



Regular Board Meeting
OCTOBER 20, 2010

- I. Call to Order (**10:00 a.m.**) **NOTE TIME**
- II. Freedom of Information Act Statement
- III. Adoption of Proposed Agenda
- IV. Regular Session
 - A. Approval of Minutes of September 21, 2010 (Chairman Smith)
 - B. Market Update (Bob Detjen)
 - C. Accountability Report (Clayton Ingram)
 - D. Internal Foreclosure Process (Lisa Rivers)
 - E. SC HELP Update (Matt Rivers)
 - F. Reports
 - 1. Chairman (Scott Smith)
 - 2. Executive Director (Valarie Williams)
 - 3. Deputy for Administration (Ed Knight)
 - 4. Interim Deputy for Programs (Carl Bowen)
 - 5. Human Resources (Enid Conner)
 - 6. Finance (Richard Hutto)
- V. Other Business
- VI. Executive Session (If Needed)
- VII. Next Meeting (November 16, 2010)
- VIII. Adjournment



South Carolina State Housing Finance and Development Authority

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: (803)896-9001

TTY: (803) 896-8831

T. Scott Smith
Chairman

Valarie M. Williams
Executive Director

REGULAR COMMISSION MEETING

The Board of Commissioners of the South Carolina State Housing Finance and Development Authority met on Tuesday, September 21, 2010 at approximately 10:00 a.m., at the French Quarter Inn, 166 Church Street, Charleston, South Carolina.

The following Commissioners were in attendance:

T. Scott Smith, Chairman
Clente Flemming, Vice Chair
Eddie C. Bines
Carl Roberts
John S. Hill

The following Commissioners were excused: Felicia D. Morant, Mary L. Thomas, and Robert Mickle.

Staff and Guests attending the meeting included the following:

STAFF:

Valarie M. Williams, Executive Director
Carl Bowen, Interim Deputy for Programs
Richard Hutto, Director of Finance
Tracey Easton, General Counsel
Cynthia Dannels, Human Resources
Bonita Shropshire, Executive Assistant

GUESTS:

Bob Detjen, CSG Advisors
Pete Vujasin, Goldman Sachs
Bill Youngblood, McNair
Rion Foley, McNair
Sam Howell, Howell, Kinkous, & Nettles
Chase Northcutt, RHA
Rob Coat, RHA

Chairman Smith called the meeting to order and asked Valarie Williams to read into the record the Freedom of Information Statement.

“As required by the provisions of Section 30-4-80(e) of the Code of Laws of South Carolina, notification of this meeting has been given to all persons, organizations, local news media, and other news media which have requested such notifications.”

Agenda

Chairman Smith presented the agenda for approval.

MOTION Vice Chairman Flemming moved to adopt the agenda as presented. The motion received a second from Commissioner Bines. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

Minutes

The Chairman asked if there were any additions or corrections to the minutes of June 15, July 20, and August 10, 2010. There being none, he called for a motion to approve the minutes.

MOTION Commissioner Flemming moved to approve the minutes of June 15, July 20, and August 10, 2010 as presented. The motion received a second from Commissioner Hill. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

2011 Board Meeting Schedule

The Chairman presented the following meeting dates as the proposed meeting schedule for 2011:

January 18, 2011
February 15, 2011
March 15, 2011
May 17, 2011
June 21, 2011
August 16, 2011
September 20, 2011
October 18, 2011
November 15, 2011

The Chairman noted that no meetings will be held in the months of April, July, or December.

MOTION Commissioner Hill moved to approve the 2011 Board meeting schedule. The motion received a second from Commissioner Bines. Following a brief discussion, all Commissioners voted in the affirmative and the motion carried.

Finance and Audit Committee**Consideration to Revise FY 2011 Budget**

Chairman Smith called on Richard Hutto to present this consideration. Mr. Hutto stated that this budget amendment request is for the NeighborWorks America Program. He explained that the \$1.9 million grant is a part of the National Foreclosure Mitigation Counseling Program and the Authority will administer the grant in conjunction with Family Services Incorporated based in Charleston, SC.

