



GUAM HOUSING CORPORATION
REGULAR BOARD OF DIRECTORS MEETING
Friday, March 29, 2019 at 8:30 a.m.

AGENDA




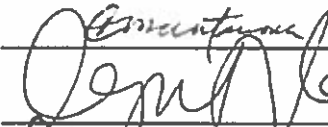




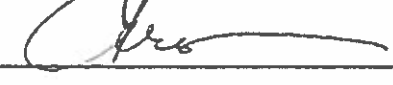

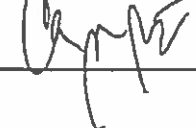
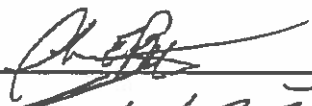

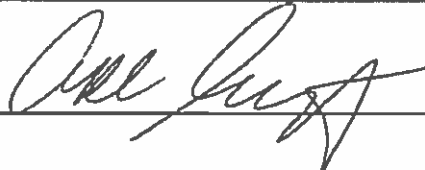
- I. Call to Order
- II. Roll Call
- III. Approval of Board Minutes
 - A. Regular BOD Meeting – March 7, 2019
- IV. Legal Report
- V. Old Business-
 - MOU (GHC & WestCare) Update
 - MOU (CLTC and GHC) Update
- VI. New Business
 - Adjustment of Housing Income Limits for CAHAT
 - CLTC Land Switch (Sagan Linahyan)
 - FTHAP Release of Funds
- VII. President's Report
 - A. Rental Report
 - B. Loan Report
 - C. Accounting
 - D. Administration
- VIII. Public Participation
- IX. Miscellaneous
- X. Adjournment



GUAM HOUSING CORPORATIONS
BOARD OF DIRECTORS MEETING

Meeting Type: Regular Board Meeting
Date: Friday, March 29, 2019
Time: 8:30 a.m.

ATTENDANCE
(Please sign in)

Chairman	Francisco Florig	
Vice Chairman	Tomas Flores	
Secretary	Cecilia C.A. Perez	
Director	Sandra Bordallo	absent
Director	Cecila G. Mantanona	
Legal Counsel	Cynthia Ecube	
Acting President	Alice M. Taijeron	
Housing Manager	Angela Camacho	
Loan Administrator	Mary Guerrero	
Special Asst.	Caesar Villanueva	
Acctg Manager	Alysia Leon Guerrero	
Acting ASO	Cassandra Santos	
Q.A.O.	Clyde Beaver	
Tenant Relation Adv	John Potter	
Maint. Supervisor	John Muna	
Board Coordinator Admin Secretary	Arleen Evangelista	

Members of the Public:

Organization:

Name:

Signature:

**GUAM HOUSING CORPORATION
BOARD OF DIRECTORS REGULAR MEETING
Thursday, March 7, 2019**

Commenced: 9:12 a.m.

Adjourned: 11:17 a.m.

Roll call/quorum present: 5 members present

AGENDA ITEM		DISCUSSION	ACTION / PLAN	FOLLOW UP	RESPONSIBLE PARTY	STATUS
<p>I. Approval of Minutes: January 25, 2019</p>		<p>Board members reviewed the minutes of January 25, 2019 Regular Board meeting.</p>	<p>Upon motion made and seconded, the minutes for the January 25, 2019 Regular Meeting were approved by the Board without any further corrections nor amendments.</p>	<p>Legal Counsel</p>	<p>Legal Counsel</p>	<p>Approved</p>
<p>II. Legal Report:</p>		<p>a. <u>Status of Foreclosure Cases:</u></p>	<p>Legal counsel reported on the status of the foreclosure referrals from GHC and provided the Board a copy of Legal</p>	<p>Legal Counsel</p>	<p>Legal Counsel</p>	<p>Legal Counsel</p>

ATTENDANCE

Management present:

Alice J. Taijeron, Acting President
Angela Camacho, Manager
Mary Guerrero, Loan Administrator
Caesar Villanueva, Special Assistant
Alysia Leon Guerrero, Accounting Manager
Cassandra Santos, ASMA
John Potter, Senior Tenant Relations Supervisor
Arleen Evangelista, Administrative Secretary

Absent:

Clyde Beaver, Quality Assurance Manager

Directors present:

Francisco Florig, Chairman
Tomas Flores, Vice-Chairman
Sandra Bordallo, Director
Cecilia C.A. Perez, Director
Cecilia G. Mantanona, Director

