

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

BOARD OF DIRECTORS MEETING



Terrace at Sainte Adresse—1867

Claude Monet

Thursday, June 16, 2016

Little Rock, Arkansas

**ARKANSAS DEVELOPMENT FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING**

Thursday, June 16, 2016

**12:30 p.m. – Asset Commitment Committee Session
(Bond Guaranty Loans)**

1:30 p.m. - Public Board Meeting

AGENDA FOR PUBLIC MEETING

- Roll call and note of absences.
- Approval and adoption of minutes from the May 19, 2016 meeting of the Board of Directors.

I. OTHER BUSINESS:

- Loan Committee
- Board Committee Reports

Board Housing Review Committee
Board Audit Committee
Board Asset Commitment Committee

II. NEW BUSINESS:

Resolution No. 1. A resolution, identified under Tab 1, modifying and supplementing the intent of the Arkansas Development Finance Authority with respect to certain Capital Improvement Revenue Bonds to be issued by the Authority; approving and authorizing the execution and use of a Preliminary Official Statement in connection with the marketing of the Authority's Capital Improvement Revenue Bonds; authorizing the Bond Purchase Agreement; authorizing and prescribing other matters pertaining there. **(Presenter: Michele Allgood)**

Resolution No. 2. A resolution, identified under Tab 2, authorizing the issuance of State of Arkansas Higher Education General Obligation Bonds to refund certain outstanding State of Arkansas Higher Education General Obligation Bonds, Series 2007A; authorizing a Trust Indenture, a Bond Purchase Agreement, Preliminary and Final Official Statements, Continuing Disclosure Agreement and related documents in connection therewith; and authorizing other matters pertaining thereto. **(Presenter: Shep Russell)**

Resolution No. 3. A resolution reaffirming the Amended and Restated Single Family Mortgage Revenue Bond General Resolution (Mortgage-Backed Securities/Mortgage Loans Program) adopted July 20, 1995, as Amended and Supplemented, and as approved on May 16, 2013; adopting and approving (1) a Series Resolution authorizing the issuance and sale of Single Family Mortgage Revenue Bonds, 2016 Series A and 2016 Series B and such

additional series as may be necessary subject to the limitations of this Resolution; (2) the distribution of Preliminary and Final Official Statements, and (3) the Bond Purchase Contract. (**Presenter: Kathleen Orlandi**)

III. ADJOURNMENT:

The next regular meeting of the ADFA Board of Directors is scheduled for **Thursday, July 21, 2016**, in the Second Floor (2nd) Conference Room, 900 West Capitol, Little Rock, Arkansas.

Tab 1

MODIFYING AND SUPPLEMENTAL RESOLUTION

A RESOLUTION MODIFYING AND SUPPLEMENTING THE INTENT OF THE ARKANSAS DEVELOPMENT FINANCE AUTHORITY WITH RESPECT TO CERTAIN CAPITAL IMPROVEMENT REVENUE BONDS TO BE ISSUED BY THE AUTHORITY; APPROVING AND AUTHORIZING THE EXECUTION AND USE OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE MARKETING OF THE AUTHORITY'S CAPITAL IMPROVEMENT REVENUE BONDS; AUTHORIZING THE BOND PURCHASE AGREEMENT; AUTHORIZING AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, Arkansas Development Finance Authority (the "Issuer" or the "Authority") is authorized and empowered under the provisions of Act No. 1062 of the Acts of Arkansas of 1985, as amended (the "Act"), to issue revenue bonds, either alone or as a composite issue, and to expend the proceeds thereof to finance the acquisition, constructing and equipment of land, buildings, equipment or facilities which can be used in securing or developing industry for industrial enterprises and educational facilities; and

WHEREAS, the Issuer has heretofore agreed to provide permanent financing, through the issuance of one or more series of taxable or tax-exempt revenue bonds under the Act, of the costs of (i) financing the acquisition, construction, renovation and equipping of certain educational facilities of Maumelle Foundation For Education, Inc., an Arkansas nonprofit corporation (the "Borrower") located on the Borrower's main campus at 900 Edgewood Drive, Maumelle, Arkansas 72113 (the "Project"), (ii) the possible refinancing of certain outstanding indebtedness of Borrower, (iii) funding a debt service reserve fund and/or capitalized interest fund, if any, and (iv) paying costs of issuance of the Bonds with the Issuer loaning the proceeds of the Bonds to the Borrower for these purposes; and

WHEREAS, at its March 17, 2016 meeting, the Issuer previously approved a resolution indicating its intent to issue its Capital Improvement Revenue Bonds (Academics Plus Charter School Project), Series 2016 (the "Bonds") for the purpose of financing the acquisition, construction and equipping of the Project in an aggregate principal amount of up to \$17,000,000 and authorized the preparation of a Preliminary Official Statement and a bond purchase agreement relating to the Bonds; and

WHEREAS, it has been determined that additional bond proceeds may be necessary and the Issuer intends to modify and supplement its prior resolution and increase the aggregate principal amount up to \$20,000,000 without modifying the other provisions of the resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Arkansas Development Finance Authority:

Section 1. Authorization of Issuance and Sale of Bonds. In order to finance the Project, there is hereby approved and authorized the issuance and sale of not to exceed \$20,000,000 in aggregate principal amount of Capital Improvement Revenue and Refunding

Revenue Bonds (Maumelle Foundation For Education, Inc./Academics Plus Charter School Project) Series 2016 (the “Bonds”), for the purposes of loaning the proceeds of the Bonds to the Borrower to (i) finance the acquisition, construction, renovation and equipping of certain educational facilities of Borrower located on the Borrower’s main campus at 900 Edgewood Drive, Maumelle, Arkansas 72113 (the “Project”), (ii) refinance, if necessary, certain outstanding indebtedness of Borrower, (iii) to fund a debt service reserve fund and/or capitalized interest fund, if any, and (iv) to pay costs of issuance of the Bonds. The Bonds shall bear interest at a rate not to exceed four and 90/100 percent (4.90%), calculated on the basis of true interest cost (after taking into account original issue discount and premium and Underwriter’s discount, but excluding costs of issuing such Bonds). The Bonds shall mature not later than January 1, 2043. The Bonds may be issued in one or more series if necessary to differentiate the tax treatment of interest on the Bonds for federal income tax purposes or for other reasons deemed necessary or appropriate by the Issuer. The security for the Bonds shall be clearly identified, and the status of such security with respect to other debt obligations of the Borrower shall be as agreed to by the Authority. The sale of the Bonds shall be pursuant to a bond purchase agreement hereinafter authorized, in a form satisfactory to the President of the Authority.

Section 2. Compliance with the Rule. This Resolution is to provide for compliance with Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”). Upon compliance with the terms hereof, the President of the Authority is hereby authorized to deem the Preliminary Official Statement (referenced below) a final official statement, as such term is defined in the Rule, as of its date, except for the interest rates, underwriter’s discount, offering prices, delivery dates, aggregate principal amount, principal amount per maturity, ratings and other terms of the Bonds depending on such matters.

Section 3. Preliminary Official Statement. To provide for the offering and sale of the Bonds, there will be prepared a Preliminary Official Statement setting forth information concerning the Bonds, the Borrower, the Project and the Issuer. The President or the Chairman is each hereby individually authorized to review and approve the form and the distribution of the Preliminary Official Statement. The Underwriter, upon final approval of the President or the Chairman of the Authority, is authorized to rely upon and to use the Preliminary Official Statement to market the Bonds to potential purchasers. The distribution of the Preliminary Official Statement in the form approved by the President or the Chairman in marketing the Bonds is hereby approved and authorized.

Section 4. Bond Purchase Agreement. The Chairman, Vice Chairman, President, Vice President-General Counsel and the Vice President for Development Finance are hereby authorized to approve the form of a bond purchase agreement between the Issuer and the Underwriter, and the President is authorized to execute the agreement on behalf of the Issuer. The purchase price of the Bonds shall be approved by the President and the staff. The bond purchase agreement shall provide for the sale of the Bonds upon terms substantially as set forth above.

Section 5. Public Hearing. The President of the Authority, or his designee, is authorized to prepare and publish a notice of public hearing and conduct such hearing regarding the issuance of the Bonds in compliance with the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended, and the Arkansas Revenue Bond Act, Act No. 852 of the

1987 Acts of the General Assembly of Arkansas. The publication of a notice of public hearing to be held on June 24, 2016 is hereby ratified and confirmed.

Section 6. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 7. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 8. This Resolution shall be in force and effect immediately upon and after its passage.

PASSED: June 16, 2016.

APPROVED:

By: _____
Dr. Richard Burnett, Chairman

ATTEST:

By: _____
Aaron S. Burkes, President/Secretary

Tab 2

A RESOLUTION AUTHORIZING THE ISSUANCE OF STATE OF ARKANSAS HIGHER EDUCATION GENERAL OBLIGATION BONDS TO REFUND CERTAIN OUTSTANDING STATE OF ARKANSAS HIGHER EDUCATION GENERAL OBLIGATION BONDS, SERIES 2007A; AUTHORIZING A TRUST INDENTURE, A BOND PURCHASE AGREEMENT, PRELIMINARY AND FINAL OFFICIAL STATEMENTS, CONTINUING DISCLOSURE AGREEMENT AND RELATED DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING OTHER MATTERS PERTAINING THERETO.

WHEREAS, at the general election held November 7, 2006, the voters of the State of Arkansas (the "State") approved the issuance by the Arkansas Development Finance Authority (the "Authority"), on behalf of the State, of State of Arkansas Higher Education General Obligation Bonds in a total principal amount not to exceed \$250,000,000 in one or more series from time to time for the purpose of financing the costs of developing technology and facility improvement projects for State institutions of higher education (the "Projects") and financing the costs of refunding bonds issued under the Arkansas College Savings Bond Act of 1989 (the "College Savings Bond Act"); and

WHEREAS, the State of Arkansas Higher Education General Obligation Bonds are authorized to be issued in accordance with the Arkansas Higher Education Technology and Facility Improvement Act of 2005 (the "Act"); and

WHEREAS, the Act provides that the annual debt service on the State of Arkansas Higher Education General Obligation Bonds and the State of Arkansas College Savings General Obligation Bonds issued by the Authority, on behalf of the State, under the College Savings Bonds Act (the "College Savings Bonds") that are outstanding, may not exceed \$24,000,000 on an annual basis; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Authority has issued State of Arkansas Higher Education General Obligation Bonds, Series 2007B (the "Series 2007B Bonds") and Series 2007C (the "Series 2007C Bonds") for the purpose of financing the Projects; and

WHEREAS, in order to stay below the \$24,000,000 annual debt service limitation, the Authority has also issued State of Arkansas Higher Education General Obligation Bonds, Series 2007A (the "Series 2007A Bonds") to advance refund certain College Savings Bonds; and

WHEREAS, the Series 2007C Bonds have been paid in full; and

WHEREAS, in order to receive debt service savings for the State, the Series 2007B Bonds were advance refunded with the proceeds of the Authority's State of Arkansas Higher Education General Obligation Bonds, Refunding Series 2015 (the "Series 2015 Bonds"); and

WHEREAS, in order to achieve additional debt service savings for the State, the Authority has determined that it would be in the public interest to advance refund the Series 2007A Bonds that mature on June 1 in each of the years 2018 through 2023, inclusive (the “Bonds Refunded”); and

WHEREAS, the Act provides that State of Arkansas Higher Education General Obligation Bonds may be issued under the Act to refund outstanding State of Arkansas Higher Education General Obligation Bonds and not count against the \$250,000,000 limitation, so long as the aggregate principal amount of the refunding bonds do not exceed the aggregate principal amount of the State of Arkansas Higher Education General Obligation Bonds being refunded; and

WHEREAS, the Bonds Refunded are in the outstanding principal amount of \$83,260,000; and

WHEREAS, the Authority has heretofore selected the following to act as bond counsel, underwriter and trustee to carry out the transactions described above: Friday, Eldredge & Clark, LLP, as bond counsel; Raymond James & Associates, Inc., as underwriter (the “Underwriter”); and Simmons Bank (formerly Simmons First National Bank, N.A.), as trustee (the “Trustee”); and

WHEREAS, the refunding bonds authorized hereby will not be issued as tax-exempt bonds for federal income tax purposes; and

WHEREAS, there has been presented to this meeting the form of the following instruments which the Authority proposes to execute to carry out the transactions described above, copies of which instruments shall be filed with the records of the Authority:

- (a) Bond Purchase Agreement (the "Bond Purchase Agreement") between the Authority and the Underwriter;
- (b) Trust Indenture between the Authority and the Trustee (the "Indenture");
- (c) Preliminary Official Statement; and
- (d) Continuing Disclosure Agreement among the Trustee, the Authority and the Arkansas Department of Finance and Administration (the “Continuing Disclosure Agreement”);

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Arkansas Development Finance Authority:

Section 1. After receiving advice and the recommendation of the President and Vice President for Finance and Administration of the Authority, the issuance of State of Arkansas Higher Education General Obligation Bonds for the purpose of advance refunding the Bonds Refunded (the “Bonds”) is hereby authorized under the Act so long as the refunding would produce a

net present value savings of at least four percent (4%) of the principal balance of the Bonds Refunded. The Bonds shall be designated “State of Arkansas Higher Education General Obligation Bonds, Taxable Refunding Series 2016.” The Bonds shall be direct general obligations of the State and shall be secured by an irrevocable pledge of the full faith, credit and resources of the State and, as provided in the Act and the Indenture, the Bonds shall be payable from the general revenues of the State.

Section 2. The proceeds of the Bonds shall be used to advance refund the Bonds Refunded and to pay the costs of issuing the Bonds, all as provided in the Indenture.

Section 3. The Bonds shall be issued in an aggregate principal amount not exceeding \$83,260,000. The annual debt service on the Bonds shall be less than the scheduled annual debt service on the Bonds Refunded. The annual debt service on the Bonds, when combined with the outstanding College Savings Bonds, the outstanding Series 2015 Bonds and the Series 2007A Bonds that are not being refunded, shall be less than \$24,000,000. The Bonds shall mature not later than June 1, 2023, which is the maturity date of the Bonds Refunded. The Bonds shall be issued at stated interest rates which shall be less than the stated interest rates for each corresponding maturity or sinking fund redemption date of the Bonds Refunded.

Section 4. The Bonds shall be sold to the Underwriter upon the terms and conditions to be set forth in the Bond Purchase Agreement. The President is hereby authorized to negotiate an Underwriter’s discount with the Underwriter that is not in excess of 0.35% of the par amount of the Bonds. The purchase price may include original issue premiums and discounts in such amounts as may be approved by the President of the Authority. The President (or in his absence the Vice President and General Counsel) is hereby authorized and directed to execute and deliver, for and on behalf of the Authority, the Bond Purchase Agreement to the Underwriter. In addition to the compensation in the form of Underwriter’s discount, the Underwriter shall be entitled to the reimbursement of such expenses as shall be set forth in the Bond Purchase Agreement approved upon by the President.

Section 5. To prescribe the terms and conditions upon which the Bonds are to be executed, issued, accepted, held and secured, the Chair or Vice Chair and President (or in his absence the Vice President and General Counsel) of the Authority are hereby authorized and directed to execute and deliver, for and on behalf of the Authority, the Indenture to the Trustee.

Section 6. The Chair of the Authority is hereby authorized and directed to execute the Bonds and to cause the Bonds so executed by him and by the Secretary of State and the Governor of the State, to be delivered to or at the direction of the Underwriter upon payment of the purchase price.

Section 7. The Preliminary Official Statement is hereby approved and the President is hereby authorized to declare the same to be final as of its date in accordance with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934 to the extent it is applicable to the sale of the Bonds. The President of the Authority is authorized to execute the Preliminary Official Statement and a final Official Statement. The Preliminary Official Statement and final

Official Statement are authorized to be distributed to various prospective and actual purchasers of the Bonds for and on behalf of the Authority.

Section 8. The President (or in his absence the Vice President and General Counsel) is hereby authorized and directed to execute and deliver, for and on behalf of the Authority, the Continuing Disclosure Agreement.

Section 9. The Bond Purchase Agreement, the Continuing Disclosure Agreement, the Indenture and the Preliminary Official Statement shall be in substantially the forms submitted to this meeting, which are hereby approved, with such omissions, insertions and changes as may be approved by the officers executing them, their execution to constitute conclusive evidence of their approval of any such omissions, insertions and changes.

Section 10. The Chair, Vice Chair and President (or in the President's absence, the Vice President and General Counsel), for and on behalf of the Authority, are hereby authorized and directed to do any and all things necessary to effect the execution and delivery of the instruments approved by this Resolution and the performance of all obligations of the Authority thereunder, the issuance, execution, sale and delivery of the Bonds, the refunding of the Bonds Refunded and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution. The Chair, Vice Chair and President (or in the President's absence, the Vice President and General Counsel) are hereby further authorized and directed, for and on behalf of the Authority, to execute all papers, documents, certificates and escrow deposit agreements and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

Section 11. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 12. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 13. This Resolution shall be effective upon its passage and approval.

ADOPTED: June 16, 2016.

