

Montana Board of Housing — Board Meeting

Meeting Location: Zoom

Date: April 14, 2026

Time: 8:30 a.m.

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: 889 8314 2280
- Password: 523646

Register for Webinar: [mt-gov.zoom.us/meeting/register/tZwfk-qpqjkoEtTQNYgNB23ryez6Nh6ZIGr1](https://mt-gov.zoom.us/join/mt-gov.zoom.us/meeting/register/tZwfk-qpqjkoEtTQNYgNB23ryez6Nh6ZIGr1)

Board Offices:

Montana Department of Commerce
Montana Board of Housing
301 S. Park Ave., Room 240
Helena, MT 59601
406-841-2840

Agenda Items

- Meeting Announcement
- 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 (Vicki Bauer)
 - Investment Policy Update for Board Approval
 - Accounting & Finance Program Update
- Homeownership Program (Jessica Michel)
 - SF 2026B Bond Resolution for Board Approval
 - Homeownership Update
- Multifamily Program (Jason Hanson)
 - Multifamily Update
- Mortgage Servicing (Jesse Ennis)
 - Hazard Policy Update for Board Approval
 - Loss Draft Policy Update for Board Approval
 - Mortgage Servicing Update
- Operations/Executive Director (Joe DeFilippis + Cheryl Cohen)
 - Rental Assistance Dashboard
 - 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. Third-party documents may not be accessible. To request an accessible version, contact housing@mt.gov.

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 a.m.

Board meetings (training and strategic planning dates in green):

- Monday, Jan. 12 via Zoom
- Monday, Feb. 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 20 via Zoom
- Monday, Aug. 10 via Zoom
- Monday, Sept. 14 via Zoom
- **Monday, Oct. 19 — Miles City, MT**
- Tuesday, Oct. 20 via Zoom (LIHTC 9% Awards and QAP) — Miles City, MT
- Monday, Nov. 16 via Zoom
- Monday, Dec. 14 via Zoom (subject to cancellation)

Conferences and 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, Jan. 12- Friday, Jan. 16: HFA Institute, Washington D.C
2. Monday, March 9-Wednesday, March 11: NCSHA Legislative Conference, Washington D.C.
3. Monday, May 18-Wednesday, May 20: Montana Housing Partnership Conference, Fairmont Hot Springs, MT
4. Monday, June 2-Friday, June 5: Housing Credit Connect St. Louis, MO
5. Saturday, Oct. 3-Tuesday, Oct. 6: NCSHA Annual Conference, Detroit, MI



April 10, 2026

Montana Housing Staff, Montana Board of Housing:

We understand there have been questions and concerns about the timeline for the LB Lofts project at 201 Sioux Lane in Billings. We would like to acknowledge the extensive and valuable due diligence that has been completed to move the project forward. Here are many of the things that we have accomplished behind the scenes:

- Status of Current Due Diligence:
 - The pods are purposefully positioned at an angle on the blocks to minimize snow and water buildup.
 - HomeFront has secured each unit, including screwing doors shut that could not be locked.
 - HomeFront has posted no trespassing signs, provided a security fence, and surveillance (both technical and human), with walking the property regularly. We also communicated with our own residents (80 households on the same block in the area) to report any traffic of unknown people in the area. None of the households in the area feel that the area is a safety concern.
 - Regular visits inside the fenced area show no evidence of transients or pests occupying the site or the PODS.
 - HomeFront will have all outward facing windows boarded up.
 - HomeFront has addressed all concerns that have been brought to our attention from neighbors and community members.
 - Langlas Construction was procured to conduct pre-construction assessments of the pods, as requested by City of Billings.
 - Langlas Construction has completed a thorough review of all construction material/pods and provided construction cost estimates and ideas on costs savings.

- Architect and Contractor continue to work diligently on projected construction numbers and value engineering to refine construction budget numbers.
- Homeword and HomeFront have enlisted an additional contractor to review and confirm numbers and add to value engineering options.
- The development team has decided not to utilize the pods for the first-floor construction to simplify structure and add to project cost savings.
- Both HomeFront and Homeword continue to explore options for funding – work with tax credit investor and lending in process, working to maximize investment, new loan products from the States, etc.
- Montana Housing has a new debt resource available, applications are being submitted to for GO Housing Trust – Housing Montana Fund, loans will be awarded in June 2026. These favorable loans will provide critical additional resources for the project.
- HomeFront is committing additional financial resources to the project to assist with the overall project budget.
- 79 PODs will be moved to alternate site prior to being sold. The PODs will be moved by end of May 2026. The remaining PODs will be moved and organized for construction staging. We believe signs of activity at the site will assure the community that the PODS have not been forgotten or abandoned.

As the Developer (Homeword) and Owner (HomeFront) we want to be transparent about unforeseen fiscal and market equity challenges affecting project budget and construction schedule. The development track records for both Homeword (Starnier Gardens, Southern Lights, the Acme) and HomeFront (Pheasant Home, Red Fox Apartments, Whitetail Run Apartments...) illustrates that these types of early delays are not typical for either HomeFront or Homeword developments. Some of the unique project specific characteristics and more all-encompassing challenges we are navigating are:

- Development Challenges, Budget Impacts:
 - Ongoing federal government impacts on Housing Credit pricing remain high, which decreases the cost per credit and hence, the equity available for the project.

- Construction and permanent financing interest rates have increased and remain high, allowing less debt for the project.
- Cost estimates came in extremely high due to ongoing market impacts and due to BABA (Buy America, Build America) compliance, and construction costs in general have continued to rise significantly in the last six years, still reacting to the global impacts of the 2020 pandemic.
- CRA needs in Montana are lower, and with corporate tax rates still at 21%, tax credits are less attractive to syndicators and investors.
- HUD directed PHAs to delay issuing any new AHAP contracts, which are essential for the project and its debt that can be supported. HomeFront will be submitting the AHAP for this project in late April 2026.
- LB Lofts features the innovative use of premanufactured bed/bath modules to demonstrate potential cost/resource savings and a sustainable way to reduce waste and re-use previously deployed modular components. In a time of economic uncertainty, Investors are more risk averse and less interested in innovation. With less competition, equity offers are lower, requiring more sources of other funding and a more diverse and layered capital stack that also increases complexity, making Investors more cautious.

Our intention is to close on the LB Lofts and Laurel Gardens in late summer and start construction this fall. We are eager to begin this project, so we can create 101 new homes that Billings residents can afford to rent and rehabilitate 30 existing homes in Laurel for seniors and people living with disabilities, to further leverage all the funding sources for LB Lofts. Homeword and HomeFront are committed to these projects and feel confident we can find solutions to the challenges.

As our world changes around us, as materials and labor become less plentiful, as we begin to experience changes in our climate, both Homeword and HomeFront feel this project is important not only for providing 101 safe, healthy homes that Billings resident can afford to rent, but as a way to reduce, reuse and recycle building components that are often discarded and abandoned. However, innovation comes at a cost – if everyone was willing to be innovative, it would no longer be thinking outside the box and finding new solutions for old

problems. Innovation alone can cause delays, as change can make people nervous. But when the project is a success, and people can see that this idea is beneficial in many ways, an existing problem will become a new resource.

We appreciate the City and our community's patience as we work through these challenges. Rest assured we are making progress; it is slower than we would like and is not normal for our organizations. Please let us know if there are any questions or if we can share any more information.

Sincerely,



Patti Webster, CEO/ Executive Director
HomeFront



Karissa Trujillo, Executive Director
Homeword, Inc.



Meeting Location: Virtual via Zoom

Date: April 14, 2026

Time: 8:30 am

Roll Call of Board Members:

Bruce Posey, Chair (Present)

Sheila Rice (Present)

Amber Parish (Present)

Jeanette McKee (Present)

Rachel Arthur (Present via Zoom)

Richard Miltenberger (Present)

Ryan Aikin (Present)

Staff:

Cheryl Cohen, Executive Director

Jessica Michel, Homeownership Manager

Logan Colberg, Executive Assistant

Jason Hanson, Multifamily Manager

Joe DeFilippis, Operations Manager

Megan Surginer, Administrative Manager

Vicki Bauer, Finance Manager

Jesse Ennis, Mortgage Servicing Manager

Kellie Guariglia, Multifamily Program

Bruce Brensdal, Multifamily Program

Ashley Miller, Finance Program

Charles Brown, Homeownership Program

Danyel Bauer, Daily Ops Supervisor

Julie Flynn, Community Housing Manager

Brian Barnes, Multifamily Program

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](#).



Counsel:

Nathan Bilyeu Grace Berner

Others:

Mina Choo Misty Dalke Becky Brandburg Parker Webb
Partick Zhang Shane Walch Alex Berghalter Carissa Trujillo
Tyler Currence Drew Page Jenae Lewer Heather McMilin

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.
00:01:00 Introductions of Board members, Board staff, and attendees were made.
00:03:52 Board Chair Posey asked Public Comment for anything under the Board’s jurisdiction but not included on today’s agenda. Heather McMilin provided public comment regarding HomeWord project updates; please see the April Board packet for Ms. McMilin’s written public comment letter.

Approval of Minutes:

March 16 MBOH Board Meeting Minutes – See March Minutes in March’s Board Packet

00:07:00 Motion: Sheila Rice
 Second: Ryan Aikin
 March 16, 2026 MBOH Board meeting minutes were approved unanimously.

Finance Program:

Approval of Investment Policy Updates

00:07:35 Motion: Sheila Rice
 Second: Jeanette McKee



The motion to amend the Investment Policy language in Section IV.1 changing the term "Investment Committee" to "Board Investment Oversight" and Section XIII removing the amendment of a strike out of "quarterly" to be replaced with "semi-annually" was approved unanimously.

Motion: Sheila Rice

Second: Jeanette McKee

The motion to approve the Investment Policy was approved unanimously.

Finance Update

00:13:34 Presenter: Vicki Bauer

Homeownership Program:

Approval of Single Family 2026B Bond Resolution No. 26-0414 SF01_2026B

00:18:23 Presenter: Jessica Michel

Motion: Richard Miltenberger

Second: Ryan Aikin

The Board engaged in discussion of the funding of set asides in regard to Bonds.

The motion to approve Single Family 2026B Bond Resolution No. 26-0414 SF01_2026B passed unanimously.

Homeownership Update

00:25:24 Presenter: Jessica Michel

Multifamily Program:

Multifamily Update

00:29:27 Presenter: Jason Hanson

Mortgage Servicing Program:

Approval of Hazard Insurance Policy Update



00:39:29 Motion: Ryan Aikin
 Second: Amber Parish
 The Board engaged in discussion regarding the coverage of Habitat loans under Hazard Insurance Policy.
 The motion to approve the Hazard Insurance Policy Update was approved unanimously.