Absent:

None

			<p>counsel's updated written report documenting the status and action for each account as of February 22, 2019. Legal counsel summarized that as of February 22, 2019, there are 22 pending loan accounts. Currently, there are eight (8) pending loan workout agreements; The following is a summary of activity of the ongoing pending accounts:</p>				
			<p><u>GHC-005:</u> Legal counsel will be re-initiating foreclosure action since debtor is 3 months in arrears and has not paid past due attorney's fees and costs from the prior foreclosure action;</p>				
			<p><u>GHC-025:</u> This account involves a private sale currently in escrow which is scheduled to close once all conditions are met;</p>				
			<p><u>GHC-012:</u> This account involves a foreclosure contest in which GHC and Legal Counsel are scheduled to meet with the debtor's agent and debtor's attorney on March 8, 2019 to</p>				

discuss debtor's latest proposal to cure the outstanding arrears owed on the pending loan account;

GHC-013: Legal counsel was informed by GHC loan division that the new applicant was able to secure another co-borrower (who is not the defaulting party) and who has been pre-approved by GHC. As a result, GHC is now able to approve the new loan and will be able to close out this pending loan account;

GHC-041: Debtors have requested a short moratorium from GHC pursuing foreclosure action due to debtor's current medical situation. GHC's Credit Committee recommended a 90 day moratorium to allow debtors to either sell or lease the property and assign rental proceeds to GHC. New management is supportive of the proposed recommendation. Legal counsel will contact debtors regarding GHC's response advising them of the moratorium and to provide Legal counsel with an update of

	<p>their situation within the 90 day moratorium period;</p> <p>GHC-047: a foreclosure sale, which was re-scheduled for March 14, 2019 at Yona Mayor's Office, was postponed to April 30, 2019 at 10:00 am in order to allow debtors to sell the property and payoff GHC from the proceeds of the sale;</p> <p>GHC-048: Legal counsel received a recent foreclosure referral regarding a property located in Asan. GHC's acting President is now working with GHURA to address the issue of ownership administratively and is awaiting a final response from GHURA. Legal counsel will hold off on further action on this matter for a period of 30 days based upon the on-going resolution between GHC and GHURA;</p> <p>GHC-030: Debtor paid off all outstanding arrears owed to the Corporation and Legal counsel was instructed to return this account back to GHC and close this account with Legal counsel. Legal counsel continues to</p>	
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resolve and or monitor the above-pending foreclosure accounts. Aside from the foreclosure matters, legal counsel continues to provide assistance on non-foreclosure legal matters.

1. GHC v. Troy Torres; CV0139-18: Legal counsel reported that the Defendant Torres was picked up by the Superior Court Marshals pursuant to a Warrant of Arrest issued by the Court. Defendant, however, posted bail of \$300.00 and was ordered to appear at the next court hearing on March 28, 2019 at 9:30 am.

2. GHC v. BOG, et. al.; CV0281-18: Legal counsel continues to work resolving the interpleader action filed against the remaining defendants towards a final resolution.

Legal counsel will continue to provide updated information and reports on the pending foreclosure and legal matters to

	<p>b. <u>Update of Memorandum of Understanding (MOU) with GHC and Westcare:</u></p>	<p>the Board at the next regular meeting.</p> <p>GHC Legal counsel reported to the Board that the MOUs between GHC and Westcare should be tabled in order for GHC's Manager to provide a status and update on the progress of the renovations of the rental units. Director Bordallo recommended that the acting President prepare a letter to Westcare's Executive Director (Sarah Thomas Nededog) informing them of the delay related to the MOUs and detailing the issues related to the delay arising from the pending renovations of the rental units. Director Bordallo also suggested that the acting President and Westcare meet to discuss the proposed plans related to the MOUs between Westcare and GHC. The Board tabled this matter for the next meeting.</p>	<p>Legal Counsel/ President</p>	<p>Legal Counsel/ President</p>	<p>PENDING</p>
<p>III. Old Business:</p>	<p>a. <u>New Applicant (GHC-013):</u> This matter was reported under Legal Report.</p>		<p>Legal Counsel</p>	<p>Legal counsel</p>	<p>Approved</p>

