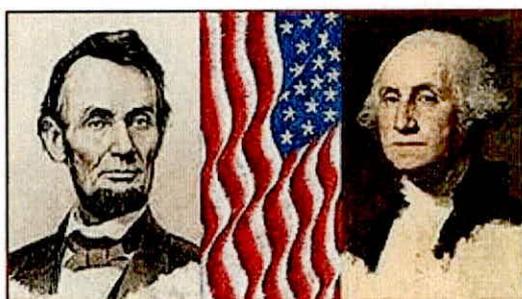


ARKANSAS DEVELOPMENT FINANCE AUTHORITY

BOARD OF DIRECTORS MEETING



Monday, February 15, 2016

THURSDAY, FEBRUARY 18, 2016

LITTLE ROCK, ARKANSAS

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING
Thursday, February 18, 2016
12:30 p.m. - Executive Loan 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 January 21, 2016 meeting of the Board of Directors.

I. OTHER BUSINESS:

- Loan Committee
- Board Committee Reports:
 - * Board Housing Review Committee
 - * Board Investment Committee
 - * Board Professional Selection Committee

II. NEW BUSINESS:

Resolution No. 1. A resolution authorizing the offering of State of Arkansas Higher Education General Obligation Bonds to refund the outstanding State of Arkansas Higher Education General Obligation Bonds, Series 2007A; authorizing the preparation of 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. 2. A resolution authorizing the issuance of Revenue Bonds to refund bonds issued to finance facilities for Episcopal Collegiate School; authorizing a Fourth Supplemental Trust Indenture, a Fourth Supplemental Loan Agreement and a Preliminary and Final Official Statement in connection therewith; and authorizing other matters pertaining thereto. **(Presenter: Shep Russell)**

III. ADJOURNMENT

The next regular meeting of the ADFFA Board of Directors is scheduled for **Thursday, March 17, 2016**, in the Second Floor (2nd) Conference Room, 900 West Capitol, Little Rock, Arkansas.

A RESOLUTION AUTHORIZING THE OFFERING OF STATE OF ARKANSAS HIGHER EDUCATION GENERAL OBLIGATION BONDS TO REFUND THE OUTSTANDING STATE OF ARKANSAS HIGHER EDUCATION GENERAL OBLIGATION BONDS, SERIES 2007A; AUTHORIZING THE PREPARATION OF 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 Issuer'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 refund the Series 2007A Bonds as provided herein; 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 Series 2007A Bonds are in the outstanding principal amount of \$88,690,000; and

WHEREAS, in order to refund the Series 2007A Bonds, the Authority would issue its State of Arkansas Higher Education General Obligation Bonds, Refunding Series 2016 (the "Bonds"); 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 ("Bond Counsel"); Raymond James & Co., Inc., as underwriter (the "Underwriter"); and Simmons First National Bank, N.A., as trustee (the "Trustee"); and

WHEREAS, there will need to be prepared the following documents that will be executed and delivered by the Authority in connection with the issuance of the Bonds hereinafter authorized to be marketed:

- (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. The preparation of the Bond Purchase Agreement, the Indenture, the Preliminary Official Statement and the Disclosure Agreement are hereby authorized. The officials of the Authority are hereby authorized to cooperate with Bond Counsel, the Underwriter, counsel to the Underwriter, and the Trustee in the preparation of such documents. It is acknowledged that the Final

Official Statement will not be prepared until the Bond Purchase Agreement has been executed and delivered by the Authority and the Underwriter.

Section 2. The officials of the Authority are hereby authorized and directed to take all action necessary for the Bonds to be rated and marketed in order to achieve a net present value debt service savings at least equal to 4% of the principal amount of the Series 2007A Bonds being refunded. In connection therewith, the President of the Authority is hereby authorized to declare the Preliminary Official Statement to be final as of its date in accordance with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934. The Preliminary Official Statement is authorized to be distributed to various prospective purchasers of the Bonds for and on behalf of the Authority.

Section 3. The Bonds shall be offered by the Underwriter in an aggregate principal amount not exceeding \$88,690,000. The annual debt service on the Bonds as marketed shall be less than the scheduled annual debt service on the Series 2007A Bonds. The annual debt service on the Bonds as marketed, when combined with the outstanding College Savings Bonds and the outstanding Series 2015 Bonds, shall be less than \$24,000,000. The Bonds shall mature not later than June 1, 2023, which is the final maturity date of the Series 2007A Bonds. The Bonds shall be offered at stated interest rates which shall be less than the stated interest rates for each corresponding maturity date of the Series 2007A Bonds.

Section 4. 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 5. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 6. This Resolution shall be effective upon its passage and approval.

ADOPTED: _____, 2016.

ARKANSAS DEVELOPMENT FINANCE
AUTHORITY

ATTEST:

By _____
Chair

President

(SEAL)

A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS TO REFUND BONDS ISSUED TO FINANCE FACILITIES FOR EPISCOPAL COLLEGIATE SCHOOL; AUTHORIZING A FOURTH SUPPLEMENTAL TRUST INDENTURE, A FOURTH SUPPLEMENTAL LOAN AGREEMENT AND A PRELIMINARY AND FINAL OFFICIAL STATEMENT IN CONNECTION THEREWITH; AND AUTHORIZING OTHER MATTERS PERTAINING THERETO.

WHEREAS, the Arkansas Development Finance Authority (the "Authority") is authorized and empowered under the laws of the State of Arkansas, including particularly Title 15, Chapter 5, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Act"), to issue revenue bonds for the purpose of financing the cost of acquiring, constructing and equipping educational facilities; and

WHEREAS, the Authority has heretofore issued its Revenue Bonds (Episcopal Collegiate School Project), Series 2009 in the aggregate principal amount of \$19,500,000 (the "Series 2009 Bonds") to finance the cost of acquiring, constructing, furnishing and equipping a lower school building and related facilities at the Jackson T. Stephens Campus of Episcopal Collegiate School located at 1701 Cantrell Road, Little Rock, Arkansas (the "2009 Project"); and

WHEREAS, Episcopal Collegiate School, an Arkansas nonprofit corporation (the "Corporation"), has requested that the Authority issue its Refunding Revenue Bonds (Episcopal Collegiate School Project), Series 2016 in the aggregate principal amount of not to exceed \$18,500,000 (the "Bonds") and make the proceeds available to the Corporation to refund the Series 2009 Bonds and to pay expenses incurred in connection with the issuance of the Bonds; and

WHEREAS, the proceeds of the Bonds will be loaned to the Corporation for loan repayments sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds as the same become due; and

WHEREAS, the Bonds will be issued and secured as Additional Bonds under the Trust Indenture, dated as of October 15, 2005, by and between the Authority and Bank of the Ozarks, as Trustee (the "Trustee"), as amended and supplemented; 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 transaction described above, copies of which instruments shall be filed with the records of the Authority:

(a) Bond Purchase Agreement among the Authority, Stephens Inc. (the "Underwriter"), and the Corporation (the "Bond Purchase Agreement");

(b) Fourth Supplemental Loan Agreement between the Authority and the Corporation (the "Fourth Supplemental Loan Agreement");

(c) Fourth Supplemental Trust Indenture between the Authority and the Trustee (the "Fourth Supplemental Indenture"); and

(d) Preliminary Official Statement of the Authority;

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

Section 1. The Board of Directors of the Authority hereby makes the following findings:

a. The 2009 Project has been completed and has continuously been operated by the Corporation since its completion as part of its educational program for PK3 through fifth grade;

b. The 2009 Project is part of an educational facility within the meaning of the Act; and

c. The 2009 Project continues to serve the public purposes of the Act by promoting and furthering education within the State of Arkansas.

Section 2. The issuance of the Bonds in the aggregate principal amount of not to exceed \$18,500,000 is hereby authorized. The Bonds shall be issued in the form and denominations; shall be dated; shall be numbered; shall bear interest at the rates; shall mature or be subject to mandatory sinking fund redemption on October 1 in the years and principal amounts; and shall be subject to redemption prior to maturity all upon the terms and conditions recommended by the Corporation and to be set forth in the Fourth Supplemental Indenture. The Bonds shall have a final maturity of October 1, 2034, which is the final maturity date of the Series 2009 Bonds. The Bonds shall have a true interest cost (after taking into account original issue discount and premium and Underwriter's discount but excluding costs of issuing such bonds) not greater than 4.75%.

Section 3. The Bonds shall be sold to the Underwriter with an Underwriter's discount not to exceed 1.150% of par, and upon the terms and conditions set forth in the Bond Purchase Agreement. 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 and the Corporation. In addition to the compensation in the form of Underwriter's discount, the Underwriter shall be entitled to such other compensation and to the reimbursement of such expenses as shall be agreed upon by the Corporation and the Underwriter, such other compensation and reimbursement to be paid by the Corporation or from the proceeds of the Bonds.

Section 4. 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 Fourth Supplemental Indenture to the Trustee.

