

# PORTSMOUTH HOUSING ENDOWMENT FUND ADVISORY BOARD

## MEETING MINUTES

December 11, 2020, 8:30 AM

Via Video/Teleconference

Members Present: Anne Poubeau, Christine Lukacz, Craig Welch

Members Absent: Steve Berg, Jeff Mountjoy

Staff Present: Kathleen Dwyer, Assistant City Attorney (ex- officio); Elise Annunziata, Community Development Coordinator

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The meeting opened and Ms. Annunziata provided a review of the HomeTown program, noting that loan refinancing and Hometown loan subordination requests have increased. With loan subordinations, the policy is to reverify debt-income and primary occupancy. Three loans were paid off in 2020.

Ms. Annunziata noted that administrative costs and burden has increased with the notable increase in program activity, and asked Ms. Dwyer to research the ability to use funds for program administration. Ms. Lukacz recommended that recording fees for loan payoffs and refinancing be paid by borrower.

Ms. Annunziata reported that in December the Trustees of Trust Funds will consider a request for \$250,000 to be released from the Portsmouth Housing Endowment Fund so that we may meet our down payment and closing cost assistance commitments under the Hometown First Time Homebuyers Program.

In 2020, five new HomeTown loans, each ranging from \$40,000 - \$65,000 – for a total of \$245,000 in new loans, closed with the assistance of the Citizens Bank partnership. Staff expects another 5-6+ loans will close in 2021.

A discussion about market trends, loan challenges, and the effects of the pandemic on the lending/homebuying climate. Ms. Annunziata reported comments from Citizens Bank loan officer partner:

- a. Market trends: most borrowers taking a fixed rate – adjustable rates have gone out of favor for now with fixed rates being so low. Seeing a real variety of large down payments or as little (5%) down as possible.
- b. Loan challenges: continue to be those that are self employed – have not had any real issue with poor credit or people being over extended with debt.
- c. Pandemic issue: lenders are closely monitoring the income of the self employed – workers that are in the service industry and have been hard hit by layoffs, reduced hours etc. Seeing a lot of lower than would be expected year to date earnings compared to what people have earned in prior year or what their current pay rate annualizes out to be.

The meeting was adjourned at 9:15 a.m.