

DRAFT
VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE COMMITTEE OF THE WHOLE
AND THE REGULAR MEETING OF THE COMMISSIONERS
HELD ON OCTOBER 12 AND 13, 2010

Pursuant to the call of the Chairman and notice duly given, the meeting of the Committee of the Whole and the regular meeting of the Commissioners of the Virginia Housing Development Authority (the "Authority") were held on October 12 and 13, 2010 at the offices of the Authority, 601 South Belvidere Street, Richmond, Virginia.

COMMISSIONERS PRESENT:

Charles McConnell, Chairman
Yvonne T. Allmond, Vice Chairman
Gerald W. Hopkins
John P. McCann
Nancy K. O'Brien
Jacqueline T. Black
Manju Ganeriwala
William C. Shelton

COMMISSIONERS ABSENT:

Jay Fisette
Kermit E. Hale
Marjorie N. Leon

OTHERS PRESENT:

Susan F. Dewey, Executive Director
Donald L. Ritenour, Managing Director of Development
Thomas A. Dolce, Managing Director of Servicing and Compliance
Arthur N. Bowen, Managing Director of Finance and Administration
Barbara Blankenship, Managing Director of Human Resources
Janet Wiglesworth, Managing Director of Information Technology Services
Russ E. Wyatt, General Auditor
Tammy Neale, Chief Learning Officer
Herb H. Hill, Jr., Managing Director of Policy, Planning, and Communications
J. Judson McKellar, Jr., General Counsel
Michele G. Watson, Director of Homeownership Programs
John F. Hastings, Director of Multi-Family Development Programs
James M. Chandler, Director of Low Income Housing Tax Credit Programs
Melody S. Barackman, Controller
J. Michael Hawkins, Director of Community Housing
Barry Merchant, Policy Analyst
Michael Stoneman, Multi-Family Owned Property Portfolio Manager
Neal Rogers, Manager of Asset Management
Llewellyn C. Anderson, Strategic Planner
Ronald A. Reger, Strategic Planner

Scott Heiry, Business Intelligence Manager
Maya Batie, Intern
Billy Carter, Intern
Adrian McCabe, Intern

Chairman McConnell called the meeting of the Committee of the Whole to order at 3:05 p.m. on October 12, 2010. The Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting, except Commissioners Black and Ganeriwala who joined the meeting in progress as noted below and thereafter remained present during the meeting of the Committee.

Mr. Reger reviewed the comments received in the annual survey of the Commissioners and the actions being taken in response to those comments. Mr. Reger discussed with the Commissioners the proposed education modules to be offered to Commissioners through February 2012 and presented a video of the module on understanding the Authority's mission and design. During this presentation, Commissioner Ganeriwala joined the meeting.

Ms. Dewey, Mr. Ritenour and Mr. Bowen presented a performance report on the outcomes and measures under the Authority's Transitional Strategic Plan for fiscal year 2011. During this presentation, Commissioner Black joined the meeting.

Ms. Dewey reported on status of the Governor's Housing Policy and the key issues being addressed in the Policy. Mr. Hill presented a demonstration of the websites for the Governor's Housing Policy and the Virginia Foreclosure Task Force.

Ms. Dewey presented her report on operations in which she advised the Commissioners of the following matters: the receipt by the Authority of NCSHA Annual Awards for Program Excellence for the loss mitigation DVD and for the redesign of the Authority's website; the Governor's Housing Conference in Richmond on November 17-19, 2010; the Board and Committee meetings on December 7 and 8, 2010 and February 1 and 2, 2011; the Board retreat on April 3-5, 2011 in Staunton; the essay scholarship contest sponsored by the Authority for students at Richmond Open High School with the winner to be announced at the Governor's Housing Conference; legislation proposed by the Authority that will amend its act to facilitate a mortgage loan purchase program being considered by the Authority; legislation expected to be proposed by the Virginia Bankers Association that will authorize the Authority to service mortgage loans on behalf of community banks and other lenders, including loans on residences located outside Virginia and loans made to borrowers who are not low and moderate income; the election by Commissioner Ganeriwala as Treasurer of the National Association of State Treasurers; the recent real estate conference held by VCU; and the distribution of her fiscal year 2011 performance goals to the Commissioners for their review and comment. Following her report, Mr. Ritenour distributed an email from Mr. Ed Walker, the developer of the Patrick Henry Apartments, expressing his appreciation to the Authority staff for their assistance in approving the permanent financing for the development.