ARKANSAS DEVELOPMENT FINANCE
AUTHORITY

ATTEST:

By _____
Dr. Richard Burnett, Chair

Aaron Burkes, President

(SEAL)

Tab 3

AUTHORIZING RESOLUTION

A RESOLUTION REAFFIRMING THE AMENDED AND RESTATED SINGLE FAMILY MORTGAGE REVENUE BOND GENERAL RESOLUTION (MORTGAGE-BACKED SECURITIES/MORTGAGE LOANS PROGRAM) ADOPTED JULY 20, 1995, AS AMENDED AND SUPPLEMENTED, AND AS APPROVED ON MAY 16, 2013; ADOPTING AND APPROVING (1) A SERIES RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF SINGLE FAMILY MORTGAGE REVENUE BONDS, 2016 SERIES A AND 2016 SERIES B AND SUCH ADDITIONAL SERIES AS MAY BE NECESSARY SUBJECT TO THE LIMITATIONS OF THIS RESOLUTION, (2) THE DISTRIBUTION OF PRELIMINARY AND FINAL OFFICIAL STATEMENTS, AND (3) THE BOND PURCHASE CONTRACT.

WHEREAS, the Seventy-Fifth General Assembly of the State of Arkansas at its 1985 Regular Session enacted Act No. 1062 of 1985, to be known and cited as the Arkansas Development Finance Authority Act, which is codified at Arkansas Code Annotated Section 15-5-101 *et seq.* (2003 Repl.; Supp. 2015); and

WHEREAS, there was created by the Arkansas Development Finance Authority Act, a body politic and corporate known and identified as the "Arkansas Development Finance Authority," said Authority being created and established to serve a public purpose and to act for the public benefit in improving the health, safety and welfare of the State and the general public; and

WHEREAS, among the purposes of the Authority, as established and declared by the General Assembly, are to encourage the construction and ownership of housing for families and persons of low and moderate income, in an orderly and sustained manner, so as to alleviate deteriorating housing conditions and improve the health, safety, convenience and welfare of the citizens of the State; and

WHEREAS, the Authority has determined that it will best serve and fulfill the purposes for which it was created by the establishment of a program which will provide for the construction and ownership of housing for families and persons of low and moderate income; and

WHEREAS, to provide for more residential single-family housing for families of low and moderate income, the Authority has developed a Mortgage-Backed Securities/Mortgage Loans Program; and

WHEREAS, the Authority has previously designated the firm of Stephens Inc. as senior manager (with such other underwriters as are selected by the Authority, the "Underwriters") to underwrite the Authority's Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities/Mortgage Loans Program); and

WHEREAS, the Authority has previously designated the firm of FirstSouthwest, a Division of Hilltop Securities Inc., to structure the Authority's Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities/Mortgage Loans Program); and

WHEREAS, the Authority has previously designated the firm of Hawkins Delafield & Wood LLP to serve as bond counsel ("Bond Counsel") with respect to the Authority's Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities/Mortgage Loans Program); and

WHEREAS, the Authority has previously adopted its Amended and Restated Single Family Mortgage Revenue Bond General Resolution (Mortgage-Backed Securities/Mortgage Loans Program) on July 20, 1995, as amended and supplemented, and as approved on May 16, 2013 (the "General Resolution"), as well as a Mortgage Origination Agreement (which incorporates by reference a Program Guide) with various mortgage lenders and a Program Administration and Servicing Agreement with a mortgage loan servicer; and

WHEREAS, a public hearing will be held on July 8, 2016 in the offices of the Authority on the issuance of not to exceed \$30,000,000 in principal amount of its Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities/Mortgage Loans Program) ; and

WHEREAS, after evaluating refunding possibilities, the current market and the most advantageous structure, the Authority has determined to issue the Bonds (as defined below) in the amount described herein; and

WHEREAS, in order to prepare for the issuance of the Authority's Single Family Mortgage Revenue Bonds, 2016 Series A, Single Family Mortgage Revenue Bonds, 2016 Series B and such additional Series of Single Family Mortgage Revenue Bonds as may be necessary to finance the Mortgage-Backed Securities/Mortgage Loans Program and to refund currently outstanding Authority debt (collectively, the "Bonds"), the Authority intends to authorize the preparation, delivery and execution of the following documents (and such other documents related thereto as may be necessary or desirable):

1. Series Resolution Authorizing the Issuance and Sale of not to exceed \$30,000,000 Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities/Mortgage Loans Program) (the "Series Resolution");
2. Bond Purchase Contract by and between the Authority and the Underwriters with respect to the Bonds (the "Bond Purchase Contract");
3. Continuing Disclosure Agreement with respect to the Bonds (the "Continuing Disclosure Agreement"); and
4. Preliminary Official Statement with respect to the Bonds (the "Preliminary Official Statement"), and Final Official Statement with respect to the Bonds (the "Final Official Statement" and; together with the Preliminary Official Statement, the "Official Statement"); and

WHEREAS, in order for the Underwriters to proceed with sale of the Bonds, the Underwriters require the Preliminary Official Statement to be in a form deemed final for purposes of the Underwriters' compliance with Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended (the "Rule").

NOW, THEREFORE, BE IT RESOLVED BY THE AUTHORITY, AS FOLLOWS:

Section 1. Authorization of Issuance of Bonds. There is hereby approved and authorized the issuance by the Authority and the sale to the Underwriters of an aggregate principal amount of not to exceed \$30,000,000 Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities/Mortgage Loans Program) and such additional series as may be necessary to finance the Mortgage-Backed Securities/Mortgage Loans Program and to refund currently outstanding Authority debt, subject to the terms and conditions set forth in the General Resolution and the Series Resolution.

Section 2. Sale of Bonds. The sale of the Bonds described in Section 1 hereof is hereby approved and authorized; provided, however, the sale of such Bonds shall be upon terms substantially as set forth in the Bond Purchase Contract hereinafter authorized and subject to the further conditions that all such Bonds mature not later than July 1, 2048 and bear interest at a rate which shall not exceed the highest lawful interest rate at the time the Bond Purchase Contract is executed. The Bonds shall be issued as fixed-rate bonds and such additional series as may be necessary may be issued as either fixed- or variable-rate bonds.

Section 3. Approval and Authorization of Documents. The General Resolution, the Series Resolution, the Preliminary Official Statement, the Bond Purchase Contract, the Final Official Statement, and the Continuing Disclosure Agreement, be and the same are in all respects hereby adopted, as applicable, approved, authorized, ratified and/or confirmed, and the Chair, Vice Chair and the President (or in his absence, the Vice President and General Counsel or the Vice President for Finance and Administration) be and they are each separately and individually hereby authorized and directed to execute, seal and/or deliver, for and on behalf of the Authority, the Series Resolution, the Preliminary Official Statement, the Bond Purchase Contract, the Final Official Statement, and the Continuing Disclosure Agreement, in substantially the form and content presented to the Authority on this date, or, if not so presented, in form approved by the President (or in his absence, the Vice President and General Counsel or the Vice President for Finance and Administration), consistent with such conditions as are described herein. The Series Resolution, the Preliminary Official Statement, the Bond Purchase Contract, the Final Official Statement, and the Continuing Disclosure Agreement may contain such changes, modifications, additions and deletions therein as shall be determined by the President (or in his absence the Vice President and General Counsel or the Vice President for Finance and Administration) to be necessary, desirable or appropriate, such person's respective execution thereof to constitute conclusive evidence of such person's approval of any and all changes, modifications, additions and deletions.

The dissemination by the Underwriters of the Preliminary Official Statement, either by delivery of copies thereof or by electronic dissemination, and the Final Official Statement and the certification to the Underwriters that the Preliminary Official Statement is deemed final by the Authority for the purposes of SEC Rule 15c2-12 are hereby approved, authorized, ratified and confirmed.

Section 4. Authority To Execute and Deliver Additional Documents. Each of the Chair, Vice Chair and President (or in his absence, the Vice President and General Counsel or the Vice President for Finance and Administration) is hereby authorized to direct Bond Counsel

to prepare any and all additional certificates, documents and other papers and to perform all other acts as he may deem necessary or appropriate to implement and carry out the purposes and intent of this Resolution, including the preamble thereto. Each of the Chair, Vice Chair and President (or in his absence, the Vice President and General Counsel or the Vice President for Finance and Administration) is hereby authorized to execute and deliver for and on behalf of the Authority any and all additional certificates, documents and other papers and to perform all other acts as they may deem necessary or appropriate to implement and carry out the purposes and intent of this Resolution, including the preamble hereto, including, without limitation, entry into the Bond Purchase Contract and approval of the Final Official Statement describing the Bonds authorized in Section 1 hereof.

Section 5. Public Hearing. The action of the President and other officers of the Authority in giving notice of a public hearing with respect to the issuance of the Bonds and conducting such public hearing, and issuing a report, if necessary, as to such proceedings to the Governor of the State of Arkansas so as to obtain his approval, if necessary, of the issuance of the Bonds or any portion of the Bonds, is hereby approved, authorized and directed and, with respect to such actions already taken, ratified and confirmed.

Section 6. Authorization of Vice President and General Counsel and Vice-President for Finance and Administration. Whereas the President of the Authority may be unavailable for the closing of the issuance and sale of the Bonds, the Vice President and General Counsel or the Vice President for Finance and Administration of the Authority are hereby authorized and directed to take all actions that the President is authorized or directed to take under the terms of this Resolution.

Section 7. Supplemental Resolutions. The Authority may, subject to the terms and conditions of the General Resolution and the Series Resolution, pass and execute resolutions supplemental to this Resolution which shall not be inconsistent with the terms and provisions hereof.

Section 8. Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 9. Prior Resolutions. To the extent provisions of prior resolutions, or parts thereof, are in conflict with the provisions of this Resolution, this Resolution, to the extent of such conflict, shall govern.

Section 10. Effective Date. This Resolution, having been adopted by Arkansas Development Finance Authority's Board of Directors on June 16, 2016, shall not be effective and no bond authorized hereby shall be issued until there has been filed with the Secretary the proclamation of the Governor of the State approving the issuance of such bonds as required by law.

Section 11. Captions. The captions or headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

PASSED AND APPROVED this 16th day of June, 2016.

ARKANSAS DEVELOPMENT
FINANCE AUTHORITY

By: _____
Dr. Richard Burnett, Chair

Attest:

By: _____
Aaron S. Burkes, President

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
May 19, 2016

The Board of Directors of the Arkansas Development Finance Authority held its regular board meeting on Thursday, May 19, 2016, at approximately 1:30 p.m., in the Bessie B. Moore Conference Room, 900 West Capitol, Little Rock, Arkansas.

ADFA Board members present: Dr. Richard Burnett, Chair; John Cooley, Vice-Chair; Anthony Brooks; Stan Green; Greg Stanfill; Charley Baxter; Seth Mims; Stephen Rose; Tom Spillyards; Denise Sweat; Jim Harris, Chief of Staff for State Treasurer, Dennis Milligan and Aaron Burkes, President and Board Secretary of the Authority.

Absent: Sarah E. Capp.

ADFA Staff present: Patrick Patton, Vice President of Internal Audit; Nancy Covington, Assistant to President; Layne Anderson, General Counsel; Brad Henry, Vice President of Development Finance; Derrick Rose, Communications; Cheryl Schluterman, Vice President of Finance & Administration; Kristy Cunningham, Controller; Ben Van Kleef, Vice President of Housing and Bob Hunt, HOME Specialist.

Others present: Jim Hathaway, Kutak Rock; Michele Allgood, Mitchell Williams; Jack Williams, Williams and Anderson; Edmond Hurst, Crews & Assoc.; Leigh Ann Biernat, Stephens; John Bryant, Mitchell Williams; Shelli Jordan, Regions; Debi DeHan, Regions; Gordon Wilbourn, Kutak Rock and Daniel Allen, RaymondJames.

NEW BUSINESS ~ COMMITTEE REPORTS

Loan Committee. Dr. Burnett called on Brad Henry to present any loans for the board's consideration and there were none.

Board Housing Committee. Dr. Burnett called on Charley Baxter to present the report from the Board Housing Committee.

Minutes. The committee approved the minutes from the April 21, 2016 meeting of the Board Housing Committee.

Central Arkansas Planning and Development District. The committee approved a request of (a) \$99,000 increase in their total HOME award from \$393,800 to \$492,800 in HOME Funds; (b) approval to add one additional (1) \$90,000 reconstruction project and \$9,000 of related project expenses; and (c) the increase of four (4) to five (5) homeowner-occupied reconstruction projects.

Application Spreadsheet. The committee reviewed and approved the application spreadsheet.

Multi-Family:

EMG. The committee approved the staff's recommendation for EMG to do capital needs assessments on behalf of ADFA Developers.

National Land Advisory Group. The committee approved the staff's recommendation to allow Richard Barnett, President of National Land Advisory Group to do market studies on behalf of ADFA Developers.

The Zieben Group-Chapel Ridge Apts. Phase II, Texarkana, AR. The committee approved the staff's recommendation to approve the sale of the partnership interest of Texarkana Housing Associate II LP., from Alden Torch Financial LLC ("AldenTorch") to CRA2, LLC ("CRA2"), a single purpose entity owned and controlled by the Zieben Group ("ZG") and the change of the property management agent to ZG Real Estate Management Group, an affiliated company of ZG.

The Zieben Group-The Oaks Apts., Little Rock, AR. The committee approved the staff's recommendation to approve the sale of the partnership interest of The Oaks Apartments Limited Partnership from Alden Torch Financial LLC ("AldenTorch") to TOA, LLC ("TOA"), a single purpose entity owned and controlled by the Zieben Group ("ZG") and the change of the property management agent to ZG Real Estate Management Group, an affiliated company of ZG.

Compliance Updates. Updates were given on ERC Properties, Inc. and Delinquent Monitoring Fees and Non-Compliance Fees.

Mr. Baxter made a motion to accept the Board Housing Review report as presented. Mr. Spillyards seconded the motion. By roll call, all members present voted, and the motion passed unanimously.

Asset Commitment Committee. Dr. Burnett called on Brad Henry, Vice President of Economic Development to present the report from the Asset Commitment Committee.

Minutes. Mr. Spillyards made a motion to approve the minutes of the April 21, 2016, meeting of the Board's Asset Commitment Committee. Mr. Cooley seconded the motion. By roll call, all present members voted, and the motion passed.

Reports. Brad Henry gave updates on the Bond Guaranty Program and SSBCI Program Data Reports Lending and Investing.

NEW BUSINESS ~ MINUTES AND RESOLUTIONS

Minutes. Dr. Burnett asked for approval of the minutes from the April 21, 2016 Board of Directors Meeting. Mr. Spillyards made a motion to approve the minutes. Mr. Stanfill seconded the motion. By roll call, all members voted and the motion passed unanimously.

Resolution No. 1. Dr. Burnett called on John Bryant to present the resolution identified under Tab 1, authorizing the issuance of \$25,760,000 Arkansas Development Finance Authority Correctional Facilities Construction Refunding Bonds, Series 2016; fixing the details and providing for the security and payment of such Bonds; authorizing the execution and delivery of a Trust Indenture to further secure the rights of the Holders of the bonds and the Authority, and delivery of a Bond Purchase Agreement and Loan Agreement; authorizing and approving an Official Statement; and prescribing other matters pertaining thereto. Mr. Baxter made a motion to approve the resolution. Mr. Green seconded the motion. By roll call, all present members voted, and the motion passed unanimously.

Resolution No. 2. Dr. Burnett called on Gordon Wilbourn to present the resolution identified under Tab 2, authorizing the issuance of not to exceed \$24,000,000 aggregate principal amount of (1) Arkansas Development Finance Authority Educational Facilities Revenue Refunding Bonds (Pulaski Academy Project), Series 2016A, and (2) Arkansas Development Finance Authority Educational Facilities Revenue Refunding Bonds (Pulaski Academy Project), Taxable Series 2016B, for the purpose of refunding certain outstanding bonds originally issued to finance and refinance capital improvements to Pulaski Academy; establishing the details and providing for the security and payment of such bonds; authorizing the execution and delivery of a Trust Indenture to further secure the rights of the Holders of the Bonds, the Authority and the Trustee; authorizing the execution and delivery of a Loan Agreement between the Authority and Pulaski Academy; authorizing the execution and delivery of a Bond Purchase Agreement providing for the Sale of the Bonds and other related documents; and prescribing other matters pertaining thereto. Mr. Cooley made a motion to approve the resolution. Mr. Mims seconded the motion. By roll call, all present members voted, and the motion passed unanimously.

Adjournment. Dr. Burnett stated the next Board meeting would be held on Thursday, June 16, 2016, at 900 West Capitol, Little Rock, Arkansas. The starting time for the executive session and public meeting will be announced at a later date. There being no further business, Dr. Burnett adjourned the meeting.

Minutes approved and signed this 16th day of June, 2016.

Aaron Burkes, President/Secretary

Dr. Richard Burnett, Chair
John Cooley, Vice-Chair



MEMORANDUM

TO: ADFA Board of Directors
FROM: Aaron Burkes, President *ASB*
DATE: June 9, 2016
RE: Board Report

- As part of our ongoing board orientation, Ben Van Kleef will highlight ADFA's Low Income Housing Tax Credit (LIHTC) Program. Due to the scope of the program, the presentation will be broken up into two 30-minute sessions that will follow the regular Board Housing Review Committee meeting this month and again in July.
- ADFA is hosting a visit from Standard and Poor's Financial Services (S&P) on June 8-9, as part of the refunding of \$83.2 million in Higher Education General Obligation bonds. To help demonstrate to S&P analysts the administration's strong commitment to economic development, ADFA staff is coordinating meetings with Governor Hutchinson and his staff, key state legislators, and officials from ADFA, AEDC, and DF&A.
- ADFA is preparing to issue approximately \$30 million in tax-exempt mortgage revenue bonds that will fund the Authority's new "ADFA Advantage" First-Time Homebuyer Program. ADFA Advantage will feature an interest rate below 3%, the lowest mortgage rate offered in the Authority's 39-year history. In preparation, single-family staff is busy finalizing lender documents, planning lender trainings, updating the single-family reservation system, and creating new promotional materials and web pages. We hope to begin making loans by the end of this month.
- ADFA staff worked with First Southwest, ADFA's financial advisor, to project state treasury earnings, which helped Governor Hutchinson pass his highway funding plan during the recent special legislative session.