	<p>The Acting President reported on both Old and New Business matters under the President's Report dated January 31, 2019.</p>			Management/ President	Management/ President
IV.	<p>New Business:</p> <p>None.</p>			Management/ President	Management/ President
V.	<p>President's Remarks:</p> <p>The Acting President provided a written report to the Board documenting the status on the following items related to Rental Division, Mortgage Loan Division, Accounting, and Administrative Division. The following is based on the responses by the Board:</p>	<p>a. <u>Reimbursements to GHC.</u></p> <p>Vice Chairman Flores commented on reimbursed costs for the homeless related to Paragraph 7, Page 4 of the acting President's Report. Vice Chairman Flores elaborated on discussions regarding the reimbursement of funds related to its FSM tenants and the FSM Consulate's involvement with this issue. The acting President indicated that GHC is working with the utility agencies</p>		Management/ President	Management/ President

regarding available programs allowing GHC to recover utility costs advanced by the Corporation. The Chairman commented that this was an issue previously addressed by GHC with the Consolidated Utilities Authority and their response was that recovery of costs would affect their bond covenants. The acting President also reported that GHC is working with the new Administration related to the challenges with FSM tenants. The Chairman responded that GHC's Past President Benavente tried to sit down with the FSM Consulate however the FSM Consulate did not want to work with GHC on this issue. The acting President reported that GHC will be initiating a Town Home meeting with their rental tenants, the Dededo Mayor, and FSM Consulate. It was also suggested to include Senator Clynt Ridgell, who is affiliated with the FSM culture and is a good role model, and the Dededo GPD Precinct Office to participate with the Town Home discussions. The goal of the

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Town Home meeting is to talk about services available to the tenants within the community and to build GHC's relationship with its tenants. Currently, Lada houses 60% to 65% of FSM tenants. Likewise, there is a large population of FSM tenants with Asatdas and Sagan Lahayan. The Chairman commented that new Management is being very proactive and commended them for their proactive approach.

b. Rental Division.

1. **Rental Amnesty Program:**
 The acting President reported that payments were good in January 2019. February was not as good due to a short month. Collection has been a problem but GHC continues to be very aggressive and pro-active. The acting President also commented that the Corporation is working on its SOPs, processes and procedures to be all consistent and proactive as opposed to waiting for 30 day delinquency period. The Chairman also suggested

			<p>that GHC be aggressive on mortgages. The acting President responded and stated that GHC is undertaking preventative measures with the debtors by contacting them to follow up on mortgage payments prior to the expiration of the 90 day delinquency period. The Chairman reminded new Management to include due dates on its Lease Agreements. GHC Manager responded that all leases have expired and that all tenants are currently on month to month tenancy with GHC. GHC is working on revising its lease agreement and House Rules to reflect that all rental payments shall be due on the 1st of the month and late payments shall be assessed on the 10th day of each month. Director Bordallo and Chairman Florig both commented that the Board previously instituted a directive that a date be established on when payments are due, however, both the acting President and Manager responded that this was not accomplished from prior legal counsel when the standard lease</p>
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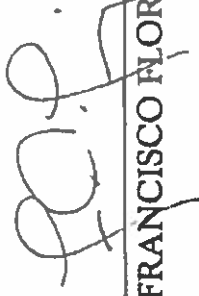
agreement was last amended. The acting President stated that GHC is updating its standard lease agreement and house rules for implementation with its tenants. The Chairman inquired how GHC would address a tenant that moves in during the middle of the month. Management responded that rental payments would be prorated. The Chairman also reminded Management that there should not be any delinquencies beyond 90 days pursuant to the board's prior action directing Management not to allow tenants' rental payments to exceed past 90 days. The acting President and Manager both responded that GHC is giving its tenants 30 days notice to vacate if rental payments become overdue. GHC Manager reported that 1 tenant could not comply with the Amnesty Program and moved out after January allowing for another prospective tenant to occupy the unit and who can pay. The Vice-Chairman stated that in the past, the Board had to do

damage control in order to follow up on the overdue payments problem. The acting President reported that the problem with GHC's rental homes is that they are not livable. GHC Manager also reported that they have identified 5 homes that GHC could work with GCC's Apprentice Program to renovate the units and are awaiting the MOU to work with them. GHC is also in communications with the Guam Trades Academy to utilize its apprenticeship program to assist with the renovation of GHC's units. The acting President stated that GHC will enforce the lease agreement and Guam's laws regarding the clean-up of the property and not to use the leased premises for any other purpose except for residential occupancy. GHC reported 1 problem tenant who failed to pay rent since moving in September 2018 and will work with legal counsel to properly evict the tenant from the premises. GHC will continue report on the progress and the status the rental matters at the