There being no further business, the meeting of the Committee of the Whole was adjourned at approximately 5:45 p.m. on October 12, 2010.

Chairman McConnell called the regular meeting of the Board of Commissioners to order at approximately 11:00 a.m. on October 13, 2010. The Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting, except Commissioner Ganeriwala who joined the meeting in progress as noted below and thereafter remained present during the meeting.

No members of the public requested an opportunity to make any comments during the public comment period of the meeting.

The minutes of the meeting of the Committee of the Whole and the annual meeting of the Commissioners held on August 3 and 4, 2010 were approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

On motion duly made and seconded, the resolutions entitled "Resolution in Recognition and Appreciation of the 20th Anniversary of the Virginia Local Initiatives Support Corporation" and "Resolution in Recognition and Appreciation of the 40th Anniversary of Reston Interfaith" dated October 13, 2010, in the forms attached hereto were approved by the affirmative vote of each of the Commissioners then present at the meeting.

The resolution entitled "Resolution in Recognition and Appreciation of Thirty Years of Service by Sandra S. Case" dated October 13, 2010, was read by Mr. Reger and, on motion duly made and seconded, was approved in the form attached hereto by the affirmative vote of each of the Commissioners then present at the meeting.

Chairman McConnell, on behalf of the Committee of the Whole, summarized the reports received and discussed by the Committee on the proposed education modules to be offered to Commissioners through February 2012, the performance report on the outcomes and measures under the Authority's Transitional Strategic Plan for fiscal year 2011, the status of the Governor's Housing Policy, and the Executive Director's report of operations. Chairman McConnell noted that Ms. Dewey's fiscal year 2011 performance goals had been distributed to the Commissioners for their review and comment and that, since no comments from the Commissioners were received, her fiscal year 2011 performance goals would be approved as distributed.

Commissioner O'Brien, on behalf of the Programs Committee, reported that the Committee had received a staff report and recommendation to terminate offering of the homeownership option to families in the Housing Choice Voucher Program effective June 30, 2011 and that the Committee had concurred with the staff recommendation. Commissioner O'Brien next reported that the Committee had received and discussed, and recommended approval of, the proposed amendments to the Authority's Qualified Allocation Plan. Commissioner O'Brien also reported that the Committee had requested the staff to consider adding funding from the Appalachian Regional Commission and Virginia Tobacco Commission as eligible for points in the Subsidized Funding category, to determine the need for the non-competitive preservation pool, and to assess whether the changes in 2009 to the Qualified Allocation Plan accomplished their intended purpose. At this time, Commissioner Ganeriwala joined the meeting. Commissioner

O'Brien moved approval of the resolution entitled "Resolution Amending and Restating the Plan of the Virginia Housing Development Authority for the Allocation of Low-Income Housing Tax Credits Including Rules and Regulations" dated October 13, 2010, in the form attached hereto. This motion was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner O'Brien reported that the Committee had reviewed, and had recommended approval of, a resolution to approve and ratify the reservations of the federal low-income housing tax credits. Commissioner O'Brien moved approval of the resolution entitled "Resolution Approving and Ratifying Reservation of Federal Low-Income Housing Tax Credits" dated October 13, 2010, in the form attached hereto. This motion was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner O'Brien reported that the Committee had concurred with the staff recommendation to permit 20% of the units in the Mallard Cove development, which is assisted by low-income housing tax credits, to be released from the income and rent restrictions in exchange for an extension of the extended use period on the remaining units. Commissioner O'Brien also reported that the Committee had concurred with the staff recommendation that the Executive Director be authorized to approve future requests for such a release and exchange in compliance with the criteria and process presented in the memorandum to the Committee at its meeting on December 3, 2008, provided that the Executive Director advise the Committee of her approval of any such requests. Commissioner O'Brien summarized the staff reports that had been received and discussed by the Committee on the following matters: homeownership and multi-family loan delinquencies; delinquencies in the Authority's Ginnie Mae portfolio; calls to the contact center; an update on the Housing Choice Voucher Program; single family and multi-family loan production; the status of the disposition of multi-family developments owned by the Authority; the status of the Authority's emerging markets outreach efforts; and the Authority's recent marketing activities.

Vice Chairman Allmond, on behalf of the Audit Committee, reported that at its meeting on September 16, 2010 the Committee had received and discussed with representatives of KPMG its audit of the Authority's financial statements for fiscal year 2010 and that KPMG had given its unqualified opinion on the audit and did not identify any deficiencies in internal control over financial reporting that they considered to be material weaknesses. Vice Chairman Allmond next summarized the reports received and considered by the Committee at its meeting on October 12, 2010 with respect to the Authority's monthly financials and budget comparisons for the period ended August 31, 2010 and the status of the internal audit schedule and reports.