The schedule for Thursday, June 16, 2016, is as follows:

10:00 a.m.	Board Housing Review Committee
10:30 a. m.	Board Orientation: Low-Income Housing Tax Credit (LIHTC) Program
11:00 a.m.	Board Audit Committee
11:30 a.m.	Lunch will be served – 3rd Floor Conference Room
12:30 p.m.	Board Asset Commitment Committee
1:30 p.m.	Public Board meeting





MEMORANDUM

TO: ADFA Board of Directors
FROM: J. Benjamin Van Kleef, Vice President of Housing
DATE: June 8, 2016
RE: Board Report

VK

Multi-Family

ADFA's Multi-Family staff is nearing the completion of the underwriting stage of the 2016 Low-Income Housing Tax Credit Round. Notification of Deficiencies and Initial Score letters will be sent to applicants June 24, 2016.

HOME

1) Owner-Occupied Applications Received and Not Approved

- a. **Seven projects cumulatively requesting approximately \$2.8 million in HOME:**
 - i. **City of Magnolia** application # 150055 is requesting \$525,800.00 to assist five (5) homeowners in the city of Magnolia, AR. Application deficiency denial letter is forthcoming as the project was unable to secure construction cost gap financing above the \$90,000 HOME funds.
 - ii. **City of Bald Knob** application # 150057 is requesting a reduction in the homeowner projects from 4 to 1 and a reduction of its application funding request from \$396,000.00 to \$99,000.00. Staff review and environmental review is near completion.
 - iii. **Boys, Girls and Adults Community Development Center (BGACDC)** application #150059 is requesting \$413,511.57 to assist nine (9) homeowner projects in Phillips County. Staff review is complete and waiting on updated source documents to meet application compliance prior to final recommendation. Staff final review anticipated to be complete within 30 days.
 - iv. **Warren Housing Authority** application # 150061 requests for \$495,000 for construction and project delivery cost to assist five (5) homeowners in Warren is now reduced to 4 applicants for \$324,460.00. Staff second review and staff environmental clearance completion is required before final recommendation.

- v. **Arkansas Land and Farm Development Corporation (ALFDC)** application #150062 is requesting \$495,000.00 to assist five (5) homeowners and related project delivery costs. Application is under staff review.
 - vi. **Crittenden County Phase III application #160041 is requesting \$495,000.00** to assist five (5) homeowners and related project delivery costs. Application is pending staff review.
 - vii. **Crittenden County Phase IV application #160042 is requesting \$495,000.00** to assist five (5) homeowners and related project delivery costs. Application is pending staff review
- b. Project & Activity Status**
- i. There are 26 projects in the pipeline of which 19 are Board approved consisting of 89 homeowner projects. Twenty-eight (28) are complete and sixty-seven (67) are in various stages of completion.
 - ii. Staff working on 13 homeowner loan closings. Technical Assistance (TA) was provided to both city and county governments with low performing projects as well as to their consultant.

2.) HOME Funded Rental Activities

- a. Preconstruction Meetings were held for Cottages of Conway II, Stonebrook Park of Van Buren, Woodlake II. Notice to Proceed has been issued for Stonebrook of Van Buren.
- b. Processed two (2) draw requests totaling \$439,322.89 in HOME Funds.
- c. Reviewing the eleven (11) applications requesting HOME funds for the 2016 Low-Income Housing Tax Credit Application.

Homeownership Marketing Team

The Homeownership Marketing Team, Joey Walsh and Barbara Whittaker, have continued to make great progress in their efforts to educate the public about ADFA products. They have accomplished the following for the month of May:

Miles:	3,000 includes statewide and local
Cities Visited:	27
Lenders Contacted:	134
Lender Trainings:	7
Realtors Contacted:	49
Real Estate School Presentations:	4
Builders Contacted:	4

HOME Program Monthly Board Report
HUD REPORT

Through the period ending May 31, 2016

FY	TOTAL ALLOCATION	TOTAL PROGRAM INCOME	TOTAL RESERVED FOR ADMIN OPER	TOTAL COMMITTED FOR PROJECTS (AS OF 5/31/16)	TOTAL DOLLARS DISBURSED	BALANCE REMAINING TO BE DISBURSED
2009	14,001,563.00	1,696,431.72	1,400,156.30	14,067,867.13	15,365,491.51	332,503.21
2010	13,983,361.00	1,929,209.90	1,398,336.10	12,941,970.84	13,576,294.20	2,336,276.70
2011	12,269,079.00	2,407,907.63	1,226,907.90	11,549,182.21	12,292,899.57	2,384,087.06
2012	7,725,281.00	3,940,630.50	772,528.10	8,793,823.38	8,937,465.99	2,728,445.51
2013	7,314,340.00	2,142,031.18	731,434.00	4,840,844.13	4,893,594.49	4,562,776.69
2014	7,565,698.00	3,323,656.06	756,569.80	6,731,372.43	6,012,065.14	4,877,288.92
2015	6,525,503.00	2,716,997.55	652,550.30	2,811,857.77	2,957,973.07	6,679,936.47
TOTALS						
ALL YEARS	69,384,825.00	18,156,864.54	6,938,482.50	61,736,917.89	64,035,783.97	23,901,314.56

HOME PROGRAM	
<u>Applications Pending Approval of Board HRC, 6/16/16:</u>	
CHDO Operating	
CHDO Set Aside	
Homeowner New Construction & Rehab	
Multi-Family New Construction & Rehab	
Tenant-Based Rental Assistance	
<u>Total Pending Applications</u>	\$0.00

INSPECTIONS AND PROJECTS

In April 2016, HOME spent \$13,000.19 in outsourced inspections.

Single Family Division Homeownership Programs

MBS Program Comments: Beginning with the January 2016 report on Single Family activities we are using the numbers for first and second mortgage loans that have actually closed. Previously, we used numbers that were based on Reservations and it didn't take into consideration loans that were cancelled from our Internet Reservation System. The new calculation will give a much more accurate picture of Single Family Program activity.

- 1) **“Home-To-Own” First Mortgage Loan:** A 30 year fixed rate first mortgage loan. Funded by selling Mortgage-Backed Securities to Raymond James.

“Home-To-Own” Program Loans Closed

January - May	2015	2016
Amount	\$ 13,508,524	\$ 13,884,440
# of Loans	134	126
Average Loan Amount	\$ 100,810	\$ 102,257

- 2) **Down Payment Assistance (DPA) Second Mortgage:** The interest rate is 4.00%. It is a second mortgage, minimum \$1,000 up to a maximum of \$6,000 amortizing over 10 years. The source of these funds is the ADFA General Fund.

Down payment Assistance (DPA) Loans Closed

January - May	2015	2016
Amount	\$ 485,199	\$ 410,446
# of Loans	90	76
Average Loan Amount	\$ 5,391	\$ 5,401

- 2) **Arkansas Dream Down Payment Initiative (ADDI):** A “soft” second mortgage at 0% interest with a five year affordability period. Funded by the HOME Investment Partnership Program (HOME). ADDI is not a grant.

ADDI Loans Closed

January - May	2015	2016
Amount	\$ 380,692	\$ 450,235
# of Loans	70	83
Average Loan Amount	\$ 5,438	\$ 5,425

4) Mortgage Credit Certificate (“MCC”) Program

a) 2014 Mortgage Credit Certificate Program:

- 1) Over \$67 million in first mortgage loans originated.
- 2) Average amount of first mortgage loan = \$111,048
- 3) 436 Mortgage Credit Certificates issued.
- 4) Over \$34 million committed in Federal tax benefit to MCC applicants.
- 5) 169 applications in pipeline.
- 6) 67% of the initial \$100 million has been allocated.
- 7) Approx. \$335,921 in Issuance Fees to be collected by ADFA.

b) 2014 Mortgage Credit Certificate Program is the only active MCC Program at this time. The 2015 MCC Program has been approved by the ADFA Board but we don't expect to start issuing MCC's until the middle of 2016.

Single Family Marketing Team Statistics

Barbara Whittaker and Joey Walsh traveled 3,000 miles during the month of May visiting twenty-seven (27) cities. In those twenty seven (27) cities they visited with one hundred thirty-four (134) lenders, provided seven (7) lender trainings classes. They also visited with forty-nine (49) Realtors® and four (4) real estate schools. They also met with four (4) builders.

**May 2016 Compliance Monitoring Activities
Properties Monitored in May 2016 -**

Property Name	Owner - Contact	# Units	Review Type	Review Date	Reviewed by	# Non-Compliant	# Life-Threatening	# Units/Files Reviewed	Review Grade
Cotter Senior Citizens Apts	2006 Tom Embach	16	LIHTC	5/9/2016	Jeanne Johnson	0	0	5	No Findings
Park West Senior Citizens	2003 Tom Embach	32	LIHTC	5/9/2016	Jeanne Johnson	0	0	7	No Findings
Summerhill Apartments III	2007 Tom Embach	17	LIHTC	5/9/2016	Jeanne Johnson	1	0	5	2 - 16-30% Non-Compliance
Gardengate Apartments	HOME Only Tom Embach	30	HOME	5/9/2016	Tammy White (PH 5-4-16) Jeanne Johnson File	0	0	6	No Findings
Victoria Woods Apartments	2006 Tom Embach	25	LIHTC HOME	5/9/2016	Tammy White (PH 5-4-16) Jeanne Johnson File	0	0	5	No Findings
Mill Creek Apartments	2002 Tom Embach	51	LIHTC HOME	5/9/2016	Tammy White (PH 5-5-16) Jeanne Johnson File	0	0	13	No Findings
Jenning Mills 2006	Tom Embach	11	LIHTC	5/9/2016	Tammy White (PH 5-5-16) Jeanne Johnson File	0	0	5	No Findings
RiverBend - Jasper 2010	Tom Embach	30	LIHTC EXCHANGE HOME	5/9/2016 fFile 5/26/16 Phy	Jeanne Johnson	0	0	6	No Findings
Curia Creek - Cave City Past year 15	1998 Tom Embach	20	HOME - LIHTC under PR	5/9/2016 File 5/17/16 Phy	Jeanne Johnson	2	0	5	3 - 31-40% Non-Compliance
Curia Creek II - Cave City	2006 Tom Embach	20	LIHTC	5/9/2016 File 5/17/16 Phy	Jeanne Johnson	0	0	5	No Findings
Mountain Lodge - Mt View	2009 Tom Embach	32	LIHTC EXCHANGE HOME	5/13/2016File 05/19/16 Phy	Jeanne Johnson	0	0	7	No Findings
Valley Estates Clarksville II	2012 Tara Bureson	48	LIHTC HOME	5/11/2016	Catrina Donahue	0	0	9	No Findings
Hughes Villas II 2016	Billy Bunn	20	LIHTC HOME FAF	5/12/2016	Tammy White	0	0	10	No Findings
Orchards of Cabot 2012	Robert Garth	39	LIHTC TCAP EXCHANGE HOME	5/12/2016	Catrina Donahue	0	0	7	No Findings
Garden Walk on 41st Street Past year 15	1993 Ryan Hudspeth	29	LIHTC	5/16/2016	Jeanne Johnson	2	0	6	3 - 31- 40% Non-Compliance
Ridge of Jonesboro I 2005	Arby Smith	48	LIHTC	5/16/2016	Catrina Donahue	6	3	8	5 - 51% Non-Compliance
Ridge of Jonesboro II 2007	Arby Smith	48	LIHTC HOME	5/16/2016	Catrina Donahue	6	2	8	5 - 51% Non-Compliance

**May 2016 Compliance Monitoring Activities
Properties Monitored in May 2016 -**

Property Name	Owner - Contact	# Units	Review Type	Review Date	Reviewed by	# Non-Compliant	# Life-Threatening	# Units/Files Reviewed	Review Grade
Ridge at Fort Smith 2007	Arby Smith	56	LIHTC HOME	5/18/2016	Catrina Donahue	3	1	9	3 - 31- 40 % Non Compliance
Gables of Maumelle 2003	Kenia Arroyo	120	LIHTC TE Bonds	5/23/2016	Jeanne Johnson	13	0	24	5 - 51% Non-Compliance
Garden Walk on 2nd - Ozark 2016	Ryan Hudspeth	45	LIHTC	5/29/2016	Tammy White	0	0	18	No Findings
Pulaski County Community Services	Shonda McElwee	25	TBRA	5/4/2016	Deanne Jennings	3	0	6	4 - 41 - 50% Non-Compliance
Belview Place Apartments	Russell Altizer	19	Partial Release	5/2/2016	Deanne Jennings			19	
Mitchellville Villas	Lee Black	10	Partial Release	5/6/2016	Deanne Jennings			10	
Delta Point Apartments	Russell Altizer	13	Partial Release	5/9/2016	Deanne Jennings			13	FINAL REQUIRED REPORT FULL RELEASE EXECUTED
Garland Street Apartments	Russell Altizer	5	Partial Release	5/10/2016	Deanne Jennings			5	FINAL REQUIRED REPORT FULL RELEASE EXECUTED
Martin Place II Apartments	Russell Altizer	5	Partial Release	5/12/2016	Deanne Jennings			5	FINAL REQUIRED REPORT FULL RELEASE EXECUTED
Bradley Square Apartments	Russell Altizer	23	Partial Release	5/13/2016	Deanne Jennings			23	
Forest Meadow II Apartments	Russell Altizer	10	Partial Release	5/17/2016	Deanne Jennings			10	
Cedar Square II Apartments	Russell Altizer	18	Partial Release	5/18/2016	Deanne Jennings			18	
Monticello Apartments	Russell Altizer	24	Partial Release	5/18/2016	Deanne Jennings			24	
Pecan Grove Apartments	Russell Altizer	20	Partial Release	5/18/2016	Deanne Jennings			20	
Pennylane Apartments	Russell Altizer	8	Partial Release	5/18/2016	Deanne Jennings			8	
Prescott Apartments	Russell Altizer	12	Partial Release	5/18/2016	Deanne Jennings			12	

**May 2016 Compliance Monitoring Activities
Properties Monitored in May 2016 -**

Property Name	Owner - Contact	# Units	Review Type	Review Date	Reviewed by	# Non-Compliant	# Life-Threatening	# Units/Files Reviewed	Review Grade
Hopewood Townhouses	Russell Altizer	6	Partial Release	5/19/2016	Deanne Jennings			6	
Kings Gate Apartments	Russell Altizer	14	Partial Release	5/19/2016	Deanne Jennings			14	
Ron Wes Apartments	Russell Altizer	6	Partial Release	5/24/2016	Deanne Jennings			6	

Events attended by Housing Staff in May, 2016

Ben Van Kleef met with Jim Youngquist, Executive Director for the Institute for Economic Advancement at the University of Arkansas at Little Rock on May 10.

On May 11, various ADFA staff members met with representatives of Gorman and Company to discuss three bond applications which should be submitted in June.

On May 12, Single Family staff members attend the Arkansas Mortgage Bankers meeting in Little Rock, Arkansas.

Ben Van Kleef met with the Federal Home Loan Bank of Dallas.

Ben Van Kleef attended a continuing legal education seminar on May 16 sponsored by the Rose Law Firm in which Chief Justice Howard Brill spoke.

On May 15-17, Murray Harding and Barbara Whittaker attended the Southeastern Homeownership Directors Meeting in Little Rock.

On May 23, Ben Van Kleef and Bob Hunt met with various representatives of Bank of Oklahoma.

Monica Smith, Compliance, attended the Monthly Web Compliance Management System on May 24, 2016.

NSP 3

Grant Awarded from HUD	\$	5,000,000.00
Less: 5% admin fee	\$	250,000.00
Less: Projects Funded (see details below)	\$	4,750,000.00

Outstanding Commitments:				Less: Balance Remaining to be Funded	
Closing Date	Development Name	Committed	Funded		
6/20/2012	The Manor, LLC	\$ 4,750,000.00	\$ 4,750,000.00	\$	-
Total Commitments and Fundings		\$ 4,750,000.00	\$ 4,750,000.00	\$	-

in Mitas

Program Income received life to date	\$	13,194.44
Interest Income received life to date	\$	-
Income Available	\$	13,194.44
Less: Program Income Spent for Construction and Administration	\$	-
Unspent Program Income per Trust Account (cash balance as of 05/31/2016)	\$	13,194.44

NSP-3 Funds Available to Commit at 05/31/2016 \$ 13,194.44

Administration	\$	250,000.00	\$	42,617.89	\$	207,382.11
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Notes:
 Administrative accruals not yet paid total \$730.04. Program income will be utilized to pay these fees.