Section 5. There is hereby authorized the loan of the proceeds of the Bonds to the Corporation in accordance with the provisions of the Loan Agreement, dated as of October 15, 2005, as amended by and supplemented by the First Supplemental Loan Agreement dated as of April 1, 2009, the Second Supplemental Loan Agreement dated as of October 15, 2010, the Third Supplemental Loan Agreement dated as of September 1, 2015 and the Fourth Supplemental Loan Agreement. The Chair or Vice Chair and President (or in his absence the Vice President and General Counsel) are hereby authorized and directed to execute and deliver, for and on behalf of the Authority, the Fourth Supplemental Loan Agreement to the Corporation.

Section 6. The Chair and President of the Authority are hereby authorized and directed to execute the Bonds and to cause the Bonds so executed to be delivered to or at the direction of the Underwriter upon payment of the purchase price.

Section 7. The Underwriter is authorized, in collaboration with the Corporation and the staff of the Authority, to receive and distribute a Preliminary Official Statement with respect to the Bonds, a copy of which has been presented to and is before this meeting. 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 Bond Purchase Agreement, the Fourth Supplemental Loan Agreement, the Fourth Supplemental 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 9. The Series 2009 Bonds maturing after April 1, 2017 shall be called for redemption prior to maturity on April 1, 2017.

Section 10. The Chair, Vice Chair and President (or in his 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, 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 his 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 other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

Section 11. The President of the Authority, or his designee, is authorized to conduct a public 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.

Section 12. The Bonds shall not be issued until approval thereof by the Governor of the State of Arkansas following the public hearing.

Section 13. 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 14. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 15. This Resolution shall be effective upon its passage and approval.

ADOPTED: _____, 2016.

ARKANSAS DEVELOPMENT FINANCE
AUTHORITY

ATTEST:

By _____
Chair

President

(SEAL)

CERTIFICATE

The undersigned, Secretary of the Arkansas Development Finance Authority, hereby certifies that the foregoing pages are a true and correct copy of a Resolution of the Authority adopted on the _____ day of _____, 2016, and that the Resolution is of record in the Records of the Authority now in his possession.

Secretary

(SEAL)

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
January 21, 2016

The Board of Directors of the Arkansas Development Finance Authority held its regular board meeting on Thursday, January 21, 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; Anthony Brooks; Jesse Sharp; Stan Green; Charley Baxter; Greg Stanfill; Alan Turnbo; John Cooley; Tom Spillyards; and Aaron Burkes, President and Board Secretary of the Authority.

Absent: Larry Walther, Director, Arkansas Department of Finance and Administration and Jim Harris, Chief of Staff, Office of State Treasurer.

ADFA Staff present: Nancy Covington, Assistant to the President; Patrick Patton, Vice President of Internal Audit; Layne Anderson, General Counsel; Brad Henry, Vice President-Economic Development; Kristy Cunningham, Controller; Don Pennington, Multi-Family; Derrick Rose, Communications; Cheryl Schluterman, Vice President of Finance & Administration; Chuck Cathey, Development Finance; Ben Van Kleef, Vice President of Housing; Kent Vestal, Multi-Family Manager; Lornea Wells, Multi-Family Tax Credits; Ro Arrington, Public Finance Officer; Murray Harding, Single Family Manager and Gary Arrington, Multi-Family Underwriter.

Others present: Jim Hathaway, Kutak Rock; Shep Russell, Friday, Eldredge & Clark; Jack Williams, Williams and Anderson; Jim Fowler, Rose Law Firm; Jacob White, Rose Law Firm; Shelli Jordan, Regions; Michele Allgood, Mitchell Williams; Glenda Dean, Simmons; Stan Russ, Regions; Daniel Allen, Raymond/James; Leigh Ann Biernat, Stephens and Ron Pyle, Raymond/James.

NEW BUSINESS ~ COMMITTEE REPORTS

ADFA's Loan Committee. Dr. Burnett called on Brad Henry to present any loans for the board's consideration.

Minutes. The committee approved the minutes from the December 17, 2015, meeting of the loan committee.

Election of Board Officers. Dr. Richard Burnett was nominated to serve as Board Chair, and John Cooley was nominated to serve as Board Vice-Chair. Mr. Spillyards made a motion to approve the nominations. Mr. Sharp seconded the motion. By roll call, all present members voted, and the motion passed.

Arkansas Institutional Fund ("AIF"). The committee recommended approval of a resolution concerning the Arkansas Venture Capital Investment Act of 2001 and other matters pertaining thereto. Mr. Spillyards made a motion to approve. Mr. Sharp seconded the motion. By roll call, all present members voted, and the motion passed.

Movista. The committee recommended approval of an investment request in the amount of not to exceed \$100,000 from the ADFA Co-Investment Fund, and with State Small Business Credit Initiative (SSBCI) funds. Mr. Green made a motion to approve the loan. Mr. Spillyards seconded the motion. By roll call, all members present voted, and the motion passed.

Arkansas Venture Development Fund ("AVDF"). The committee recommended approval of \$1,000,000 loan to the Arkansas Venture Development Fund from ADFA. Mr. Spillyards made a motion to approve the investment. Mr. Sharp seconded the motion. By roll, all members present voted, and the motion passed.

Kayne New Road Ventures 2, LLP. Board Member, Greg Stanfill, abstained from all discussions of this project, due to a possible conflict of interest. The committee recommended approval of an investment of up to \$5,000,000 from the AVDF. Mr. Cooley made a motion to approve the investment. Mr. Sharp seconded the motion. By roll call, all members present voted, with one abstention vote by Greg Stanfill, and the motion passed.

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

Minutes. The committee approved the minutes from the December 17, 2015 Board Housing Review Committee.

HOME:

Arkansas Land & Farm Development Corporation (ALFDC). The committee reviewed and approved a request for a six month extension on the August 13, 2013 HOME Agreement for the Lee County Project.

Drew County Public Facilities Board (DCPFB)-Phase I. The committee reviewed a request to amend the Phase I Project HOME Agreement from \$82,353 to \$280,353 and the approval to increase the number of qualified homeowners from three (3) to five (5). Mr. Baxter made a motion for full board approval. Mr. Turnbo seconded the motion. By roll call, all present board members voted and the motion passed.

Drew County Public Facilities Board (DCPFB)-Phase II. The committee reviewed a request for \$396,000 in HOME funds for its Phase II Owner-Occupied Reconstruction Project in Drew and Desha Counties and a waiver from five (5) to four (4) in the Phase II application.). Mr. Baxter made a motion for full board approval. Mr. Turnbo seconded the motion. By roll call, all present board members voted and the motion passed.

Life Styles, Inc. The committee reviewed a request for \$72,784 (includes \$65,184 in rental assistance, \$7,200 in administration and \$400 in security deposits) of HOME funds to assist approximately 20 tenants in Benton and Washington counties. Mr. Baxter made a motion approve the request. Mr. Spillyards seconded the motion. By roll call, all present board members voted and the motion passed.

Application Spreadsheet. Board Housing Review Committee reviewed and approved the HOME Program Application Spreadsheet.

MULTI-FAMILY:

Arkansas Development Finance Authority ("ADFA") Regarding Delta Cove, Hampton Cove, Walnut Lane, Woodlake Apartments II and Savannah Park of Charleston I and II. Mr. Baxter made a motion to approve a request to award HOME funds and de-obligate PRLF funds for Delta Cove, Hampton Cove, Walnut Lane, Woodlake Apartments II and Savannah Park of Charleston I and II. Mr. Turnbo seconded the motion. By roll call, all present board members voted and the motion passed.

Ariel Housing, Inc. The committee reviewed and approved a request for a change of an "all special needs" designated development to a "multi-family with special needs" designated development for a period of three (3) years.

Dominium. The committee reviewed and approved a request for approval of the replacement Limited Partner and the replacement General Partner of the Gables of Maumelle Apartments and change of management company from LEDIC to Dominion Management Services, LLC.

SINGLE FAMILY

Fennell Purifoy Architects. The committee reviewed and approved Colley Burrow, Architect and principal of Fennell Purifoy Architects', request that his company be approved to prepare capital needs assessments on behalf of ADFA developers.

Gideon, LLC. The committee reviewed Mr. McVay requests, on behalf of Gideon LLC, for a waiver and/or determination of the minimum experience requirements as outlined in Paragraph 17, Section C, Threshold Requirements of the 2016 QAP. Due to lack of a motion, the request was denied.

Hughes Spelling Development. The committee reviewed and approved a request for a waiver, per the 2016 QAP/Guidelines, to submit two (2) LIHTC tax credit applications for one potential acquisition/rehab development in Stuttgart, AR.

RichSmith Development, LLC-Colony Square Apartments. The committee reviewed and approved a request for a waiver, per the 2016 QAP/Guidelines to submit two (2) LIHTC credit applications for one potential acquisition/rehab development in Hot Springs, AR.

RichSmith Development, LLC-Polo Run Apartments. The committee reviewed and approved a request for a waiver, per the 2016 QAP/Guidelines to submit two (2) LIHTC credit applications for one potential acquisition/rehab development in Springdale, AR.

