



THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE FOR  
ADMINISTRATION AND FINANCE  
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**Meeting Minutes**

**State Finance and Governance Board  
September 20, 2018  
3:00 pm  
Executive Office for Administration and Finance  
State House, Room 373**

A meeting of the State Finance and Governance Board was held on Thursday, September 20, 2018 in the Executive Office for Administration and Finance, State House, Room 373, Boston, Massachusetts, pursuant to notice duly given.

Meeting was called to order at 3:01 pm.

**Board members comprising a physical quorum:**

Lourdes German, Lincoln Institute of Land Policy, Board Chair  
Katherine Holahan, Associated Industries of Massachusetts  
Sue Perez, Office of the State Treasurer  
Supreo Ghosh, Office of the State Treasurer

**Others in attendance:**

Charles Karimbakas, Massachusetts Housing Finance Agency  
Kathy Connolly, Massachusetts Housing Finance Agency  
Nick DiGeronimo, Barclays

**1. Administrative Matters**

- I. On a motion made by Ms. Holahan and duly seconded, members voted to approve the August 16, 2018 meeting minutes.

**2. Discussion**

- I. *No discussion matters scheduled*

**3. Derivative Reviews**

- I. Mr. Karimbakas presented the Massachusetts Housing Finance Authority’s (MassHousing) proposed issuance of \$24 million in floating rate notes to finance a 108 unit rental development in Chelmsford. Mr. Karimbakas noted the required interest rate cap on the notes, which will serve as protection as against interest rate risk for MassHousing. Per MassHousing’s Board vote, MassHousing will require the Borrower to purchase and maintain a 5-year hedge agreement/interest rate cap at a strike rate of 4% based of the SIFMA index.

A conversation ensued between Mr. Karimbakas and Board members regarding the deal’s non-use of the low income housing tax credit, and Mr. Karimbakas noted that the financing will make use of recycled tax-exempt volume cap instead.

On a motion made by Ms. Holahan, and duly seconded, the State Finance and Governance Board (the “Board”) voted that it had received satisfactory information regarding the proposed Massachusetts Housing Finance Agency (“MassHousing”) transactions involving a new derivative financial product 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 concluded that the items required to be submitted to the Board pursuant to Chapter 6 and any regulations promulgated thereunder had been submitted in a manner consistent with the regulations

**4. Waiver Request**

- I. *No discussion matters scheduled*

**5. Review of Closed Transactions:**

- I. *No closed transactions reviewed*

**6. Adjournment**

- I. On a motion made by Ms. Perez, members voted to adjourn. The meeting was adjourned at 3:10 pm.

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Frank Gervasio, Secretary