AEDC-CDBG DISASTER FUNDS

Grant Awarded from HUD	\$	10,134,098.00
Less: Projects Funded (see details below)	\$	9,627,393.00

				Less: Balance Remaining to be Funded	
Closing Date	Development Name	Committed	Funded		
6/7/2011	Woodmont Manor-Batesville Housing	\$ 968,437.00	\$ 968,437.00	\$	-
6/30/2011	Cottages of Good Shepard I LP-Cottages of Good Shepard I	\$ 1,350,000.00	\$ 1,350,000.00	\$	-
6/30/2011	Cottages of Good Shepard II LP-Cottages of Good Shepard II	\$ 1,350,000.00	\$ 1,350,000.00	\$	-
12/7/2011	Peaks at North Little Rock II LP-Peaks II	\$ 900,000.00	\$ 900,000.00	\$	-
12/15/2011	Orchards at Mabelvale II LP-Orchards at Mabelvale II	\$ 900,000.00	\$ 900,000.00	\$	-
1/3/2012	ALFD-Forrest City Housing Partner LP-Stonebrook Park	\$ 900,000.00	\$ 900,000.00	\$	-
1/3/2012	Villas of NLR II, LP-Villas of NLR II	\$ 900,000.00	\$ 900,000.00	\$	-
1/11/2012	Villas at Country Club II LP-Villas II	\$ 900,000.00	\$ 900,000.00	\$	-
6/22/2012	Helena Renaissance I LP-Old Helena High School	\$ 900,000.00	\$ 900,000.00	\$	-
7/18/2012	Jacksonville Partnership for Housing LP-The Meadows	\$ 500,000.00	\$ 500,000.00	\$	-
7/18/2013	Leisure Homes Corporation-Park Side Patio Homes orig. \$58,956.10	\$ 58,956.00	\$ 58,956.00	\$	-
Total Commitments and Fundings		\$ 9,627,393.00	\$ 9,627,393.00	\$	-

in Mitas (forgivable)
in Mitas
in Mitas
in Mitas
in Mitas (forgivable)
in Mitas
in Mitas
in Mitas
in Mitas

CDBG Funds Available to Commit at 05/31/2016 \$ 506,705.00 (1)

Applications received but not submitted for board approval yet:
 - none
506,705.00 amount available if additional applications/requests were approved

Notes:
 (1) As of 05/31/2016, \$142,033.74 in administrative fees have been paid.
 Per HUD, admin expenses should be taken from AEDC's CDBG-DR grant admin set-aside and the full \$10,134,098 must be allocated for affordable rental housing.
 Administrative accruals not yet paid total \$1,250.33.

TAX CREDIT ASSISTANCE PROGRAM

TCAP Bank Balance at 05/31/2016	\$	1,088,907.30
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Breakdown:		
Program Income received life to date	\$	1,088,942.54
Interest Income received life to date	\$	769.76
Less: Program Income Spent for Trustee Fees life to date	\$	(805.00)
Unspent Program Income per Trust Account (cash balance) and Funds Available to Commit at 05/31/2016	\$	1,088,907.30 (1)

Applications received but not submitted for board approval yet:
 - none
1,088,907.30 amount available if additional applications/requests were approved

Notes:
 (1) As of 05/31/2016, there are no outstanding commitments against these funds. Program restrictions will be required on future commitments for these funds.

Mortgage Settlement Funds

Reconciled Bank Balance at 5/31/2016 \$ 1,375,436.16

Less: Outstanding Commitments:

Signed Agreement	Development Name	Committed	Funded	Less: Balance Remaining to be Funded
Homeowner Rehabilitation/Reconstruction:				
1/24/2013	Eastern Arkansas Community Outreach & Development Corp. (former St. Francis County Community Development Corp approved loan)	351,862.00	351,862.00	-
1/25/2013	City of Reed	253,000.00	253,000.00	-
3/27/2013	Drew County Public Facilities Board	351,714.00	351,714.00	-
3/27/2013	Eastern Arkansas Community Outreach & Development Corp.- various sites in Proctor, Marion and West Memphis	509,359.20	509,359.20	-
3/26/2013	City of Stuttgart II	324,500.00	324,500.00	-
5/6/2013	Arkansas Land & Farm Development Corp.-Various sites-Dermott	494,340.00	494,340.00	-
6/24/2013	Central Arkansas Planning and Development District-various sites in Lonoke, Scott, England and DeValls Bluff	507,659.00	472,979.00	34,680.00
9/25/2013	Third Party Consulting, Inc. (formerly CRT)-various sites in Garland, Holly Grove, Kingsland, Wrightsville	395,000.00	395,000.00	-
12/5/2013	City of McGehee	497,950.00	497,950.00	-
		3,685,384.20	3,650,704.20	34,680.00
Tax Credit Properties:				
5/30/2013	Edgewood Apartments, LP-Lewisville	75,000.00	75,000.00	-
12/19/2014	S&B Development-Deer Run-Hamburg	226,000.00	226,000.00	-
returned obligation	Belmont Development-Garden Walk on 2nd-Ozark--RETURNED \$450K obligation	-	-	-
12/27/2013	Legacy at El Dorado LP-El Dorado	450,000.00	450,000.00	-
2/7/2014	Leisure Homes Corporation-Majestic View-Mountain Home	450,000.00	450,000.00	-
10/25/2013	Paragould Housing Dev Corp-Rolling Hills-Paragould	450,000.00	450,000.00	-
11/7/2013	Pine Cove Apartments-Fordyce	175,000.00	175,000.00	-
8/20/2015	Huntsville Town Branch LP--Town Branch-Huntsville	356,000.00	356,000.00	-
de-obligated	Housing Solutions Alliance-NLR, AR--Silver City Courts---DE-OBLIGATED \$450K 2/19/2016	-	-	-
3/31/2015	JPM Development--Milwood Place-Clarksville	450,000.00	405,000.00	45,000.00
3/31/2015	JPM Development-Arkansas Affordable Two LP--West Helena Village-West Helena	450,000.00	405,000.00	45,000.00
12/14/2015	BRAD- Black River Housing, LP--2015 LIHTC recipient	450,000.00	405,000.00	45,000.00
		3,532,000.00	3,397,000.00	135,000.00
Homeless Project:				
not signed yet	Old Ft. Smith Homeless Coalition-Riverview HOPE Campus Phase I-orig allocation	128,805.30		
	Old Ft. Smith Homeless Coalition-Riverview HOPE Campus Phase I-revolved funds*	45,028.14		
		173,833.44	-	173,833.44
2/3/2015	Habitat for Humanity-Saline County Project:	180,000.00	-	180,000.00
not applicable	Homebuyer Counselor Fees	540,000.00	540,000.00	-
not applicable	Mortgage Default Counseling	285,000.00	285,000.00	-
not applicable	NeighborWorks Training	50,000.00	46,456.25	3,543.75
Total Commitments and Fundings (* including revolved funds & interest rcvd less fees)		8,446,217.64	7,919,160.45	527,057.19

Settlement Funds Available at 5/31/2016 \$ 848,378.97

REVISED BUDGET PER 4/18/2013 & 2/19/2015 & 5/21/2015 & 4/21/2016 BOARD MEETINGS						
	Approved Budget	Approved By Board to date	Currently Available	Requests for Board Approval	Available upon Board Approval	
Homebuyer Counselor Fees	\$ 540,000.00	\$ 540,000.00	\$ -	\$ -	\$ -	
NeighborWorks Training Courses for Homebuyer Counselors	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	
Mortgage Default Counseling	\$ 285,000.00	\$ 285,000.00	\$ -	\$ -	\$ -	
Homeowner Rehab/Recon	\$ 3,696,194.70	\$ 3,685,384.20	\$ 10,810.50	\$ -	\$ 10,810.50	
Multi-Family Rental Rehab (tax credits)	\$ 4,120,000.00	\$ 3,532,000.00	\$ 588,000.00	\$ -	\$ 588,000.00	
Homeless Project (approved usage of revolved funds and interest less fees as of 1/31/15-	\$ 173,833.44	\$ 173,833.44	\$ -	\$ -	\$ -	
Habitat for Humanity-Saline Co. Project	\$ 180,000.00	\$ 180,000.00	\$ -	\$ -	\$ -	
Interest earnings/NSF fees collected	\$ -	\$ -	\$ 1,415.80	\$ -	\$ 1,415.80	
Loan Repayments Received (P&I & U/Cash)	\$ -	\$ -	\$ 231,710.23	\$ -	\$ 231,710.23	
Administrative Expenses (approved use of revolved funds as of 3/31/2016)	\$ 20,000.00	\$ 20,000.00	\$ 16,442.44	\$ -	\$ 16,442.44	
Grand Total	\$ 9,065,028.14	\$ 8,466,217.64	\$ 848,378.97	\$ -	\$ 848,378.97	



Memorandum

TO: ADFA Board of Directors
FROM: Derrick Rose
DATE: June 8, 2016
SUBJECT: Board Report

I am working with the single family housing division on the following projects as they prepare to kick off the new "ADFA Advantage" First Time Homebuyer Program:

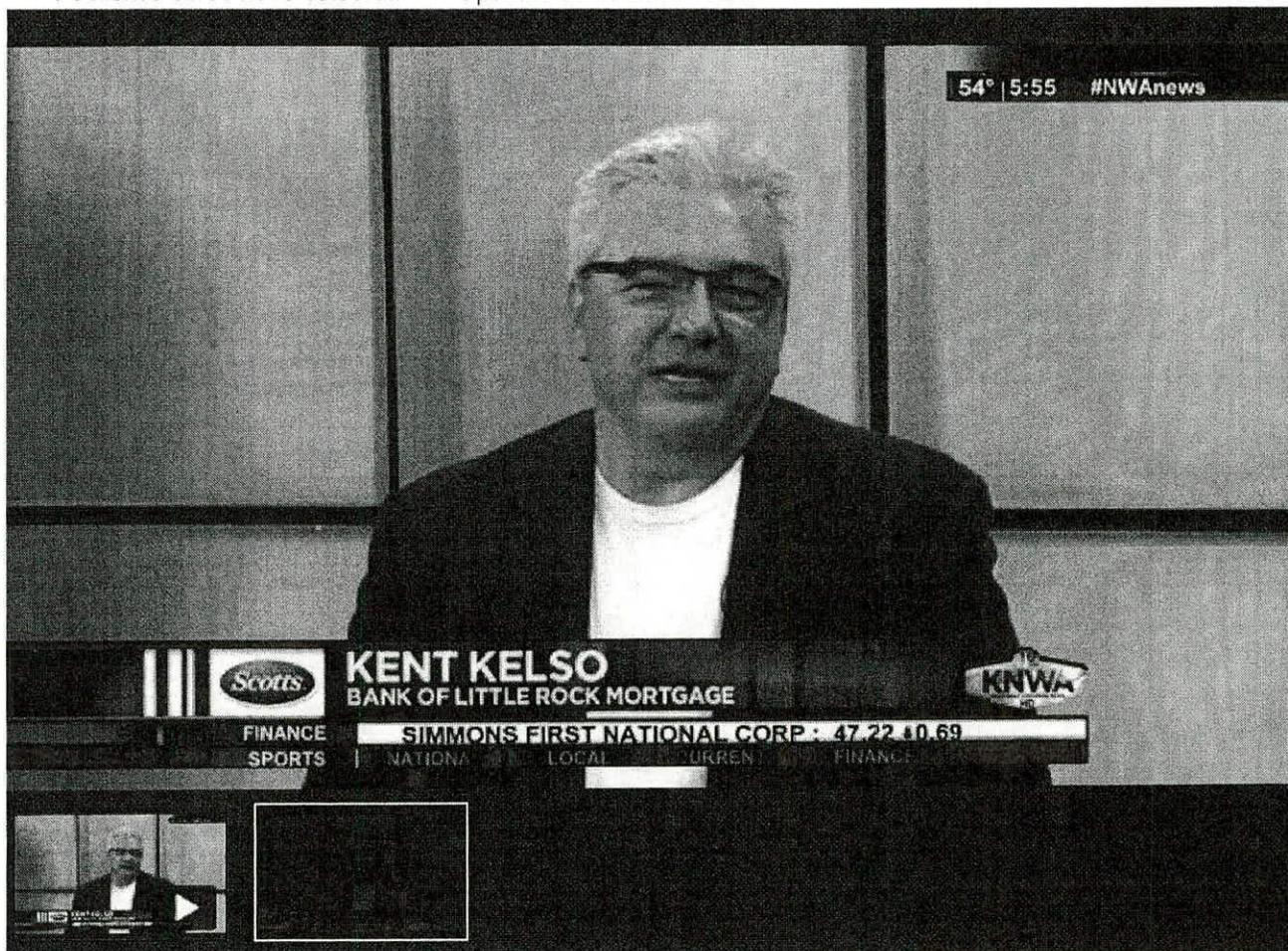
1. A press release to be distributed to media statewide. We are hoping the announcement of ADFA's new program with its low interest rate will spur interest in television and radio interviews.
2. Updates to ADFA's website are being made to help potential homebuyers – especially first timers – easily find information on ADFA Advantage and other resources like down payment assistance and the mortgage credit certificate program.
3. The creation of a Facebook page centered on ADFA's single family loan programs will be launched prior to kick off. Initially its focus will be to promote ADFA Advantage and to direct potential homebuyers to our website.



KNWA Today: Advice For First-Time Home Buyers

Published 06/06 2016 10:39AM

Updated 06/06 2016 10:39AM



FAYETTEVILLE, AR

Buying a home for the first time can be excited, but also a little intimidating.

Kent Kelso with Little Rock Mortgage stopped by the KNWA/Fox 24 studios to talk about common first-time buying pitfalls and how to avoid them.

Kelso offers three different tips for first-time buyers:

1) Many first-time buyers underestimate what they need for home maintenance and repair. I advise setting up a maintenance fund. When you move into a house, you may want to remodel, buy furniture or make repairs. Don't load up on debt for those things.

Remember, qualifying for a higher mortgage doesn't mean you'll be able to afford it. Be realistic with your budget.

2) Sometimes borrowers think they need to save up a large down payment and that causes them to delay purchasing a home. There are several down-payment assistance programs first-time buyers should look into.

2) Sometimes borrowers think they need to save up a large down payment and that causes them to delay purchasing a home. There are several down-payment assistance programs first-time buyers should look into.

One is the Arkansas Development Finance Authority First-Time Homebuyer Program. This program makes purchasing a home more affordable for low-to-moderate income families and individuals by offering fixed, low-interest rate mortgage loans. In addition, they also offer down payment and closing costs assistance.

The Federal Housing Administration offers a program for first-time buyers that can make your down payment be as low as 3.5% of the purchase price.

And there are also special programs for Veterans and home buyers in rural areas.

3) One of the best things you can do to make buying a home less overwhelming is to (or....meet with a loan professional to discuss your options and to pre-qualify for your loan. This is a crucial step that should be done before you start shopping for a house.

Your mortgage lender will need income, debt and job info to calculate how much financing you can qualify for - so be sure to have copies of W-2's, recent pay stubs, recent tax returns and recent bank statements ready.

Click on the video box to hear more from Kent Kelso on his tips for first-time buyers.

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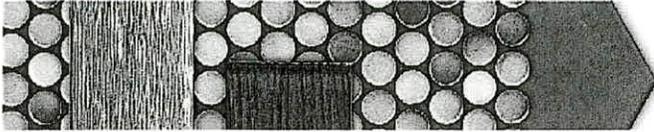
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Highways plan tied to earnings down the road It counts on treasury yields

By Michael R. Wickline [twitter](#)

This article was published May 29, 2016 at 3:51 a.m.



State treasurer earnings

Earnings on investments made by the state treasurer's office.

IN FISCAL YEARS, MILLION OF DOLLARS

2011	2012	2013	2014	2015	2016*	2017**	2018**
\$27.3	\$22.9	\$18.1	\$20.3	\$22.3	\$42.3	\$60	\$60

* Fiscal year to date ** Projected

SOURCE: Department of Finance and Administration Arkansas Democrat-Gazette

PHOTO BY ARKANSAS DEMOCRAT-GAZETTE / SOURCE: DEPARTMENT OF FINANCE AND ADMINISTRATION
State treasurer earnings information.



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The Legislature and Gov. Asa Hutchinson are relying on the state treasurer's improved earnings on roughly \$3 billion in investments to help generate more money for the state's highway program and to help pay for a long-term reserve fund for use in economic downturns.

Estimates vary on how much the office of Treasurer Dennis Milligan will earn on investments.

The Arkansas Highway Improvement Plan of 2016 — signed into law by the Republican governor Monday — will include \$1.5 million in investment earnings in fiscal 2017 and then \$20 million a year starting in fiscal 2018.

The earnings would be part of about \$50 million a year in state funds that would be pulled from different sources to match another \$200 million in federal funds available each of the next five years under the new federal highway law.

In the first year of the highway plan — fiscal 2017, which starts July 1 — the state's rainy-day fund would supply most of the money needed — \$40 million. In later fiscal years, the plan relies on using 25 percent of future general revenue surpluses.

Hutchinson's highway plan avoids raising taxes. His original highways proposal didn't include using investment earnings. He had proposed phasing in the use of up to \$25 million a year in sales tax

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Information about highway funds.

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Arkansas Daily Deal

collections on new and used cars.

The highway plan — sponsored by Rep. Andy Davis, R-Little Rock, and Sen. Bart Hester, R-Cave Springs — is Act 1 of the 90th General Assembly's Third Extraordinary Session.

A Department of Finance and Administration document estimates the investment earnings at \$60 million in fiscal 2017 and fiscal 2018. Those earnings ultimately could help produce \$23.3 million for the long-term reserve fund in fiscal 2017 and \$4.8 million more for that fund in fiscal 2018, according to the document.

During the first nearly 11 months of fiscal 2016, the treasury's earnings are \$42.3 million, said Jake Bleed, a spokesman for the finance department.

In response to an Arkansas Freedom of Information Act request for the treasurer's earnings projections in fiscal 2016-21, Milligan's spokesman, Grant Wallace, provided the Arkansas Democrat-Gazette with a single handwritten sheet of paper.