Commissioner Flemming stated that the Finance and Audit Committee recommends approval to the full Board.

MOTION Commissioner Bines moved to approve the FY 2011 Budget amendment. The motion received a second from Commissioner Hill. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

Bond Committee**Consideration of Resolution Regarding Homeownership Revenue Bonds**

The Chairman asked Tracey Easton to present this request. Ms. Easton explained that this resolution makes provision for approval of a bond issuance not exceeding \$50 million which includes \$20 million in market bonds and \$30 million in program bonds. Ms. Easton stated that Staff anticipates closing in November and recommended approval of the Resolution to the Bond Committee in an earlier meeting that morning. Commissioner Bines stated that the Bond Committee had received and reviewed the request, and recommends approval to the full board.

MOTION Commissioner Hill moved to approve the request. The motion received a second from Commissioner Roberts. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

Program Committee**Housing Trust Fund Awards**

Chairman Smith asked Carl Bowen to present the Housing Trust Fund Awards in the absence of Program Director, Matt Rivers. Mr. Bowen began by presenting the Trust Fund's budget analysis for the fiscal year. He stated that the unencumbered cash balance as of July 31, 2010 was \$9.1 million. Of that amount \$7 million is committed to projects previously awarded but not yet funded and \$1.5 million is in project recommendations for this quarter. With these commitments, the remaining unencumbered balance is \$74,780.24.

Mr. Bowen presented twenty-nine project proposals as follows:

Owner-Occupied Rehabilitation Block Grants

Project No. 9211	Berean CDC	\$66,750
Project No. 7811	Blackville CDC	\$44,500
Project No. 7611	Brookland West Cola Community & Housing Dev. Corp.	\$44,500
Project No. 8811	Carolina Communities Foundation, Inc.	\$44,500
Project No. 8411	City of Peace, Inc.	\$44,500
Project No. 8211	City of Sumter Housing & EDC	\$66,750
Project No. 8111	Clarendon County CDC	\$44,500
Project No. 6911	Community Assistance Provider	\$22,250
Project No. 8311	Friendship Community Improvement Corp.	\$44,500
Project No. 7411	Greer Community Outreach Center	\$44,500
Project No. 8711	HoJac Enterprises, Inc.	\$66,750
Project No. 9311	Homes of Hope, Inc.	\$44,500
Project No. 7311	Housing Dev. Corp. of Rock Hill	\$44,500
Project No. 7011	Jasper County Neighbors United Inc.	\$44,500
Project No. 8011	Kennedy CDC	\$44,500
Project No. 8611	Lighthouse Learning Center	\$66,750
Project No. 8511	Mt. Olive Corp.	\$44,500
Project No. 7511	OIKOS Community Dev. Inc.	\$44,500
Project No. 6811	Rural Initiatives	\$44,500
Project No. 9111	S.E.E.D. Faith Ministries International Inc.	\$44,500
Project No. 7711	Santee Lynches Affordable Housing and CDC	\$44,500
Project No. 7111	Sea Island Habitat for Humanity	\$44,500
Project No. 9411	Soteria CDC	\$44,500
Project No. 7211	Southern Carolina Regional CDC	\$44,500
Project No. 8911	Sumter Co CDC	\$44,500
Project No. 7911	The Fuller Center for Housing of Spartanburg	\$44,500
Project no. 9011	Williamsburg Enterprise Community Commission, Inc.	\$44,500

Multifamily Rental

Project No. 6611	Homes of Hope, Inc.	\$120,000
Project No. 6711	Upstate Homeless Coalition of SC	\$196,673

Commissioner Hill stated that the Program Committee recommends approval of the awards.

MOTION Commissioner Bines moved to approve the projects as presented. The motion received a second from Commissioner Flemming. There being no discussion, all Commissioners voted in the affirmative and the motion carried.

