

Mortgage Insurance Fund (MIF) Committee
Meeting Minutes – September 13, 2022

The regular meeting of the Mortgage Insurance Fund Committee of the Massachusetts Housing Finance Agency – doing business as MassHousing – was held on September 13, 2022. In accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, 2021 Mass. Acts 20, as amended, no Members were physically present, and the meetings were conducted remotely through a publicly accessible Zoom meeting.

Participating remotely were the following members of the MIF Committee, by roll call:

Michael Dirrane
Peter Milewski
Rachel Madden
Mounzer Aylouche
Paul Hagerty

The meeting began at 12:00 p.m.

The Members first took up the approval of the minutes of the previous meeting. Upon a motion duly made and seconded, by roll call vote of those members present, it was:

VOTED: That the minutes of the meeting held on May 10, 2022 are hereby approved and placed on record.

Tom Norton presented a summary of MIF production in fiscal year 2022, noting the introduction of risk-based pricing. Overall it was a very busy year. Cancellations and activations generally declined over the year and cancellations outpaced activations. Although production was down, loan characteristics continued to be strong and defaults were down significantly compared to the previous year. Since its inception, 86% of borrowers that have received the average MI+ benefit have avoided foreclosure. Mr. Norton continued to summarize the FY22 financial results, noting the MIF's operating income is down from the previous year, primarily due to decreases in interest income, fair market value of investments and premium income coupled with increases in administrative expenses and reinsurance premiums. There is presently approximately \$2 billion in capacity (without reinsurance) and the risk to capital ratios is 1.4:1 with \$62.1MM in MI+ exposure and \$131.8MM in retained MI risk. At fiscal year end the total available assets to calculated asset requirements under PMIERS is 813%. The portfolio's mission goals are trending upward and the fund balance continues to increase.

Mr. Norton then summarized the loan characteristics since the introduction of the risk-based pricing model. Although only a short period of data is available, loan characteristics under risk-based pricing have been fairly similar to prior activity and staff is continuing to work with Milliman to refine the pricing models.

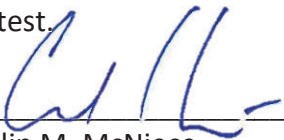
Peter Milewski commented that the numbers are impressive and noted the improving portfolio quality, income and mission goals. Mr. Dirrane agreed and inquired how loans are performing with the new DPA programs coming on-line. Mr. Norton responded that MIF has not seen any significant differences at this time.

There being no other old or new business, the meeting was adjourned.

The meeting concluded at approximately 12:24 pm

A true record.

Attest.



Colin M. McNiece
Secretary

Meeting Materials:

- FY2022 Mortgage Insurance Fund Updates, MIF Committee, September 13, 2022