

MINUTES

California Housing Finance Agency (CalHFA)

Audit Committee Meeting

November 13, 2018

Meeting noticed on November 2, 2018

Minutes approved by the Board
of Directors at its meeting held:

March 27th, 2019

Attest: Claire Taurainen

1. ROLL CALL

The California Housing Finance Agency Audit Committee meeting was called to order at 09:30 a.m. by Chair Gunning. A quorum of members was present.

MEMBERS PRESENT: Gunning, Sotelo

MEMBERS ARRIVING
AFTER ROLL CALL: Schaefer (for Chiang)

MEMBERS ABSENT: None

STAFF PRESENT: Tia Boatman Patterson, Don Cavier, Lori Hamahashi, Claire Taurainen, Melissa Flores

2. APPROVAL OF MINUTES – September 13, 2018

The minutes were approved by unanimous consent of members present.

3. CHAIRMAN COMMENTS

A. Chair Gunning inquired about why there was a delay in the Housing Fund Audit Report. Hamahashi explained the State Controller's office will not have pension and other post-employment reports ready for distribution until mid-November, which are needed to complete the audit. She further stated the Housing Fund Audit Report is otherwise complete.

4. REVIEW AND DISCUSSION OF AUDIT RESULTS REGARDING THE AGREED UPON PROCEDURES (AUP) OF THE FOLLOWING FOUR AGENCY PROGRAMS:

A. MyHome Assistance Program: CliftonLarsonAllen (CLA) reviewed a large sample from the 7,000 loans issued under this program in the past year, to determine if the Agency was following established guidelines. The audit results revealed the AUP are being followed correctly and the loans were properly funded.

- B. Financing Adjustment Factor (FAF): Audit of AUP for FAF program compliance is performed every 3 years. Results determined project activity that falls under the FAF Refunding Agreement guidelines are in compliance with the requirements as provided by the U.S. Department of Treasury with no exceptions noted.

- C. Fannie Mae Document Custodian: In 2006, approximately 6,000 loans were sold by CalHFA to Fannie Mae, leaving about 1,800 loans the agency services for Fannie Mae. 150 of these loans were tested for compliance in Fannie Mae document custodian guidelines and results determined CalHFA staff is knowledgeable of the written procedures and follow them accordingly.

- D. Housing Loan Insurance Fund: Audit results of the California Loan Insurance Fund (CaHLIF) found details in the general ledger agree with the financial statements for FY ending 12-31-17 with no exceptions to report. Audit results cannot attach financial statements in the reports, but Hamahashi provided the Audit Committee with more details regarding the fund, including that there is about \$44.7 million in claims payable as of 2017.

5. **PUBLIC COMMENT:**

None

6. **ADJOURNMENT**

As there was no further business to be conducted, Chair Gunning adjourned the meeting at 09:42 a.m.