Reports

Executive Director

The Chairman called upon Valarie Williams for her report. Ms. Williams began with a brief report on her attendance at the National Conference of State Housing Boards (NCSHB) which was held August 22-24, 2010 in Portland, Oregon. She noted that Commissioners Eddie Bines and Felicia Morant also attended and she allowed Commissioner Bines to share his thoughts on the Conference. Ms. Williams reminded the Board of the next opportunity to attend a NCSHA conference which will be held in Boston, Massachusetts, October 2-5, 2010.

The Executive Director then informed the Board that both Ed Knight and Matt Rivers were attending a called meeting with the Department of Treasury in Washington, DC regarding the \$196 million housing mitigation funds. She continued with an update on SC HELP, stating that SC Housing Corp. has issued several Requests for Qualifications (RFQ's) to identify potential partners to perform various services for the program. In addition to the RFQs, efforts are underway to secure a statewide network of closing agents.

In the absence of the Deputy for Administration, the Executive Director also highlighted the monthly mortgage reports for Ed Knight.

Deputy for Programs

The Chairman called on Carl Bowen to present the Deputy for Programs report. Mr. Bowen informed the Board that HUD announced on September 8, 2010 that SC Housing is scheduled to receive \$5.6 million in NSP 3 funding. He continued with a brief summary of the agency's previous award amounts through NSP.

Human Resources

Chairman Smith asked Cynthia Dannels to present the Human Resources report. Ms. Dannels reported that the Authority has three new employees Michelle Kerscher in Marketing & Communications, Kimberly Wilbourne with SC HELP, and Marty Rawls in Finance. She also reported that there were three resignations in the last month; Amanda Porter from Information Technology, Nancy Fairley from HOME & NSP, and J.R. Yates from Legal. Ms. Dannels concluded by stating that the division is currently preparing for the agency's 2010 Employee Appreciation Day.

Finance

Chairman Smith asked Richard Hutto to present the Finance report. Mr. Hutto informed the Board that the Authority had received approval of a proviso that will allow the agency to retain indirect costs recovered from the federal government for the operation of federal programs. Mr. Hutto also gave a brief update of the State's request for all agencies to provide a report by October 1, 2010 detailing expenditures of state funds not reported by either the State Accounting and Reporting System or the South Carolina Enterprise Information System.

Other Business

The Executive Director brought a recommendation to the Board regarding the Low Income Housing Tax Credit Program (LIHTC). Ms. Williams wanted the Board to consider allowing the Program Committee to be a part of the reconsideration process in selecting developers for the Tax Credit program. After a brief discussion, the Commissioners decided that the Board would like to refrain from making programmatic decisions for the agency.

There being no additional business to come before the Board, Chairman Smith adjourned the meeting.

Respectfully submitted,

Valarie M. Williams, Secretary

Approved: October 20, 2010

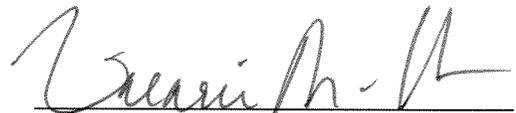
By: _____
T. Scott Smith
Chairman

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Respectfully submitted,



Valarie M. Williams, Secretary

Approved: October 20, 2010

By:



T. Scott Smith
Chairman



Division: Market Update

Subject: Oral Report



Division: Marketing & Communication

Subject: Accountability Report



South Carolina

STATE HOUSING

Finance and Development Authority

October 20, 2010

Division: Mortgage Servicing

Subject: Internal Foreclosure Process



Division: **SC HELP**

Subject: **HFA Hardest-Hit Fund Update (Treasury Program)**

Current Status

September 29, 2010, the US Treasury announced another funding round for the Hardest Hit Fund program. South Carolina received an additional \$98.7 million in this latest round, bringing our total HHF funding amount to \$295,431,200. In order to account for the additional money, funding was reallocated across the proposed activities as follows*:

Monthly Payment Assistance	\$155,100,000
Direct Loan Assistance	\$49,980,000
HAMP Assistance	\$5,000,000
Second Mortgage Assistance	\$11,140,563
Property Disposition Assistance	\$18,000,000

*Allocations subject to minor revisions as final budget is adjusted.