VI.	Reports: Refer to Acting President's Report dated January 31, 2019				next board meeting. Board members commented positively on the acting President's report and the continued progress with the Corporation's pending matters.				
VII.	Public Participation:								
VIII.	Miscellaneous:								
IX.	Adjournment:								

APPROVED AND ACCEPTED
AS TO FORM AND CONTENT:

GUAM HOUSING CORPORATION



By:

FRANCISCO FLORIG, Chairman

Date: 3/29/2019

MINUTES TRANSCRIBED
AND PREPARED BY:

LAW OFFICE OF CYNTHIA V. ECUBE, ESQ.
A Professional Corporation



By:

CYNTHIA V. ECUBE, ESQ.
Legal Counsel for Corporation

Date: 3/29/19



GUAM HOUSING CORPORATION

P.O. Box 3457, Hagåtña, Guam 96932

**GUAM HOUSING CORPORATION
BOARD OF DIRECTORS**

Resolution Number: 04-2019

WHEREAS, Chapter 4 of Title 12 of Guam Code Annotated vested the Management of Guam Housing Corporation (GHC) in its Board of Directors; and

WHEREAS, Sections 4205 and 4305 of Chapter 4 of Title 12 of the Guam Code Annotated sets out the adjusted income limitation for borrowers to participate in the Community Affordable Housing Action Trust (CAHAT) and the adjustments on the income limitations as needed; and


WHEREAS, The income limitations were derived as percentages of the median income for the Territory as published by the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, the present income limitations were established using the 2007 HUD median income limits and further adjusted on July 31, 2013 thru a Board Resolution; and

WHEREAS, The Fiscal Year 2018 median income for the Territory as released by HUD October 2017 is now \$59,600.00, now therefore


BE IT RESOLVED, That the Board of Directors of Guam Housing Corporation hereby adjusts the income limitations as set forth in Section 4205 Chapter 4 of Title 12 of the Guam Code Annotated are hereby updated as follows: Schedule I up to \$83,440, Schedule II: \$83,441 to \$101,320, and Schedule III: \$101,321 to \$119,200 and for Section 4305 Chapter 4 of Title 12 of the Guam Code Annotated Schedule I: up to \$47,680, Schedule II: \$47,681 to \$53,640, Schedule III: \$53,641 to \$59,600, and Schedule IV: \$59,601 to \$71,520.

Adopted by the Board of Directors of the Guam Housing Corporation at its Regular Monthly Meeting on March 29, 2019.


Francisco Florio, Board Chairman


Tomas Flores, Board Vice Chairman


Cecilia C.A. Perez, Secretary


Cecilia G. Mantanona, Director

Absent
Sandra F. Bordallo, Director



PRESIDENT'S BOARD REPORT

Month Ending February 28, 2019

SUMMARY

The following president's report is for month end February. February was a short month so much of the financial information reported is that from a 28 day month in comparison to our 30/31 day month(s). Many of our challenges remain the same such as collecting on rentals, getting units on line, collecting on loans that are past due, to name a few. Despite these challenges, the Guam Housing Team continues to work toward getting our financials back on track.

Our month end January report provided specific information on each division however for this month end February report, I will report more on the challenges our organization faces and how we plan to address these challenges. I will also provide our highlights as this would be information showcasing the good and hard work of our team.

CHALLENGES

I. Collection on past due loan mortgages/rentals

Our goal is to decrease past due accounts and contain delinquencies to 30 days or less. To accomplish this the loan collection division and the rental division will be proactive by monitoring loans/rentals and reaching out to stakeholders. We will continue to work with legal on pending accounts and hope to close on most if not all these accounts by year end.

II. Getting Units on line

Our financial stability is dependent on our ability to rent and provide loans and collect on interest and fees from these activities. For the month of February, we experienced an increase in our vacancies by about two units. Tenants moved onto other housing. While we will experience a loss of income, the units will be refurbished to livable standards and prepared for rent. Many of our assets are aged and are in need of renovations and or refurbishment. The Housing team continue to make renovating/refurbishing a priority for our Lada Gardens. Our As Atdas units will come back on line as soon as DPW makes their site visit to help us assess our needs for our scope of work to be used for an RFP for repairs. I've met with acting Director Jesse Garcia and he has committed to assisting us. I am currently waiting for the CIP point of contact to schedule a walk thru with one of DPW's engineers.