Vice Chairman Allmond, on behalf of the Operations Committee, reported that the Committee had received and discussed, and recommended approval of, proposed guiding principles for the Commissioners. Vice Chairman Allmond moved approval of the "Guiding Principles for the Conduct of Members of the VHDA Board of Commissioners" in the form attached hereto. This motion was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner Ganeriwala moved that the Guiding Principles be signed by the Commissioners. This motion was duly seconded and approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Vice Chairman Allmond reported that the Committee had received and discussed, and recommended

approval of, proposed resolutions to amend the bond resolution and the bond limitations resolution for the Homeownership Bonds in order to conform to changes in the requirements of the New Issuance Bond Program of the U.S. Treasury. Vice Chairman Allmond moved approval of the resolutions entitled “Supplemental Resolution Amendatory of and Supplemental to a Resolution Providing for the Issuance of Homeownership Mortgage Bonds of the Virginia Housing Development Authority and for the Rights of the Owners Thereof” and “Amendment to Bond Limitations Resolution” both dated October 13, 2010 in the forms attached hereto. This motion was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Vice Chairman Allmond summarized the staff reports that had been received and considered by the Committee on the Authority’s investment policy, on future staffing needs and health insurance benefits, recent activities sponsored by the Organizational, Development and Learning Division, and the status of ITS projects.

Ms. Neal introduced the Interns who were present at the meeting.

Ms. Dewey advised the Commissioners as to the status of the moratorium on foreclosures imposed by certain lenders because of possible deficiencies in their foreclosure documentation.

Mr. McKellar advised the Commissioners as to the status of the litigation on The Views at Clarendon.

There being no further business, the meeting was adjourned at approximately 12:01 p.m.

Charles McConnell, Chairman

J. Judson McKellar, Jr.
Assistant Secretary

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE PROGRAMS COMMITTEE
HELD ON OCTOBER 13, 2010

Pursuant to the call of the Committee Chairman and notice duly given, the meeting of the Programs Committee of the Board of Commissioners of the Virginia Housing Development Authority (the "Authority") was held on October 13, 2010 at the offices of the Authority, 601 South Belvidere Street, Richmond, Virginia 23220.

COMMITTEE MEMBERS PRESENT:

Nancy K. O'Brien, Committee Chairman
William C. Shelton
Jacqueline T. Black
Charles McConnell

COMMITTEE MEMBERS ABSENT

Marjorie N. Leon
Jay Fisette

OTHERS PRESENT:

Susan F. Dewey, Executive Director
Donald L. Ritenour, Managing Director of Development
Thomas A. Dolce, Managing Director of Servicing and Compliance
Herb H. Hill, Jr., Managing Director of Policy, Planning, and Communications
J. Judson McKellar, Jr., General Counsel
Michele G. Watson, Director of Homeownership Programs
John F. Hastings, Director of Multi-Family Development Programs
James M. Chandler, Director of Low Income Housing Tax Credit Programs
J. Michael Hawkins, Director of Community Housing
Paul Brennan, Deputy General Counsel
Ronald A. Reger, Strategic Business Planner
Mike Stoneman, Multi-Family Owned Property Portfolio Manager
Robert Halloran, Marketing Director
Sharon Fairburn, Director of Housing Choice Vouchers
Llewellyn Anderson, Strategic Business Planner

The meeting of the Programs Committee was called to order by Committee Chairman O'Brien at approximately 9:00 a.m. All of the members of the Committee listed above as being present at the meeting were present at that time and remained present throughout the meeting, except Commissioner Black who joined the meeting in progress as noted below and thereafter remained present during the meeting.

On motion duly made and seconded, the minutes of the meeting of the Committee held on August 4, 2010 were approved by the affirmative vote of each of the members of the Committee then present at the meeting.

Mr. Dolce and Ms. Fairburn presented a report and recommendation on termination of the offering of the homeownership option to families in the Housing Choice Voucher Program effective June 30, 2011. During this report, Commissioner Black joined the meeting. Upon the conclusion of the discussion, the members of the Committee stated their concurrence with the staff recommendation.