UPDATES:

Crittenden County – Phase II. The committee reviewed and approved Mr. & Mrs. Rupert Green as a qualified replacement for a reconstruction loan in lieu of Ola Mae Brown for the Phase II Project.

Compliance. The committee reviewed the Delinquent Fees Report.

Mr. Baxter made a motion to the full board to accept the report. Mr. Cooley seconded the motion. By roll call, all present members voted, and the motion passed.

Board Audit Committee. Dr. Burnett called on Mr. Cooley to present the report from the Board Audit Committee.

Minutes. The committee approved the amended minutes from the November 19, 2015 meeting and the December 17, 2015 of the Board Audit Committee.

2016 Internal Audit Plan. The committee approved the 2016 Internal Audit Plan for year ending in December 2016.

Mr. Cooley made a motion to accept the Audit Plan as presented. Mr. Turnbo seconded the motion. By roll call, all present members voted and the motion passed unanimously.

Board Professional Selection Committee. Dr. Burnett called on Mr. Cooley to present the report from the Board Professional Selection Committee.

Minutes. The committee approved the minutes from the December 17, 2015, meeting of the Board Professional Selection Committee.

ADFA Financial Advisor: The committee reviewed and approved First Southwest, a division of Hilltop Securities, Inc., as ADFA Financial Advisor for an initial term of one (1) year (term can be extended for additional one (1) year terms, with a maximum of six (6) extensions, at the discretion of the Board), subject to successful fee negotiations.

Mr. Cooley made a motion to accept the report as presented. Mr. Brooks seconded the motion. By roll call, all present members voted, and the motion passed unanimously.

NEW BUSINESS ~ MINUTES AND RESOLUTIONS

Minutes. Dr. Burnett asked for approval of the minutes from the December 17, 2015 Board of Directors Meeting. Mr. Cooley made a motion to approve the minutes. Mr. Baxter seconded the motion. By roll call, all members voted and the motion passed unanimously.

Resolution No. 1. Dr. Burnett called on Layne Anderson to present the resolution identified under Tab 1, authorizing payment to non-state employed board members of a per-meeting stipend of not to exceed Eighty-Five Dollars (\$85.00). Mr. Brooks made a motion to approve the resolution. Mr. Spillyards seconded the motion. By roll call, all present members voted, and the motion passed.

Adjournment. Dr. Burnett stated the next Board meeting would be held on Thursday, February 18, 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 18th day of February, 2016.

Aaron Burkes, President/Secretary

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



MEMORANDUM

TO: ADFA Board of Directors
FROM: Aaron Burkes, President *AB*
DATE: February 10, 2016
RE: Board Report

- After months of hard work and dedication by Derrick Rose and Judy Brummett, we are delighted to officially announce the launch of our new website. The URL is <http://adfa.arkansas.gov>. I feel we have succeeded in making the new website faster, easier to navigate, and more user-friendly. Specifically, we hope to use this to more effectively market our single family products to consumers, real estate professionals, and lenders. I feel it is important to note that ADFA's ability to develop and maintain the new site without hiring an outside consultant saved the agency considerable financial resources.
- Committee assignments will be made this month. Please give some thought as to what committee on which you would like to serve. Choose from the following committees: Board Professional Selection, Board Audit, Board Housing Review, Board Investment, and Board Small Business Loan (State Small Business Credit Initiative).
- Staff will bring a recommendation to the Board Professional Selection Committee to discuss engaging bond counsel to explore the possibility of refunding existing Tobacco Settlement debt.
- ADFA is working with the Episcopal Collegiate School to be a conduit issuer to help them take advantage of low interest rates by refinancing their 2009 bond issue.
- A resolution will be presented to the board to engage professionals in order to explore the possibility of refunding a portion of the 2007 Series Higher Education General Obligation Bonds.
- On April 24 – 27, ADFA is hosting a Southeastern Executive Directors (SEED) meeting in Northwest Arkansas. This is an annual meeting that brings together 12 state housing finance agency directors to discuss issues unique to our area of the country.

The schedule for Thursday, February 18, 2016, is as follows:

9:30 a.m.	Board Housing Review Committee
10:30 a.m.	Board Investment Committee
11:00 a.m.	Board Professional Selection Committee
11:30 a.m.	Lunch will be served – 3 rd Floor Conference Room
12:30 p.m.	Non-Public "Loan Review Session"
1:30 p.m.	Public Board meeting



M E M O R A N D U M

TO: ADFA Board Members
FROM: Ben Van Kleef, Vice President of Housing VK
DATE: February 10, 2016
SUBJECT: Monthly Board Report of Housing Division Activities for January 2016

MULTI-FAMILY

The final cost certs on Home Harbor have been completed by Staff.

Closing on multiple 2015 tax credit allocated projects.

Staff began asset management of TCAP projects.

HOME

1) Owner-Occupied Applications Received and Not Approved

a) Eight (8) projects requesting to close \$3.7 million in HOME funds consisting of:

- i. Arkansas Land and Farm Development Corporation (ALFDC)** application # 150062 is requesting \$478,500.00 to assist seven (7) homeowners in St. Francis County. Staff review and environmental clearance are complete and scheduled for Board approval.
- ii. East Arkansas Community Outreach Development Corporation (EACODC)** application # 150054 reduced their HOME request within allowable cost cap and requests \$495,000.00 in construction and project delivery costs to assist five (5) homeowners in Crittenden County. Environmental review is complete and project approval is scheduled for board approval this month.
- iii. City of Magnolia** application # 150055 is requesting \$525,800.00 in construction and project delivery costs to assist five (5) homeowners in the City of Magnolia. The project's cost exceeds the ADFA HOME Program allowable construction cost cap. Staff is currently providing technical assistance with the city addressing the efficiency of the application in regards to exceeding cost caps.

- iv. **City of Bald Knob** application # 150057 is requesting \$360,000.00 in construction and project delivery costs to assist five (5) homeowners in the City of Bald Knob. Staff review is underway.
 - v. **City of Fordyce** application #150058 has modified its request to \$250,000.00. The environmental review has been scheduled for this project and construction and project delivery costs to assist four (4) homeowners in the City of Fordyce. The environmental review and underwriting are in progress.
 - vi. **Boys, Girls and Adults Community Development Center (BGACDC)** application #150059 is requesting \$404,885.69 in HOME Funds for construction, contingency and project delivery costs to assist nine (9) homeowners in Phillips County. The environmental review has not been scheduled for this project and staff review is underway.
 - vii. HOME funds for construction and project delivery costs to assist five (5) **Warren Housing Authority** application # 150061. They are requesting \$495,000.00 in homeowner reconstructions in the City of Warren. The environmental review has not been scheduled for this project and staff review is underway.
 - viii. **Arkansas Land and Farm Development Corporation (ALFDC)** application # 150062 is requesting \$495,000.00 to assist five (5) homeowners in Cross and St. Francis Counties. This application is not assigned to Staff.
- b) **Project and Activity Status** - approved with HOME funds and underway that are homeowner-occupied rehab, reconstruction and manufactured home replacements.
- i. There are eighteen (18) active homeowner projects that make up 86 individual project activities. There are 28 homes complete, 56 are in various stages of completion and 2 homeowners have withdrawn.
 - ii. Staff completed several homeowner loan closings, environmental reviews, agreements and amendments. In the case of low-performing projects, Technical Assistance (TA) was provided to city and county governments as well as to their consultants. TA was also provided to various consultants working on applications in preparation for submission for HOME Funds.

2) HOME Funded Rental Projects

- a) Submitted 1st draw request for Meadows Forrest City in the amount of \$405,000.00.
- b) Created twelve (12) HOME Agreements and Exhibits for the 2015 Applicants and Awardees. Eleven (11) HOME Agreements have been sent to the Owners for execution. Three (3) of the HOME Agreements have been signed and fully executed. Waiting on the Exhibits from the Owner for the CHDO project before ADFA can send out. Currently, receiving Due Diligence for 3 developments for closing.
- c) In the process of receiving all final retainage documents for Clayton Heights/Mitch Minnick.

- d) Providing daily technical assistance to the Developers regarding their 2016 Applications.
- e) Reviewing 2016 Application, Guidelines and Application Checklist for accuracy.

3) CHDO Homebuyer Applications (Community Housing Development Organization)

- a) Staff executed the HOME Agreements and closed both Better Community Development's (BCD) Apple Blossom Phase II, and Crawford-Sebastian County Community Development Corporation's (C-SCDC) Bluebird Subdivision projects. Pre-construction conferences are complete.
 - i. BCD Apple Blossom has closed on five (5) of the proposed ten (10) sites of the development. The construction is averaging 80% complete on the 5 development site locations. Lenders are currently working with homebuyer's to purchase some of the units.
 - ii. C-SCDC Bluebird project has closed all seven (7) lots with construction underway of two (2) locations.

4) Ownership Transfers (need from Michael)

There are over sixty-five (65) individual files involving deceased mortgagors. ADFA housing, compliance and loan servicing departments are working together to assist probate attorneys and families with maintaining ownership and HOME program requirements.