Wallace said the paper reflects notes made by the treasurer's senior investment manager, Ed Garner, at a March 11 meeting at the Department of Finance and Administration "and was responsive to questions that came up during the meeting." At that time, Garner projected the earnings for fiscal 2016 at \$39.4 million, Wallace said.

Although the finance department has estimates for the investment earnings, the treasurer's office does not, Wallace said.

"We are not in the business of running projections and don't run projections. We are focused on analyzing investment options and making the best investment possible, not projecting annual returns," Wallace said.

First Southwest, a Dallas-based financial services consultant, estimated on March 23 in what it described as "our preliminary analysis" that the state should expect to receive about \$6.8 million a month in interest receipts from treasury's investments over the next 24 months. That amounts to about \$81.6 million a year.

The \$6.8 million in interest receipts includes about \$5.8 million in mortgage-based securities earnings and \$1 million in commercial paper earnings, said Steven D. Johnson, director for the consulting firm hired by the Arkansas Development Finance Authority.

Department officials don't necessarily see the treasurer's office producing \$6.8 million a month over the next two years, Bleed said, noting that earnings totaled \$4 million to \$5 million a month in the past few months.

"The projection made by the consultant [First Southwest] included two interest rate hikes by the Federal Reserve," Wallace said.

"While we think that is likely, the monthly number we could conservatively estimate does not calculate those rate hikes," Wallace said. "We are not in the business of projecting and can only estimate based upon the returns we've earned thus far."

Historical returns

The investment earnings totaled \$27.3 million in fiscal 2011, \$22.9 million in fiscal 2012, \$18.1 million in fiscal 2013, \$20.3 million in fiscal 2014 and \$22.3 million in fiscal 2015, Bleed said.

But in the earlier decade, the annual earnings were much greater, one time topping \$100 million: \$44.4 million in 2005, \$87.3 million in 2006, \$112.5 million in 2007, \$95.9 million in 2008, \$47.5 million in 2009 and \$34.5 million in 2010, according to state records.

Milligan succeeded self-described independent and former Legislative Auditor Charles Robinson of North Little Rock as treasurer in January 2015. Robinson had been appointed by then-Gov. Mike Beebe, a Democrat, in May 2013 after Martha Shoffner of Newport, also a Democrat, resigned as treasurer after her arrest on an extortion charge.

In August, Shoffner was sentenced to 30 months in federal prison after a federal jury found her guilty of six counts of extortion, one count of attempted extortion and seven counts of receipt of bribery in connection with a series of cash payments she received from broker Steele Stephens between 2010 and 2013. She followed Democrat Gus Wingfield of Delight as treasurer in 2007.

"The increased returns we are experiencing is a result of a change in investment strategy, and the fulfilling of a campaign promise the treasurer made to secure the greatest and safest return possible for the taxpayers," Wallace said.



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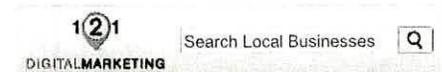
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"That strategy is in part responsive to a study conducted, after Treasurer Shoffner resigned, by [investment consultant] Hewitt Ennis Knupp in November of 2013," he explained. "One aspect that was pointed out in the study was for the ability of the portfolio to assume some additional market and credit risk to achieve some diversification of the portfolio consistent with modern management practices. This obviously will lead to increased rates of return for the portfolio.

"More specifically, the abilities of [chief investment officer] Autumn Sanson and Ed Garner to analyze the market and investment options available by law and policy have allowed us to take advantage of market timing, trends and investment options, which secured greater returns while maintaining the security of the portfolio," Wallace said.

The idea for using part of the earnings from the treasury for the long-term reserve fund came from Senate President Pro Tempore Jonathan Dismang, R-Searcy, said House Speaker Jeremy Gillam, R-Judsonia, and Davis.

The Arkansas Highway Improvement Act renames the Arkansas Rainy-Day Fund as the Long-Term Reserve Fund. That rainy-day fund — created under Act 1055 of 2007 — has never been funded and is different from the rainy-day fund that is used by the governor to address needs that can't wait until the next legislative session. The Long-Term Reserve Fund will be capped at \$125 million.

Asked how much Hutchinson projects will be in the Long-Term Reserve Fund in the next few years, his spokesman J.R. Davis said: "It's impossible to speculate on a number that is dependent on so many variables, like the treasury's investment returns and the growth of the economy, among other factors."

FUTURE HIGHWAY PLANS

The finance department estimates that there will be \$47.4 million in increased highway funding in fiscal 2017 and about \$76.7 million a year in fiscal 2018-21 under the highway plan.

The plan "is historic in nature because it allocates surplus revenues to the Highway Department. This has never been done in this fashion, where it is an ongoing formula for moving surplus revenues to the Highway Department," Hutchinson said last week.

Devoting 25 percent of the general revenue surplus to highways would have produced an average of \$48 million a year over the past 10 years, and "it [is] a very conservative and prudent way to fund the highways," Hutchinson said.

Opponents of the plan said it's unwise for the highway plan to count on using one-quarter of an uncertain amount of surplus funds, which have been used to shore up the state budget and for emergencies.

"If you have a downturn in the economy, then we still will have a surplus because we budget conservatively, but it will be a less amount," Hutchinson said.

He added, however, if there's no surplus, then 25 percent of nothing would produce no money.

He said some lawmakers have expressed concern that devoting 25 percent of the surplus to highways will mean less money for General Improvement Fund projects recommended by lawmakers.

"I would say that is a good thing," he said. "The surplus has been allocated toward General Improvement funds across this state, and keeping a downward pressure on that allows us to put more money towards the highways, put more money towards tax reductions, and put more money toward the other needs of the state."

The Arkansas Highway and Transportation Department has estimated its short-term needs within three years at \$110 million more, including \$50 million a year to match federal highway funds under the federal Fixing America's Surface Transportation Act and \$60 million a year for overlays, sealing projects and other non-federally funded projects. Those figures were in a report that was released in December by the governor's highway working group.

Its midterm target is \$140 million more a year in three to five years, and its long-term target is \$150 million more a year in six to nine years.

Hutchinson said he considers his five-year highway funding plan to be an intermediate plan.

"I think time will tell how well this works and what additional changes need to be made down the road," he said.

"I do believe that there is a case that can be made for a long-term highway plan. These [highway] commissioners make that [case] every day to me," Hutchinson said. "There are greater needs, and

I know the overlay program for our highways in Arkansas is a significant need.

“My judgment is that this ought to be brought before the voters in 2018, if they want to have a more aggressive long-term plan for the highways,” he said. “Others believe it ought to be brought up in the [regular] session in January.

“I think any other plan that involves a tax increase or a significant tax shift should be brought before the voters,” Hutchinson said. “I will look at what other ideas are there in the January [legislative] session, but I don’t think the mood for simply a tax increase will be any better in January versus now.”

House Revenue and Taxation Committee Chairman Joe Jett, D-Success, said he plans to work on legislation for the 2017 regular session as well as a proposed initiated act to refer to voters that would create a new motor fuels tax that would increase with the Highway Department’s increased material costs. Jett also said he wants to create an earned income tax credit and allow for other income tax cuts that would go into effect based on certain general revenue collections in fiscals 2020-21.

Rep. Charlie Collins, R-Fayetteville, said he would like the Legislature to consider phasing in annual cuts in individual income taxes of roughly \$25 million over about four years and a tax that fluctuates with the price of motor fuels to bring in roughly \$24 million a year over the same period.

Rep. Davis, Act 1’s sponsor, said he’s considering proposing a phased-in reallocation of about \$100 million a year from the sales tax on new and used cars to the Highway Department.

The Senate Transportation, Technology and Legislative Affairs chairman, Sen. Bill Sample, R-Hot Springs, said he wants to research how each of Arkansas’ surrounding states are paying for highways and then try to formulate a long-term plan.

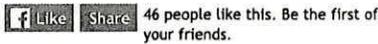
A group opposing raising gas and diesel taxes “put out a big story on us” about Arkansas having higher fuel excise taxes than surrounding states, “but they left out the rest of the story,” Sample said.

In this year’s fiscal legislative session, the General Assembly and Hutchinson enacted a state budget that would distribute \$5.33 billion in state general revenue in fiscal 2017 – up from \$5.19 billion in fiscal 2016 – with most of the general-revenue increase of \$142.7 million targeted for the state Department of Human Services and public schools.

The Revenue Stabilization Act factors in nearly \$101 million in individual income-tax cuts enacted by the 2015 Legislature and Hutchinson.

In January, Hutchinson said he ultimately wants to cut the top income tax rate to 5 percent, and “it is going to take a while to get there.” Asked whether Hutchinson plans to propose another individual income tax rate cut for the 2017 Legislature to co

Print Headline: Highways plan tied to earnings down the road



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Eyenalyze Gets Seed Funding from Cadron Creek Capital

by Sarah Campbell

Posted 5/27/2016 10:38 am

Updated 51 mins ago

Eyenalyze of Conway, which provides CPA-friendly back-office solutions for restaurants, announced Friday that it has received seed funding from seed capital investment fund Cadron Creek Capital of Conway.

Eyenalyze says the funding will be used to further its solution that simplifies inventory, plating cost and employee tracking processes, while providing end data that is useful and compatible with financial analysis and reporting.

CPA Michael Rasmussen, CEO of Eyeanalyze, said in a release, "Eyeanalyze provides powerful technology tools, usually reserved for national chains, to regional and independent restaurant operators. Cadron Creek Capital's investment in our company underscores our value proposition and will help us to further improve our offering, providing restaurant owners and managers with the technology tools they need for success."

Jeff Standridge, co-founder of Cadron Creek Capital, said in the release, "We believe that Eyeanalyze's mission, not only in producing a powerful suite of back-office personal computer and mobile apps, but also their vision in creating a seamless bridge between the data captured by their system and the world of CPAs, is an offering that is sorely needed by small- and medium-sized restaurant chains. Having their solution already successfully adopted by numerous restaurant franchises, we're looking forward to Eyeanalyze's continued momentum and development of their offerings."

Eyeanalyze announced last year its intention to open offices in downtown Conway. Eyeanalyze and two other technology companies planned to invest a combined \$2.5 million and bring 140 jobs to the city.

Arkansas Business in 2014 reported how the startup was founded.

Owning, restoring homes may not be too difficult

CHRIS GILLIAM
Banner-News

Getting money to buying that first home or restoring one you own may be just a phone call away.

"There has been some great information presented here tonight. Now, it's up to us to carry it back to the people who need it. Let them know that help is available," said Alethea Morgan, chairperson of the Magnolia Community Awareness Council (MCAC) Economic Development Committee.

Thirty people gathered in the Magnolia Housing Authority Hospitality Room Monday night to hear how statewide programs are available to assist with buying or reconstructing a home. The meeting was sponsored by MCAC.

Most of those in attendance were not first-time homeowners.

"But you know someone. A cousin, brother, sister, church member or friend who is looking for this information. Tell them where to go," stated Morgan.

Arkansas Department of Finance Administration (ADFA) lending specialist Joey Walsh and assistant HOME program manager Michael Gillard spent about 30 minutes explaining what's available.

Walsh talked about the HomeToOwn (H2O) and

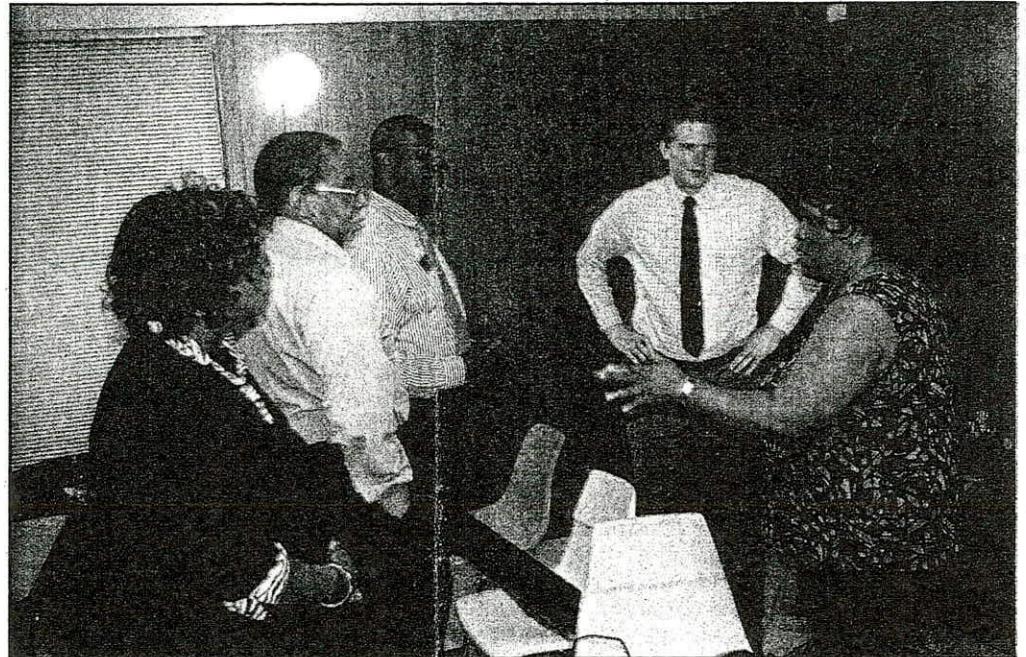
Down Payment Assistance (DPA) programs.

"HomeToOwn is designed to provide competitive financing for low to moderate income people in the state," said Walsh, adding that the H2O program include a low, 30-year fixed interest mortgage rate and can provide anywhere from \$1,000 to \$6,000 in down payment assistance.

"To qualify, you must be a first-time home-buyer, which means you haven't owned a home in at least three years. You will have to meet household income requirements and be the primary resident," said Walsh. "You may also be eligible for first-time home-buyer tax credit, which equals to about \$2,000 annually.

Other guidelines also apply, such as committing to staying in the home for at least nine years. BancorpSouth in Magnolia is the only local lender participating in the ADFA program, but he added he's trying to recruit more.

"To see if you qualify, check you income eligibility, find a lender from our list and choose an eight-hour home-buying counseling course that's required. Once the lender checks your credit score and gives you a target price range, you start looking for that dream home," he added.



Banner-News Chris Gilliam

ADFA representatives Michael Gillard (center) and Joey Walsh (second from right) listen as a woman explains something. Also standing are Magnolia Community Awareness Council president James Moore (second from left) and MCAC representative Barbara Hildreth (left).

According to Walsh, the program does not include manufactured homes.

Gillard, who focused more on restoration or reconstruction of homes, said there was one main qualifier from the start.

"You must own the home. It can be grandma's or grandpa's home. Your name must be the one on the paper in the county records. Your name must be on the

deed," said Gillard. "It can't be heir property."

Gillard said individuals must know and verify their household income, and that credit reports come straight to his office.

"We're not the bank. We will try and help you get the loan. We can approve your credit report when others can't, because we are looking at that debt-to-income ratio," he said.

According to Gillard, eligible homeowners can receive up to \$25,000 in a forgivable loan, but noted a procedure is in place if the homeowner tries to use ADFA money to upgrade the structure and sell it.

"We have a lien on the house so we can recoup the money we put in it," said Gillard.



ADFA

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MEMORANDUM

To: ADFA Board of Directors
From: Brad Henry, Vice-President of Development Finance *BH*
Re: Monthly Activity Report
Date: June 16, 2016

Economic Development Bonds, ADFA Bond Guaranty & Conduit Bond Issues

Deal flow for the bond guarantee program remains light, however conduit bond activity and refunding activity remains strong. We continue to meet with various parties involved in any aspect of the problem loans, such as borrowers, attorneys, and co-lenders. We are reviewing the property taxes and financials and we are completing site visits.

State Small Business Credit Initiative (SSBCI)

This month we have spent significant time responding to requests from both the OIG, and SSBCI Treasury staff. The OIG has made its final request for information for their audit. SSBCI Treasury staff has requested certain files for projects completed during 2015. They make this request to all states following the submission of the annual report.

Venture Capital and Seed/Angel Capital

The management transition for the Arkansas Institutional Fund is progressing as planned. We've made significant progress on refinancing the credit facility, setting up the accounting and financial control procedures, and we are working to finalize the audit.

Capital Access, Arkansas Credit Reserve, and Small Business Guarantee Programs

Capital Access has enrolled 563 loans now. Most of them since SSBCI started have been enrolled in that portion of the program. Forge, one of CDFI lenders, has now reached \$1,000,000 in enrolled amount of loans. They have been quite busy. They have also only just recently filed their first claim. ArCash has 30 loans enrolled with over \$750,000 in guaranteed loan amounts. We continue to market our programs lenders throughout the state. Summaries of the CAP and ArCash program activity through the end of May are included for your review.

Volume Cap Memorandum

To:	ADFA Board of Directors							
From:	Camilla Davis, Volume Cap Manager							
Date:	2-Jun-16							
Re:	2016 Monthly Summary							
	1/1/16 Allotment	Carryforward	Total	Reserved/Issued to Date	Transfer to General	Balance Remaining		
ADFA SFH (17%)	\$51,488,750				\$0.00	\$51,488,750		
2013 SFH CF		\$290,645,000	\$938,473,750			\$290,645,000		
2014 SFH CF		\$296,825,000				\$296,825,000		
2015 SFH CF		\$299,515,000				\$299,515,000		
ADFA MFH (10%)	\$30,287,500		\$30,287,500		\$0	\$30,287,500		
ADFA IDBs (33%)	\$99,948,750		\$99,948,750		\$0	\$99,948,750		
ASLA (10%)	\$30,287,500		\$30,287,500		\$0	\$30,287,500		
General (30%)	\$90,862,500		\$90,862,500	\$2,100,000	\$0	\$88,762,500		
Totals:	\$302,875,000	\$886,985,000	\$1,189,860,000	\$2,100,000		\$1,187,760,000		
				Less: Carryforward Balances*		\$886,985,000		
				Total Available		\$300,775,000		

* Carryforward balances are not available for use except by the categories to which they belong.