Approval of Loss Draft Policy Update

00:44:22 Motion: Jeanette McKee
 Second: Sheila Rice
 The motion to approve the Loss Draft Policy Update was approved unanimously.

Servicing Update

01:00:44 Presenter: Jesse Ennis

Operations/ Executive Director:

Rental Assistance Update

01:03:37 Presenter: Cheryl Cohen

Operations/Executive Director Update

01:12:13 Presenter: Joe DeFilippis and Cheryl Cohen

Meeting Adjournment:

01:26:05 Meeting was adjourned at 9:56 a.m.

Signed by:

 39DD66266A1641E...

5/12/2026

Amber Parish, Secretary

Date

Certificate Of Completion

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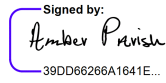
Signer Events

Amber Parish

ambersundsted@gmail.com

Security Level: Email, Account Authentication
(None)

Signature

Signed by:

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Signature Adoption: Pre-selected Style

Using IP Address:

2600:100e:b230:314e:b55a:e4a8:7b0f:1971

Signed using mobile

Timestamp

Sent: 5/12/2026 11:51:04 AM

Viewed: 5/12/2026 12:54:48 PM

Signed: 5/12/2026 12:55:13 PM

Electronic Record and Signature Disclosure:

Accepted: 5/12/2026 12:54:48 PM

ID: 71eb2dcc-0ae6-48a4-8800-c5986aeef0d6

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Sent

Hashed/Encrypted

5/12/2026 11:51:04 AM

Certified Delivered

Security Checked

5/12/2026 12:54:48 PM

Signing Complete

Security Checked

5/12/2026 12:55:13 PM

Completed

Security Checked

5/12/2026 12:55:13 PM

Payment Events

Status

Timestamps

Electronic Record and Signature Disclosure

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Required hardware and software

Operating Systems:	Windows® 2000, Windows® XP, Windows Vista®; Mac OS® X
Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari™ 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

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Board Agenda Item

Board meeting: April 14, 2026

Accounting and Finance Program

Investment Policy Discussion

The Board's Investment Policy is reviewed on an annual basis, updated as needed, and approved by members of the Board. The policy gives guidance and assures indenture funds are invested pursuant to the Board's bond trust indentures and applicable state law. It also provides some guidance on the investment of non-indenture funds.

During the most recent review, the policy was assessed by staff and members of the Finance Team, including General Counsel. The proposed changes were presented to the Board on Monday, April 13. The final Investment Policy is ready for Board approval.

PROPOSAL

Staff recommend the Board approve the Investment Policy as updated.

HOUSING DIVISION – MONTANA BOARD OF HOUSING

Investment Policy

PROCEDURE NAME:	MBOH Investment Policy
PROCEDURE OWNER: ▪ Job title ▪ approves revisions	Accounting and Finance Manager
PROCEDURE PERFORMER: ▪ Job title	Accounting and Finance Manager
DOCUMENT LOCATION:	K:\Internal Controls\HD_Policies and Procedures_Current_2025\AF\Final

DOCUMENT REVISION HISTORY

EFFECTIVE DATE	VERSION NUMBER	DESCRIPTION OF CHANGE	AUTHOR	DATE AUTHORED	APPROVAL	DATE APPROVED
10/19/2020	001	Updated to new format	AF Mgr	9/28/2020	Board	10/19/2020
4/12/2022	002	Update language	JMG	3/18/22	Board	4/12/2022
10/13/2022	003	Update references	AF Mgr	10/13/22	Board	4/18/2023
	004	Update	AF Mgr	04/03/2026	Board	

I. PURPOSE

The purpose of this policy is to give guidance to the program managers, the Accounting and Finance Manager generally, and the Montana Board of Housing (“Board”) regarding investment of funds held and invested by a trustee pursuant to the Board’s bond trust indentures.

Other Board (non-indenture) funds are deposited in the appropriate state treasury account and invested through the unified investment program under the direction of the Board of Investments. Board moneys (non-indenture) held by the State Treasurer in the Housing Authority Enterprise Fund or otherwise invested with the State shall be invested in the State’s Short-Term investment pool.

II. GOAL/OBJECTIVE

The goal/objective of this policy is to ensure Board adherence with the Housing Act of 1975 and the Board’s bond indentures and other agreements with its bondholders and noteholders (“Indenture” or “Indentures”).

III. RISK ASSESSMENT

Hazard: Investments are not made according to State and Indenture requirements

Risk: Government fines; non-taxable bonds could become taxable; loss of investments or investment value

Risk Level: Low

Control: All investments are prepared by the Accounting and Finance Manager or another authorized officer following investment procedures based on this policy. Indenture Trustees also review the policy and are required to ensure that all Indenture requirements are followed.

IV. POLICY

1. Investment Committee

- a. The Board shall be responsible for oversight of the Investment of assets of the Montana Board of Housing.
- b. Frequency of Board Review: The Board shall perform the review and other functions specified below at least once a year.
- c. Functions of the ~~of the~~ Board shall be:
 - i. *To review compiled investment reports*
 - ii. *To review the function of the investment policy for potential enhancement*
 - iii. *To review the return on assets of the Board*

- iv. *To address any staff concerns regarding investments or the investment policy*
- v. *To monitor compliance with the investment policy*

2. Sections 90-6-112 and 116, Montana Code Annotated

Provisions of Bond Resolutions; Trust Indenture: (Summary) The Board is authorized to provide by resolution for the terms of bonds and notes, including vesting the bond trustee with property, rights, powers, and duties as the Board determines. In the discretion of the Board, its bonds may be secured by a trust indenture, which may contain provisions for protecting and enforcing the rights and remedies of the bondholders, including provisions for the custody, safeguarding and application of all money, the payment of bond proceeds and revenues and method of disbursement, and safeguards and restrictions the Board considers necessary.

The Board's Indentures provide for investment of indenture funds by the Trustee in authorized investments at the written direction of an authorized officer of the Board.

V. PRUDENT EXPERT PRINCIPLE

All Investments shall be made in accordance with the requirements of the particular Indenture and the Internal Revenue Code, and the Board's officers, in directing which permitted investments the Trustee shall make, shall act in accordance with the prudent expert principle which requires an investment manager to: (a) discharge the duties with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity with the same resources and familiar with like matters exercises in the conduct of an enterprise of a like character with like aims; (b) diversify investment holdings to minimize the risk of loss and to maximize the rate of return unless, under the circumstances, it is clearly prudent not to do so; and (c) discharge the duties solely in the interest of and for the benefit of the portfolio.

VI. PRIMARY CONCERNS

Permissibility of investments, security, liquidity, and rate of return on investments are primary concerns. The Board has a responsibility in the investment of funds to seek the highest return available in the market consistent with the legality, security, liquidity, cash flow and programmatic requirements of each fund for which they are invested. The Board also has a responsibility to diligently monitor and calculate (or cause to be calculated) any arbitrage rebate required to be remitted to the federal government.

VII. LEVERAGED INVESTMENT

The Board shall not invest in leveraged investments, including but not limited to derivative investments which involve leveraging. Investments are to be made with the expectation that they will be held to maturity; investments are not to be made with the intention of participating in trading activities to generate investment returns.

VIII. SALES OF INVESTMENT

Should be limited to the following:

1. A sale and subsequent purchase would improve the quality or yield of the portfolio.
2. Liquidity needs of the portfolio require that the security be sold.
3. A sale of an investment is necessary as a result of refunding a bond issue.

Sales other than the above-mentioned should be approved by the Executive Director.

IX. TYPES OF INVESTMENTS

1. The Board may invest in the following securities provided that such investments meet the requirements of this policy:
 - a. Direct obligations of or obligations guaranteed by the United States of America, which includes certificates of ownership in the guaranteed portion of loans guaranteed by the Rural Housing and Community Development Service of the United States Department of Agriculture (formerly the Farmers Home Administration), participation certificates in obligations of the General Services Administration, obligations guaranteed by the U.S. Maritime Administration pursuant to Title XI, Small Business Administration guaranteed participation certificates and guaranteed pool certificates, mortgage-backed securities and pool certificates guaranteed by the Government National Mortgage Association, and Veterans Administration guaranteed REMIC securities and passthrough certificates;
 - b. Obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following:
 - i. *Farm Credit System or predecessors (the Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives);*
 - ii. *Federal Home Loan Bank System;*
 - iii. *Export-Import Bank of the United States;*

- iv. *Federal National Mortgage Association (only senior debt obligations or mortgage-backed securities, but excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts and excluding interest-only strips);*
 - v. *Federal Home Loan Mortgage Corporation (only senior debt obligations and participation certificates, but excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts and excluding interest-only strips);*
 - vi. *Tennessee Valley Authority;*
 - vii. *Federal Financing Corporation;*
- c. Certificates of deposit issued by, or time deposits with, any bank or trust company organized under the laws of the State, any national banking association which is a member of the Federal Reserve System, or any savings and loan association (including the trustee, a lender or a paying agent), which is insured by the Federal Deposit Insurance Corporation (FDIC) and provided that any such lender has capital stock, surplus and undivided profits aggregating at least \$1,000,000, and provided further that such time deposits or certificates of deposit, to the extent not insured by the FDIC, are fully secured by obligations of the type specified in parts 1 and 2 above which have a market value, exclusive of accrued interest, at least equal to the amount of such deposits. In no case shall the investment result in a reduction of the ratings by Standard & Poor's Rating Services or by Moody's Investors Services on the applicable bond series.
- d. Repurchase agreements or guaranteed investment agreements but only if:
- i. *The agreement is fully collateralized as to both principal and interest by obligations of the type specified in part 1 or 2 above and which collateral is delivered out and held by the Trustee or its agent, and the collateral is marked to market at least weekly; and*

X. Conflict of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interest in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Montana Board of Housing. Employees and officers shall disclose any material interest in financial institutions to the Executive Director and/or the Board within 30 days of acquiring a material interest. The Board and/or the Executive Director shall be updated as changes in material interests occur.

XI. Authorized Management

Authority to manage the investment programs is granted to the Accounting & Finance Manager. The Executive Director, Single Family Manager and Multifamily Program Manager are authorized to handle investments in the absence of the Accounting and Finance Manager. Responsibility for the operation of the investment program is hereby delegated to these officers, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy. The Accounting & Finance Manager shall have the primary responsibility for all investment transactions and shall establish a system of controls to regulate the activities of subordinate officials.