Mr. Chandler presented a report and recommendations on the proposed amendments to the Low-Income Housing Tax Credit Qualified Allocation Plan which (i) revise the point categories for units for persons with disabilities to allow elderly rehabilitation developments to be eligible for those points; (ii) change the point category for EarthCraft or LEED certification to a tiered point structure; (iii) revise the developer experience negative point category for uncorrected noncompliance to allow compliance training in lieu of negative points; and (iv) suspend the non-competitive preservation pool for calendar year 2011. In this report, Mr. Chandler presented a summary of the public comments on the proposed amendments. During the discussion, the Committee requested the staff to consider adding funding from the Appalachian Regional Commission and Virginia Tobacco Commission as eligible for points in the Subsidized Funding category, to determine the need for the non-competitive preservation pool, and to assess whether the changes in 2009 to the Qualified Allocation Plan accomplished their intended purpose. Commissioner Shelton moved that the Committee recommend approval of the resolution entitled "Resolution Amending and Restating the Plan of the Virginia Housing Development Authority for the Allocation of Low-Income Housing Tax Credits Including Rules and Regulations" dated October 13, 2010. This motion was seconded by Commissioner Black and was approved by the affirmative vote of each of the members of the Committee noted above as present at the meeting.

Mr. Chandler presented a resolution to approve and ratify the reservations of the 2010 federal low-income housing tax credits. Commissioner Black moved that the Committee recommend approval of the resolution entitled "Resolution Approving and Ratifying Reservation of Federal Low-Income Housing Tax Credits" dated October 13, 2010. This motion was seconded by Commissioner McConnell and was approved by the affirmative vote of each of the members of the Committee noted above as present at the meeting.

Mr. Hastings recommended to the Committee that 20% of the units of a low income housing tax credit property known as Mallard Cove in Chesterfield County be released from income and rent restrictions in exchange for a five-year extension of extended use on the remaining units. The Committee concurred with the recommendation and authorized the Executive Director to approve future requests for such a release and exchange in accordance with the criteria and process outlined in a memorandum presented to the Committee on December 3, 2008, provided that the Executive Director advises the Committee of such approval.

Mr. Dolce presented reports on the status of delinquencies and foreclosures in the homeownership and multi-family loan portfolios. Mr. Dolce advised the Committee that as of August the overall delinquency rates, including foreclosures and bankruptcies, for the single-family and multi-family loan portfolios were 11.75% and 1.93%, respectively.

Mr. Dolce reported that delinquency ratios continue to be below Ginnie Mae thresholds and that the total unpaid principal balance of the Ginnie Mae portfolio is \$274 million representing 2,080 loans. Mr. Dolce next reported that the number of phone calls received by the Authority's Contact Center had decreased to 4,289 and that the majority of the contacts came from Richmond followed by Northern Virginia and Hampton Roads. Mr. Dolce also reported that the lease-up rate in the Housing Choice Voucher Program is 97%.

Ms. Watson presented a report on homeownership loan production for the first quarter in fiscal year 2011. In this report, Ms. Watson noted that 729 loans had been financed in the principal amount of \$112 million. Ms. Watson also reported that 78% of the production was to households with incomes less than 80% of the state median income and 38% of production was to minority households. Ms. Watson noted that current production is approximately 36% less than the production in the first quarter of fiscal year 2010.

Mr. Hastings presented a report on multi-family loan production for the period July 1, 2010 to October 5, 2010. In this report, Mr. Hastings advised the Committee that 12 developments consisting of 1,202 units had been approved for mortgage loans in the total principal amount of approximately \$86.5 million. Mr. Hastings also noted that 75% of the developments were supported with REACH funding.

Mr. Stoneman presented a report on the status of the disposition of the multi-family developments owned by the Authority. Mr. Stoneman reported that the portfolio currently consists of 11 developments that are not sold or under contract; however, Mr. Stoneman noted that the Authority expected a closing within two days on one development. Mr. Stoneman also reported that there were no new acquisitions since the report in August.

Mr. Hawkins presented reports on the Authority's outreach to the African American and Hispanic markets between July 2010 and September 2010. In this report, Mr. Hawkins stated that the REACH Team continues to be actively engaged in developing the capacity of faith-based organizations to sponsor affordable housing opportunities and support local neighborhood revitalization efforts. In addition, Mr. Hawkins reported that the Authority participated in several Hispanic outreach events which celebrated National Hispanic Heritage Month.