5) Tenant Based Rental Assistance (TBRA)

LifeStyles, Inc., application # 150063, executed their HOME Agreement. Technical Assistance was provided to recipients. There are currently seven (7) housing authorities or units of local governments receiving TBRA funds and assisting hundreds of tenants.

6) Workshops / Trainings

Staff provided technical assistance with various entities and consultants with both current and under-performing projects.

Single Family Division Homeownership Programs

Beginning with this 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, which did not 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	2015	2016
Amount	\$ 1,518,827	\$ 3,243,810
Number of Loans	16	35
Average Loan Amount	\$94,926	\$ 92,680

- 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	2015	2016
Amount	\$ 44,282	\$ 70,236
Number of Loans	9	13
Average Loan Amount	\$ 4,920	\$ 5,402

- 3) **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	2015	2016
Amount	\$ 81,334	\$ 103,553
# of Loans	18	18
Average Loan Amount	\$ 4,518	\$ 5,752

4) **Mortgage Credit Certificate (“MCC”) Program**

a) **2014 Mortgage Credit Certificate Program:**

- 1) \$48 million in first mortgage loans originated.
- 2) Average amount of first mortgage loan = \$111,803
- 3) 334 Mortgage Credit Certificates issued.

- 4) \$24million committed in Federal tax benefit to MCC applicants.
- 5) 99 applications in pipeline.
- 6) 48% of the initial \$100 million has been allocated.
- 7) Approx. \$242,054 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.

EVENTS ATTENDED BY ADFA PERSONNEL IN JANUARY 2016

January 13

Faulkner County Board of Realtors

Conway

Presentation of Single Family Programs by Barbara Whitaker

January 26

ACHANGE Meeting

Little Rock

Attended by Murray Harding

January 28

Fair Housing Training – Design and Construction

Jacksonville

Attended by Catrina Donahue

HOME Program Monthly Board Report
HUD REPORT

Through the period ending January 31, 2016

FY	TOTAL ALLOCATION	TOTAL PROGRAM INCOME	TOTAL RESERVED FOR ADMIN OPER	TOTAL COMMITTED FOR POJECTS (AS OF 1/31/16)	TOTAL DOLLARS DISBURSED	BALANCE REMAINING TO BE DISBURSED
2009	14,001,563.00	1,696,431.72	1,400,156.30	13,835,420.35	14,559,961.84	1,138,032.88
2010	13,983,361.00	1,929,209.90	1,398,336.10	12,425,656.79	13,493,198.12	2,419,372.78
2011	12,269,079.00	2,407,907.63	1,226,907.90	11,569,157.52	12,206,255.30	2,470,731.33
2012	7,725,281.00	3,940,630.50	772,528.10	8,703,294.33	8,777,494.28	2,888,417.22
2013	7,314,340.00	2,142,031.18	731,434.00	4,531,647.85	4,767,916.46	4,688,454.72
2014	7,565,698.00	3,323,656.06	756,569.80	7,165,858.05	5,621,997.52	5,267,356.54
2015	6,525,503.00	1,652,796.82	652,550.30	1,866,151.37	2,029,457.63	6,535,018.23
TOTALS						
ALL YEARS	69,384,825.00	17,092,663.81	6,938,482.50	60,097,186.26	61,456,281.15	25,407,383.70

HOME PROGRAM	
<u>Applications Pending Approval of Board HRC, 2/18/16:</u>	
CHDO Operating	
CHDO Set Aside	
Homeowner New Construction & Rehab	\$975,700.00
Multi-Family New Construction & Rehab	
Tenant-Based Rental Assistance	
<u>Total Pending Applications</u>	\$975,700.00

INSPECTIONS AND PROJECTS

In January 2016, HOME spent \$10,235.96 in outsourced inspections.

January 2016 Compliance Monitoring Activities

<u>Property Name - Owner - Contact</u>	<u># Units</u>	<u>Review Type</u>	<u>Review Date</u>	<u>Reviewed By</u>	<u>#Non-Compliant (#Life Threatening)/ # Units / # Files Reviewed</u>	<u>Review Grade</u>
<u>Albert Pike Apartments</u> - Summit Albert Pike LP - Kea Calame	130	LIHTC Compliance	01/12/2016	Jeanne Johnson	11 (0) / 27 / 97	1 - 0-15% Non-Compliance
<u>Riverside Park Apartments I</u> - Broadway Partners LP - Clifton Bates	64	Desk Audit HM Only	01/07/2016	Jeanne Johnson	0 (0) / 0 / 9	No Findings
<u>Riverside Park Apartments II</u> - Broadway Partners II LP - Clifton Bates	64	Desk Audit HM Only	01/07/2016	Jeanne Johnson	0 (0) / 0 / 64	No Findings

Properties Monitored in January 2016 - 3

Any entity that receives federal funds, tax credit or other financial assistance through ADFA for eligible projects must be monitored for compliance with program laws and regulations. Each program is governed by its own unique laws.

Non-Compliance Score - A Non-Compliance score will be used to determine the overall non-compliance of existing properties. The non-compliance score will be based on information provided to the IRS via form 8823 Report of Non-Compliance. The score will be calculated as follows:

The Total Number of Units Determined to Have Non-Compliance Issues
Divided By
 The Total Number of Units Reviewed by Agency
Equals
 Percentage of Units with Non-Compliance Issues

The percentage of units with non-compliance issues will determine the non-compliance score, not to exceed 51% or 20:

- 51% or more units monitored with non-compliance issues	= Non-Compliance Score of 20
- 41-50%	= Non-Compliance score of 15
- 31-40%	= Non-Compliance score of 10
- 16-30%	= Non-Compliance score of 5
- 0-15%	= Non-Compliance score of 0

Reports of non-compliance, 8823s, issued in 2015 will be considered during the 2016 LIHTC application process as well as other applications for ADFA Housing resources. Negative Points will be assessed for Non-Compliance.

**Monthly Commitment Report
on Certain Housing Programs
As of January 31, 2016**

FAF/NBMIR

FAF/NBMIR Bank Balance at 01/31/2016 \$ 1,870,662.38

Less: Outstanding Commitments:

Closing Date	Development Name	Committed	Funded	Less: Balance Remaining to be Funded
3/19/2015	Hughes Villas II--Hughes Villas--Hughes--(2014 LIHTC recipient)	\$ 115,761.00	\$ 104,185.00	\$ 11,576.00
not closed	Old Fort Smith Homeless Coalition-Riverview HOPE Campus-Phase I-Ft. Smi	\$ 271,166.56	\$ -	\$ 271,166.56
not closed	Emerald Village at Jonesboro, LP-(2015 LIHTC recipient)	\$ 200,000.00	\$ -	\$ 200,000.00
Total Commitments and Fundings		\$ 586,927.56	\$ 104,185.00	\$ 482,742.56

*in Mitas
not in Mitas
not in Mitas*

FAF/NBMIR Balance Available at 01/31/2016 \$ 1,387,919.82

Applications received but not submitted for board approval yet:

-	none
<u>1,387,919.82</u>	amount available if additional applications/requests were approved

NSP 1

Grant Awarded from HUD \$ 19,600,000.00

Grant Awarded from HUD for Construction	\$ 17,640,000.00
Grant Awarded from HUD for Administration (originally 10%)	\$ 1,960,000.00
Grant Award Available	\$ 19,600,000.00
Federal Dollars Spent for Construction and Administration	\$ (18,448,292.52)
Unspent Federal Award from HUD	\$ 1,151,707.48 (1)

Program Income received life to date	\$ 2,288,133.85 (3)
Interest Income received life to date	\$ 215.62
Income Available	\$ 2,288,349.47
Less: Program Income Spent for Construction and Administration	\$ (1,072,515.15)
Unspent Program Income per Trust Account (cash balance as of 01/31/2016)	\$ 1,215,834.32 A

Outstanding Commitments:

Closing Date	Development Name	Committed	Funded with Federal Dollars	Funded with Program Income	Less: Balance Remaining to be Funded
Multi-Family:					
12/18/2009	ALS Management-South Creekside	\$ 7,748,915.03	\$ 7,748,915.03	\$ -	
3/5/2010	The Meadows of Rogers	\$ 5,776,260.00	\$ 5,696,759.70	\$ 79,500.30	
7/27/2010	Reed Property-Scattered Sites	\$ 423,400.00	\$ 423,400.00	\$ -	(2)
8/10/2012	Ford Properties Homes, LLC	\$ 2,044,705.00	\$ 1,311,809.03	\$ 732,895.97	(2),(3),(4) in Mitas (2 loans)
Single Family-Lots:					
4/16/2010	Ft. Smith Neighborhood Renewal Project	\$ 1,247,901.49	\$ 1,123,264.89	\$ 124,636.60	(5) in Mitas
2/18/2011	City of North Little Rock-Baring Cross Proje	\$ 1,976,082.94	\$ 1,858,999.00	\$ 117,083.94	(5) in Mitas
Total Commitments and Fundings (non-Admin)		\$ 19,668,358.84	\$ 18,163,147.65	\$ 1,054,116.81	B
Total Funds Spent (Federal \$ and Program Income)		\$ 19,217,264.46			