XII. Internal Control Structure

The Accounting & Finance Manager is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Montana Board of Housing are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. Accordingly, the Accounting & Finance Manager shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Written confirmation of transactions for investments

XIII. Investment Report

The Accounting & Finance Manager shall prepare, and present to the Board, an investment report at least ~~semi-annually~~ quarterly, including a management summary that provides an analysis of the status of the current investment portfolio transactions made over the last quarter. The summary will be prepared in a manner which will allow the Board to determine if the investment activities during the reporting period have conformed to the investment policy. The report should include:

1. Listing of individual securities held at the end of the reporting period.
2. Average weighted yield to maturity of the investment portfolio
3. Listing of investments by maturity date
4. Percentage of total portfolio which each type of investment represents

XIV. Responsibility

1. Investment officers acting in accordance with these Investment Guidelines shall be relieved of personal responsibility for an individual security's credit risk or market price changes provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
2. It is the responsibility of those Agency staff authorized to direct investments, primarily the Accounting & Finance Manager, to keep abreast of the latest developments within the investment community. Particular attention should be paid to both interest rate trends and items relating to the credit of and the Montana Board of Housing's exposure to various dealers, banks and securities.
3. Each Trustee and rating agency will be furnished copies of this policy, and amendments to it.

Board Agenda Item

Board meeting: April 14, 2026

Accounting and Finance Program

Investment Diversification Bar Graph

Diversification is an investment strategy that entails the purchase of a mixture of investments that reduces the exposure to investment risk. Currently, there are limited investments options available that fit within the Board's Investment Policy, so most funds are invested in money market.

- At the end of February, the Board's investment balance, not including new program MBS's, was \$180.7 million with approximately \$165.7 million deposited in money market, earning 3.58%.
- The remaining \$14.7 million of funds are invested in FNMA and Freddie Mac Bonds and a small MBS from a prior program, with rates ranging from 3.69% to 6.25%.
- The MBS program, as of the end of February, we had purchased \$181.6 million of GNMA MBS and \$9.1 million of FNMA MBS with bond proceeds.

Weighted Average Yield Trend Graph

MBOH uses the average yield for each investment type and the par value of those same investment types to calculate the weighted average yield.

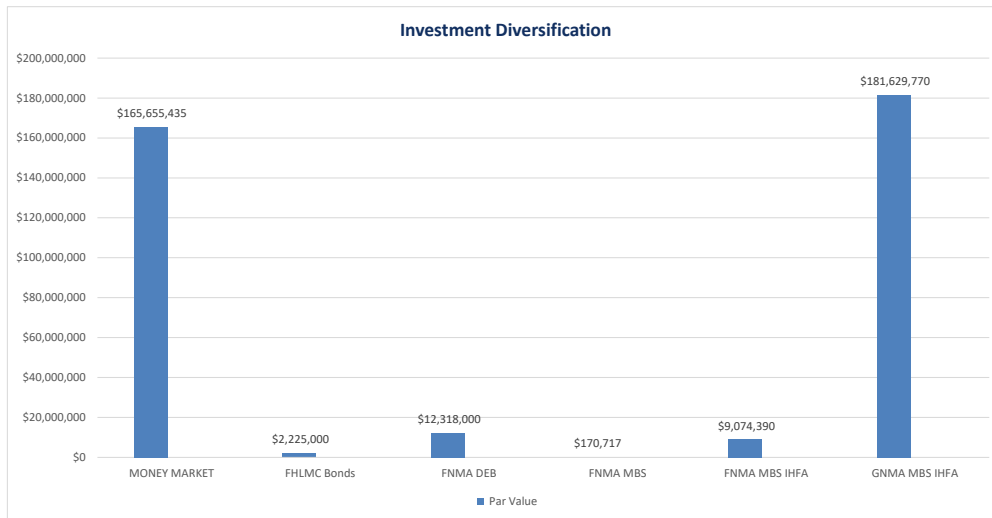
- The weighted average yield on investments has decreased year-to-year from 4.50% in February 2025 to 3.75% in February 2026.
- The rate decreased from 3.86% in January to 3.75% in February 2026.
- These averages do not include the rates on the MBS which range from 4.75 to 5.375%.

BONDS

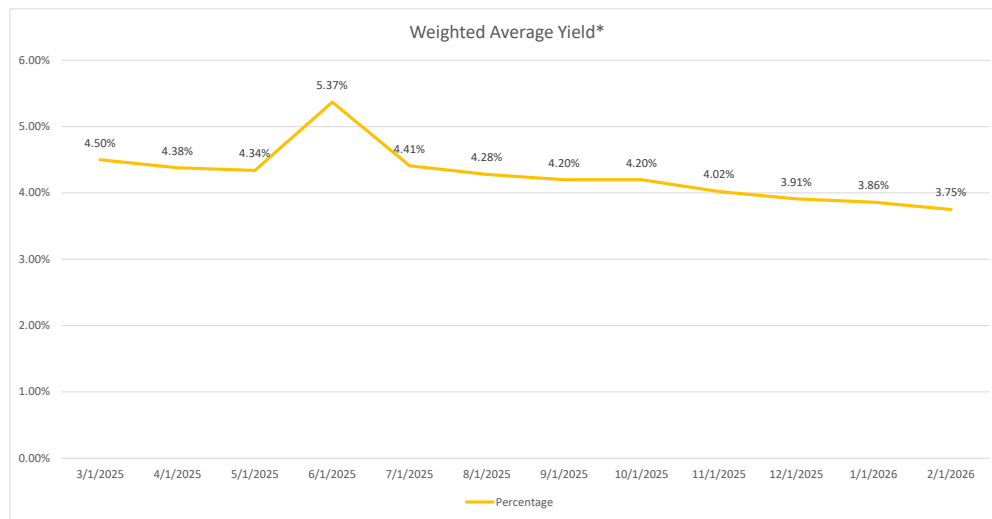
- Single Family, Multi Family, Teachers outstanding balances are listed on the dashboard

Finance Program Dashboard

April 14, 2026 (Data as of 2/28/2026)



FNMA: Federal National Mortgage Association (Fannie)
 FHLMC: Federal Home Loan Mortgage Corporation (Freddie)
 GNMA: Government National Mortgage Association (Ginnie)



*Does not include rate on MBS

Bonds Outstanding (Including the 2026A Issue that closed Feb. 19th)

SFI	730,030,000.00
SFII	58,280,000.00
SFXI	7,070,000.00
MF	75,000.00
Teachers	<u>86,366.00</u>
TOTAL	795,541,366.00

Board Agenda Item

Board Meeting: April 14, 2026

Homeownership Program

APPROVAL OF BOND RESOLUTION NO. 26-0414 SF01_2026B

The attached Resolution approves the issuance of fixed or variable rate Mortgage Revenue Bonds in an aggregate principal amount not to exceed \$100,000,000 to finance loans or potentially refund previously issued bonds, or both.

The Resolution is written to give MBOH the flexibility to issue one or more new issues under any of the three indentures and to refund bonds from any of the three indentures.

Kutak prepared this Resolution in the same form as the one approved for the 2025B issue. Even though this Resolution allows for a Floating Rate Note as a variable rate option, we intend to issue fixed interest rate bonds under SFI Indenture to purchase new money mortgage loans and potentially refund previous bond series.

As of March 31, we had approximately \$33 million left to reserve in the 2026A issue that closed on February 19, 2026. We expect to have that fully reserved by the first week of June, then we will begin reserving mortgages to be funded with the 2026B issue. We have started working with the finance team to structure the next issue and are monitoring interest rates to keep us competitive while mitigating risk.

Our current lending rates are 5.375% for first mortgages with no DPA, 5.625% for first mortgages with DPA and the set-aside rate is set at 5.125%. Set-aside loans are being funded out of Regular Bond funds.

PROPOSAL

Staff requests that the Board approve the attached Bond Resolution No. 26-0414 SF01_2026B.

RESOLUTION NO. 26—0414 SF01_2026B

A RESOLUTION OF THE MONTANA BOARD OF HOUSING MAKING FINDINGS WITH RESPECT TO HOUSING NEEDS WITHIN MONTANA; APPROVING THE ISSUANCE AND DELIVERY OF, AND AUTHORIZING THE DETERMINATION OF CERTAIN TERMS OF, ONE OR MORE NEW ISSUES OF SINGLE FAMILY BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$100,000,000, WITH FIXED OR VARIABLE RATES, TO FINANCE LOANS, REFUND OUTSTANDING BONDS OR BOTH; APPROVING THE SALE OF SAID BONDS PURSUANT TO A PURCHASE CONTRACT; APPROVING THE SUPPLEMENTAL TRUST INDENTURE, PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT IF THE BONDS ARE SOLD TO THE PUBLIC, CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATED THERETO; 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 issue and refund its bonds and to purchase mortgage loans or mortgage-backed securities in order to finance single family housing which will provide decent, safe and sanitary housing for persons and families of lower income in the State of Montana (the “State”); and

WHEREAS, the Board has previously implemented mortgage purchase programs in order to finance single family dwellings in the State for families and persons of lower income; and

WHEREAS, the Board intends to issue its Single Family Mortgage Bonds, Single Family Program Bonds or Single Family Homeownership Bonds, in one or more series or subseries in an aggregate principal amount not to exceed \$100,000,000 with fixed or variable rates (the “New Series Bonds”), under the provisions of either the Trust Indenture dated March 7, 1977, as restated and amended, the Trust Indenture dated August 16, 1979, as amended, or the Trust Indenture dated as of December 1, 2009 (each, the “General Indenture”), each between the Board and Wilmington Trust, National Association (as successor trustee), as trustee, which New Series Bonds will be used to finance mortgage loans to provide additional moneys to finance single family dwellings in the State pursuant to the Mortgage Purchase and Servicing Guide and the forms of the Invitation to Participate and Notice of Acceptance previously approved by the Board, and to fund certain reserve funds, if necessary, or to refund bonds previously issued for such purpose; and

WHEREAS, a Supplemental Trust Indenture (the “Supplemental Indenture”) (together with the General Indenture under which the New Series Bonds are to be issued, which it supplements, the “Trust Indenture”), between the Board and Wilmington Trust, National Association (as successor trustee), as Trustee, will be prepared in substantially the form of such document previously approved by the Board and used in connection with the issuance of the Single Family Mortgage Bonds, 2026 Series A (the “2026 Series A Bonds”) with appropriate changes as hereinafter described, whereby the Board would issue the New Series Bonds subject to the terms, conditions and limitations established in the Trust Indenture; and

WHEREAS, if the New Series Bonds are to be sold to the public, a Preliminary Official Statement (the “Preliminary Official Statement”) will be prepared in substantially the form of such document previously approved by the Board and used in connection with the marketing of the 2026 Series A Bonds, containing certain information relating to the Board, the Trust Indenture and the New Series Bonds, and which will be distributed to the prospective purchasers of such New Series Bonds and others by a group of investment dealers and brokers represented by RBC Capital Markets, LLC (the “Underwriters”); and

WHEREAS, a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) will be prepared in substantially the form of such document previously approved by the Board and used in connection with the sale of the 2026 Series A Bonds containing the agreement of the Board to annually update certain financial and operating information in the final Official Statement (as hereinafter described) and to timely provide notice of the occurrence of certain specified events; and

WHEREAS, a purchase contract (the “Purchase Contract”), to be dated the date of sale of the New Series Bonds, between the Board and the Underwriters (or if the New Series Bonds are sold to a single institutional investor, such investor) will be prepared in substantially the form of such document previously approved by the Board and used in connection with the sale of the 2026 Series A Bonds, pursuant to which the Board would agree to sell and the New Series Bonds purchaser would agree to purchase the New Series Bonds, at the prices and upon the terms and conditions therein set forth;

NOW, THEREFORE, BE IT RESOLVED BY THE MONTANA BOARD OF HOUSING as follows:

Section 1. Findings.