Mr. Hill presented an update on the Authority's marketing activities. In this report, Mr. Hill noted that the Authority's "How to Buy a Home" TV show has been completed and is being distributed to public TV stations across the state and will begin airing in October on Fairfax Public Access TV in both English and Spanish. Mr. Hill also reported that the Authority launched a new Virginia Foreclosure Prevention website on September 22, 2010.

There being no further business, the meeting was adjourned at 10:38 a.m.

Minutes of the Meeting of the Audit Committee Held on October 13, 2010

The meeting of the Audit Committee of the Board of Commissioners of the Virginia Housing Development Authority was held on October 13, 2010 at the offices of the Virginia Housing Development Authority, 601 S. Belvidere Street, Richmond, Virginia.

Committee Members Present	Yvonne Toms Allmond John P. McCann Manju Ganeriwala
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Other Commissioners Present	Gerald Hopkins
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Others Present	Arthur N. Bowen, III, Managing Director of Finance & Administration Russ E. Wyatt, General Auditor Melody Barackman, Controller Herb Hill, Managing Director of Public Policy & Communications Barbara Blankenship, Managing Director of Human Resources Michelle Edmonds, Sr. Executive Assistant
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Meeting Called to Order	The meeting was called to order at 9:20 a.m. All of the members of the Committee noted above as being present at the meeting were present at that time and remained present throughout the meeting.
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Approval of Minutes	On motion duly made by Commissioner Hopkins and seconded by Commissioner Ganeriwala, the minutes of the Audit Committee meeting of August 4, 2010 were approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. On motion duly made by Commissioner Ganeriwala and seconded by Commissioner McCann, the minutes of the Audit Committee meeting of September 16, 2010 were approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.
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FY 2010 Audited Financials	Melody Barackman reported that the Audit Committee convened on September 16 th to review with KPMG the final draft of the FY '10 financial report. The report was finalized and issued on Monday, September 27 th , with an unqualified opinion letter and a report of internal controls that found no deficiencies in internal control over financial reporting that would be considered a material weakness.
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**FY 2010
Audited
Financials**

A last minute difference of opinion arose with the auditors over the statement presentation of Ginnie Mae securitization activity, necessitating additional research by both KPMG and VHDA staff. After making contact with a staff member at the GASB Board who authored the governing pronouncement, we were pleased to find that KPMG finally agreed with our initial presentation. However, the research process took additional time, causing us to issue a few days past the Commonwealth's deadline. We alerted the State about the delay and they had no concerns with it.

Ms. Barackman also reported that we also encountered a last minute issue with the OMB A-133 report of Federal Expenditures. Through an exchange of emails with the USDA, spanning over several days, they finally reached a decision on the last day in September that our Rural Development Home Lending Program should be included in the A-133 report. Since the program's inception and VHDA's participation in it, these expenditures have not previously been reported in the A-133. When USDA's general counsel finally ruled on this issue, they also granted a waiver for FY 10 and all previous years reporting. Therefore, we will include RD expenditures only in future A-133 reports.

**Report on
Monthly
Financials and
Budget
Comparisons**

Melody Barackman reviewed highlights of VHDA's balance sheet for August 2010. Excess revenues before GASB adjustments totaled \$10.3 million, (\$1.3 million ahead) and YTD earnings totaled \$20.4 million (\$3.9 million head). Mortgage loan interest income has been slightly behind plan by \$1.2 million for the month and \$2.1 million for 2 months. Investment has been slowly rebounding and is on target with plan while unrealized gains of \$3 million have been recognized in mark-to-market adjustments.

Administrative expenses have performed slightly better than budget by \$200 thousand for the month, and \$800 thousand for two months. Programmatic expenses were under budget by \$1.4 million for August and \$3.1 million for two months. While actual loan losses have been slightly lower than budget for the first two months, these results do not yet reflect adjustments to loan loss provision. Once the provision is recalculated and booked in September, this variance will diminish. Total assets for the first two months of FY '11 have increased by \$40 million to \$9.7 billion. Net assets increased by \$23.5 million resulting in excess capital of \$2.25 billion or 23.1% of total assets.

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Internal Audit Report

Russ Wyatt reported on the status of the Audit Schedule and reports issued since the last Committee meeting. He reported that one audit (Business Systems) and two tasks performed for KPMG (Annual Loan/Investment Confirmations and Ginnie Mae field work) have been completed since the last committee meeting. Three other audits and tasks are in progress (Policy, Planning & Communications, Housing Choice Voucher Program/Elite Application System, and Microsoft Windows Server Operating System and Cisco Firewall Software). Russ reported that a standard report with discussion items was issued on the Business Systems audit. Russ also reported that no adverse reports were issued since the last committee meeting and the Audit Division is on track to complete the 5-year schedule as planned. Additionally, Russ indicated that there are no control concerns that were previously reported to the Audit Committee that have not been addressed by management.

