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Meeting Minutes

Thursday, January 16, 2025

11:00 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: <https://us02web.zoom.us/j/82031335207?pwd=AKLgiOGP28F2tKva04MfmhRz6rQbuE.1>

Meeting ID: 820 3133 5207

Passcode: 559071

Teleconference line: 1-646-931-3860; Phone Conference code: 559071#

The meeting was called to order at approximately 11:00 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:

Anne Lewis, Massachusetts Housing Partnership

Christina Marin, Office of the State Treasurer

Cory Bannon, Office of the State Treasurer

1. Administrative Matters

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

August 22, 2024, meeting minutes. Ms. Connors then moved to the next agenda item: Derivative Reviews.

2. Discussion

I. No discussion matters scheduled.

3. Waiver Requests

I. No discussion matters scheduled.

4. Derivative Reviews

- I. Massachusetts Housing Partnership (MHP) Director of Capital and Program Development, Ms. Anne Lewis presented MHP's derivative review to the State Finance and Governance Board ("the Board"). Ms. Lewis explained that MHP is seeking a six-month renewal of MHP's forward-starting swap program, which is a programmatic reauthorization, approved by the MHP Board of Directors on December 17, 2024, based on the analysis and recommendation of MHP's independent swap advisor, Chatham Hedging Advisors. This renewal grants MHP up to \$35 million in swap authority for the period February 1, 2025, through July 31, 2025. Ms. Lewis reported that this request is substantively similar to the requests that the SFGB has reviewed in the past, with the most recent proposal having been reviewed by the Board last August.

Ms. Lewis provided a brief background on the swap program, explaining that this program allows MHP to execute forward starting interests rate swaps to protect against movement in interest rates that occur over the construction or rehab period for the multifamily loans where MHP is providing permanent loans. She noted that this authorization will allow MHP to continue to offer this spending option to its borrowers, and that supporting documents were submitted to the Board in advance of the meeting, including MHP's financial advisor Chatham Hedging Advisors written analysis and recommendation, as well as a summary of MHP's swap exposure and performance relative to MHP policy limits.

Ms. Lewis concluded her presentation by noting that MHP is planning to utilize a new program being offered by the Department of Housing and Urban Development (HUD), which would alleviate the need for MHP to continue its use of the current swap product. She reported the agreement between MHP and HUD is currently under development, and that she anticipates MHP will likely execute one swap before the agreement is finalized.

Ms. Connors then asked if any board members had any questions. There were no questions from board members.

On a motion from Mr. Andersen, and duly seconded by Ms. Perez, the Board unanimously voted that the State Finance and Governance Board has received satisfactory information regarding the transaction terms related to Massachusetts Housing Partnership's forward-starting swaps in the aggregate notional amount not to exceed \$35,000,000 to be executed between February 1, 2025, and July 31, 2025, and deems the transaction reviewed with no additional conclusions required.

5. Discussion on Board Activities

- I.** *No matters scheduled.*

6. Adjournment

- I.** On a motion made by Mr. Andersen, and duly seconded by Ms. Perez, members voted to adjourn. The meeting officially adjourned at approximately 11:15 AM.

Kaitlyn Connors, Acting Chair