(a) The Board hereby finds and determines:

(i) that the homes to be financed through the issuance of New Series Bonds, and the purchase by the Board from proceeds thereof of mortgage loans or mortgage-backed securities as contemplated by the Trust Indenture, constitute “housing developments” within the meaning of Section 90-6-103(8) of the Act; and

(ii) that the housing market area to be served by homes to be financed as aforesaid consists of the entire State of Montana.

(b) In accordance with Section 90-6-109 of the Act, the Board previously found and hereby confirms:

(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 Trust Indenture and contained in the program documents relating to the mortgage loans financed thereby and to be financed are sufficient to ensure that the homes 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 homes financed and to be financed which are 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 homes financed and to be financed with the proceeds of the New Series Bonds do 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 the findings required by Section 90-6-109(1)(f) of the Act are inapplicable because the homes financed by the New Series Bonds do not involve direct loans.

Section 2. Approval of Supplemental Indenture. A Supplemental Indenture for each series of New Series Bonds is hereby approved in the form described above (and reflecting the provisions of the New Series Bonds consistent with the parameters set forth in the following Section) and the Chair or the Vice Chair of the Board is hereby authorized and directed to execute and deliver the Supplemental Indenture with such changes, insertions or omissions therein as may be approved by such Chair or Vice Chair, such approval to be evidenced conclusively by such execution of the Supplemental Indenture, and the Secretary or any other member of the Board or the Treasurer is hereby authorized and directed to attest thereto.

Section 3. Authorization of Bonds. The issuance, sale and delivery of the Board’s New Series Bonds, in one or more series or subseries, to finance mortgage loans to provide additional moneys to finance single family dwellings in the State or to refund bonds previously issued for such purpose (the “Prior Bonds”), is hereby authorized and approved, subject to the following provisions. The New Series Bonds shall be issued in an aggregate principal amount (not to exceed \$100,000,000), mature on the date or dates (but no more than 40 years from the date of issuance), bear interest at the rate or rates (which may be fixed or variable rate, such weighted average interest rates initially not exceeding 7.0% per annum and in no case shall the interest rate on any maturity exceed 14%), be sold to the bond purchaser(s) for an amount (but not less than 98.5% of the principal amount of the Bonds), be subject to optional, special optional, mandatory and sinking fund redemption, be subject to mandatory or optional tenders and convertible into fixed or variable rate bonds, be issued under the related General Indenture, and have such other terms and provisions, all as are determined by the Chair and Executive Director (with the advice of such members of the Board as are available upon the pricing of such New Series Bonds) and definitively set forth in the related Supplemental Indenture or Purchase Contract upon execution and delivery as authorized in Sections 2 and 5 hereof. The New Series Bonds shall be executed and delivered substantially in the form set forth in the Trust Indenture, with such additions, omissions and changes as are required or permitted by the Trust Indenture. The New Series Bonds 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 (as such term is defined in the Trust Indenture) for purposes of executing and attesting the New Series Bonds. Such signatures may be in facsimile, provided, however, that such New Series Bonds shall not be valid or obligatory for any purpose until authenticated by the manual signature of an authorized officer of the Trustee. The use of any portion of the proceeds of the New Series Bonds, as directed by an Authorized Officer, to refund, retire, redeem, defease or pay all or a portion of any Prior Bonds in such amounts as determined by an Authorized Officer is hereby authorized and approved.

Section 4. Approval of Preliminary Official Statement and Official Statement. If the New Series Bonds are to be sold to the public through the Underwriters, a Preliminary Official Statement for a series of New Series Bonds is hereby approved in the form described above, with such changes, insertions or omissions therein as may be approved by the Executive Director, and the Chair or the Vice Chair of the Board is hereby authorized to execute and deliver a final official statement (the “final Official Statement”) substantially in the form of the Preliminary Official Statement with such changes, insertions or omissions therein as may be approved by the Chair or Vice Chair, such approval to be evidenced conclusively by such execution of the final Official Statement.

Section 5. Approval of Purchase Contract and Sale of the Bonds. A Purchase Contract for a series of New Series Bonds is hereby approved in the form described above and the execution of the Purchase Contract by the Chair, the Vice Chair or Executive Director of the Board is hereby authorized and directed in order to effectuate the sale of the related New Series Bonds 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 Purchase Contract.

Section 6. Authorization of Standby Bond Purchase Agreement, Continuing Covenant Agreement and/or Remarketing Agreement. If any New Series Bonds are subject to optional or mandatory tender, the Chair or Vice Chair of the Board or the Executive Director are authorized to negotiate, execute and deliver one or more (1) standby bond purchase or similar agreements with a financial institution, with a rating of no less than “A1” or the equivalent by Moody’s Investors Service, Inc., whereby such institution agrees to purchase (or provide the Board with funds to purchase) tendered bonds, (2) continuing covenant agreements with the purchaser of such New Series Bonds which agreements may set forth additional covenants with respect to such New Series Bonds, and/or (3) remarketing agreements with any Board approved underwriter with respect to the remarketing of any tendered bonds; such agreements to have such terms and conditions, and provide for the payment by the Board of such fees, as are determined by the Chair and Executive Director to be in the best interests of the Board, such determinations to be evidenced conclusively by the execution thereof.

Section 7. Approval of Continuing Disclosure Agreement. A Continuing Disclosure Agreement for a series of New Series Bonds is hereby approved in the form described above, and the Chair or Vice Chair of the Board or the Executive Director 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 Continuing Disclosure Agreement.

Section 8. Approval of Program Documents. The Executive Director and Single Family Program Manager are hereby authorized to continue to use the form of the Mortgage Purchase and Servicing Guide, Invitation to Participate and Notice of Acceptance presently in use, and to the extent they deem necessary and appropriate, the Executive Director and Single Family Program Manager are authorized to execute and deliver the same, with such changes, insertions or omissions therein as may be approved by such person, to continue the Single Family Program.

Section 9. Ratification of Prior Actions. All action previously taken by the officers, members or staff of the Board with respect to the Trust Indenture, a Preliminary Official Statement, a Purchase Contract and the New Series Bonds is hereby approved, confirmed and ratified.

Section 10. Execution of Documents. In the event of the absence or disability of the Chair, the Vice Chair or the Treasurer of the Board, 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 Single Family Program Manager or the Accounting and Finance Manager, with the same effect as if done by the Chair, the Vice Chair or the Treasurer of the Board 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 11. Execution of Tax Certificate and Declaration of Intent. The Chair, the Vice Chair or the Executive Director of the Board is hereby authorized to issue certifications as to the Board’s reasonable expectations regarding the amount and use of the proceeds of the New Series Bonds as described in Section 148 of the Internal Revenue Code of 1986, as amended. The Board also hereby declares its intention, within the meaning of Section 1.150-2 of the Internal Revenue Code regulations, to facilitate continuous funding of its Single Family Program (as described above) by, from time to time, financing

mortgage loans and then issuing bonds in an amount to be determined by the Board in one or more series within 18 months thereof to reimburse itself for such financing, which reimbursement amount is presently expected to not exceed \$100,000,000 (or such greater reimbursement amount as may from time to time be determined by written declaration of the Executive Director), provided that this declaration does not obligate the Board to issue any such bonds.

Section 12. Additional Actions Authorized. The Chair, the Vice Chair, the Secretary or any other member of the Board, and the Executive Director and Treasurer, the Single Family 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 Trust Indenture and a Purchase Contract, to take such other action (including, without limitation, making any bond designations) 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.

Section 13. Effective Date. This Resolution shall become effective immediately.

ADOPTED by the Montana Board of Housing this 14th day of April, 2026.

MONTANA BOARD OF HOUSING

By _____
Chair

Attest:

By _____
Treasurer/Executive Director

HOMEOWNERSHIP PROGRAM DASHBOARD

April 14, 2026

RATES

	<u>CURRENT</u>	<u>LAST MONTH</u>	<u>LAST YEAR</u>
MBOH*	5.375	5.63	5.500
Market	6.10	5.78	6.426
10 yr treasury	4.33	3.97	4.170
30 yr Fannie Mae	6.53	6.53	6.530

*Current Setaside 5.125, DPA 5.625

MBS PROGRAM

RESERVATIONS

	<u>March NUMBER</u>	<u>March AMOUNT</u>
Series 2026 A (since 10.21.25)	35	10,535,542
Series 2025 B		

Series 2026 A DPA (since 10.21.25)	23	319,832
Series 2025 B		
80% Combined (20+)	2	452,720

SET-ASIDE PROGRAMS

MBOH Plus DPA	7	81,245
NeighborWorks		
CAP NWMT CLT		
Missoula HRDC XI		
Bozeman HRDC IX		
Home\$tart		
HUD 184	1	285,321
MT Street CLT		
Sparrow Group		
City of Billings	1	225,735
Foreclosure Prevent		
Disabled Accessible		
Lot Refi		
FY26 Habitat		

OTHER PROGRAMS

Veterans (Orig)		
912 Mrtg Cr Cert (MCC)	4	628,919

LOANS PURCHASED BY IHFA

<u>March NUMBER</u>	<u>March AMOUNT</u>	
16	4,407,957	1st Mortgages only
YTD Number	YTD Amount	1st Mortgages only
60	15.12M	

DELINQUENCIES

First Mortgages		
<u>30-59 days</u>	<u>60-89</u>	<u>89-120+</u>
17	2	7
DPA		
<u>30-59</u>	<u>60-89</u>	<u>89-120+</u>
2		4

FORECLOSURES

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

MARCH MBS TURNTIMES

Lender reservation to closing date	13.58	days
Closing Date to compliance submission	17.70	days
Compliance Submission to review time	0.94	days