NSP-1 Funds Available to Commit at 01/31/2016 \$ 1,215,834.32 = A less B

Administration \$ 451,094.38 \$ 285,144.87 \$ 18,398.34 \$ 147,551.17

Applications received but not submitted for board approval yet:

-	none
<u>1,215,834.32</u>	amount available if additional applications/requests were approved

Notes:

- This balance may be de-obligated as program income was generated and had to be used before federal money could be drawn and the program deadline to expend federal funds expired 9/6/2013.
- & (4) ADFA de-obligated \$1,414,783.59 as 26 lots were deeded back to ADFA on 3/7/2012. This money, along with program income received from the sale of two lots with the Ft. Smith Neighborhood Renewal Project of \$165,216.41, was re-allocated to commit the funds to Ford Properties Homes, LLC which purchased 17 of the 26 lots from ADFA. On 2/21/2013, an allocation of \$464,705.00 of administrative funds was approved for Ford Properties Homes, LLC to purchase 5 additional lots from ADFA to construct 5 additional homes.
- Proceeds from the sale of two lots with the Ft. Smith Neighborhood Renewal Project in the amount of \$165,216.41 will be used to supplement the funding of the Ford Properties Homes, LLC allocation (see Note 4.) Program income funds are generated by the sale of lots with homes from the Ft. Smith Neighborhood Renewal Project (9 of 9 lots sold) and the City of North Little Rock Baring Cross Project (13 of 13 lots sold) as well as repayments on loans.
- As of 6/20/2015, \$69,437.51 was removed from the construction draw payable for Ft. Smith Neighborhood Renewal Project and \$27,420.06 was removed from the construction draw payable for City of North Little Rock-Baring Cross Project as the projects are complete and units sold.

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	
Closing Date	Development Name	Committed	Funded	to be Funded	
6/20/2012	The Manor, LLC	\$ 4,750,000.00	\$ 4,750,000.00	\$	-
Total Commitments and Fundings				\$	-
NSP-3 Funds Available to Commit at 01/31/2016				\$	-
Administration		\$ 250,000.00	\$ 42,617.89	\$	207,382.11

in Mitas

Notes:
 Administrative accruals not yet paid total \$730.04. Future 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: Outstanding Commitments:				Less: Balance Remaining	
Closing Date	Development Name	Committed	Funded	to be 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

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

CDBG Funds Available to Commit at 01/31/2016 **\$ 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 01/31/2016, \$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.

TAX CREDIT ASSISTANCE PROGRAM

TCAP Bank Balance at 01/31/2016 **\$ 965,669.59**

Breakdown:	
Program Income received life to date	\$ 965,911.37
Interest Income received life to date	\$ 218.22
Less: Program Income Spent for Trustee Fees life to date	\$ (460.00)
Unspent Program Income per Trust Account (cash balance) and Funds Available to Commit at 01/31/2016	\$ 965,669.59 (1)

Applications received but not submitted for board approval yet:
 - none
965,669.59 amount available if additional applications/requests were approved

Notes:
 (1) As of 01/31/2016, 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 1/31/2016 \$ 2,056,193.05

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	-	in Mitas
1/25/2013	City of Reed	253,000.00	253,000.00	-	in Mitas
3/27/2013	Drew County Public Facilities Board	351,714.00	351,714.00	-	in Mitas
3/27/2013	Eastern Arkansas Community Outreach & Development Corp.- various sites in Proctor, Marion and West Memphis	509,359.20	509,359.20	-	in Mitas
3/26/2013	City of Stuttgart II	324,500.00	324,500.00	-	in Mitas
5/6/2013	Arkansas Land & Farm Development Corp.-Various sites-Dermott	494,340.00	494,340.00	-	in Mitas
6/24/2013	Central Arkansas Planning and Development District-various sites in Lonoke, Scott, England and DeValls Bluff	507,659.00	409,259.00	98,400.00	in Mitas
9/25/2013	Third Party Consulting, Inc. (formerly CRT)-various sites in Garland, Holly Grove, Kingsland, Wrightsville	395,000.00	395,000.00	-	in Mitas
12/5/2013	City of McGehee	497,950.00	497,950.00	-	in Mitas
		3,685,384.20	3,586,984.20	98,400.00	
Tax Credit Properties:					
5/30/2013	Edgewood Apartments, LP-Lewisville	75,000.00	75,000.00	-	in Mitas
12/19/2014	S&B Development-Deer Run-Hamburg	226,000.00	226,000.00	-	in Mitas
returned obligation	Belmont Development-Garden Walk on 2nd-Ozark--RETURNED \$450K obligation	-	-	-	de-obligated
12/27/2013	Legacy at El Dorado LP-El Dorado	450,000.00	450,000.00	-	in Mitas
2/7/2014	Leisure Homes Corporation-Majestic View-Mountain Home	450,000.00	450,000.00	-	in Mitas
10/25/2013	Paragould Housing Dev Corp-Rolling Hills-Paragould	450,000.00	450,000.00	-	in Mitas
11/7/2013	Pine Cove Apartments-Fordyce	175,000.00	175,000.00	-	in Mitas
8/20/2015	Huntsville Town Branch LP--Town Branch-Huntsville	356,000.00	353,912.75	2,087.25	in Mitas
not signed yet	Housing Solutions Alliance-NLR, AR--Silver City Courts--2014 LIHTC recipient	450,000.00	-	450,000.00	
3/31/2015	JPM Development--Milwood Place-Clarksville	450,000.00	-	450,000.00	in Mitas
3/31/2015	JPM Development-Arkansas Affordable Two LP--West Helena Village-West Helena	450,000.00	405,000.00	45,000.00	in Mitas
12/14/2015	BRAD- Black River Housing, LP--2015 LIHTC recipient	450,000.00	155,480.36	294,519.64	in Mitas
		3,982,000.00	2,740,393.11	1,241,606.89	
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	
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)		8,716,217.64	7,198,833.56	1,517,384.08	

Settlement Funds Available at 1/31/2016 \$ 538,808.97

REVISED BUDGET PER 4/18/2013 & 2/19/2015 & 5/21/2015 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	\$ 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)	\$ 4,300,000.00	\$ 3,982,000.00	\$ 318,000.00	\$ -	\$ 318,000.00
Homeless Project (approved usage of revolved funds and interest less fees as of 1/31/15- \$45,028.14 with orig. HO	\$ 173,833.44	\$ 173,833.44	\$ -	\$ -	\$ -
Interest earnings/NSF fees collected	\$ -	\$ -	\$ 445.25	\$ -	\$ 445.25
Loan Repayments Received (P&I)	\$ -	\$ -	\$ 210,492.22	\$ -	\$ 210,492.22
Trustee fees/Other Expenses	\$ -	\$ -	\$ (939.00)	\$ -	\$ (939.00)
Grand Total	\$ 9,045,028.14	\$ 8,716,217.64	\$ 538,808.97	\$ -	\$ 538,808.97



Memorandum

TO: ADFA Board of Directors
FROM: Derrick Rose
DATE: February 10, 2016
SUBJECT: Board Report

Arkansas Development Finance Authority Launches New Site at <http://adfa.arkansas.gov>

I am excited to announce the launch of our newly redesigned mobile-friendly website. It is available at <http://adfa.arkansas.gov>. The new site features an uncluttered design that is faster and easier to navigate.

ADFA's website is designed for the residents of Arkansas to learn about the resources and programs available through the Authority. It is also a valuable tool for ADFA's program partners who can more easily find the resources they rely on such as forms, handbooks, reporting and training materials.

Our new site has a responsive design that works equally well on desktop, mobile and tablet devices. This feature is important because research conducted in 2015 by Google confirms a majority of Americans now browse the web and make search queries from mobile devices.

I'd like to thank Judy Brummett for coordinating and facilitating the numerous planning and strategy meetings with managers and staff that made it possible for me to focus more on the task of laying out and designing the site. I'd also like to thank ADFA's program managers and staff for their willingness to work with us to get this large project done.



MEMORANDUM

To: ADFA Board of Directors
From: Brad Henry, Vice President Development Finance
Re: Monthly Activity Report
Date: February 18, 2016

A handwritten signature in blue ink, appearing to be "BH", is written over the "From:" line of the memorandum.

Economic Development Bonds, ADFA Bond Guaranty & Conduit Bond Issues

While there is not much new activity in the bond programs at the moment, we are completing site visits and taxes and financials are being reviewed. Staff also continues to meet with co-lenders, borrowers, and attorneys regarding different aspects of some of our projects.

State Small Business Credit Initiative (SSBCI)

Staff completed the Q4 2015 Report and is now beginning to work on the Annual Report, which is due at the end of March.

Venture Capital and Seed/Angel Capital

We continue to think 2016 will be an extremely active year in Venture Capital. The management transition for the Arkansas Institutional Fund is progressing as planned. Specifically, we have been meeting with tax and audit professionals to begin work on the 2015 financial audit and tax filing.