Adjournment

There being no further business, the meeting was adjourned at 9:38 a.m.

Russ E. Wyatt
General Auditor

Yvonne Toms Allmond
Commissioner

Minutes of the Meeting of the Operations Committee Held on October 13, 2010

The meeting of the Operations Committee of the Board of Commissioners of the Virginia Housing Development Authority was held on October 13, 2010 at the offices of the Virginia Housing Development Authority, 601 S. Belvidere Street, Richmond, Virginia.

Committee Members Present Yvonne Toms Allmond
John P. McCann
Manju Ganeriwala

Other Commissioners Present Gerald Hopkins

Others Present Susan F. Dewey, Executive Director
Arthur N. Bowen, III, Managing Director of Finance & Administration
Barbara Blankenship, Managing Director of Human Resources
Russ E. Wyatt, General Auditor
Melody Barackman, Controller
Tammy Neale, Chief Learning Officer, OD&L
Janet Wigglesworth, Managing Director of Information Technology Services
Sheila Phillips, Assistant Director of Project Management
Thomas James, Treasury & Investment Manager
Christine Kline, Asst. Treasury & Investment Manager
Michelle S. Edmonds, Sr. Executive Assistant

Meeting Called to Order The meeting was called to order at 9:40 a.m. All of the members of the Committee noted above as being present at the meeting were present at that time and remained present throughout the meeting.

Approval of the Minutes Commissioner Hopkins moved approval of the minutes of the meeting of the Operations Committee dated August 4, 2010. Commissioner Ganeriwala seconded this motion. This motion was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Board Guiding Principles Herb Hill, Managing Director of Public Policy & Communications presented a draft and reviewed for the Board guiding principles for the conduct of members of the VHDA Board of Commissioners. Mr. Hill stated that many governance bodies operate under a set of guiding principles to help direct their conduct and behavior and VHDA has as well. After reviewing said document, the Committee recommended presenting the guidelines to the full Board for adoption.

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Operations Committee Minutes
October 13, 2010

**Homeowner-
ship Mortgage
Bond
Resolution
Amendments**

Art Bowen presented proposed amendments to the Homeownership Mortgage Bond general bond resolution and the corresponding Bond Limitations Resolution. These resolutions were adopted by the Board on December 2, 2009. The proposed amendments will conform the existing resolutions for bonds issued under the U.S. Treasury's New Issuance Bond Program to the changes recently made by the Treasury to that Program. A motion to recommend approval by the Board was made by Commissioner Hopkins and seconded by Commissioner McCann. This motion was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

**Investment
Policy Update**

Tom James, Treasury & Investments Manager, and Christine Kline, Asst. Treasury & Investments Manager, updated the Operations Committee on VHDA's investments and investment policies. Mr. James also reviewed "lessons learned" from the mortgage securities meltdown and the current status of VHDA's ABS holdings.

HR Update

Barbara Blankenship gave her update on the status of staff resources.

ODL Update

Tammy Neale reported that all associates have met the training requirement on Professional Use of E-mail at VHDA. The next requirement is for all associates to attend Annual Security Awareness training by the end of the calendar year. The Commonwealth of Virginia Campaign will begin next week and run through November. This is VHDA's annual charitable giving campaign.

**Program/
Project Update**

Sheila Phillips, Assistant Director of Project Management provided the program/project update. Active portfolio in the PMO's, 12 of 13 efforts are in green. MF Development System is in yellow status due to previous risks with vendor.

Records management retention schedules for all departments have been developed and filed with the Library of Virginia.

Enterprise Resource Planning (ERP) - tremendous progress has been achieved since the last update. Ms. Phillips provided a status update which included current status and upcoming activities, as it relates to the following key modules of this initiative: 1) Information Technology Systems (ITS); 2) Enterprise Financial Module (EFM); 3) Human Capital Module (HCM); 4) Supply Chain Module (SCM); and 5) Organizational Change Management (OCM).

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Operations Committee Minutes
October 13, 2010

Adjournment There being no further business, Commissioner Allmond adjourned the meeting at 10:50 a.m.

Arthur N. Bowen, III
Managing Director of Finance &
Administration

Yvonne Toms Allmond
Commissioner