LOAN PURCHASES BY LENDER

	<u>2026 YTD 1st</u>	<u>DPA</u>
1ST SECURITY BK MISSOULA 133		
BRAVARA BANK 186	1	
CHURCHHILL MORTGAGE 869		
CLEARWATER FEDERAL C U 901		
CMG 874		
CORNERSTONE HOME LENDING 850		
CROSSCOUNTRY MORTGAGE 863	1	1
ENVOY 871		
EVERGREEN MORTGAGE 875	8	4
FAIRWAY INDEPENDENT MRTG 847	8	6
FIRST BANK OF MONTANA 073		
FIRST COLONY MORTGAGE 865		
FIRST FEDERAL BANK & TRUST 731		

FIRST INTERSTATE BANK-WY 601		
FIRST MONTANA BANK 172		
FLATHEAD HABITAT 991		
GLACIER BANK KALISPELL 735	1	
GUARANTEED RATE 864	2	2
GUILD MORTGAGE COMPANY 842	9	7
HOMETOWN LENDERS 862		
INTREPID CREDIT UNION 903		
LOWER DOT COM, LLC 873	6	4
NEW AMERICAN FUNDING 878	4	4
NOVUS 872	1	1
ONE TRUST HOME LOAN 868		
OPPORTUNITY BANK 700	6	4
PREMIER MORTGAG 884	1	1
PRIME LENDING 851		
SECURITY NATIONAL MTG CO 879		
STOCKMAN BANK OF MT MILES 524	9	7
SYNERGY ONE LENDING 880	1	1
UNION HOME MORTGAGE 876	1	1
UNIVERSAL 843		
VALLEY BNK DIV OF GLACIER BNK 151		
VIP MORTGAGE 883		
WESTERN SECURITY BANK 785	1	1
WINTRUST MORTGAGE 867	1	1
YELLOWSTONE BANK 161		
Grand Count	61	45

FEBRUARY 2026 PORTFOLIO SUMMARY

	<u># of loans</u>	<u>\$ of loans</u>	<u>% of #</u>	<u>% of \$</u>	
FHA	2,712	393,561,336	47.9%	66.6%	
RD	766	78,691,502	13.5%	13.3%	
VA	385	69,327,985	6.8%	11.7%	
HUD184	33	1,972,363	0.6%	0.3%	
PMI	29	1,690,055	0.5%	0.3%	
Uninsured 1st	264	32,910,007	4.7%	5.6%	
Uninsured 2nd	1,467	12,519,046	<u>25.9%</u>	<u>2.1%</u>	
February 2026 Portfolio Balance	5,656	\$ 590,672,294			
February 2025 Portfolio Balance	5,811	\$ 664,826,934	-2.67%	-11.15%	percent of Incr/Decr

Weighted Average Interest Rate 4.549%

<u>rates up to 4%</u>	
2315	\$ 223,899,556

<u>rates 4% and above</u>	
3341	\$ 366,772,738

RAM PROGRAM MARCH ACTIVITY

<u>Loan Requests</u>	<u>Loans Outstanding</u>	<u>Life of Program</u>	<u>Avail Balance</u>
1 250,000	45 2,924,515.44	249 16,616,094	4,665,425.86

DELINQUENCY AND FORECLOSURE RATES

	<u>MONTANA BOARD OF HOUSING</u>			<u>MORTGAGE BANKERS ASSOC. 12/31/2025</u>		
	<u>Feb-26</u>	<u>Jan-26</u>	<u>Feb-25</u>	<u>Montana</u>	<u>Region</u>	<u>Nation</u>
30 Days	1.34	1.41	1.40	1.45	1.82	2.07
60 Days	0.83	0.90	0.75	0.76	0.82	0.92
90 Days	<u>2.19</u>	<u>2.15</u>	<u>2.15</u>	<u>0.77</u>	<u>1.08</u>	<u>1.27</u>
Total Delinquencies	4.36	4.46	4.30	2.98	3.72	4.26
In Foreclosure	0.74	0.85	0.49	0.30	0.35	n/a

(most recent available)

Multifamily Program Dashboard

April 14, 2026

MBOH Multifamily Loan Programs

	<u>Amount</u>	<u>Source</u>
Go Housing - HMF	16,620,945	Funds held by DOR
GO Housing -MFHP	13,395,024	Funds held by DOR
MBOH-MF	3,727,367	Funds held by MBOH
MBOH-HMF	1,699,266	Funds held by MBOH

Pipeline - Bond Projects Not Yet Closed

<u>Bond Project</u>	<u>Amount</u>	<u>Units</u>	<u>City</u>	<u>Stage</u>	<u>Developer</u>
Rocky Mountain Flats	63,000,000	296	Bozeman	Approved	Blueline
Hidden Creek 4 Apts	35,679,182	158	Bozeman	Approved	United Housing
The Beck Apts	35,706,454	149	Bozeman	Approved	Kamaka
Goldspur at Urban Farms	28,000,000	145	Bozeman	Approved	Roers
Sage Peak Sr	19,574,000	101	Bozeman	Approved	Dev Co
Alder Ridge	44,000,000	240	Bozeman	Approved	Dev Co
Elms Apts	9,941,142	60	Kalispell	Approved	Mach Development
The Henley I & II	54,538,422	330	Great Falls	In Review	Kamaka
Sheep Mountain 4	4,158,000	24	Livingston	Approved	Boundary Dev
Timberwolf	30,000,000	228	Kalispell	In Review	Boundary Dev
Mountain View Manor	9,700,000	50	Whitefish	In Review	Good Housing
RC3	13,500,000	119	Sidney/Fair	In Review	Good Housing
KP3	15,000,000	116	Kalispell	In Review	Beneficial Housing
Wildflower 4	10,734,536	50	Missoula	In Review	MHA/United
North Park	24,800,000	150	Billings	Incoming	Dev Co
Woodward	34,000,000	171	Bozeman	Incoming	Rueter Walton
Cottage Park	9,000,000	60	Missoula	Incoming	Good Housing
Towers 4	13,750,000	101	Billings	Incoming	Homeward
GMD Kalispell Family	17,000,000	135	Kalispell	Incoming	GMD
LB Lofts & Laurel	27,000,000	109	Billings	Incoming	Homeward
Franklin Crossing	24,000,000	178	Missoula	Incoming	UH/MHA
BP9-Blgs Portfolio Project	45,000,000	216	Billings	Incoming	Good Housing
Eagles Manor	13,500,000	139	Helena	Incoming	Rocky Mtn Dev
Roers Development	45,000,000	240	Bozeman	Incoming	Roers
Blackwood Grove	63,000,000	330	Belgrade	Incoming	Inland Group
Copper Grove	43,000,000	272	Bozeman	Incoming	Inland Group

Montana Housing

2027 Housing Credit Awards

	City	County	Project Name	Sponsor / Developer	Entity		Housing Type	Construction Type	9% Units	Pre-App
					Type	Set-aside				HC Request 10 yr total
Pre-Applications Submitted										
1	Bozeman/Ravalli	Gallatin/Ravalli	Summit B211 / Bitterroot valley II 9%	Summit Housing	For-Profit	General	Sr/Fam	New/Acq/Rehab	25	\$ 8,500,000
2	Columbia Falls	Flathead	Glacier View Senior	Housing Solutions	For-Profit	General	Senior	New	29	\$ 8,500,000
3	Missoula	Missoula	Franklin Crossing 9%	United Way / HA	Non-Profit	General	Family	New	28	\$ 8,500,000
4	Libby	Lincoln	Libby Plaza 1 & 2	Mach	For-Profit	General	Family	Acq/Reb	54	\$ 8,500,000
5	Roundup	Musselshell	Homes on the Range	NW Real Estate Cap Corp	For-Profit	General	Senior	New	50	\$ 8,500,000
6	Missoula	Missoula	YWCA Missoula	Homeword	Non-Profit	General	Family	New	21	\$ 8,500,000
7	Great Falls	Cascade	Carter Commons II	Housing Solutions	For-Profit	General	Senior	New	23	\$ 6,250,000
8	Billings	Yellowstone	Majestic Apartments	CR Builders LLC	For-Profit	General	Senior	New	24	\$ 8,500,000
9	Butte	Silver Bow	Granite Peak Apts 9	Thomas Development	Non-Profit	General	Senior	New	24	\$ 7,881,170
10	Deer Lodge	Powell	Tumbleweed Court	Housing Solutions	For-Profit	General	Senior	New	23	\$ 7,700,000
11	Havre	Hill	Mountain Goat Court	Echo Enterprises	Non-Profit	General	Senior	New	30	\$ 8,500,000

331 89,831,170

(estimated at 102% of 2026)	2027 Current Year Credits	40,326,720
	2026 Credits Remaining	-
	Returned Credits	-
	2027 National Pool Credits	-
	Available Credits:	40,326,720
	Minimum Required to be Awarded to Non-Profits (10%):	4,032,672
	Maximum Request for a Small Rural Project	5,000,000
	Maximum Credit Per Project:	8,500,000