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

Capital Access now has processed a total of 546 loans with 27 loans in the ArCash program. The majority of the new CAP loans are being enrolled under the SSBCI umbrella, but we still have some that are a part of our 'legacy' program. Bev Lambert is actively marketing these programs, as well as our other programs, to various lenders across the state. Summaries of the CAP and ArCash program activity through the end of January are included for your review.

Community Outreach

Staff attended the annual ACCE/AED Joint Winter Conference in Little Rock.

Volume Cap Memorandum

To:	ADFA Board of Directors							
From:	Camilla Davis, Volume Cap Assistant							
Date:	9-Feb-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		\$938,473,750		\$0.00	\$51,488,750		
2013 SFH CF		\$290,645,000				\$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		\$0	\$90,862,500		
Totals:	\$302,875,000	\$886,985,000	\$1,189,860,000	\$0		\$1,189,860,000		
					Less: Carryforward Balances*		\$886,985,000	
					Total Available		\$302,875,000	
* 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 09-Feb-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	178	32.60%	\$7,617,856.43	\$194,130.54	29.71%	\$42,797
21: Stone Mining, Rock Quarry	1	0.18%	\$3,000.00	\$135.00	0.02%	\$3,000
23: Construction	37	6.78%	\$1,234,413.92	\$44,062.65	6.74%	\$33,363
31, 32, 33: Mfg - Food-Wood-Metal	38	6.96%	\$1,717,936.00	\$66,993.28	10.25%	\$45,209
42, 44-45: Wholesale / Retail Trade	102	18.68%	\$3,133,247.15	\$126,903.80	19.42%	\$30,718
48-49: Transportation / Warehousing	25	4.58%	\$828,914.65	\$34,790.13	5.33%	\$33,157
51: Information	2	0.37%	\$13,000.00	\$585.00	0.09%	\$6,500
52: Finance & Insurance	3	0.55%	\$46,000.00	\$1,680.00	0.26%	\$15,333
53-81: All Other Services (except Public Admin)	160	29.30%	\$4,928,284.16	\$184,049.36	28.17%	\$30,802
Totals	546	100.00%	\$19,522,652.31	\$653,329.76	100.00%	

BY COUNTY

Benton	14	2.56%	171,000.00	8,055.00	1.23%	\$12,214.29
Boone	33	6.04%	\$734,562.54	\$33,055.57	5.06%	\$22,259.47
Bradley	94	17.22%	\$4,124,271.91	\$113,183.69	17.32%	\$43,875.23
Carroll	10	1.83%	\$174,150.00	\$7,836.75	1.20%	\$17,415.00
Chicot	1	0.18%	\$10,000.00	\$450.00	0.07%	\$10,000.00
Clark	63	11.54%	\$1,513,855.78	\$52,672.70	8.06%	\$24,029.46
Clay	1	0.18%	\$200,000.00	\$9,000.00	1.38%	\$200,000.00
Columbia	2	0.37%	\$121,145.00	\$3,635.00	0.56%	\$60,572.50
Craighead	1	0.18%	\$18,000.00	\$810.00	0.12%	\$18,000.00
Crittenden	2	0.37%	\$55,000.00	\$2,475.00	0.38%	\$27,500.00
Crawford	3	0.55%	\$40,000.00	\$1,800.00	0.28%	\$13,333.33
Cross	2	0.37%	\$30,000.00	\$900.00	0.14%	\$15,000.00
Dallas	3	0.55%	\$73,500.00	\$2,985.00	0.46%	\$24,500.00
Desha	6	1.10%	\$486,000.00	\$12,915.00	1.98%	\$81,000.00
Drew	1	0.18%	\$333,400.00	\$10,002.00	1.53%	\$333,400.00
Garland	18	3.30%	\$1,283,679.00	\$29,815.58	4.56%	\$71,315.50
Hempstead	11	2.01%	\$782,952.12	\$21,590.12	3.30%	\$71,177.47
Hot Spring	3	0.55%	\$89,500.00	\$4,515.00	0.69%	\$29,833.33
Howard	2	0.37%	\$47,000.00	\$1,560.00	0.24%	\$23,500.00
Jefferson	18	3.30%	\$928,702.73	\$37,822.12	5.79%	\$51,594.60
Lafayette	31	5.68%	\$996,672.06	\$24,969.52	3.82%	\$32,150.71
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	0.55%	\$386,000.00	\$17,370.00	2.66%	\$128,666.67
Madison	21	3.85%	\$171,300.00	\$7,708.50	1.18%	\$8,157.14
Marion	1	0.18%	\$10,000.00	\$450.00	0.07%	\$10,000.00
Miller	76	13.92%	\$3,464,214.61	\$86,395.70	13.22%	\$45,581.77
Mississippi	2	0.37%	\$33,945.50	\$3,360.00	0.51%	\$16,972.75
Monroe	10	1.83%	\$928,721.63	\$29,884.95	4.57%	\$92,872.16
Newton	3	0.55%	\$30,000.00	\$1,350.00	0.21%	\$10,000.00
Phillips	7	1.28%	\$181,620.00	\$9,700.32	1.48%	\$25,945.71
Pike	1	0.18%	\$11,500.00	\$345.00	0.05%	\$11,500.00
Poinsett	15	2.75%	\$482,490.50	\$38,310.32	5.86%	\$32,166.03
Polk	2	0.37%	\$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	37	6.78%	\$675,127.70	\$33,624.99	5.15%	\$18,246.69
Searcy	4	0.73%	\$30,000.00	\$1,350.00	0.21%	\$7,500.00
Sevier	1	0.18%	\$10,000.00	\$450.00	0.07%	\$10,000.00
St. Francis	9	1.65%	\$221,039.73	\$8,027.30	1.23%	\$24,559.97
Union	2	0.37%	\$90,000.00	\$4,950.00	0.76%	\$45,000.00
Van Buren	1	0.18%	\$31,560.00	\$2,840.40	0.43%	\$31,560.00
Washington	27	4.95%	\$306,000.00	\$13,770.00	2.11%	\$11,333.33
Woodruff	1	0.18%	\$35,241.50	\$3,171.73	0.49%	\$35,241.50
Totals	546	100.00%	\$19,522,652.31	\$653,329.76	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	\$71,637.20	Community State Bank	7	\$429,766.91
Community First Bank	\$7,272.56	Community First Bank	8	61917.88
Southern Bancorp	\$66,880.16	Elk Horn Bank & Trust	8	\$209,161.86
Enterprise Corp of the Delta	\$85,612.93	Ent Corp of the Delta	1	\$127,000.00
Regions [closed]	\$0.00	Regions [closed]		
1st Jacksonville Bank [closed]	\$0.00	First Jacksonville Bank	1	\$4,564.07
Little River Bank of Lepanto	\$35,988.69	Little River Bank (Inactive)	1	\$47,658.33
Alt.Consulting	\$26,912.50	Alt.Consulting	2	\$1,522.66
ACCION	\$1.29	ACCION	2	\$48,556.65
Fidelity National	\$0.00	Fidelity National		
FORGE	\$63,871.79	FORGE		
Totals	\$358,177.12	Claim Totals	33	\$949,822.63

Capital Access Loan Program

Cumulative Program Activity

09-Feb-16

Page 2

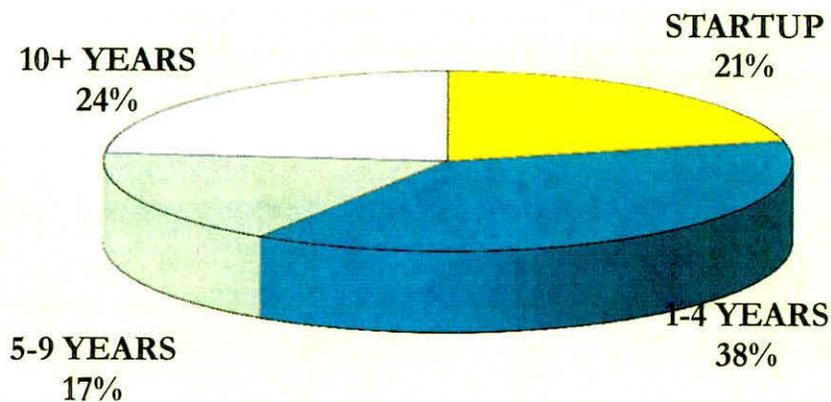
BY SIZE

Guaranteed Loan Size	No. of Loans	% of Loans	Dollar Amount
0-\$24,999	326	59.71%	\$4,812,520.98
\$25,000-\$49,999	120	21.98%	\$4,225,739.50
\$50,000-\$74,999	38	6.96%	\$1,900,533.65
\$75,000-\$99,999	14	2.56%	\$909,682.92
\$100,000-\$124,999	14	2.56%	\$1,364,031.50
\$125,000 and up	34	6.23%	\$6,310,143.76
Totals	546	100.00%	\$19,522,652.31