Recent Milestones

SC Housing Corp. has received responses to all issued Requests for Qualifications (RFQ's), and is in the process of awarding contracts in each category. Responses are summarized as follows:

RFQ Description	Responses
Housing Counseling Agencies Provide counseling, application, and monitoring functions for clients served under SC HELP.	We received 20 responses to the RFQ and have selected 19 organizations to participate in the program. 12 of these organizations should require limited training and will be included in the pilot, with the remaining 7 coming online later in the year.
Contract Underwriters Underwriters will work with the Housing Counseling Agencies and the SCHC to determine if the homeowner is eligible for one of the SC HELP programs.	Seven individual underwriters responded and have been selected to participate. We also received two corporate responses that will be retained for possible use in the future.

<p>Software Vendor The Software Vendor will provide an appropriate web-based software framework to support client intake, processing, underwriting, payments and reporting.</p>	<p>Two responses were received, and we have selected Counselor Direct as our software and automation provider. The contract with Counselor Direct has been finalized and executed.</p>
<p>Intake and Call Center Support A toll-free call center telephone number will be made available to homeowners to access SCHELP. Call center operators will provide initial intake services via a web-based software system and then refer homeowners to contracted housing counseling agencies</p>	<p>Five organizations returned responses and we are currently negotiating with Non-Profit Industries, Inc. (SocialServe.com) to finalize a contract.</p>

Closing Services

In addition to these RFQ's, we have a preliminary agreement with SC Legal Services to provide a network of closing agents for all transactions. A final contract/Memorandum of Understanding is being negotiated.

Loan Servicer Standardization

We attended Treasury's meeting in Washington, DC on September 21, 2010 for the participating HFA's, the major servicers, Fannie Mae, Freddie Mac, and the Federal Housing Finance Agency. The major outcomes of the meeting were standardized processes for Monthly Payment Assistance, and Loan Reinstatement.

We are also working with the SC Bankers Association and the Mortgage Bankers Association of the Carolinas to begin similar discussions with statewide and regional lender/servicers.



Division: Chairman

Subject: Oral Report



South Carolina

STATE HOUSING

Finance and Development Authority

October 20, 2010

Division: Executive Director

Subject: Oral Report



South Carolina
STATE HOUSING
Finance and Development Authority

Homeownership

October 20, 2010

The following Homeownership Division monthly status reports as of September 30, 2010 are presented for information:

- Monthly and Fiscal YTD Loan Purchase Statistics
- Monthly and Fiscal YTD Portfolio Statistics
- Delinquency Statistics
- Rate Sheet

Monthly Loan Purchase Statistics

September-10

Funding Source	Average Loan Amount	Average Household Income	Beginning Fund Balance (Allocated)	Purchases		New Fund Allocations	Recyled Funds	Ending Balance	Outstanding Reservations	Unreserved Balance
				Volume	Units					
MRB	\$102,002	\$36,472	\$97,141,432	(\$12,278,183)	121	\$0	\$0	\$84,863,249	(\$56,219,098)	\$28,644,151
DPA Repayable	\$5,606	\$45,812	\$2,597,450	(\$185,000)	33	\$0	\$0	\$2,412,450	(\$1,965,889)	\$446,561
HOME DPA	\$5,472	\$27,931	\$3,796,255	(\$236,000)	46	\$0	\$0	\$3,560,255	(\$1,630,497)	\$1,929,758
Home Voucher	\$0	\$0	\$0	\$0	0	\$0	\$0	\$0	\$0	\$0
TOTAL			\$103,535,137	(\$12,699,183)	200	\$0	\$0	\$90,835,954	(\$59,815,484)	\$31,020,470

UNRESERVED FUNDS	
Series 2010-1 HRB USBank 060	(\$6,822,571)
Series 2010-1 HRB Palmetto Heros 061	(\$706,338)
Series 2010-2 HRB US Bank 062	\$24,231,954
Series 2010-2 HRB US Bank 063	\$11,941,106
TOTAL	\$28,644,151

