plan
- Multifamily Loan Portfolio and Assessment Management Assessment
- Homebuyer Education
- Habitat for Humanity Set-Aside
- Servicing Policy Manual
- Investment Policy
- Strategic Planning / Objectives, Goals, Strategies, and Measures

Board Member Resources

Board staff will maintain a library of training materials for Board members to access on its Board Member Resources website at https://commerce.mt.gov/Housing/Montana-Board-of-Housing/. Board staff will update the resource library by January 1, 2026 and each January thereafter to provide a single repository of training materials so they can be easily accessed by Board members and interested members of the public.

Conference Training Opportunities

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In addition to training prepared and presented by Board staff and MBOH partners, Board staff notify Board members of state and national level conference training and networking opportunities in its Operations / Executive Dashboard at each public Board meeting. Conference training opportunities include offerings by the National Council of State Housing Agencies and the association National Council of State Housing Boards, including the NCSHA Legislative Conference and NCSHA Annual Conference. The Montana Housing Partnership Conference also provides valuable training and networking opportunities. Board staff strongly encourage Board members to participate in these conference training opportunities and provide support with all travel logistics and expense reimbursements to ease any administrative burden on Board members.

Adoption

This policy was adopted by the Board on December 8, 2025.

Acknowledgement

New Board members will be provided with a copy of this policy and will sign to confirm they have read, understand and will comply with the policy. All Board members will be provided with a copy of this policy on an annual basis and will sign to confirm they have read, understand and will comply with the policy.

The undersigned Board member hereby acknowledges receipt of a copy of this policy and that the member has read, understands and will comply with the policy.

DATED: _____

Board Member Signature: _____

Print Board Member Name: _____