



**Community Development Finance Authority
Credit Committee Meeting**

**CDFA Office
102 Dixon Avenue
Concord, NH 03301**

**November 7th, 2023
8:30 AM**

CDFA FINANCE COMMITTEE PRESENT: Peter Rayno, *Chair*, Cynthia Harrington, Ross Bartlett, *CDFA Board Members*.

STAFF: Ian Hart, *Chief Financial Officer*, Scott Maslansky, *Director of Clean Energy Finance*, Felicity Winters, *Executive and Marketing Assistant*.

PUBLIC: Kyle Schneck, *Chief Lending Officer for Saint Mary's Bank*.

Mr. Rayno called the meeting to order at 8:30 AM. Mr. Rayno introduced Kyle Schneck, the Chief Lending Officer at Saint Mary's Bank, as a member of the public who had been recommended for Committee membership, and was in attendance to gauge his interest in the Committee.

Mr. Rayno called for a motion to approve the agenda as presented.

Motion – 8:32 AM

Ms. Harrington moved to approve the meeting agenda, as presented. Mr. Bartlett seconded, and the motion carried by a unanimous vote of the Committee.

A. Consent Agenda – 8:36AM

Mr. Rayno called for questions or comments on the September 12th, 2023, draft minutes. None were offered.

Motion – 8:36 AM

There being no questions or comments, Mr. Bartlett moved to approve the Credit Committee minutes, as presented. Mr. Maslansky seconded, and the motion carried by a unanimous vote of the Committee.

The Committee requested an update on borrowers' negotiations following the prior meeting. Mr. Hart reported favorable negotiations with the BEDC, regarding the Laconia Colonial Theater Predevelopment Loan, and confirmed a one-year extension with quarterly payments at 5.5%, with the rate changing to Prime on any remaining balance remaining after June 30, 2024. Mr. Hart also reported a favorable negotiation with Duprey Hospitality, regarding the Capital Hotel II Clean Energy Fund loan – the lending rate was increased to 4.5% in recognition of the increased risk due to the requested mortgage subordination.

B. Community Development Fund – 8:37 AM

Mr. Maslansky explained that the Community Development Fund was being expanded, and he presented the accompanying updated term sheet. Mr. Hart stated that staff would be proposing a transfer of surplus funds from the Job Retention Fund to the Community Development Fund at the December Board meeting. Mr. Maslansky explained that as proposed, CDFA would use its Interest Rate Calculator to determine the borrowing rate for the Fund.

The Committee asked what the Better Buildings funds were used for. Mr. Maslansky explained that those funds were used for grants and loans, but that conflicting federal guidance had rendered the funds temporarily unusable. CDFA would be working with the state to request permissions to once again make use of the funds.

Mr. Schneck, speaking as a member of the public, asked whether there is an identified need for the Community Development Fund, or whether CDFA was anticipating a future need. Mr. Maslansky explained that while rate increases and inflation had reduced demand for borrowing generally, the Community Development Fund would be used to work with and support our partners as needs and demands changed.

The Committee suggested that CDFA should have a maximum number of discounts allowed for an applicant, meaning that the discount cannot be larger than 3%, or 5% for Better Buildings and Municipal Energy Revolving Funds. The Committee suggested that those applying for discounts attest to their qualification(s).

Mr. Rayno recommended that the Committee approves the Community Development Fund with a maximum of a 3% discount, and that the floor remains at 2%. Mr. Bartlett motioned to approve this recommendation, Ms. Harrington seconded this motion, and the motion carried by a unanimous vote of the Committee.

C. Loan and Allowance Listing: September 30, 2023 – 9:00 AM

Mr. Hart shared the Loan and Allowance listing from September 30, 2023 and called select loans to the Committee's attention. The Committee asked if CDFA has seen softness in repayment and Mr. Hart explained that there were some borrowers that missed their June payment, but nothing extraordinary. He reported he would monitor repayment trends.

The Committee questioned if CDFA believes that there are enough applications being submitted. Mr. Maslansky explained that the applications had been slow for a while and slower on the energy side, and believes that marketing could help increase interest. Presently, potential awardees tend to find out about CDFA through word of mouth from their peers.

With no further questions, the Committee proceeded to the next item.

D. CDFA's Loan Loss Allowance Policy & Process – 9:13 AM

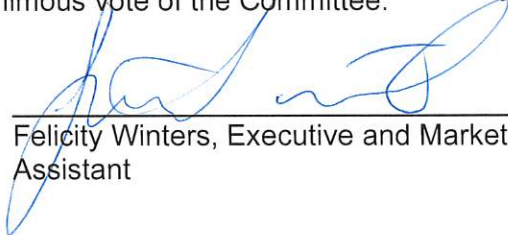
Mr. Hart gave a presentation on the policy and process behind CDFA's Loan Loss Allowance calculations. Mr. Schneck, speaking as a member of the public, asked if CDFA reviews of all the loans annually, and Mr. Hart stated that CDFA does do this for all loans with outstanding balances greater than \$100,000. Committee members suggested that commercial banks do not necessarily update the loan loss allowances as frequently as annually.

With no further questions, the Committee motioned to adjourn the meeting.

E. Adjourn

Motion – 9:31 AM

Mr. Rayno motioned to adjourn the meeting. Ms. Harrington moved to adjourn, Mr. Bartlett seconded, and the motion carried by a unanimous vote of the Committee.



Felicity Winters, Executive and Marketing
Assistant



Peter Rayno, Chair
CDFA Credit Committee