Fiscal YTD Loan Purchase Statistics

July 1, 2010 Through September 30, 2010

Funding Source	Beginning Fund Balance (Allocated)	Purchases		New Fund Allocations	Recyled Funds	Ending Balance	Outstanding Reservations	Unreserved Balance
		Volume	Units					
MRB	\$72,360,067	(\$27,496,818)	269	\$40,000,000	\$0	\$84,863,249	(\$56,219,098)	\$28,644,151
DPA Repayable	\$3,095,450	(\$683,000)	125	\$0	\$0	\$2,412,450	(\$1,965,889)	\$446,561
HOME DPA	\$4,216,255	(\$656,000)	124	\$0	\$0	\$3,560,255	(\$1,630,497)	\$1,929,758
HOME Voucher	\$0	\$0	0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$79,671,772	(\$28,835,818)	518	\$40,000,000	\$0	\$90,835,954	(\$59,815,484)	\$31,020,470

Monthly Portfolio Statistics

Month Ending September 30, 2010

Loan Type	New Purchases		Payoffs		Foreclosures		Net Change		Ending Balance	
	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units
First Mortgage	\$107,000	1	(\$3,630,357)	(54)	(\$1,462,046)	(17)	(\$4,985,402)	(70)	\$766,882,674	10,229
Second Mortgage	\$421,000	79	(\$41,960)	(31)	(\$29,881)	(19)	\$349,159	29	\$14,497,504	6,434
Other	\$0	0					\$0	0	\$0	0
TOTAL	\$528,000	80	(\$3,672,316)	(85)	(\$1,491,927)	(36)	(\$4,636,243)	(41)	\$781,380,178	16,663

YTD Portfolio Statistics

July 1, 2010 Through September 30, 2010

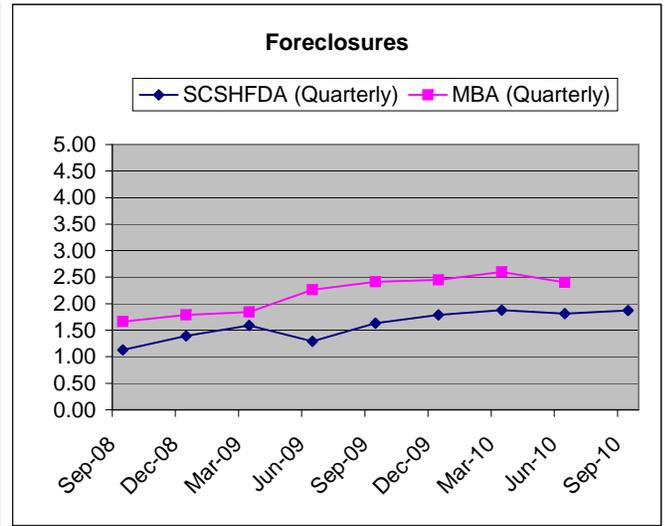
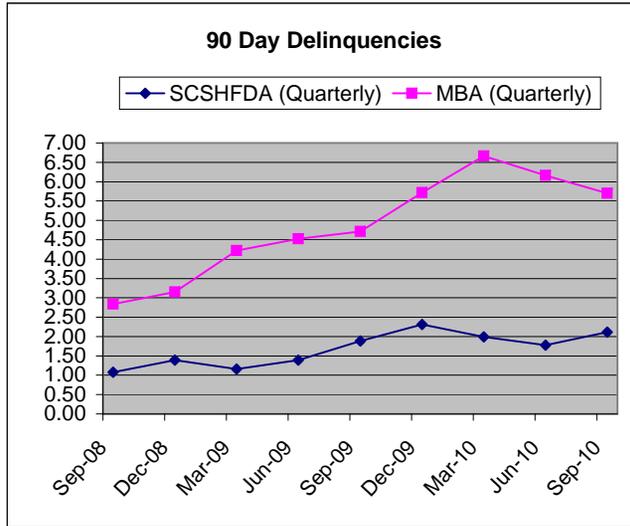
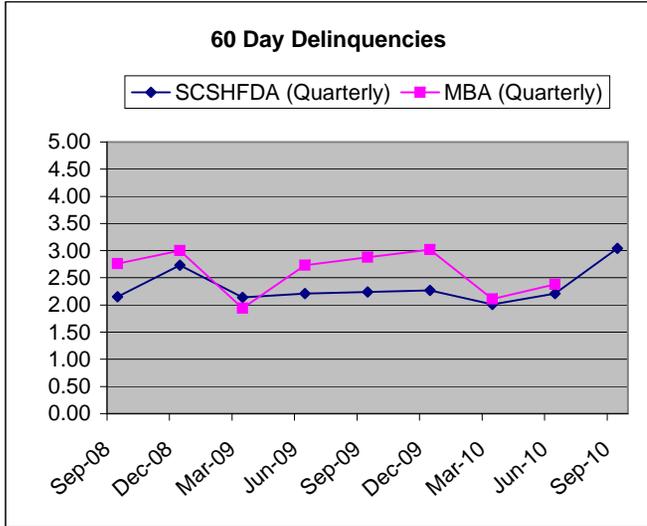
Loan Type	New Purchases		Payoffs		Foreclosures		Net Change		Ending Balance	
	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units	Principal Balance	Units
First Mortgage	\$107,000	1	(\$10,776,985)	(161)	(\$3,769,992)	(45)	(\$14,439,977)	(205)	\$766,882,674	10,229
Second Mortgage	\$1,339,000	249	(\$139,958)	(100)	(\$62,049)	(40)	\$1,136,994	109	\$14,497,504	6,434
Other	\$0	0					\$0	0		0
TOTAL	\$1,446,000	250	(\$10,916,943)	(261)	(\$3,832,041)	(85)	(\$13,302,983)	(96)	\$781,380,178	16,663