No. of Jobs	2514
Public \$ Leverage	30.21 to 1

BY AGE

LOANS BY AGE OF BUSINESS



Capital Access Loan Program

Minority Program Activity

February-16

Page 3

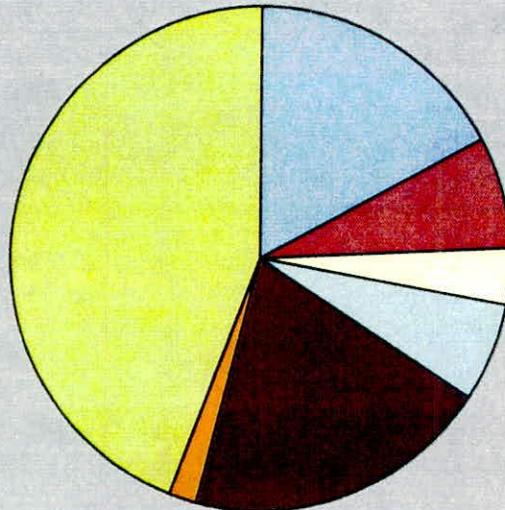
INDUSTRY	NO. OF LOANS	AMOUNT OF LOANS	PUBLIC FUNDS
11-Nonmfg-Agriculture	19	616,139.50	\$21,908.92
23-Construction	8	108,652.73	\$4,025.37
31, 32, 33: Mfg - Food-Wood-Metal	4	75,939.00	\$2,728.17
48-49 Nonmfg-Transp/PubUtil	7	135,194.63	\$6,967.95
42, 44, 45 Nonmfg-Whol/Retail Tra	22	414,466.77	\$15,560.86
51: Information	2	13,000.00	\$585.00
53-81-Other Nonmfg-Services	49	1,307,485.59	\$51,432.17
Totals	111	\$ 2,670,878.22	\$103,208.44

Program Comparative Totals	NO. OF LOANS	AMOUNT OF LOANS	PUBLIC FUNDS
Minority Loan Totals	111	\$2,670,878.22	\$103,208.44
Total Cap Program Activity	546	\$19,522,652.31	\$653,329.76
Percentage Minority Activity	20.33%	13.68%	15.80%

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 2/9/2016	TOTAL # OF LOANS	LOAN AMOUNT	RESERVE ACCT BALANCE	ADFA FEE AMOUNT	BORROWER FEE AMOUNT	MINORIT Y OWNED	F/T JOBS	P/T JOBS	CLAIM FILED	2015 LOAN BALANCE	2014 CURRENT ANNUAL	2014 F/T	2014 P/T
BANK NAME													
ARVEST BANK Fort Smith	25	614,291.95	56,732.04	50,370.00	6,143.65	9	93	116		\$178,024.59	\$4,784,270.85	49	2
Southern Bancorp Arkadelphia	2	53,676.75	4,530.47	4,000.00	525.00	1	2	8		\$35,121.94	\$190,200.00	2	6
Not updated for Nov books													
TOTALS	27	\$667,968.70	\$61,262.51	\$54,370.00	\$6,668.65	10	95	124		\$213,146.53	\$4,974,470.85	51	8

Program Comparative Totals	No. Of Loans	Amount of Loans	Public Funds
Minority/Female Loans Report	10	\$292,161.49	\$20,370.00
Total Program Activity	27	\$667,968.70	\$54,370.00
Percentage			
Minority/Female Loan Activity	37%		



MEMORANDUM

TO: Board of Directors

FROM: Jack Bell, Farm Mediator *gb*

DATE: February 9, 2016

RE: January Farm Mediation Report

For the month of January 2016, thirty-seven (37) Arkansas farmers were offered mediation and provided statutory notice of the right to request mediation. The amount of debts from the initiating lenders totaled \$12,587,690.34. There were two (2) credit mediations and no USDA /FSA adverse decision voluntary mediation requests.

The Steering Committee for the Conference of Agriculture Mediation Programs (CAMP) is seeking a call for proposals for their annual conference. The CAMP conference is scheduled for three days in the beginning of May 2016 in Santa Fe, New Mexico.

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 save time and money for the parties.



MEMORANDUM

To: ADFA Board of Directors
 From: Cheryl Schluterman, CPA *CS*
 Vice President for Finance & Administration
 Re: February Board Report
 Date: February 10, 2016

The following items are presented for Board review:

- **Bond Calls – February 2016**

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

<u>Single Family Bonds</u>	<u>Amount</u>
2013 Series A	<u>\$596,087</u>

- **Interagency Programs as of January 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.

<u>Program</u>	<u>Loan Balance</u>	<u>No. of loans</u>	<u>Net Bond Balance</u>
<u>ANRC</u>			
Wastewater RLF	\$228,936,024	59	\$38,212,504
Safe Drinking	\$172,101,510	60	\$24,957,736
Wetlands Mitigation	\$932,514	2	
<u>Higher Education</u>			
Community/Technical College	\$6,317,765	12	
<u>AEO-AEDC</u>			
Industry Energy Technical	-	0	
Employer Assisted Home Energy	\$105,559	3	
<u>DHS</u>			
Assisted Living Fund	\$760,000	1	

- **Prison Construction Trust Fund as of January 31, 2016**

<u>Bank Balance</u>	<u>Unfunded Contracts</u>	<u>Unfunded Loans</u>	<u>Bonds Outstanding</u>
\$8,393,861	\$6,337,809	\$990,243	\$26,230,000

* Represents 2009 A 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 January 31, 2016**

	Cash	Investments	Loans	Total
Enterprise Development				
Ark Risk Capital Matching	\$155,562	\$3,469,479	\$200,000	\$3,825,041
SSBCI		1,629,291		1,629,291
Technology Validation	2,661	1,154,137	\$108,000	1,264,798
Arkansas Co-Investment Fund:				
Discretionary (GQAC)		8,758,730		8,758,730
SSBCI		2,024,523		2,024,523
Arkansas Seed & Angel Network:				
Discretionary (GQAC)		215,000		215,000
SSBCI		2,254,049		2,254,049
Arkansas Venture Capital "General Account"				
Recycled SSBCI	615,403			615,403
Undesignated	402,398			402,398
Totals	\$1,176,024	\$19,355,209	\$308,000	\$20,839,233

**The information for January 31, 2016 for the Arkansas Institutional Fund ("AIF") was not available at this report date as we are in the process of transitioning with Cimarron Capital.*

State Operating Budget Summary as of January 31, 2016

	Actual	Budget	Percent Expended
Salaries and Benefits	\$2,690,553	\$4,614,328	58%
General Operations	462,776	825,458	56%
Travel and Education	21,788	81,715	27%
Professional Fees and Services	102,623	117,915	87%
Information Technology	122,429	264,512	46%
Capital Outlay	-	23,000	0%
Housing Trust Fund	30,000	45,718	66%
TOTAL OPERATING EXPENDITURES	3,430,169	5,972,646	57%
HUD HOME Program	6,663,718	16,341,215	41%
Neighborhood Stabilization Program (NSP)	-	1,400,000	0%
Special Federal Grants	-	6,600,000	0%
TOTAL FEDERAL PROGRAM EXPENDITURES	6,663,718	24,341,215	27%
TOTAL EXPENDITURES	\$10,093,887	\$30,313,861	33%

- **General Fund Programs as of January 31, 2016**

Program Name	Board Authorization Date	Amount	Original Loan Amount	1/31/2016 Outstanding Balance
Arkansas Tourism Revolving Loan Fund	6/18/1998	\$2,000,000	\$645,000	\$177,649
Habitat for Humanity, Pulaski County	12/20/2012	300,000	224,813	202,286
Habitat for Humanity, Saline County	9/18/2014 & 11/20/2014	180,000	—	—
Speculative Building Program (additional funding approved)	Unknown			
Port Authority	3/18/99,3/20/03	5,000,000	4,666,102	404,098
Day Care Center Program	8/17/1997	2,000,000	54,334	—
Direct Loan Program	9/96	500,000	137,500	—
Single Family DPA	*	106,986,646		7,180,598
	**	revolving		6,496,684
TOTAL				\$14,461,315

*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 December 31, 2015 operating results and general fund review will be presented at the February Board Investment Committee meeting.
- **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 January 2016:

Accountants, Auditors and Fiscal Analysts - Agents for Change? (Association of Government Accountants) –