4%

Units

52

164

24

338	Project Name	# Units	Proj Type	Developer	Staff	Location	Date to Close	Loan Type	Term	Amort	Rate	Loan Amount	Total Proj Cost	Bond Amount	HC ID Yr Amount	Commitment		Full Application	Board App	PIS/CO	PIS/CO	IMC	MFase I	Ortlv Rpt	Yr Audit Due	NOTES	Trustee	County				
																submitted	approved															
963	1 Granite Heights	8	New MF	MIS Properties-Mike Sparr		Butte		GO-MFHP			3.2500%	\$ 1,100,000	\$ -	\$ -	\$ -		4/2/2026															
3165	2 Churchhill Four Flex	4	Gut Reb MF	Jeff Riggs		Manhattan		GO-MFHP			3.2500%	\$ 1,034,747	\$ 1,034,747	\$ -	\$ -		2/10/2026	x														
3313	3 Homes on the Range	50	New MF	NWREC		Roundup		GO-MFHP			3.2500%	\$ 2,100,000	\$ 14,617,732	\$ -	\$ -	8,500,000																
6342	4 Wier Building	16	Acq/Reb MF	Long View Dev Serv		Roundup		GO-MFHP			3.2500%	\$ 4,393,500	\$ -	\$ -	\$ -		2/26/2026	x														
7478	5 Broadway Apartments	18	Acq/Reb MF	Long View Dev Serv		Lewistown		GO-MFHP			3.2500%	\$ 4,216,000	\$ -	\$ -	\$ -		2/26/2026	x														
7652	6 The Hogan	36	New MF	Hogan Senior Living		Missoula		GO-MFHP			3.2500%	\$ 3,000,000	\$ -	\$ -	\$ -		4/13/2026															
GO-MHP Total												\$ 17,754,247																				
1452	1 Timberwolf Apartments 4%	228	New MF	Boundary Dev		Kalispell		GO-HMF			3.2500%	\$ 2,000,000	\$ 28,710,000	\$ 27,582,830			1/22/2026	x														
2491	2 Elms Apartments 4%	60	Acq/Reb MF	Mach/TE Miller		Kalispell		GO-HMF			3.2500%	\$ 500,000	\$ 9,037,402	\$ 6,495,660			2/24/2026	x														
3385	3 Woodward Flats 4%	160	New MF	Reuter Walton		Bozeman		GO-HMF, MBOH-HMF, MBOH			3.2500%	\$ 2,000,000	\$ 34,000,000	\$ 28,500,000			12/1/2025	x														
3959	4 Saddlehorn Apartments 5%	30	New MF	CR Builders		Miles City		GO-HMF			3.2500%	\$ 1,450,000	\$ -	\$ 8,500,000			12/31/2025	x														
4483	5 Franklin Crossing 4%	178	New MF	MHA & United Hsing		Missoula		GO-HMF			3.2500%	\$ 5,000,000	\$ 57,195,154	\$ 25,835,901	\$ 20,723,430		1/27/2025	x														
5543	6 Canyon View 4%	24	Rehab MF	Sapphire Lutheran Homes		Hamilton		GO-HMF			3.2500%	\$ 2,350,000	\$ 3,950,000	\$ 3,600,000			1/20/2026	x														
5543	7 LB Lofts 9%	22	New MF	Homeward		Billings		GO-HMF			3.2500%	\$ 2,000,000	\$ -	\$ 6,500,000			12/1/2025	x														
6406	8 LB Lofts Laurel Gardens 4%	109	New/R/RF MF	Homeward		Billings/Laurel		GO-HMF			3.2500%	\$ 5,000,000	\$ 27,000,000	\$ 11,761,520			12/1/2025	x														
6556	9 Towers 9%	44	Acq/Reb MF	Homeward		Billings/Laurel		GO-HMF			3.2500%	\$ 1,300,000	\$ -	\$ 7,500,000			4/12/2026															
6556	10 Towers 4%	101	Acq/Reb MF	Homeward		Billings		GO-HMF			3.2500%	\$ 2,500,000	\$ 16,500,000	\$ 13,350,790			12/1/2025	x														
6672	11 Eagles Manor 4%	139	Acq/Reb MF	Rocky Mtn Dev		Helena		GO-HMF			3.2500%	\$ 2,500,000	\$ 13,500,000	\$ 13,300,000			4/1/2026	x														
6975	12 North Park 4%	152	New MF	DevCo		Billings		GO-HMF			3.2500%	\$ 4,000,000	\$ 24,800,000	\$ 20,253,570			12/1/2025	x														
7442	13 Glacier View Senior	29	New MF	Housing Solutions		Columbia Falls		GO-HMF			3.2500%	\$ 2,300,000	\$ 9,301,091	\$ -	\$ 8,500,000		4/2/2026															
8000	14 Henley I 4%	184	New MF	Kamaka Aff Hsing		Great Falls		GO-HMF			3.2500%	\$ 3,000,000	\$ 32,794,000	\$ 26,104,200			12/31/2025	x														
8229	15 Mountain Goat Court	30	New MF	Echo Enterprises		Have		GO-HMF			3.2500%	\$ 2,225,000	\$ 10,303,309	\$ -	\$ 8,500,000		3/5/2026	x														
8772	16 Carter Commons II	23	New MF	Housing Solutions		Great Falls		GO-HMF			3.2500%	\$ 1,900,000	\$ 7,203,877	\$ -	\$ 6,250,000		4/2/2026															
												\$ 39,925,000	\$ 164,546,000	\$ 167,200,185	\$ 183,760,148																	
Withdrawn Applications																																
	Henley II 4%	128	New MF	Kamaka Aff Hsing		Great Falls		GO-HMF			3.2500%	\$ 3,000,000	\$ 21,744,412	\$ 16,881,750			12/1/2025															
	Pintler West 9%	24	New MF	The Housing Company	x	Anaconda		GO-MFHP			3.2500%	\$ 700,000	na	\$ 8,500,000			12/16/2025	x														
	Midtown Condominiums	90	New SF	Headwaters Comm Hsing Trust		Bozeman		GO-HMF			3.2500%	\$ 5,000,000	\$ -	\$ -			4/10/2026															
	Fraser Housing	13	New HO	Scott Shelton		Fraser		GO-HMF			3.2500%	\$ -	\$ -	\$ -			12/23/2025	x														
	Alder Ridge 4%	240	New MF	DevCo		Bozeman		GO-HMF			3.2500%	\$ 1,500,000	\$ 49,586,000	\$ 39,702,265			1/5/2026	x														
	GMD Kamispell Family 4%	135	New MF	GMD Dev		Kalispell		GO-HMF			3.2500%	\$ 5,000,000	\$ 17,000,000	\$ 18,000,000			1/20/2026	x														
	Platinum District	25	New MF	Fort+Home Developments		Butte		GO-MFHP			3.2500%	\$ 3,200,000	\$ -	\$ -			4/8/2026															
	Tumbleweed Court	23	New MF	Housing Solutions	x	Deer Lodge		GO-HMF			3.2500%	\$ 1,600,000	\$ -	\$ 7,000,000			4/2/2026															
Agenda for Pre-Qual Meetings																																
jmoobson1973@gmail.com	Hogan Sr	The Hogan																Introductions														
ntstein@headwatershousing.org	Headwaters	Midtown Condominiums	GO Housing-HMF	\$ 23,000,000																Overview of Project by Developer												
thomas@fortanhome.com	Fort+Home	Platinum Dist	MBOH-MFHP	\$ 2,924,451																Review type of project and program being requested												
arjen@fortanhome.com	Fort+Home	Platinum Dist	MBOH-HMF	\$ 40,790,873																Is it possible to use GO-MFHP	\$16,620,945											
msparr@gmail.com	MIS Prop	Granite Heights																Go over loan application process	\$13,395,024													
dian@housing.solutions.org	Hsing Sol	Carter & Tumbleweed																Reminder: Loans will be Hard Debt	\$3,588,379													
tyler@housing.solutions.org	Hsing Sol	Carter & Tumbleweed																Required Narrative bullets in guidelines	\$1,688,069													
Seth@uhousingpartners.com	United	MRL Homes																Questions	\$61,000,000													
Rowan@uhousingpartners.com	United	MRL Homes																	\$41,292,417													
Kat@uhousingpartners.com	United	MRL Homes																														
Tyson@uhousingpartners.com	United	MRL Homes																														
solver@missoulahousing.org	MHA	MRL Homes																														
kboland@missoulahousing.org	MHA	MRL Homes																														
jmkgard@msd.net	Rocky	Eagles Manor																														
Glenn@133@msn.com	GL Dev	Eagles Manor																														
andrew@northforkdevelopment.com	Northfork	Eagles Manor																														
lr.anderson@outlook.com	Anderson Con	Eagles Manor																														
Glenn@133@msn.com	GL Dev	Mountain Goat																														
andrew@northforkdevelopment.com	Northfork	Mountain Goat																														
lr.anderson@outlook.com	Anderson Con	Mountain Goat																														
boke@backfoot.net	Echo Ent	Mountain Goat																														
matt@machopt.com	Mach	Elms																														
atim@remiller.com	TE Miller	Elms																														
troy@praxisreno.com	Praxis	Elms																														
mara@praxisreno.com	Praxis	Elms																														
vduke@highplainsarchitects.com	High Plains Arc	Weirs Bldg.																														
rhaffer@highplainsarchitects.com	High Plains Arch	Weirs Bldg.																														
jriggs10@gmail.com	Jeff Riggs	Churchhill																														
emily@gmddevelopment.com	GMD	Kalispell Family																														
chase.huber@devious.com	DevCo	Alder and N Park																														
blake@talwaterdev.com	Kamaka	Henley																														
scott.shelton98@gmail.com	Scott Shelton																															
cposay@cr-builders.com	CR Builders	Saddlehorn																														
dsterhan@cr-builders.com	CR Builders	Saddlehorn																														
atrunk@cr-builders.com	CR Builders	Saddlehorn																														
chanden@ghplainsand.org	St Johns	Canyon View																														
andrew@northforkdevelopment.com	N Fork	Canyon View																														
lr.anderson@outlook.com	Anderson Con	Canyon View																														
tiffamy@hfa.org	Housing Co	Pintler Pines																														
aconnell@nwrec.org	NWREC	Homes on the Range																														
concast@nwrec.org	NWREC	Homes on the Range																														
jvance@nwrec.org	NWREC	Homes on the Range																														
heather@homeward.org	Homeward	LB, Laurel, Towers																														
julie@homeward.org	Homeward	LB, Laurel, Towers																														
lg@homeward.org	Homeward	LB, Laurel, Towers																														
tucker@homeward.org	Homeward	LB, Laurel, Towers																														
karissa@homeward.org	Homeward	LB, Laurel, Towers																														
jackmann@reuterwalton.com	Reuter-Walton	Woodward Flats																														
pkeenan@reuterwalton.com	Reuter-Walton	Woodward Flats																														
grant@machopt.com	Mach	Timberwolf																														

joe@boundarydev.com
atmm@temiler.com

Boudry Dev Timberwolf
Timberwolf

Board Agenda Item

Board meeting: April 14, 2026

Mortgage Servicing

Hazard Insurance Policy Update

The Montana Board of Housing General Terms and Conditions for the MBOH MBS Regular Bond Loan Program (which is considered part of the Mortgage Purchase and Servicing Guide), last updated in October 2024, includes the following policy:

Section 16(a)(i): The maximum deductible amount is the greater of \$1,500 or 1% of the dwelling coverage for all perils except wind and hail. Wind and hail insurance can be the greater of \$2,500 or 1% of the dwelling coverage. For flood insurance, the required deductible for a flood insurance policy for a first mortgage is the minimum specified by the National Flood Insurance Program (NFIP) for the area in which the property is located.

This language is replicated in other MBOH loan program Terms and Conditions.

The Servicing Policy Manual approved by the Board in May 2023 includes the following policy language with respect to Hazard Insurance:

Section D(2)(d): Deductible Limitations: The deductible shall NOT exceed the higher of \$1,500 or 1% of the face amount of the policy unless a higher maximum is required by state law or investor (see special requirements for flood hazard insurance below).

This language is replicated in several sections of the Servicing Policy Manual pertaining to Planned Unit Developments, Condominiums and Cooperative Projects, and Income Producing Properties.