Portfolio by Servicer

Servicer	First Mortgages Serviced	Outstanding Principle Balance	Second Mortgages Serviced	Oustanding Principle Balance	Total Principle Balance of Loans Serviced
State Housing	9,246	\$719,245,707.82	6,434	\$14,497,503.70	733,743,212
First Citizens	983	\$47,636,966.07	0	\$0.00	47,636,966
Total All Servicers	10,229	\$766,882,673.89	6,434	\$14,497,503.70	781,380,178

DELINQUENCY REPORT

		60 Day			90 Day			Foreclosures			Bankruptcies		
		SCSHFDA (Monthly)	SCSHFDA (Quarterly)	MBA (Quarterly)	SCSHFDA (Monthly)	SCSHFDA (Quarterly)	MBA (Quarterly)	SCSHFDA (Monthly)	SCSHFDA (Quarterly)	MBA	SCSHFDA (Monthly)	SCSHFDA (Quarterly)	MBA
2009	Jul-09	2.06	2.24	2.88	1.66	1.88	5.72	1.52	1.63	2.41	1.25	1.20	N/A
	Aug-09	2.66			1.82			1.69			1.22		
	Sep-09	2.01			2.15			1.69			1.12		
	Oct-09	2.18	2.27	3.02	2.19	2.31	6.66	1.75	1.79	2.45	1.10	1.10	N/A
	Nov-09	2.38			2.36			1.87			1.09		
	Dec-09	2.26			2.39			1.76			1.12		
2010	Jan-10	2.81	2.01	2.11	2.46	1.99	6.16	1.88	1.88	2.60	1.10	1.13	N/A
	Feb-10	1.74			2.00			1.84			1.11		
	Mar-10	1.47			1.50			1.91			1.19		
	Apr-10	1.59	2.21	2.38	1.57	1.78	5.70	1.81	1.81	2.40	1.20	1.18	N/A
	May-10	2.69			1.72			1.81			1.18		
	Jun-10	2.34			2.05			1.82			1.17		
	Jul-10	2.30	3.04	N/A	2.07	2.11	N/A	1.90	1.87	N/A	1.10	1.07	N/A
	Aug-10	3.22			1.83			1.87			1.05		
	Sep-10	3.61			2.44			1.83			1.05		





