



Massachusetts Housing Finance Agency  
One Beacon Street, Boston, MA 02108

TEL: 617.854.1000  
FAX: 617.854.1091 | www.masshousing.com

Videophone: 857.366.4157 or Relay: 711

## Investment and Audit Committee Meeting Minutes

Meeting Date and Time: December 11, 2018 at 1:00 p.m.  
Meeting Location: Massachusetts Housing Finance Agency  
One Beacon Street, Boston, MA 02108

Members Present: Mark Attia (designee)  
Ping Yin Chai

Member Not Present: Michael Dirrane

MassHousing Staff Present: Charles Karimbakas  
Stephen Vickery  
Paul Scola  
Craig Merry  
Belmira Fallon  
Paul Hagerty  
Carol McIver

PricewaterhouseCoopers (PwC)  
Staff Present: Paul Hanley  
Charles Cornish  
Erin Foley

*The meeting began at 1:07 p.m.*

The first order of business after commencement of the meeting was approval of the minutes of the September 11, 2018 meeting of the committee.

Following such approval, Mr. Hanley provided an overview of PwC's presentation relating to PwC's required communications and commitments going forward.

Mr. Cornish then gave a summary of recent actions and stated that MassHousing had received all unqualified clean opinions, released as planned. He also indicated that they had completed the audits and there were no significant changes to audit plans. PwC did note one control deficiency relating to 2 properties having their loan loss reserve adjusted during the audit, but those were considered minor. Mr. Cornish also mentioned that the 2019 engagement letters were in process. He provided a status report that Q1 would be released the following Friday and that multiple bond closings were in process.

Paul Hanley made a general comment about the fact that robotics are entering the world of financial services right now.

Mr. Chai asked a couple of questions relating to Fannie Mae and Freddie Mac requirements on financials. Mr. Vickery responded that Freddie and GNMA require internal control letters in addition to audit reports, but that currently Fannie only requires the audit reports.

Mr. Hanley then stated that PwC needs to assert its independence from the Agency. In accordance with AICPA standards, PwC is required to be independent in fact and independent in appearance. He also noted that there were no difficulties encountered in performing the audit and that MassHousing had given PwC full access to materials needed, and prompt responses.

Ms. Foley then reaffirmed PwC's continued commitment to providing timely advice to MassHousing and management, with a focus on providing high quality product and delivering value. She stated that PwC has a focus on quality and innovation, including PwC's automated disclosure checklist.

Mr. Hanley reasserted PwC's commitment to provide an independent view, high quality services, and have recurring team members as often as possible.

Mr. Karimbakas then gave a SWAP termination update. He stated that in the first quarter of 2019, the Agency exercised an option to terminate a SWAP with Deutsche Bank. As a result, a non-cash special item of \$1.7 million will be noted. There was discussion about how this would be a one-time event and that going forward we will achieve savings.

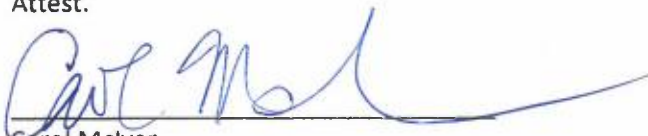
Mr. Chai then asked a question about the PBCA extension of the contract and there was general discussion about how the language of the amendment itself is unclear, how we plan to disclose as necessary, and that MassHousing has heard from HUD that fees may remain the same.

The members then voted to adjourn.

*The meeting concluded at approximately 1:28 p.m.*

A true record.

Attest.



Carol McIver  
Assistant Secretary

*Meeting Materials:*

- Minutes of the September 11, 2018 Meeting
- PwC Required Communications Re: FY18 Audit