** The 2015 remaining balance of \$299,515,000 has been approved for MCC carryforward.

Capital Access Loan Program

Cumulative Program Activity

Page 1 02-Jun-16

BY INDUSTRY							
Industry Sector	No. of Loans	% of Loans	Guaranteed Loan Amt.	Public Funds	% of Total Funds	Average Loan Amount	
11: Agriculture, Forestry, Fishing, Hunting	179	31.79%	\$7,655,806.43	\$195,269.04	29.53%	\$42,770	
21: Stone Mining, Rock Quarry	1	0.18%	\$3,000.00	\$135.00	0.02%	\$3,000	
23: Construction	38	6.75%	\$1,244,413.92	\$44,512.65	6.73%	\$32,748	
31, 32, 33: Mfg - Food-Wood-Metal	40	7.10%	\$1,742,936.00	\$68,118.28	10.30%	\$43,573	
42, 44-45: Wholesale / Retail Trade	104	18.47%	\$3,145,247.15	\$127,443.80	19.27%	\$30,243	
48-49: Transportation / Warehousing	29	5.15%	\$862,142.37	\$35,379.13	5.35%	\$29,729	
51: Information	2	0.36%	\$13,000.00	\$585.00	0.09%	\$6,500	
52: Finance & Insurance	3	0.53%	\$46,000.00	\$1,680.00	0.25%	\$15,333	
53-81: All Other Services (except Public Admin)	167	29.66%	\$5,018,284.16	\$188,099.36	28.45%	\$30,050	
Totals	563	100.00%	\$19,730,830.03	\$661,222.26	100.00%		
BY COUNTY							
Benton	16	2.84%	198,000.00	9,270.00	1.40%	\$12,375.00	
Boone	33	5.86%	\$734,562.54	\$33,055.57	5.00%	\$22,259.47	
Bradley	94	16.70%	\$4,124,271.91	\$113,183.69	17.12%	\$43,875.23	
Carroll	11	1.95%	\$184,150.00	\$8,286.75	1.25%	\$16,740.91	
Chicot	1	0.18%	\$10,000.00	\$450.00	0.07%	\$10,000.00	
Clark	63	11.19%	\$1,513,855.78	\$52,672.70	7.97%	\$24,029.46	
Clay	1	0.18%	\$200,000.00	\$9,000.00	1.36%	\$200,000.00	
Columbia	2	0.36%	\$121,145.00	\$3,635.00	0.55%	\$60,572.50	
Craighead	1	0.18%	\$18,000.00	\$810.00	0.12%	\$18,000.00	
Crittenden	2	0.36%	\$55,000.00	\$2,475.00	0.37%	\$27,500.00	
Crawford	3	0.53%	\$40,000.00	\$1,800.00	0.27%	\$13,333.33	
Cross	2	0.36%	\$30,000.00	\$900.00	0.14%	\$15,000.00	
Dallas	3	0.53%	\$73,500.00	\$2,985.00	0.45%	\$24,500.00	
Desha	6	1.07%	\$486,000.00	\$12,915.00	1.95%	\$81,000.00	
Drew	1	0.18%	\$333,400.00	\$10,002.00	1.51%	\$333,400.00	
Garland	18	3.20%	\$1,283,679.00	\$29,815.58	4.51%	\$71,315.50	
Hempstead	11	1.95%	\$782,952.12	\$21,590.12	3.27%	\$71,177.47	
Hot Spring	3	0.53%	\$89,500.00	\$4,515.00	0.68%	\$29,833.33	
Howard	2	0.36%	\$47,000.00	\$1,560.00	0.24%	\$23,500.00	
Jefferson	19	3.37%	\$930,702.73	\$37,912.12	5.73%	\$48,984.35	
Lafayette	35	6.22%	\$1,062,849.78	\$26,472.02	4.00%	\$30,367.14	
Lee	1	0.18%	\$15,000.00	\$675.00	0.10%	\$15,000.00	
Lincoln	1	0.18%	\$48,000.00	\$2,160.00	0.33%	\$48,000.00	
Lonoke	3	0.53%	\$386,000.00	\$17,370.00	2.63%	\$128,666.67	
Madison	23	4.09%	\$181,300.00	\$8,158.50	1.23%	\$7,882.61	
Marion	1	0.18%	\$10,000.00	\$450.00	0.07%	\$10,000.00	
Miller	76	13.50%	\$3,464,214.61	\$86,395.70	13.07%	\$45,581.77	
Mississippi	2	0.36%	\$33,945.50	\$3,360.00	0.51%	\$16,972.75	
Monroe	10	1.78%	\$928,721.63	\$29,884.95	4.52%	\$92,872.16	
Newton	3	0.53%	\$30,000.00	\$1,350.00	0.20%	\$10,000.00	
Phillips	7	1.24%	\$181,620.00	\$9,700.32	1.47%	\$25,945.71	
Pike	1	0.18%	\$11,500.00	\$345.00	0.05%	\$11,500.00	
Poinsett	15	2.66%	\$482,490.50	\$38,310.32	5.79%	\$32,166.03	
Polk	2	0.36%	\$65,000.00	\$3,675.00	0.56%	\$32,500.00	
Pope	1	0.18%	\$20,000.00	\$900.00	0.14%	\$20,000.00	
Prairie	1	0.18%	\$62,500.00	\$2,812.50	0.43%	\$62,500.00	
Pulaski	39	6.93%	\$725,127.70	\$35,874.99	5.43%	\$18,593.02	
Searcy	4	0.71%	\$30,000.00	\$1,350.00	0.20%	\$7,500.00	
Sebastian	1	0.18%	\$3,000.00	\$135.00	0.02%	\$3,000.00	
Sevier	1	0.18%	\$10,000.00	\$450.00	0.07%	\$10,000.00	
St. Francis	9	1.60%	\$221,039.73	\$8,027.30	1.21%	\$24,559.97	
Union	2	0.36%	\$90,000.00	\$4,950.00	0.75%	\$45,000.00	
Van Buren	2	0.36%	\$36,560.00	\$3,065.40	0.46%	\$18,280.00	
Yell	1	0.18%	\$10,000.00	\$450.00	0.07%	\$10,000.00	
Washington	29	5.15%	\$331,000.00	\$14,895.00	2.25%	\$11,413.79	
Woodruff	1	0.18%	\$35,241.50	\$3,171.73	0.48%	\$35,241.50	
Totals	563	100.00%	\$19,730,830.03	\$661,222.26	100.00%		

RESERVE BALANCES

Bank Name	RESERVE BALANCE	CLAIMS by Borrower
Southern Finl Part [closed]	\$0.00	Southern Finl Part 3 \$19,674.27
CSB / Bank of Bradley	Balances \$72,460.83	Community State Bank 7 \$429,766.91
Community First Bank	as of the \$7,274.36	Community First Bank 8 61917.88
Southern Bancorp	end of \$66,895.13	Elk Horn Bank & Trust 8 \$209,161.86
Enterprise Corp of the Delta	April, 2016 \$85,644.86	Ent Corp of the Delta 1 \$127,000.00
Regions [closed]	Had not \$0.00	Regions [closed]
1st Jacksonville Bank [closed]	received \$0.00	First Jacksonville Bank 1 \$4,564.07
Little River Bank of Lepanto	May bank \$35,997.54	Little River Bank (Inactive) 1 \$47,658.33
Alt.Consulting	statements \$26,922.54	Alt.Consulting 2 \$1,522.66
ACCION	at time of \$7,010.14	ACCION 2 \$48,556.65
Fidelity National	printing \$0.00	Fidelity National
FORGE	\$70,872.19	FORGE 1 \$11,653.05
Totals	\$373,077.59	Claim Totals 34 \$961,475.68

Capital Access Loan Program

Cumulative Program Activity

02-Jun-16

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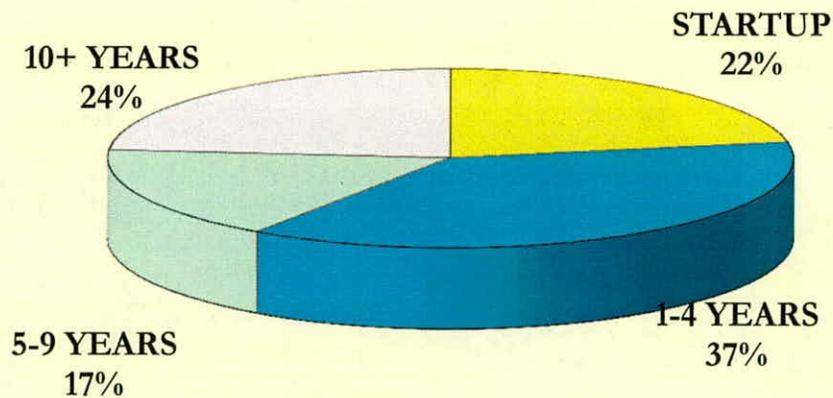
BY SIZE

Guaranteed Loan Size	No. of Loans	% of Loans	Dollar Amount
0-\$24,999	341	60.57%	\$4,952,748.70
\$25,000-\$49,999	122	21.67%	\$4,293,689.50
\$50,000-\$74,999	38	6.75%	\$1,900,533.65
\$75,000-\$99,999	14	2.49%	\$909,682.92
\$100,000-\$124,999	14	2.49%	\$1,364,031.50
\$125,000 and up	34	6.04%	\$6,310,143.76
Totals	563	100.00%	\$19,730,830.03

No. of Jobs	2551
Public \$ Leverage	30.21 to 1

BY AGE

LOANS BY AGE OF BUSINESS



Capital Access Loan Program

Minority Program Activity

June-16

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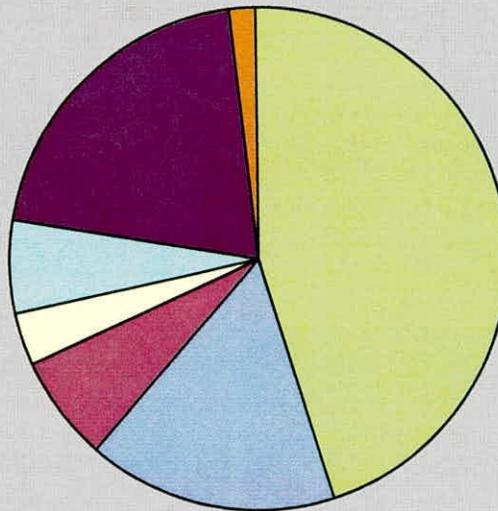
INDUSTRY	NO. OF LOANS	AMOUNT OF LOANS	PUBLIC FUNDS
11-Nonmfg-Agriculture	19	616,139.50	\$21,908.92
23-Construction	8	108,652.73	\$4,025.37
31, 32, 33: Mfg - Food-Wood-Metal	4	75,939.00	\$2,728.17
48-49 Nonmfg-Transp/PubUtil	7	135,194.63	\$6,967.95
42, 44, 45 Nonmfg-Whol/Retail Tra	24	426,466.77	\$16,100.86
51: Information	2	13,000.00	\$585.00
53-81-Other Nonmfg-Services	53	1,354,485.59	\$53,547.17
Totals	117	\$ 2,729,878.22	\$105,863.44

Program Comparative Totals	NO. OF LOANS	AMOUNT OF LOANS	PUBLIC FUNDS
Minority Loan Totals	117	\$2,729,878.22	\$105,863.44
Total Cap Program Activity	563	\$19,730,830.03	\$661,222.26
Percentage Minority Activity	20.78%	13.84%	16.01%

Paid Off

Renewed

MINORITY ACTIVITY BY INDUSTRY



- 11-Nonmfg-Agriculture
- 23-Construction
- 31, 32, 33: Mfg - Food-Wood-Metal
- 48-49 Nonmfg-Transp/PubUtil
- 42, 44, 45 Nonmfg-Whol/Retail Trade
- 51: Information
- 53-81-Other Nonmfg-Services

AR CASH PROGRAM

ACR Summary 6/2/2016	TOTAL # OF LOANS	LOAN AMOUNT	RESERVE ACCT BALANCE	ADFA FEE AMOUNT	BORROWER FEE AMOUNT	Loan Renewal Fee	MINORITY OWNED	F/T JOBS	P/T JOBS	CLAIM FILED	2015 LOAN BALANCE
BANK NAME			as of 4/30/16								
ARVEST BANK Fort Smith	28	706,291.95	59,882.65	56,370.00	7,063.65	0.00	11	100	121		\$0.00
Southern Bancorp Arkadelphia	2	53,676.75	4,531.49	4,000.00	525.00		1	2	8		\$35,121.94
TOTALS*	30	\$759,968.70	\$64,414.14	\$60,370.00	\$7,588.65	\$0.00	12	102	129		\$35,121.94

*Total # of loans does not reflect renewals

Program Comparative Totals	No. Of Loans	Amount of Loans	Public Funds
Minority/Female Loans Report	12	\$367,161.49	\$24,370.00
Total Program Activity	30	\$759,968.70	\$60,370.00
Percentage Minority/Female Loan Activity	40%		

**ADFA Bond Guaranty Fund Data
As of May 31, 2016**

		Total Guaranty		
Bond Balances:				
IDB's		57,905,000		
City/Co Issues		9,996,364		
Total Bond Balances->		67,901,364		
Less Guaranty by WFF		(1,021,000)		
Direct/Interim Loan Balances:		ADFA's Share	Total O/S	% Guaranteed by
Horner Holdings, Inc. (HHI)		303,422	303,422	ADFA AEDC
Safe Foods Corp.		1,699,766	3,399,531	100% 0%
Southwind Milling Co., LLC		288,973	577,947	50% 50%
Hillstern Farms, Ltd (fka Vikon Farms)		-	2,140,000	50% 50%
Total Direct Loans Only->		2,292,161	6,420,901	0% 100%
Commitments that are unfunded:		ADFA's Share	Total Approved	% Guaranteed by
		-	Date Approved	ADFA AEDC/Other
Total Commitments yet to fund->		-		
Total Bonds, Direct Loans and Unfunded->		69,172,525		
Venture Capital Guaranty		10,000,000		
Total of all guaranties->		79,172,525		

	At Cost	Market Value
Bond Guaranty Reserve Fund		
Cash	10,428	10,428
Federated Treasury MMF	1,392,745	1,392,745
Various CD's	1,715,000	1,730,866
US Treasury Issues	1,291,943	1,366,782
US Government Agencies	13,582,378	13,606,372
Portfolio Totals->	17,992,494	18,107,193
Coverage Ratios:		
Leverage	4.400	4.372
% of Guaranty Reserve Fund	22.73%	22.87%

Additional sources of cash flows that will be credited to the guaranty fund:

	Total Due	Est of Expected Annual Payment	Periodic Payment	
Victory Lumber, LLC	509,781	65,088	5,424	M
Ouachita Hardwood Flooring, LLC	379,750	93,000	7,750	M
Arkansas Catfish Growers, LLC	420,959	38,441	38,441	A
Heartland Footwear, Inc	76,371	26,676	2,223	M
	1,386,861	223,205		

A = annual pmt, M = monthly pmt

Arkansas Development Finance Authority
 State Small Business Credit Initiative
 Status Report As of 5/31/2016