Kristy Cunningham

Tax Update (Accounting Financial Women's Alliance/Arkansas Society of CPAs) –

Kim Poposky, Hope Lewis

AASIS Procurement Training (Arkansas Department of Finance & Administration) –

Paula Farthing, Kristy Cunningham

**ARKANSAS DEVELOPMENT FINANCE AUTHORITY
DELINQUENCY AND OTHER REAL ESTATE SUMMARY
January-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	\$ -	\$ -	\$ -	\$ -	\$ 1,225,701.21
27	Tax Credit Assistance Program (TCAP)	0	\$ -	\$ -	\$ -	\$ -	\$ 19,497,141.63
28	Exchange Program Forgivable Loans	0	\$ -	\$ -	\$ -	\$ -	\$ 92,869,859.00
31	Guaranteed ED	1	\$ -	\$ -	\$ 65,190.02	\$ 1,678,628.11	\$ 56,879,619.92
35	Arkansas Department of Correction	0	\$ -	\$ -	\$ -	\$ -	\$ 5,109,757.40
49	Assisted Living Revolving Fund (ALIF)	0	\$ -	\$ -	\$ -	\$ -	\$ 760,000.00
50	CDBG	0	\$ -	\$ -	\$ -	\$ -	\$ 7,700,000.00
52	PRLF	0	\$ -	\$ -	\$ -	\$ -	\$ 2,023,708.88
65	SSBCI	4	\$ -	\$ -	\$ 211,549.58	\$ 1,523,568.72	\$ 3,982,395.21
70	Settlement Funds Repayable Loans (SH)	7	\$ 1,653.15	\$ -	\$ 2,208.32	\$ 297,302.56	\$ 4,006,744.57
81	FAF/BMIR	22	\$ 4,209.26	\$ 676.42	\$ 144,452.54	\$ 1,293,447.48	\$ 7,505,286.39
81	CTC (College Tech)	0	\$ -	\$ -	\$ -	\$ -	\$ 6,317,765.38
81	DPA (Repurchased)	5	\$ -	\$ -	\$ 9,685.65	\$ 7,948.04	\$ 7,964.01
81	DPA (Table Funded)	28	\$ 60.75	\$ 417.22	\$ 2,736.99	\$ 2,166.29	\$ 72,176.62
81	Habitat for Humanity	0	\$ -	\$ -	\$ -	\$ -	\$ 202,286.06
81	Project Fund (Direct Loans)**	0	\$ -	\$ -	\$ -	\$ -	\$ 5,328,085.01
81	RECDS	0	\$ -	\$ -	\$ -	\$ -	\$ 27,859.72
81	Tourism Reserve Fund	0	\$ -	\$ -	\$ -	\$ -	\$ 177,649.09
83	Bond Guaranty Fund	0	\$ -	\$ -	\$ -	\$ -	\$ 2,962,647.60
84	HOME	124	\$ 11,827.78	\$ 39,814.63	\$ 515,514.30	\$ 9,369,569.25	\$ 107,915,134.51
95	Neighborhood Stabilization (NSP)	0	\$ -	\$ -	\$ -	\$ -	\$ 15,205,096.80
96	Neighborhood Stabilization (NSP)III	0	\$ -	\$ -	\$ -	\$ -	\$ 4,750,000.00
TOTAL		191	\$ 17,751	\$ 40,908	\$ 951,337	\$ 14,172,630	\$ 344,526,879

DELINQUENT LOAN BALANCES

	30 Days	60 Days	90 or More	Total Delinquent	Program Balance
Master Servicing *	5	\$ -	\$ 39,986.90	\$ 39,986.90	\$ 284,817.11

OTHER REAL ESTATE OWNED

Program	Property Name	Value
HOME	FANNIE CAMPBELL	26,662
HOME	RAYMOND ADAMS	21,632
HOME	WILLIE EARL KING	26,704
NSP	3 REED PROPERTIES	3
		\$ 75,001

FINANCED SALES OF REO

ECONOMIC DEVELOPMENT	Bradley Lumber/Ouachita Hardwood Lease	410,750
ECONOMIC DEVELOPMENT	PBS Lumber/Victory Lumber Lease	531,475
ECONOMIC DEVELOPMENT	H&I Poultry/ Ozark Mountain Poultry	1,483,456
		\$ 2,425,681

INSUBSTANCE FORECLOSURES

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

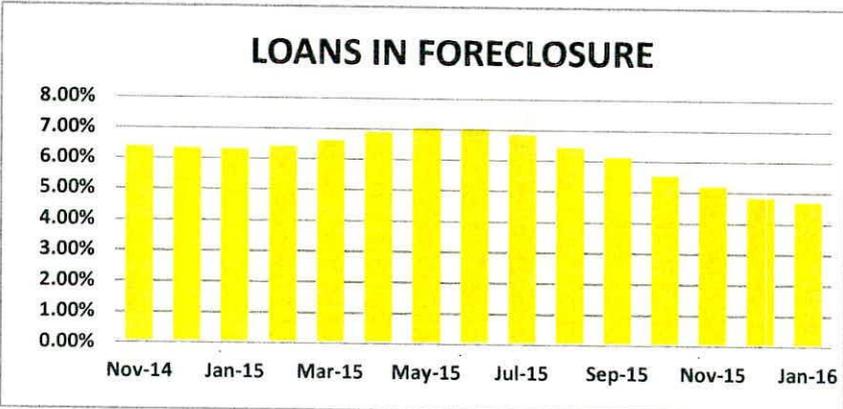
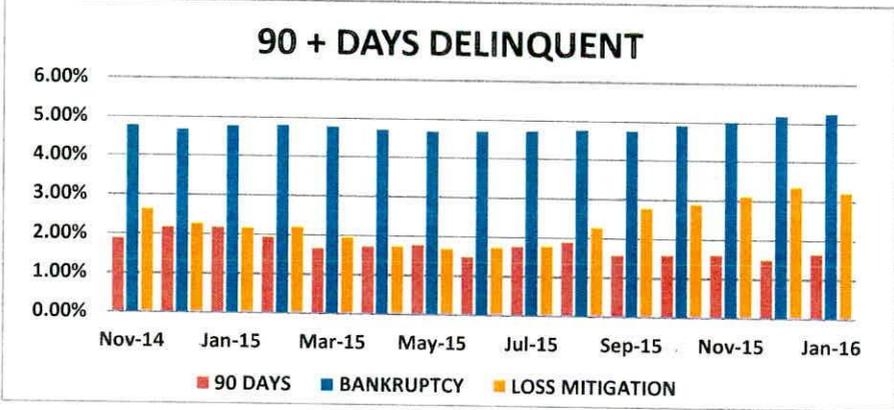
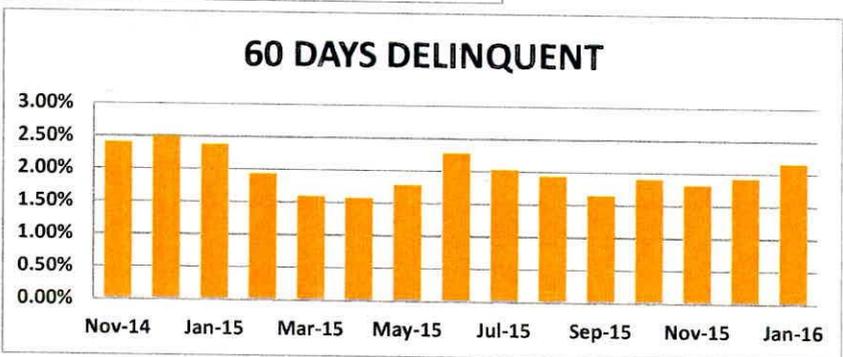
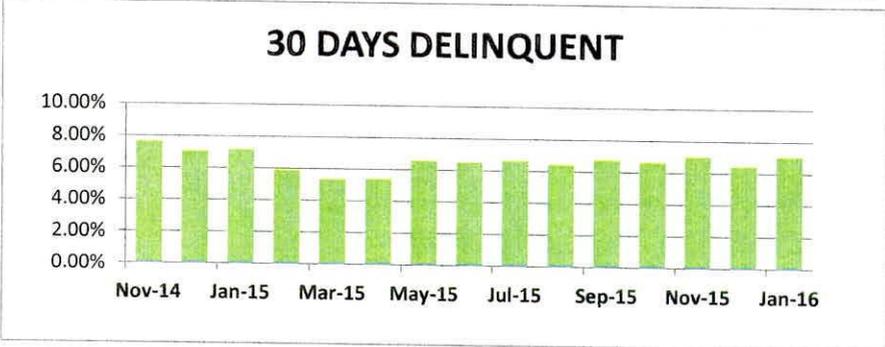
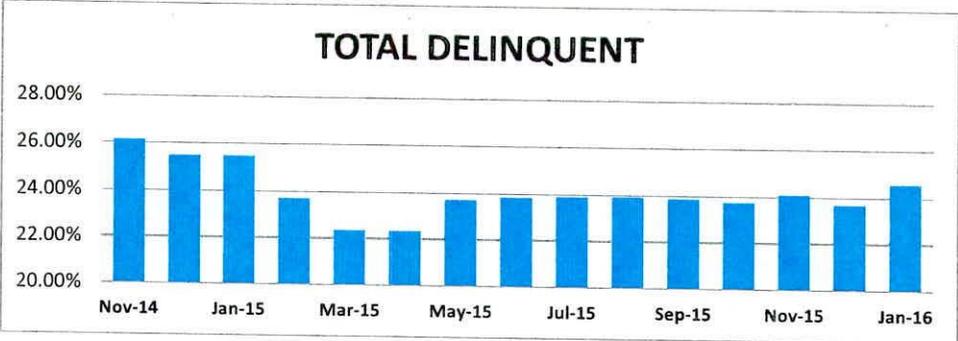
*Primarily Single Family Whole Loans

**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 JANUARY 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 JANUARY 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.