PROPOSAL

Staff recommend the Board approve the proposed updates below to the General Terms and Conditions for the MBOH MBS Regular Bond Loan Programs (which is considered part of the Mortgage Purchase and Servicing Guide) and the MBOH Servicing Policy Manual. With the Board's approval, all applicable sections in MBOH Terms and Conditions and the MBOH Servicing Policy Manual would be modified as follows:

Deductible Limitations: The deductible shall NOT exceed 5% of the face amount of the policy or \$10,000, whichever is less, for all property insurance perils; unless a higher maximum is required by state law or investor.

Board Agenda Item

Board meeting: April 14, 2026

Mortgage Servicing

Loss Draft Policy Update

The Servicing Policy Manual approved by the Board in May 2023 includes the following policy:

Insurance Draft Payable Jointly to MBOH and Borrower:

i) \$1,000 or Less: When the insurance draft is payable jointly to the insured borrower and MBOH and it is for \$1,000 or less, MBOH may immediately release insurance funds to the borrowers who legitimately need to advance funds to contractors, provided all the following provisions are met:

(1) The mortgage is current.

(2) The borrower's payment history does NOT show delinquencies for two (a) payments or more.

(3) The released funds do NOT exceed the higher of:

(a) \$1,000

(b) 10% of the affected mortgage's unpaid balance; or

(c) The amount by which the released funds exceed the unpaid balance of the mortgage.

ii) More than \$1,000: When the amount of insurance funds exceeds \$1,000, MBOH shall have the borrower endorse the check and agree to apply the released funds promptly to repair or reconstruct the damaged property.

iii) Funds Retained by MBOH: If repair or reconstruction of the residence takes more than six (6) months, funds remain in their noninterest bearing escrow (loss draft) account. The Loan & Bond Specialist sends a follow-up letter reminding borrowers to complete the claim before releasing the final balance.

The Montana Board of Housing Mortgage Purchase and Servicing Guide, last updated in October 2024, includes the following policy:

Section 4.06. Insurance

The Servicer shall promptly notify the Board of any loss or damage by fire, or from any other cause, to the Residence in excess of one thousand dollars (\$1,000) and will not make any agreement with respect to the rehabilitation of the property as the result of such, and shall use its best efforts to assist in the collection of the proceeds of such policies with respect to all losses which may occur. The Servicer shall supervise all repairs if so instructed by the Board and in general shall do all things reasonably necessary to protect the interests of the Board as mortgagee. The Servicer is hereby authorized to do all things necessary to settle and adjust claims, including endorsing drafts, for damages up to one thousand dollars (\$1,000).

Summary of Challenges with Current Policy:

Currently we have 95 open loss draft claims that we are managing. Sixty-three (63) of these claims are less than \$10,000 and 43 are aged claims dating as far back as 2013. The Board's current policy does not allow the release of loss draft funds to the borrower without proof of project completion if the loss draft account balance is greater than \$1,000. In many cases, borrowers with aged claims have lost out on the recoverable depreciation that would be needed to complete the project, and they lack the funds to make up the difference. Additionally, given current day construction repair costs and inflationary impacts, the Board's current "in excess of one thousand dollars (\$1,000)" reporting threshold no longer makes sense.

Fannie Mae Loss Draft Policy Chapter B-5-01, Insured Loss Events (07/12/2023):

If a mortgage loan is current or less than 31 days delinquent at the time of the loss event, then the servicer is authorized to

- *release an initial disbursement of insurance loss proceeds up to the greater of
 - \$40,000;
 - 33% of the insurance loss proceeds; or
 - the amount by which the release funds exceed the sum of the UPB, accrued interest, and advances on the mortgage loan; and*
- *disburse any remaining funds based on periodic inspections of the progress of the repair work.*

If multiple disbursements of insurance loss proceeds are required, the servicer must also

- *review and approve the final plans for repair, including obtaining the necessary bids to repair the property; and*
- *monitor and inspect repairs as completed to verify the repairs comply with the final repair plan.*

Note: *A final inspection is not required.*

Note: *If the borrower has made advance payments to the contractor and/or to purchase materials, then the servicer is authorized to reimburse the borrower by releasing insurance loss proceeds as evidenced by paid receipts. Receipts are not necessary if the loss proceeds are less than or equal to \$40,000.*

Other Housing Finance Agency Loss Draft Policies:

This topic was posed to our peers in an NCSHA call and numerous HFA's weighed in. All HFAs who responded indicated they allow for direct disbursement to borrowers ranging from \$10,000 - \$15,000.

Loss Draft Policy Proposed to the Board:

Staff proposes changing the threshold for direct disbursement to the borrower from \$1,000 to \$10,000 for borrowers that are current on their mortgage. MBOH's current policy will continue to apply to borrowers in delinquency.

PROPOSAL

Staff recommend the Board approve the following changes to the MBOH Servicing Policy Manual Loss Draft Policy. It is anticipated that sixty-three (63) of the ninety-five (95) active loss draft claims could be resolved with this policy update, including many of the aged claims dating as far back as 2013.

Insurance Draft Payable Jointly to MBOH and Borrower:

i) \$10,000 or Less: When the insurance draft is payable jointly to the insured borrower and MBOH and it is for \$10,000 or less, MBOH may immediately release insurance funds to the borrowers who legitimately need to advance funds to contractors, provided all the following provisions are met:

(1) The mortgage is current.

(2) The borrower's payment history does NOT show delinquencies for two (a) payments or more.

(3) The released funds do NOT exceed the higher of:

(a) \$10,000

(b) 10% of the affected mortgage's unpaid balance; or

(c) The amount by which the released funds exceed the unpaid balance of the mortgage.

ii) More than \$10,000: When the amount of insurance funds exceeds \$10,000, MBOH shall have the borrower endorse the check and agree to apply the released funds promptly to repair or reconstruct the damaged property.

iii) Funds Retained by MBOH: If repair or reconstruction of the residence takes more than six (6) months, funds remain in their noninterest bearing escrow (loss draft) account. The Loan & Bond Specialist sends a follow-up letter reminding borrowers to complete the claim before releasing the final balance.

Staff recommend the Board approve the following changes to the MBOH Purchase and Servicing Guide policy:

Section 4.06. Insurance

The Servicer shall promptly notify the Board of any loss or damage by fire, or from any other cause, to the Residence in excess of ten thousand dollars (\$10,000) and will not make any agreement with respect to the rehabilitation of the property as the result of such, and shall use its best efforts to assist in the collection of the proceeds of such policies with respect to all losses which may occur. The Servicer shall supervise all repairs if so instructed by the Board and in general shall do all things reasonably necessary to protect the interests of the Board as mortgagee. The Servicer is hereby authorized to do all things necessary to settle and adjust claims, including endorsing drafts, for damages up to ten thousand dollars (\$10,000).

Mortgage Servicing Program Dashboard

Effective 3/31/26

2026 Monthly Servicing Report

MONTH	<u>Last Year</u>	<u>Last Month</u>	<u>This Month</u>
	3/31/2025	2/28/2026	3/31/2026
PORTFOLIO TOTAL LOANS	6268	5886	5850
MBOH	5598	5247	5213
BOI	291	17	16
VHLP		265	266
MULTIFAMILY	21	21	21
HAF - HOMEOWNERS ASSISTANCE FUND	358	336	334
PRINCIPAL (ALL LOANS)	\$727,521,643	\$688,712,689	\$684,128,356
ESCROW (ALL LOANS)	\$8,289,796	\$8,460,995	\$9,807,504
LOSS DRAFT (ALL LOANS)	\$1,019,090	\$819,902	\$791,530
LOANS DELINQUENT (60+ DAYS)	297	272	267
ACTUAL FORECLOSURE SALES IN MONTH	2	1	0
FORECLOSURES TOTAL CALENDAR YEAR	2	3	3
DELINQUENT CONTACTS TO MAKE	663	605	583
LATE FEES - NUMBER OF LOANS	856	947	919
LATE FEES - TOTAL AMOUNT OF REVENUE	\$26,719	\$31,359	\$29,890
PAYOFFS	31	43	38
NEW LOANS	1	2	2

HUD's National Servicing Center TRSII Scorecard FY2025: Tier 3 / Grade D

LOSS MITIGATION	<u>Last Year</u>	<u>Last Month</u>	<u>This Month</u>
	3/31/2025	2/28/2026	3/31/2026
ACTIVE FINANCIAL PACKETS	0	0	0
REPAYMENT/SPECIAL FORBEARANCES	1	9	7
COVID 19 FORMAL FORBEARANCES	0	0	0
PARTIAL CLAIMS & MODS PENDING (TPPs)	0	6	5
CHAPTER 13 BANKRUPTCIES	6	4	5
PRESERVATION PROPERTIES	6	9	6
REAL ESTATE OWNED PROPERTIES	1	1	3
SHORT SALE	0	0	0
3RD PARTY (@ SALE)	0	0	0

FORECLOSURES

	3/31/2026
FORECLOSURES INITIATED	43
#1 BILLINGS	12
#2 GREAT FALLS	6
#3 BUTTE	5
OTHER CITIES	20
TOTAL PRINC BALANCE (ALL)	\$7,635,387
FORECLOSURE SALES SCHEDULED	26
FHA	24
VA	2
USDA/RD	0
OTHER LOAN TYPE	0

Rental Assistance Dashboard

February, 2026 Dashboard (Data as of April 2, 2026)

Totals

	<u>Previous Month</u>	<u>Current Month</u>	<u>Change</u>
Paid Units	7,013	7,105	92
Budgeted Units		8,317	
All Section 8 HAPs	5,679,567	5,447,071	(232,496)
All Waitlists	4,340	4,851	511

Rental Assistance Tenant Based Programs

	<u>Month</u>	<u>Month</u>	<u>Change</u>	<u>Year HAP</u>
	<u>1/31/2026</u>	<u>2/28/2026</u>		
Housing Choice Voucher (HCV)				
Paid Units (VMS)	2,952	2,991	39	
Current Month Payment Amount	2,223,250	2,273,834	50,584	4,497,084
Veterans Affairs Supportive Housing (VASH)				
Number Units Paid (VMS)	304	317	13	
Payment Amount	204,567	210,722	6,155	415,289
Moderate Rehabilitation (ModRehab)				
Paid Units (71 Authorized)	38	41	3	
Payment Amount	27,772	25,773	-1,999	53,545
Mainstream Vouchers				
Number Units Paid (VMS)	20	18	-2	
Payment Amount	17,288	14,709	-2,579	31,997
Project Based VASH				
Number Units Paid (VMS)	28	36	8	
Payment Amount	10,755	16,127	5,372	26,882
<i>NOTE: 1/2026 Utilization on Two Year Tool combines VASH and PBVASH</i>				
EHV				
Number Units Paid (VMS)	46	45	-1	
Payment Amount	38,856	38,578	-278	77,434