	Lending		Investing			Total	
	Capital Access	Direct Loan	SBL Guaranty	Risk Capital Matching	Co investment Fund - ACIF		Seed & Angel Capital Network
1st & 2nd & 3rd Installments						13,168,350.00	
Fundings:							
Capital Access							
Communities Unlimited, Inc/ formerly Alt	3,105.00					3,105.00	
Liftfund/formerly Accion Texas	10,891.04					10,891.04	
Forge, Inc.	30,144.00					30,144.00	
Participation Loans							
American Veg Soybean, LLC		700,000.00				700,000.00	
Arez, LLC		470,000.00				470,000.00	
Arkansas Short Line Railroads, Inc.		400,000.00				400,000.00	
ArkLam, LLC		350,000.00				350,000.00	
CDR, LLC		75,000.00				75,000.00	
Choctaw Bayou Enterprise, LLC		5,000.00				5,000.00	
Pre-Insulated Metal Technologies, Inc		500,000.00				500,000.00	
Prime Line, Inc		140,000.00				140,000.00	
Sage		800,000.00				800,000.00	
Southwind Milling Company		1,000,000.00				1,000,000.00	
Hillstern Farms (fka Vikon Farms)		214,000.00				214,000.00	
Small Business Loan Guaranty							
Above and Beyond Home Care of Central AR			28,000.00			28,000.00	
BlueInGreen - August 2014			140,000.00			140,000.00	
BlueInGreen - August 2014			89,950.00			89,950.00	
BlueInGreen - March 2015			140,000.00			140,000.00	
BlueInGreen - March 2015			89,950.00			89,950.00	
BlueInGreen - October 2015			89,950.00			89,950.00	
BlueInGreen - March 2016			160,000.00			160,000.00	
BlueInGreen - March 2016			160,000.00			160,000.00	
Consolidated Construction			60,000.00			60,000.00	
Consolidated Construction - January 2016			60,000.00			60,000.00	
Erosion Control			32,000.00			32,000.00	
Liberty Management Services			160,000.00			160,000.00	
MoVista			160,000.00			160,000.00	
Red Clay			160,000.00			160,000.00	
Arkansas Risk Capital Matching							
Acumen Holdings			66,667.00			66,667.00	
Ascendant Diagnostics			200,000.00			200,000.00	
Bio Detection Instruments			70,000.00			70,000.00	
Black Oak Analytics, Inc			300,000.00			300,000.00	
BlueInGreen			300,000.00			300,000.00	
First Orion			250,000.00			250,000.00	
Merchant View			150,000.00			150,000.00	
Movista			105,958.00			105,958.00	
Nanowatt Design, Inc			25,000.00			25,000.00	
Nanowatt Design, Inc II			25,000.00			25,000.00	
SFC Fluidics			145,000.00			145,000.00	
TiFiber, Inc			58,333.33			58,333.33	
ADFA Co-Investment Fund							
Acumen Holdings				500,000.00		500,000.00	
Apptegy				100,000.00		100,000.00	
BlueInGreen				260,000.00		260,000.00	
Insight Ecosystems				100,000.00		100,000.00	
Merchant View				114,521.40		114,521.40	
Movista				100,000.00		100,000.00	
NanoMech				1,000,000.00		1,000,000.00	
PicaSolar				300,000.00		300,000.00	
Soul of the South Media Holdings				1,000,000.00		1,000,000.00	
Seed & Angel Network							
ARK Investmt Fund (ARK Challenge 1)					150,000.00	150,000.00	
ARK Investmt Fund (ARK Challenge 2)					125,000.00	125,000.00	
ARK Investmt Fund 2014					175,000.00	175,000.00	
Fund for Arkansas Future II					400,000.00	400,000.00	
Gravity Ventures III					187,471.47	187,471.47	
NewRoad Ventures					1,000,000.00	1,000,000.00	
TriStar Technology Fund II (UAMS)					470,000.00	470,000.00	
VIC Investor Network					125,000.00	125,000.00	
Funded/Expensed To Date	44,140.04	4,654,000.00	1,529,850.00	1,695,958.33	3,474,521.40	2,632,471.47	14,030,941.24
Unfunded Commitments:							
Movista							-
Gravity Ventures III					62,528.53		62,528.53
TriStar Technology Fund II(UAMS)					30,000.00		30,000.00
Fund for Arkansas Future II					100,000.00		100,000.00
Total Unfunded Commitments	-	-	-	-	-	192,528.53	192,528.53
Total Funded/Unfunded Commitments	44,140.04	4,654,000.00	1,529,850.00	1,695,958.33	3,474,521.40	2,825,000.00	14,223,469.77

Arkansas Development Finance Authority
 State Small Business Credit Initiative
 Status Report As of 5/31/2016

	Lending		Investing			Total	
	Capital Access	Direct Loan	SBL Guaranty	Risk Capital Matching	Co investment Fund - ACIF		Seed & Angel Capital Network
RECAP BY PROGRAM:							
FINAL ALLOCATION	41,522.00	4,690,312.00	720,070.91	1,297,352.00	3,595,156.00	2,823,937.09	13,168,350.00
Recycled Funds	12,702.09	76,788.64	820,676.71	462,923.30	-	57,763.84	1,430,854.58
Less: Funded commitments to date	44,140.04	4,654,000.00	1,529,850.00	1,695,958.33	3,474,521.40	2,632,471.47	14,030,941.24
Less: Unfunded Commitments	-	-	-	-	-	192,528.53	192,528.53
Less: Expenses paid with allocation	10,084.05	113,100.64	10,897.62	64,316.97	120,634.60	56,700.93	375,734.81
Allocation Available	-	-	-	-	0.00	-	-
Total Program Income							781,459.51
Principal Receipts on Loans/Investments and Interest Earnings on Funds:							2,640,390.27
Less: Expenses Paid with Program Income							47,804.53
Less: Recycled Funds (see above):							1,430,854.58
Total Available							1,943,190.67

MEMORANDUM

TO: ADFA Board of Directors
FROM: Chuck Cathey, Bond Guaranty Manager 

RE: Academics Plus Update

During the ADFA Board Meeting, Michele Allgood of Mitchell-Williams will be presenting an Amended and Restated Marketing Resolution related to the previously approved conduit bond issue for Academics Plus to increase the issuance amount from \$17,000,000 to \$20,000,000. This resolution will allow moving forward with marketing a bond issue for the school and to allow setting of a public hearing around June 24, 2016 for the proper amount. Academics Plus intends to open this new High School Complex for the 2017 - 2018 school year and needs to start construction now. However, we are still working through collateral, lien protection as well as ingress/egress issues related to the existing 2015 bond issue and the contemplated 2016 issue.

ADFA has required that the current loan to value of the 2015 bond issue must be maintained and not diminished with the new financing and that requirement could be satisfied with additional collateral, cash reimbursement or a combination of both. The requested increase is required to cover the cost associated with the above requirement. It is contemplated that the projects be viewed as one project that is not divisible even though there are different lenders and multiple facilities on the site. Therefore, it is anticipated that there will be essentially a cross-collateralization of projects with a second lien being granted to the 2015 bondholders for the 2016 project and vice versa.

The bond issue will not close until ADFA is satisfied that all measures of protection are in place and we face no additional exposures to risk than already exist under our current financing.



MEMORANDUM

TO: Board of Directors

FROM: Jack Bell, Farm Mediator *JB*

DATE: June 9, 2016

RE: May Farm Mediation Report

For the month of May 2016, forty-three (43) Arkansas farmers were offered the opportunity to mediate and provided statutory notice of the right to request mediation. The amount of debts from the initiating lenders totaled \$12,671,704.82. There was one (1) credit mediation and no USDA /FSA adverse decision voluntary mediation requests.

The program coordinator consistently averages a number of cases each month that request mediation and /or are scheduled for a mediation session. Some are ultimately settled by phone. The pre-session settlement activity and other phone consultations by the coordinator between the farmers, creditors and attorneys generally saves time and money for the parties.

The CAMP Conference (Agricultural Mediation Program's) was held in Santa Fe, New Mexico from May 24 through May 26, 2016. The Agenda is attached.





2016 Annual CAMP Conference

Drury Plaza Hotel, Santa Fe

Agenda

Mission Statement: *The purpose of the Coalition of Agriculture Mediation Programs (CAMP) is to serve as a presence and voice for the use of mediation in rural disputes. CAMP serves as a clearinghouse and forum for sharing ideas; examining commonalities and differences; and for enhancing decisions about the conduct of rural mediation programs.*

Objectives:

- Engage all members of CAMP in a productive annual meeting.
- Provide Professional Development for CAMP members.
- Maintain a productive working relationship between USDA and individual state programs.

Ground rules:

- Work hard on the issues but be easy on the people.
- Start on time, end on time.

Tuesday, May 24

- | | |
|----------------|---|
| 11:00 a.m. | Steering Committee meeting |
| 1:00 p.m. | Registration Open |
| 2:00 – 6:00 PM | Education & Training: Master Class in Mediation Workshop
Peter Adler (for more information on Peter, see page 3)
Pathways to Mastery <ul style="list-style-type: none">• A Sliding Scale of Success• Exploring Some of the Core Competencies: Convening, Communication, Negotiation, Information Management• Selected Skills, Tools, and Techniques• Styles, Schools, and Fashions• Looking Back, Looking Around, Looking Ahead - The Future of Mediation |
| 6:00 – 7:30 PM | CAMP Meet and Greet, Drury Lobby. Beverages available for purchase. |

Wednesday, May 25

7:30 –8:30 AM	Breakfast
8:30 –9:15 AM	Welcome and Introductions CAMP Roll Call
9:15 –10:00 AM	Welcome from New Mexico Dept. of Agriculture and New Mexico FSA staff
10:00 –10:15 AM	Break
10:15 –11:00 AM	U.S. Forest Service update – Mediation and appeals process and trends
11:00 –12:00 PM	USDA/FSA Washington D.C. – Ag Mediation Program Update
12:00 –1:00 PM	Lunch
1:00 –2:00 PM	USDA/FSA Washington D.C. – Ag Mediation Program Update(cont.)
2:00 – 2:30 pm	opportunity to meet with USDA one-on-one
2:30 –4:30 PM	Education & Training – Ag Credit Forecast and Impacts on Mediation Dr. Steven Archambault, NMSU and Terry Detrick, Oklahoma: <ul style="list-style-type: none">• Ag Credit forecast and implications for ag mediation programs• Cash flow, spreadsheets and mediator preparation
4:30 –5:00 PM	CAMP Outreach discussion: Panel and roundtable discussion on outreach strategies
6:00 PM	Group Dinner at the Bullring Restaurant http://santafebullring.com/ (included in your registration fee)

Thursday, May 26

7:30 – 8:30 AM	Breakfast
8:30 - 9:30 AM	CAMP Committee updates <ul style="list-style-type: none">• Communication Committee - Website update
9:30 – 10:00 AM	CAMP Committee updates <ul style="list-style-type: none">• Case Committee conversation
10:00 AM – noon	Education & Training – Panel and roundtable discussions: <ul style="list-style-type: none">• Mediating with different USDA agencies (NRCS, FSA, RD and USFS)• Models for administering mediation programs• Follow- up on covered cases discussion• Other CAMP questions and information sharing

- Evaluating mediation sessions

12:00 – 1:00 PM Lunch

1:00 – 2:00 PM CAMP Business Meeting

- Election of officers, committee assignments, roles and responsibilities
- CAMP funding discussion
- CAMP as a tax exempt entity

2:00 – 3:30 PM Committee specific work – strategic planning for 2016-17

- Legislative/Regulations
- Education
- Communications (webpage discussion and approval)
- Data
- Case

3:30 – 4:00 PM Conference Evaluation

Peter S. Adler, Ph.D. recently returned to Hawaii after serving as President of The Keystone Center for nearly a decade. Adler's specialty is multi-party negotiation and problem solving. He has worked extensively on water management and resource planning problems and mediates, writes, trains, and teaches in diverse areas of conflict management. He has worked on cases ranging from the siting of a 25-megawatt geothermal energy production facility to the resolution of construction and product liability claims involving a multi-million dollar stadium. He has extensive experience in land planning issues, water problems, marine and coastal affairs, and strategic resource management. Prior to his appointment at Keystone, Adler held executive positions with the Hawaii Justice Foundation, the Hawaii Supreme Court's Center for Alternate Dispute Resolution (ADR), and the Neighborhood Justice Center. He served as a Peace Corps Volunteer in India, an instructor and Associate Director of the Hawaii Bound School, and President of the Society of Professionals in Dispute Resolution. He has been awarded the Roberston-Cunninghame Scholar in Residence Fellowship at the University of New England, New South Wales, Australia, a Senior Fellowship at the Western Justice Center, and was a consultant to the U.S. Institute for Environmental Conflict Resolution.

Adler has written extensively in the field of mediation and conflict resolution. He is the co-author of *Managing Scientific & Technical Information in Environmental Cases* (1999); *Building Trust: 20 Things You Can Do to Help Environmental Stakeholder Groups Talk More Effectively About Science, Culture, Professional Knowledge, and Community Wisdom* (National Policy Consensus Center, 2002); the author of *Beyond Paradise and Oxtail Soup* (Ox Bow Press, 1993 and 2000) and numerous other articles and monographs. He most recently authored *Eye of the Storm Leadership*.

<http://www.mediate.com/people/personprofile.cfm?aid=201>



MEMORANDUM

To: ADFA Board of Directors
From: Cheryl Schluterman, CPA *CS*
Vice President for Finance & Administration
Re: June Board Report
Date: June 8, 2016

The following items are presented for Board review:

- **Bond Calls – June 2016**

Bonds Called, From Prepayment, Monthly Remittances and/or Excess Revenues

<u>Single Family Bonds</u>	<u>Amount</u>
2006 Series AB	\$ 150,000
2006 Series C	260,000
2008 Series AB	520,000
2008 Series C	165,000
2008 Series D	185,000
2011 Series A/2009A-1	585,000
2011 Series B/2009A-2	360,000
2009 Series A-3	550,000
2013 Series A	865,386
	3,640,386
<u>State Facilities Finance Bonds</u>	
2009 A Correctional Facilities *	25,585,000
2014 Public Health Lab Refunding	495,000
	26,080,000
<u>Tobacco Bond Issue</u>	
2009 Series Tobacco Bond	2,145,000
	2,145,000
<i>Interagency Program:</i>	
<u>Wastewater System RLF</u>	
2009 Series A RLF Refunding Bonds	3,405,000
	3,405,000
Total Bond Calls	\$ 35,270,386

* Refunded by 2016 Issue 5/26/2016



Interagency Programs as of May 31, 2016. The following programs are managed by other state agencies whereby ADFA serves as issuer and/or financial administrator. These programs are not considered part of ADFA's financial reporting entity for purposes of the year-end auditor's report.

Program	Loan Balance	No. of loans	Net Bond Balance
<u>ANRC</u>			
Wastewater RLF	\$ 231,995,655	59	\$ 38,027,310
Safe Drinking	\$ 170,458,912	60	\$ 24,828,153
Wetlands Mitigation	\$ 932,514	2	
<u>Higher Education</u>			
Community/Technical College	\$ 5,941,368	12	
<u>AEO-AEDC</u>			
Industry Energy Technical	\$ -	0	
Employer Assisted Home Energy	\$ 46,874	2	
<u>DHS</u>			
Assisted Living Fund	\$ 758,189	1	

• **Prison Construction Trust Fund as of May 31, 2016**

Bank Balance	Unfunded Contracts	Unfunded Loans	Bonds Outstanding
\$9,221,978	\$4,291,267	\$789,953	\$25,760,000

*Represents 2016 Correctional Facilities. One year's debt service is pledged to the bonds, funded by the Prison Construction Trust Fund.

• **Venture Capital Public Trust Fund as of May 31, 2016**

	Cash	Investments	Loans	Total
Enterprise Development				
Ark Risk Capital Matching	\$149,393	\$3,469,479	\$200,000	\$3,818,872
SSBCI		1,629,291		1,629,291
Technology Validation	2,537	1,154,137	108,000	1,264,674
Arkansas Co-Investment Fund:				
Discretionary (GQAC)		8,758,730		8,758,730
SSBCI		2,224,523		2,224,523
Arkansas Seed & Angel Network:				
Discretionary (GQAC)		215,000		215,000
SSBCI		2,166,520		2,166,520
Arkansas Venture Capital "General Account"				
Recycled SSBCI	615,403			615,403
Undesignated	402,570			402,570
Arkansas Venture Development Fund		474,277		474,277
Arkansas Institutional Fund*	175	20,204,690		20,204,865
Totals	\$1,170,078	\$40,296,647	\$308,000	\$41,774,725

*The information for the Arkansas Institutional Fund includes the December 31, 2015 (unaudited) balances per Cimarron Capital plus the activity for January through May of 2016.

- State Operating Budget Summary as of May 31, 2016

	Actual	Budget	Percent Expended
Salaries and Benefits	\$4,089,700	\$4,614,328	89%
General Operations	598,760	825,458	73%
Travel and Education	30,752	81,715	38%
Professional Fees and Services	102,623	117,915	87%
Information Technology	163,965	264,512	62%
Capital Outlay	-	23,000	0%
Housing Trust Fund	30,000	45,718	66%
TOTAL OPERATING EXPENDITURES	5,015,800	5,972,646	84%
HUD HOME Program	9,002,299	16,341,215	55%
Neighborhood Stabilization Program (NSP)	-	1,400,000	0%
Special Federal Grants	-	6,600,000	0%
TOTAL FEDERAL PROGRAM EXPENDITURES	9,002,299	24,341,215	37%
TOTAL EXPENDITURES	\$14,018,099	\$30,313,861	46%

- General Fund Programs as of May 31, 2016

Program Name	Board Authorization Date	Amount	Original Loan Amount	5/31/2016 Outstanding Balance
Arkansas Tourism Revolving Loan Fund	6/18/1998	\$2,000,000	\$645,000	\$171,398
Habitat for Humanity, Pulaski County	12/20/2012	300,000	224,813	198,494
Speculative Building Program (additional funding approved)	Unknown			
Port Authority	3/18/99,3/20/03	5,000,000	4,666,102	382,613
Day Care Center Program	8/17/1997	2,000,000	54,334	—
Direct Loan Program	9/96	500,000	137,500	—
Single Family DPA	*	107,986,646		7,314,181
TOTAL	**	revolving		6,298,495
				\$14,365,181

*ADFA has not set a specific amount for this program.

**Principal and interest received on outstanding DPA loans are designated revolving loan funds by ADFA's Board of Directors. (Board approval dates of 1/17/02, 5/16/02, 8/15/02, 10/17/02, 2/20/03, 9/18/03 totaling \$6,569,732.)

- **Financial Statements.** The April 30, 2016 financial statements are presented for your review.
- **Servicing Reports.** Included in this month's fiscal report are two servicing reports. The first is a Delinquency and Other Real Estate Summary, detailing delinquent loan and related portfolio balances. The second is a Delinquency Report, which includes a set of graphs that express delinquency figures for three loan portfolios. These graphs are designed to signal possible trends and to measure portfolio performance.

