



110 Marble Street, West Rutland, VT 05777
(802) 438-2303 | nwwvt.org | info@nwwvt.org

Board of Directors Meeting

Date: 1/12/2022

Location: Zoom

Present: Karen Bartlett, Gabe Gladding, Jen Yakunovich, Keri Franzoni, Melinda Humphrey, Peg Flory

Staff Present: Heather Starzynski, Liz Karle, Tania Ezzo

Guests: Liz Weinman, Trisha Guditz

- Jen called the meeting to order. No proposed changes to agenda, Jen motioned to approve minutes from Dec 201 meeting, seconded by Peg. Motion passed unanimously.
- **Liz and Keri presented the monthly financial review from our Finance Committee.** November continued as anticipated, slight increase in deficit but in line with the forecast that was presented in the fall. We did hire a new loan servicer that will be replacing Jackie. The compensation is such a large part of the budget/costs, it does represent a change. Overall, not many other changes from the prior month. We have increased our reserves to 314 days, which is more than we would like to have on hand. Discussions are underway on what would be an ideal figure. This year we are going to be looking at a 9-year lending forecast vs. a 5-year forecast so we can better predict the future returns from our loan portfolio. Our self-sufficiency ratio is currently 28%, our goal is 60% (from non-Governmental sources), however we aren't going to turn down program funding just because of the source. Jen stressed how important it is to pay attention to these numbers, as loan payoffs impact our future revenue. Heather pointed out that we also need to look at the programs we offer and their financial sustainability. We aren't large enough to spend the time and energy on programs if they are not self-sufficient.
- **Tania presented a review of Lending at NWWVT**, beginning with an introduction of who works in the department and what they do, including the new Loan Servicer Bryn Milks, who is replacing Jacki White. Bryn has a background in business servicing, consumer loans and IT. Tania reviewed the process for making a loan, she is the only licensed lender (only one who can accept applications or approve rates). She explained the process of obtaining a loan and the role each person in the department plays in processing and handling the loan. Our process is the same as a traditional lender, however we do have a loan servicing role in the department, which we've decided is part of our mission and commitment to our borrowers. Tania stressed that there is high touch of a loan files during loan processing by everyone in the Lending Department. Heather pointed out that our process is guided by the law, but also by our Loan Policies. Tania then explained how Jacki and Bryn handle the servicing side, and what goes into tracking the loan until it's paid off. Staff are required to take an anti-money laundering course annually to ensure we can identify if people are using loans or our programs for laundering funds. Tania then did a brief presentation on the various types of loans we offer and the terms and rates, and the max loan value for each. At the February board meeting, there will be updates to the Loan Policy which includes an increase to the maximum amount for the Home



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Repair Loan program, due to the increased cost of construction materials. It was pointed out that it is a requirement of the CDFI that 60% of funding must be given to low-income buyers.

- The **Loan Committee** will meet on 1/19/22. They will receive a workbook of information which will show recent Lending Department activity. Any exceptions to the Loan Policy will be noted, as these have to be approved by loan committee. Exceptions could be due to credit score, amount of loan, etc. Tania explained why a loan that she would deny may qualify to be presented to loan committee, due to mitigating factors. Tania has authority to approve up to \$200,000 in loans. When she reaches that amount, she must communicate with the Loan Committee. The workbook will also include the delinquency report, and any write off recommendations. In 2021, 72 loans were approved, for a total of \$1.8M. In 2020 we closed 93 loans for a total of \$1.6M. We had 140 payoffs in 2021 which resulted in 836 loans remaining in our portfolio. Tania would love to see more lending partners, as the biggest loan product is the down payment assistance program. She would also like to see us do more marketing about what our lending programs are and what we can do as we are a best hidden secret, but we don't want to be a secret. Our newest product is a purchase home repair loan, designed to provide up to \$60,000 for repair work on a new purchase. Heather pointed out that we benefit from the CDFI funds, because once we loan those funds out and they come back to us (repaid), they become our funds and we can use them however we would like for loans. Tania said fewer restrictions are great because it provides options for lending.
- **Trisha Guditz, Relationship Manager**, discussed the upcoming organizational assessment conducted by NeighborWorks America which happens every three years as part of NWA's Strategic Plan to help them sustain their goals and mission. Mia Joiner-Moore will be conducting the assessment. She will be reaching out to each board member to talk. Jen sent us an email about this with some information to help us with the interview, please review and be familiar with these documents. Documents are on the board portal as well. The assessment looks at the four goals of NWAs Strategic Plan, 1) to strengthen the capacity and sustainability of the NW network, 2) to enhance the performance, productivity and operations resiliency of network organizations, 3) to ensure that network organizations meet membership standards and performance objectives, 4) to ensure compliance with NW America's contracts and network standards. The assessment phases are confirm availability (done!), discovery (in process), onsite or remote interviews, and a draft/final report.

NWAs review system is called PROMPT. PROMPT stands for **P**roduction/**P**rogram Services, **R**esource & Financial Management, **O**rganizational Management & Board Governance, **M**anagement, **P**lanning, **T**echnical Operating & Compliance Systems. After assessment is done and the final report is provided, it goes to the Organizational Health Tracking System committee (internal to NWA) which meets quarterly, reviews results and ultimately, NWWVT will receive a recommendation on what our rating is (currently we are Exemplary). Trisha said the assessment can be a valuable experience to learn about ourselves, the organization, provides us with take



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away on other network groups and best practices. Trisha stressed we need to be prepared for this, do our homework and get ready.

- **Executive Director Report:** Heather shared that the Leadership Team was scheduled for retreats on January 14th and February 4th to work on establishing goals and timelines. The first quarterly staff retreat is scheduled for Friday, January 28, 2022. There are five this year because we want to establish a solid foundation with the staff on the contents and importance of the strategic plan. Heather has been meeting with Bernadette Orr and Liz Weinmann on what we can accomplish and how to get there. Heather presented to the Chamber and Economic Development of the Rutland Region Finance Committee with Liz Karle to introduce ourselves and what we do, what we see for housing challenges, and our plans. Heather is working on a standard presentation so we can continue engaging organization and people across the state. Peg asked if we have reached out to the Rutland Young Professionals to get in front of them, Heather said no. Liz W added that she mentors several members there and can set up the introduction. Jen reminded us that as board members our goal was to be involved with these traveling road shows so that we can also be ready to talk when/if asked.
- Jen reminded us of the **Strategic Planning Session this Saturday** (will be remote) to fill in what's left and the Action Steps for this year. She will send the Zoom link out shortly.

Board members reflected on their experience at this evening's meeting.

Jen called meeting to close at 7:19, and next meeting is 2/9/22