Rental Assistance Project Based Programs

Project-Based Section 8				
Contracts	85	85	0	
Units Paid (4132 Authorized with 8bb)	3,612	3,644	32	
Housing Assistance Payment Amount	3,157,079	2,858,520	-298,559	6,015,599
811 Project Rental Assistance Demo (FY)				
Rental Assistance Contracts (RAC)	2	2	0	
Units leased(grant requires 82)	13	13	0	
Housing Assistance Payment Amount	0	8,808	8,808	8,808
Original grant is terminating; transitioning to annual contracts.				
<i>NOTE: 811 HAP disbursed and balance numbers are from eLOCCS 1/2/2026 current</i>				

Rental Assistance Waiting Lists

Regional Field Agencies	<u>3/5/2026</u>	<u>4/2/2026</u>	<u>Change</u>	<u>Vouchers issued since 7/1/2025</u>		
				<u>3/4/2026</u>	<u>4/1/2026</u>	<u>Change</u>

Action for Eastern Montana	82	109	27	23	29	6
HomeFront Billings	546	583	37	54	69	15
Billings HRDC (outside city limits)	116	139	23	77	98	21
Bozeman	395	425	30	92	130	38
Butte	232	289	57	71	101	30
Helena	119	180	61	56	74	18
Kalispell	372	408	36	35	56	21
Lewistown	21	27	6	26	33	7
Missoula	606	666	60	43	44	1
Opportunities Inc (Great Falls & Havre)	502	603	101	420	461	41
Moderate Rehabilitation Billings	464	474	10			
Moderate Rehabilitation Chinook	0	0	0			
Moderate Rehabilitation Great Falls	621	641	20			
Moderate Rehabilitation Helena	0	0	0			
Moderate Rehabilitation Missoula	264	307	43			
TOTAL	4340	4851	511	897	1,095	198

Board Agenda Item

Board Meeting: April 14, 2026

Operations / Executive Director

BOARD MEETINGS

- Our next Board meetings will be held Monday, May 11, 2026 and Tuesday, May 12 at 8:30 a.m. at the Great Northern Hotel in Helena, MT and via Zoom. Board members are expected to attend the May meetings in-person unless a scheduling conflict has been shared in advance with the Board Chair. Pre-applications for the 9% LIHTC round will be presented on Monday with invitations for full application on Tuesday.

BOARD MEMBER OPPORTUNITIES

- NCSHA LegCon will be held April 21 - 23, 2026. Cheryl Cohen, Bruce Posey, Richard Miltenberger, and Ryan Aiken are planning to attend. The [full agenda](#) is now available for review. Logan Colberg has secured meetings with all members of the Montana delegation (specifically, their designated staff).
- The Montana Housing Partnership Conference will be held at Fairmont Hot Springs in Fairmont, MT May 18 - 20. Board members interested in attending who haven't already contacted Logan Colberg for registration and logistics are encouraged to do so as soon as possible. Early bird registration ended April 1.
- Board members are invited to join in the 10-city roadshow this summer by attending the destination closest to their residence. Please contact Cheryl Cohen if you would like to attend.

CONTRACTS / PROCUREMENT



- A new CSG Advisors Incorporated contract has been routed for execution (financial advisors for single family and multifamily programs).
- An amendment to the Builder's Patch contract (adding additional scope to implement additional system configurations - checklists, memos, reports, and product enhancements to support expanded compliance needs for Multifamily has been routed for execution.
- First Interstate Bank (mortgage servicing banking accounts) contract renewal was executed on March 11, 2026.
- Request For Proposal for MBOH software solutions was submitted to the State Procurement Division Services on March 30. We expect the solicitation to be released on April 8.

PERSONNEL

- Lena Negrete will join Community Housing on April 14 as a Program Specialist. Lena has experience managing federal grants in the nonprofit sector.
- Melissa Herrera has accepted the Transitional Federal Housing Executive position and will start her new role on April 13, 2026. Announcement shared by Cheryl Cohen with the Housing Division staff:
"In her new position, Melissa will oversee the Community Housing and Rental Assistance Bureau programs. Julie Flynn and Kelly Shields will shift from reporting to me to reporting to Melissa. Following implementation of new software with the Board of Housing, Joe DeFilippis - Operations Manager - will also shift to reporting to Melissa.

The addition of this position will add increased leadership capacity to the Commerce Housing Division, particularly as we tackle changes to the federal programs we administer. This position was also established in recognition that we will need to undertake RFPs for software system replacements for the Housing Choice Voucher/Tenant-Based programs as well as the software utilized



by our Project-Based Section 8 team. Don't fret - this will be a process over the next several years!

I've had the pleasure of working with Melissa since she joined Commerce as our ARPA Housing Program Executive. During a time where I was floundering, Melissa was able to step in with Montana Emergency Rental Assistance, Homeownership Assistance Fund, and ARPA Gap Financing programs seamlessly. Melissa is well versed in reviewing, interpreting and implementing complex federal regulations. She also has considerable experience with the administrative rule-making process and state audits. As some of the COVID-era programs have wrapped up, Melissa stepped in to support many "other duties as assigned", including leading work on our Disaster Housing Strategy with the Montana Disaster and Emergency Services team and efforts to seek Community Development Block Grant - Disaster Relief following the 2022 Yellowstone flood. Additionally, she's supported several Commerce grant application efforts including the PRICE and PRO Housing grants.

Before joining Commerce, Melissa held several positions at DPHHS and helped lead efforts on the state's HEART waiver with CMS. Her background in behavioral health is an asset to our division and the support we provide to communities, including funding projects and providing rental assistance to persons with special needs.

Melissa is a dedicated public servant who brings a calm and pragmatic approach to her work. I know she's excited to continue her tenure with Team Commerce.

HOMEOWNERS ASSISTANCE FUND

- A total of 4,083 applications have been submitted to all statewide programs as of April 6, 2026.



- HAF has spent over \$30 million on all programs.
- We have hired a new temporary worker, LuAnn who is working in our Lien Prevention and Reinstatement programs as a Quality Reviewer. We are still seeking another temporary hire for our Home Repairs program.
- Our utility program is longer accepting applications as of March 31st. Applications submitted prior to that time will still be reviewed. We will also no longer be offering Forward Facing Payments as of May 1st.
- Meeting with auditors in the design phase of our audit.
- We've made some big strides with our Home Repairs program. We had received 576 applications in total. Of those, 240 went on to have repairs done. Of those 240, 97 are currently under construction and 142 have been completed! That leaves just 1 case left to start on repairs. This has been a huge part of our program and I applaud all of our staff, at one point or another, every HAF staff member has helped with home repairs.

COMMUNITY HOUSING

- Commerce continues to wait for the allocation amounts for the Community Development Block Grant, Housing Trust Fund and HOME Investment Partnerships Programs. We anticipate hearing in the coming weeks and expect the allocations to be similar to what Commerce received in 2025.
- HOME, HTF and CDBG-Housing applications will be due Sept. 15, 2026. Commerce has suspended its CDBG-Housing Stabilization Program because all funds earmarked for single-family rehabilitation activities have been awarded. We will accept applications again when 2026 funds become available in Fall 2026.
- The Draft 2025 Consolidated Annual Performance Evaluation Report and 2026 Annual Action Plan will be available for public comment late May and mid-June. Watch for opportunities to comment on the CAPER and AAP on June 10 and July 9, respectively.

EXECUTIVE DIRECTOR

- On Wednesday, April 1, Cheryl Cohen, Kelly Shields, and Commerce Director Marta Bertoglio joined City of Havre Mayor Wade Bitz and law enforcement and fire department representatives to discuss concerns at the PBS8 property Havre Eagles Manor. The property is in bankruptcy with a bankruptcy trustee assigned that is governing the property's financials. While there have been several developers and potentially interested buyers, none have been able to proceed with an acquisition of the property. The Commerce Housing Division indicated it will take action to follow up with the property and HUD and consider further options to potentially incentive an acquisition/rehab of the property by a qualified developer. However, we have a limited role under our Project Based Contract Administrator capacity; HUD retains decision-making authority with the added dynamic of the appointed bankruptcy attorney. Havre officials shared concerns about the number of service calls at the property but concurred that local property management is being responsive.
- The Montana Departments of Commerce and Agriculture are planning a Road Show to visit 10 cities from mid-June to late-August to meet with local leadership and elected officials. The purpose of these meetings is to provide an overview of Commerce and Agriculture programs that support Montana communities, highlighting specific investments and results over recent years. The list of cities and dates are included below (may be subject to change).

Cheryl Cohen will attend 7 of the 10 cities, with Julie Flynn, Jason Hanson, and Jessica Michel covering the remaining 3. We will have the opportunity to invite 2 or 3 partners or stakeholders to join each visit. Board members who are interested in attending the convening nearest to your residence can reach out to Cheryl Cohen to discuss logistics.

- Havre, June 16 from 1:30 – 4:00

- Lewiston, June 17 from 9:00 – 11:30
 - Great Falls, July 8 from 9:30 – 12:00
 - Butte, July 9 from 9:30 – 12:00 (Jessica Michel)
 - Billings, July 15 from 1:30 – 4:00 (Julie Flynn)
 - Bozeman, July 16 from 9:00 – 11:30 (Jason Hanson)
 - Kalispell, July 28 from 1:30 – 4:00
 - Missoula, July 29 from 9:00 – 11:30
 - Wolf Point, August 11 from 1:30 – 4:00
 - Glendive, August 12 from 9:00 – 11:30
 - Helena, August 15 from 9:00 – 11:30
- **Public Hearing: Fiscal Year 2027 Public Housing Authority Annual Plan and Administrative Plan**: April 15 at 10 a.m. Commerce announces the public hearing for the Fiscal Year 2027 Public Housing Authority Annual Plan and Administrative Plan for the Housing Choice Voucher Program, the Moderate Rehabilitation Program and related voucher programs.
The PHA Annual Plan, which includes the 2027 Administrative Plan, has been developed and published to incorporate new federal regulatory requirements and other administrative modifications. The public is now encouraged to review the **draft document** and provide feedback.
The hearing will be held on Zoom; presentation materials will be available on **Commerce’s website** in advance. The public hearing will provide attendees with an opportunity to respond to Commerce’s FY2027 PHA Annual Plan and Administrative Plan. Commerce will consider any comments or views provided orally during the public hearing or in writing during the comment period, beginning March 2, 2026, and ending April 15, 2026, at 5 p.m.