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## **Meeting Minutes**

**Wednesday, February 21, 2024**

**9:30 a.m.**

In accordance with Section 20 of Chapter 20 of the Acts of 2021, as extended by Chapter 107 of the Acts of 2022, this meeting will be conducted, and open to the public, via Zoom and Teleconference.

Zoom Link: [Click here to join the meeting](https://us02web.zoom.us/j/82487900811?pwd=RWN4Vkw0UElTU0ptblVta0FUUUU0dz09)

ZoomURL: <https://us02web.zoom.us/j/82487900811?pwd=RWN4Vkw0UElTU0ptblVta0FUUUU0dz09>

Meeting ID: 824 8790 0811

Passcode: 414949

Teleconference line: 646 558 8656; Phone Conference code: 414949 #

The meeting was called to order at 9:30 a.m.

### **Board members comprising a quorum:**

Brent Andersen, Pilgrim Bay Insurance  
Kaitlyn Connors, Executive Office for Administration and Finance, Board Interim Chair  
John Durgin, Office of the State Treasurer  
Sue Perez, Office of the State Treasurer

### **Others in attendance:**

Rachel Madden, Massachusetts Housing Finance Agency  
Kathleen Connolly, Massachusetts Housing Finance Agency'

## **1. Administrative Matters**

- I. Ms. Connors called the meeting to order and conducted the roll call. On a motion made by Mr. Durgin, and duly seconded, members voted to unanimously to approve the January 25, 2024,

meeting minutes. Ms. Connors then moved to the next agenda item: Massachusetts Housing Finance Agency's Derivative Review Request.

## **2. Discussion**

*I. No discussion matters scheduled.*

## **3. Waiver Requests**

*I. No waiver requests scheduled.*

## **4. Derivative Reviews**

- I. Ms. Madden, Chief Financial & Administrative Officer for the Massachusetts Housing Finance Agency presented the agency's derivative review request to the State Finance and Governance Board (the "Board").

Ms. Madden presented the Massachusetts Housing Finance Agency's ("MassHousing") requests for a review of potential upcoming variable rate bond or note transactions. She briefly explained the two requests, which were general authorizations by the MassHousing Board to issue bond and/or note transactions for their Multi-Family and Single-Family mortgage programs in the upcoming calendar year and noted that more details on the proposal could be found in the financial advisor memo and other supporting materials that MassHousing submitted to the Board in advance of this meeting. She also noted MassHousing is scheduled to access the market in the coming months and therefore is seeking SFGB review ahead of those transactions.

Ms. Madden explained that the two MassHousing Board votes contemplate using variable rate debt and the possibility of using derivatives in both programs, which enable MassHousing to utilize these tools if future market conditions render them advantageous to MassHousing.

To date, MassHousing has almost exclusively used fixed rate debt for both its Multi-Family and Single-Family programs. Today approximately 94% of outstanding Multi-Family debt and 92% of outstanding Single-Family debt is fixed rate. The addition of new variable rate debt, in reasonable amounts, and in combination with interest rate swaps to reduce interest rate risk, will enable MassHousing to lower the future cost of debt, which will allow MassHousing to provide lower mortgage rates to its borrowers.

MassHousing engaged its financial advisor to review the various types of variable rate debt and interest rate swaps available to MassHousing and examine the potential benefits and risks associated with these instruments. Results are outlined in the financial advisor memo. All proposed debt structures, swaps, counterparties and other components of future transactions will conform with MassHousing's Debt Management and Investment policies.

On a motion made by Ms. Perez and duly seconded, the Board voted unanimously that it had received satisfactory information regarding the proposed Massachusetts Housing Finance Agency transactions involving new derivative financial products by MassHousing and deems the submission (i) consistent with the purpose and intent of Sections 97 and 98 of Chapter 6 of the Massachusetts General Laws ("Chapter 6") and regulations promulgated thereunder and

(ii) reviewed with no additional conclusions required. The Board concludes that the items required to be submitted to the Board pursuant to Chapter 6 and any regulations promulgated thereunder have been submitted in a manner consistent with the regulations.

**5. Closed Transactions/Bond Sale Reviews:**

- I.** *No transaction reviews scheduled.*

**6. Discussion on Board Activities**

- I.** *No matters scheduled.*

**7. Adjournment**

- I.** On a motion made by Mr. Andersen, and duly seconded, members voted to adjourn. The meeting officially adjourned at 9:45 AM.

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Kaitlyn Connors, Acting Chair