South Carolina State Housing Finance and Development Authority

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: (803) 896-9396

FAX: (803) 896-8589

RATE SHEET FOR LENDERS

Effective Date: 12:00 PM October 8, 2010

CATEGORY I Above 80% of Median Income See Income Charts for each County	DOWN PAYMENT ASSISTANCE AVAILABLE	First Mortgage Rate
<i>First-Time Homebuyer Program</i>	\$5,000 Repayable	4.375
<i>Single Parent Program</i> (First time homebuyer requirement waived)	\$5,000 Repayable	4.375
<i>Disability Program</i> (First time homebuyer requirement waived)	\$5,000 Repayable	4.375

CATEGORY II 50.01% to 80% of Median Income See Income Charts for each County	DOWN PAYMENT ASSISTANCE AVAILABLE	First Mortgage Rate
<i>First-Time Homebuyer Program</i>	\$5,000 Forgivable	4.375
<i>Single Parent Program</i> (First time homebuyer requirement waived)	\$5,000 Forgivable	4.375
<i>Disability Program</i> (First time homebuyer requirement waived)	\$5,000 Forgivable	4.375

CATEGORY III 50% and below of Median Income See Income Charts for each County	DOWN PAYMENT ASSISTANCE AVAILABLE	First Mortgage Rate
<i>First-Time Homebuyer Program</i>	\$5,000 Forgivable	4.375
<i>Single Parent Program</i> (First time homebuyer requirement waived)	\$5,000 Forgivable	4.375
<i>Disability Program</i> (First time homebuyer requirement waived)	\$5,000 Forgivable	4.375

All the rates, fees, and terms on this sheet are for informational purposes for participating lenders only and are subject to change without notice. The customer's rate will be the rate that is in effect on the date and time that the reservation is received by the Authority. For the APR (annual percentage rate), please contact one of our participating lending partners.

FOR ADDITIONAL INFORMATION SEE OUR WEBSITE

www.schousing.com



South Carolina State Housing Finance and Development Authority

300-C Outlet Pointe Blvd., Columbia, South Carolina 29210

Telephone: (803) 896-9396

FAX: (803) 896-8589

RATE SHEET FOR LENDERS **PALMETTO HEROES PROGRAM**

Effective Date: 12:00 PM October 8, 2010

CATEGORY I Above 80% of Median Income See Income Charts for each County	DOWN PAYMENT ASSISTANCE AVAILABLE	First Mortgage Rate
<i>Palmetto Heroes Homebuyer Program</i>	\$5,000, \$6,000 or \$7,000 Repayable	3.999
CATEGORY II 50.01% to 80% of Median Income See Income Charts for each County	DOWN PAYMENT ASSISTANCE AVAILABLE	First Mortgage Rate
<i>Palmetto Heroes Homebuyer Program</i>	\$7,500 Forgivable	3.999

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FOR ADDITIONAL INFORMATION SEE OUR WEBSITE

www.schousing.com



Division: Interim Deputy Director for Programs

Subject: Oral Report

1. HOME
2. Low Income Housing Tax Credit Program (LIHTC)



Division: **Human Resources**

Total Authorized Permanent Positions	133
Filled Permanent Positions	123
Vacancies	10
Temporaries	15

New Hires, Promotions & Transfers

Department	Employee Name	Job Title	Effective Date
Marketing & Comm.	Michelle Kerscher	Marketing & Events Mgr.	7/26/10
SC HELP	Kimberly Wilbourne	Credit Manager	8/4/10
Finance	Marty Rawls	Grants & Operations Acct.	9/2/10

Announcements

October 1-31, 2010

Annual Enrollment for Benefits



South Carolina

STATE HOUSING

Finance and Development Authority

October 20, 2010

Division: Finance

Subject: Oral Report