Training/Conferences Attended by Finance & Administration Department in May 2016:

Lease Accounting for State & Local Government (BKD, LLP) –
Paula Farthing, Kim Poposky, Kristy Cunningham, Cheryl Schluterman

Southeast CFO Conference (Florida Housing Finance Corporation) –
Kristy Cunningham, Cheryl Schluterman

AGA Spring Conference (Association of Government Accountants) –
Kristy Cunningham

Communication and Generational Differences (Accounting & Financial Women's Alliance) –
Kim Poposky

Fundamentals of Municipal Bond Law Conference (National Association of Bond Lawyers) –
Cheryl Schluterman

NOTE: In addition to external training, several F&A staff members are cross-training to better distribute workload and/or to provide backup support as needed. We will continue to expand our cross-training efforts.

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
BALANCE SHEET - UNAUDITED
APRIL 30, 2016

For Internal Purposes Only

	SINGLE FAMILY	FEDERAL HOUSING PROGRAMS	MULTI FAMILY	ECONOMIC DEVELOPMENT BOND GUARANTY PROGRAMS	STATE & HEALTH FACILITIES PROGRAMS	OTHER ECONOMIC DEVELOPMENT PROGRAMS	GENERAL FUND	TOBACCO SETTLEMENT	AMENDMENT 82 BOND DEALS	INTER-AGENCY PROGRAMS	TOTAL
ASSETS:											
Cash and cash equivalents	43,578,661	3,171,349	3,921,224	9,557,042	24,948,618	4,167,258	7,751,743	5,304,859	3,498,580	134,320,953	240,220,287
Accounts receivable		506,546	(1,270)	74,940	62,877		276,303			25,268,500	26,187,896
Accrued interest receivable	1,014,730	68,827	17,266	93,139	270,677	4,872	286,934	103,805	13,463	731,998	2,605,711
Accrued rent receivable											0
Investments, at amortized cost	267,576,110		2,066	17,026,265	3,484,838		60,975,346	4,230,085	5,200,892	155,869,934	514,365,536
Loans receivable, at amortized cost, net		84,944,009	4,463,342	49,804,953	70,150,032	3,097,577	21,923,110	59,684,911	50,000,000	410,507,375	754,575,309
Long Term Receivable											0
Real Estate Owned		88,193		1,468,471			1				1,556,665
Deferred charges	99,099						827,275			11,223	937,597
Direct Financing Leases				1,645,204	113,855,973						115,501,177
Installment Sale Agreements											0
Capitalized Assets							39,150				39,150
TOTAL ASSETS	312,268,600	88,778,924	8,402,628	79,670,014	212,773,015	7,269,707	92,079,862	69,323,660	58,712,935	726,709,983	1,655,989,328
LIABILITIES AND FUND BALANCES											
LIABILITIES:											
Bonds and notes payable, net of unamortized discounts and premiums	200,887,934	2,055,328		58,425,000	190,545,000			83,829,911	50,000,000	62,934,157	648,677,330
Accrued interest payable	2,088,376	1,514		642,834	2,463,785			522,880		1,115,198	6,834,587
Accounts payable		213,964	1,945,032	107,817	6,028,686	13,798	885,071	12,796	3,425,270	25,005,605	37,638,039
OPEB and pension liabilities							4,553,898				4,553,898
Deferred fees, advances, grants and credits				3,816,893	13,734,459	22,649	1,093,125	3,824,303	5,287,665	40,476	27,819,570
Total liabilities	202,976,310	2,270,806	1,945,032	62,992,544	212,771,930	36,447	6,532,094	88,189,890	58,712,935	89,095,436	725,523,424
FUND BALANCES											
Restricted by bond resolution and programs	109,292,290	86,508,118	6,457,596	16,677,470	1,085	7,233,260		(18,866,230)	0	637,614,547	844,918,136
Invested in capital assets							39,150				39,150
Unrestricted							85,508,618				85,508,618
TOTAL LIABILITIES AND FUND BALANCES	312,268,600	88,778,924	8,402,628	79,670,014	212,773,015	7,269,707	92,079,862	69,323,660	58,712,935	726,709,983	1,655,989,328

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE FOR
THE TEN MONTH PERIOD ENDED APRIL 30, 2016 - UNAUDITED

For Internal Purposes Only

	SINGLE FAMILY	FEDERAL HOUSING PROGRAMS	MULTI FAMILY	ECONOMIC DEVELOPMENT BOND GUARANTY PROGRAM	STATE & HEALTH FACILITIES PROGRAMS	OTHER ECONOMIC DEVELOPMENT PROGRAMS	GENERAL FUND	TOBACCO SETTLEMENT	AMENDMENT 82 BOND DEALS	INTER-AGENCY PROGRAMS	TOTAL
REVENUES:											
Interest income:											
Loans and direct leases		613,493	49,332	1,896,076	5,429,042	66,977	683,928	2,392,855		6,467,352	17,599,055
Investments	10,709,055	1,863	1,248	219,219		3,061	1,663,031			711,939	13,309,416
Amortization of discounts and premiums on loans and investments, net	116,913		(115)	(4,569)			18,549			(187,725)	(56,947)
Financing fee income		499		291,273		68,931	2,793,206			3,375,017	6,528,926
Total Interest Income	10,825,968	615,855	50,465	2,401,999	5,429,042	138,969	5,158,714	2,392,855	-	10,366,583	37,380,450
Federal financial assistance		6,237,105		241,329	307,298		60,194			22,307,635	29,153,561
Other income (loss)				(7,380)			(13,349)			75,340	54,611
TOTAL REVENUES	10,825,968	6,852,960	50,465	2,635,948	5,736,340	138,969	5,205,559	2,392,855	-	32,749,558	66,588,622
EXPENSES:											
Interest on bonds and notes:											
Current interest	6,353,867	17,556		1,817,477	5,735,255			1,086,552		2,239,233	17,249,940
Accreted interest								2,392,855			2,392,855
Total interest on bonds and notes	6,353,867	17,556	0	1,817,477	5,735,255	0	0	3,479,407	0	2,239,233	19,642,795
Amortized public discounts and premiums on bonds and notes	(209,643)									(786,943)	(996,586)
Amortized bond and note issuance cost											0
Provision for losses		(965,757)	533,898	(49,896)		319,981	126,339				(35,435)
Federal financial assistance programs		3,552,236		241,329						3,579,824	7,373,389
Pymts to BMIR Reincenptive Participants											0
Administrative expenses:											
Salaries and benefits							3,791,163				3,791,163
Operations and maintenance		711,025					871,927			47	1,582,999
Other	583,342	76,199	(112)	80,783		59,178	368,426			287,032	1,454,848
TOTAL EXPENSES	6,727,566	3,391,259	533,786	2,089,693	5,735,255	379,159	5,157,855	3,479,407	0	5,319,193	32,813,173
REVENUES OVER (UNDER) EXPENSES	4,098,402	3,461,701	(483,321)	546,255	1,085	(240,190)	47,704	(1,086,552)	0	27,430,365	33,775,449
Transfer (to) from other funds	28,436	5,401				(514,586)	(175,444)	5,000,000		(2,534,202)	1,809,605
REVENUES OVER (UNDER) EXPENSES	4,126,838	3,467,102	(483,321)	546,255	1,085	(754,776)	(127,740)	3,913,448	0	24,896,163	35,585,054
FUND BALANCES:											
Beginning of period	105,165,452	83,041,016	6,940,917	16,131,215	0	7,988,036	85,675,508	(22,779,678)	0	612,718,384	894,880,850
End of Period	109,292,290	86,508,118	6,457,596	16,677,470	1,085	7,233,260	85,547,768	(18,866,230)	0	637,614,547	930,465,904

**ARKANSAS DEVELOPMENT FINANCE AUTHORITY
DELINQUENCY AND OTHER REAL ESTATE SUMMARY
May-16**

Program	Program Name	Number of Loans Delinquent	Delinquent Payments			Total Delinquent Loan Balance	Total Program Loan Balance
			1 Payment	2 Payments	3 or More Payments		
21	Rural Housing Multifamily	0	\$ -	\$ -	\$ -	\$ -	\$ 1,214,919.27
27	Tax Credit Assistance Program (TCAP)	0	\$ -	\$ -	\$ -	\$ -	\$ 19,374,110.46
28	Exchange Program Forgivable Loans	0	\$ -	\$ -	\$ -	\$ -	\$ 92,869,859.00
31	Guaranteed ED	1	\$ -	\$ -	\$ 135,439.18	\$ 1,678,628.11	\$ 55,698,855.42
35	Arkansas Department of Correction	0	\$ -	\$ -	\$ -	\$ -	\$ 5,310,046.64
49	Assisted Living Revolving Fund (ALIF)	0	\$ -	\$ -	\$ -	\$ -	\$ 758,188.87
50	CDBG	0	\$ -	\$ -	\$ -	\$ -	\$ 7,700,000.00
52	PRLF	0	\$ -	\$ -	\$ -	\$ -	\$ 2,007,372.26
65	SSBCI	4	\$ -	\$ -	\$ 277,205.90	\$ 1,523,568.72	\$ 3,894,724.57
70	Settlement Funds Repayable Loans (SH)	3	\$ 824.65	\$ -	\$ 1,393.40	\$ 126,965.36	\$ 4,652,388.51
81	FAF/BMIR	23	\$ -	\$ 1,436.82	\$ 166,974.86	\$ 901,005.36	\$ 7,412,605.29
81	CTC (College Tech)	0	\$ -	\$ -	\$ -	\$ -	\$ 5,941,367.94
81	DPA (Repurchased)	5	\$ -	\$ -	\$ 9,685.65	\$ 7,948.04	\$ 7,948.04
81	DPA (Table Funded)	16	\$ -	\$ -	\$ 3,725.03	\$ 2,520.60	\$ 8,999.66
81	Habitat for Humanity	0	\$ -	\$ -	\$ -	\$ -	\$ 198,494.39
81	Project Fund (Direct Loans)**	1	\$ 551.88	\$ -	\$ -	\$ 57,959.63	\$ 5,459,529.56
81	RECDS	0	\$ -	\$ -	\$ -	\$ -	\$ 26,991.24
81	Tourism Reserve Fund	0	\$ -	\$ -	\$ -	\$ -	\$ 171,398.21
83	Bond Guaranty Fund	0	\$ -	\$ -	\$ -	\$ -	\$ 2,855,332.00
84	HOME	107	\$ 15,573.35	\$ 7,968.50	\$ 557,762.12	\$ 9,533,558.18	\$ 107,744,370.08
95	Neighborhood Stabilization (NSP)	0	\$ -	\$ -	\$ -	\$ -	\$ 15,062,635.64
96	Neighborhood Stabilization (NSP)III	0	\$ -	\$ -	\$ -	\$ -	\$ 4,736,805.56
TOTAL		160	\$ 16,950	\$ 9,405	\$ 1,152,186	\$ 13,832,154	\$ 343,106,943

DELINQUENT LOAN BALANCES

	30 Days	60 Days	90 or More	Total Delinquent	Program Balance
Master Servicing *	7	\$ 34.58	\$ -	\$ 42,258.52	\$ 42,293.10

OTHER REAL ESTATE OWNED

Program	Property Name	Value
HOME	EARNESTINE JACKSON	17,500
HOME	RAYMOND ADAMS	20,783
HOME	WILLIE EARL KING	26,157
ECONOMIC DEVELOPMENT	H&L POULTRY/OZARK MOUNTAIN POULTRY	1,468,471
NSP	3 REED PROPERTIES	3
		\$ 1,532,914

FINANCED SALES OF REO

ECONOMIC DEVELOPMENT	Bradley Lumber/Ouachita Hardwood Lease	379,750
ECONOMIC DEVELOPMENT	PBS Lumber/Victory Lumber Lease	509,781
		\$ 889,531

INSUBSTANCE FORECLOSURES

PROJECT FUND (DIRECT LOAN)	Norphlet Chemical	1
		\$ 1

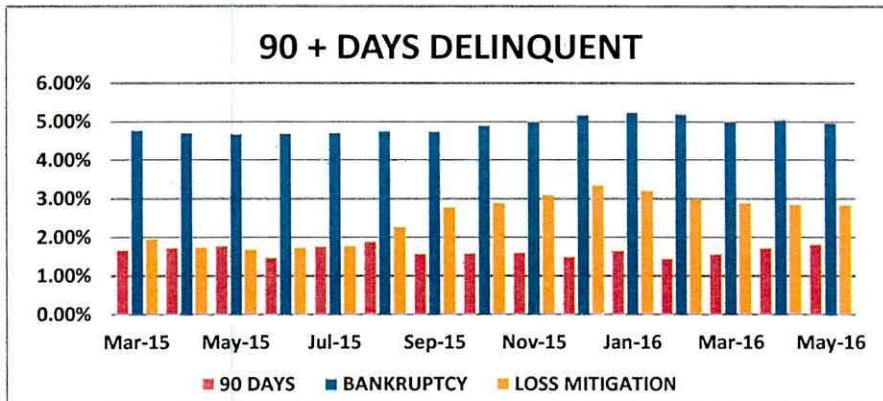
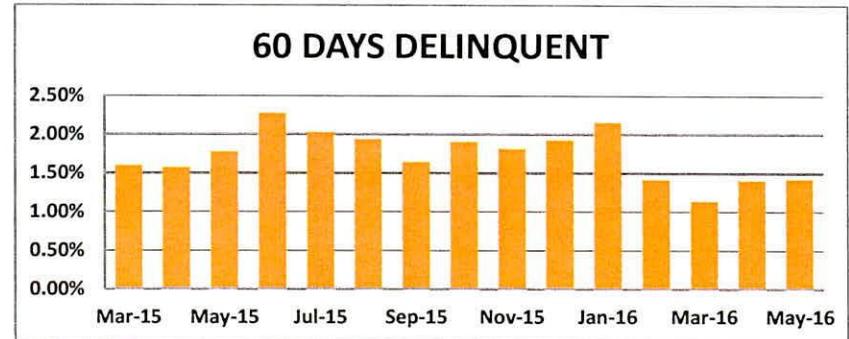
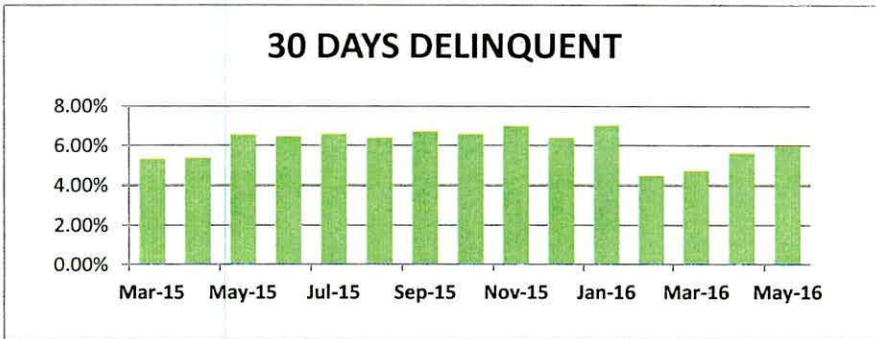
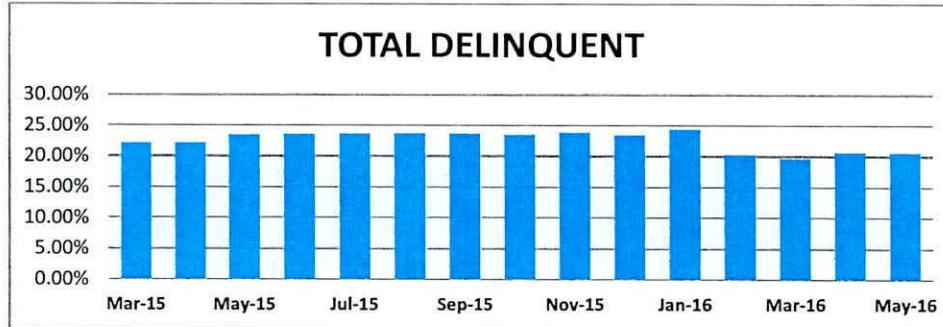
*Primarily Single Family Whole Loans

**Delinquent payment amount on project fund does not include any payments on Catfish loan. The Catfish loans are included in the "Delinquent Loan Balance" amount.

***Value listed is based upon total HOME funds disbursed. This amount will be adjusted to market value when that is determined.

US BANK MASTER SERVICING DELINQUENCY REPORT FOR MAY 2016

THIS REPORT REPRESENTS THE FIRST MORTGAGE LOANS (% PRINCIPAL) SERVICED BY US BANK IN THE HOME-TO-OWN PROGRAM



DELINQUENCY REPORT PRESENTED TO THE BOARD OF DIRECTORS FOR MAY 2016
DIRECT SERVICED - MASTER SERVICED - ECONOMIC DEVELOPMENT GUARANTY LOANS
DELINQUENCY REPORT (AS A PERCENT OF TOTAL LOAN BALANCES)

A loan is considered 90 days delinquent when it has three or more payments past due and it is not involved in any litigation nor any special repayment agreements. The "In Litigation" chart reflects any loan that is 90 or more days delinquent and involved in some type of litigation. Examples may be bankruptcy, foreclosure, etc. THESE LOANS WILL NOT APPEAR IN THE OTHER DELINQUENCY NUMBERS. A loan balance will be included in the "Special Repayment Agreement" chart when it is at least 60 days delinquent and the borrower and ADFA have reached a specific agreement to spread a delinquency over time in order to bring the loan current. If the agreement is not kept the loan will normally proceed to the litigation category. If the agreement is kept, the loan will appear in the Special Repayment Agreement numbers until it is less than 60 days delinquent.