III. Lending Capital

Identifying capital to be able to continue our programs is an enormous challenge. It is critical at this point to work with the legislature and the front office on legislation that may be able to assist. I plan to review

the Housing Trust Fund Act in its entirety and discuss with our team ways to improve upon it and then seek support from our legislature. In addition to the Housing Trust Fund we will continue to explore other opportunities toward increasing our lending capital.

IV. GUAM HOUSING CORP. RENTAL DIVISION

- A. *Rental Highlight(s)* – Cash received on GHC rentals increased a little over \$2,500. *Graph A attached for informational purposes.* Collections from amnesty participants is ongoing. Refurbishing of units in Lada being conducted. Rental may have close to 5 units online by March. Rental amount for GHURA will increase as assessments were made and it was discovered that GHC was undercharging tenants using old GHURA rates.
- B. *Rental Challenges* – Vacancy loss increased \$143.00 and an additional unit vacant. *Graph B attached for informational purposes.* Non-paying tenants are being aggressively noticed and evicted when necessary.
- C. *Tenant Account Receivables* – Tenant account receivables decreased for the month of February in the amount of \$5,078.00. *Graph C attached for informational purposes.* Vacancies occurred in Lada and As Atdas. Non-compliant tenants are being evicted when and where necessary.

V. GUAM HOUSING CORP. MORTGAGE LOAN DIVISION

- A. *Mortgage Loan Highlight(s)* – Our Mortgage division closed two loans in the month of February. *Graph D attached for informational purposes.* These loans were closed at 4.00% under the Six Percent Revolving Loan program and 5.375% under the Direct Loan Program; and one applicant pending closing for \$228,607 under the 6% Percent Revolving Loan program.
- B. *Escheated Funds* – DOA disbursed \$300,000 on March 19, this amount will fund 33 applicants totaling \$272,437. GHC will realize \$27,243.00 in income. We will continue to work with DOA Director Birn and request for the release of the additional \$300,000 he committed to GHC.
- C. *Mortgage Loan Receivables* - Mortgage loan receivables reflect a decrease of \$443,519 of delinquent principal balance from the previous month due, in part, to the number of days in the month. *Graph E attached for informational purposes.* The decrease on delinquent loans not referred to legal and referred to legal were \$252,798 and \$190,721 respectively.
- D. Although we continue to conduct outreach activities with our stakeholders, we are limiting the activities due to the limited funding for all of our programs. As of this date, the funding available for each program follows.

Direct Loan - \$500,000

Six Percent Loan Program - \$421,000

CAHAT - \$16,500
FTHAP - \$7,970.26

VI. GUAM HOUSING CORP ACCOUNTING

- A. As of February 2019, there is a decrease in net position (net loss) of \$135,546 fiscal year to date. The loss was due to non-accrued interest, delinquency rate on interest bearing loans, an overall decrease in the market value of investments, vacancies, emergency housing expenses, utility payment for power and water for the homeless.
- B. Audit report pending response from DOA regarding certain questions. A letter was sent to the Director and a follow up email. A phone call will be made within the week request for response.

**Guam Housing Corporation Statement of Net Position as of 02/28/2019 is at the end of appendix for informational purposes.*

IV . GUAM HOUSING CORP. EXECUTIVE ADMINISTRATION DIVISION

- A. Updates and activities
 - a. OODO Software. One more training to be scheduled for the team. All requests from accounting regarding forms have been addressed and pending completion.
 - b. Standard Operating Procedures are being drafted. Information we have on hand will be uploaded to our website pursuant to law. We will continue to work on updating and finalizing what we have for our various divisions.
 - c. 3 OREO properties have been listed on our website and notice to the realtor's association was provided. GHC signs will be placed to identify these properties. Since having posted the information on the website, our office has received a few inquiries.

>> Lot 28, Block 6, Yona: Information posted on the availability for purchase. Brief description on the dwelling is provided on the website.

>> Lot 66-2-1, Tract 538, Dededo: Information posted relative to the availability for purchase. A description of the dwelling is provided as well.

>> Lot 252-1B, Piti: Buyer approved for a mortgage with FHB. Await closing

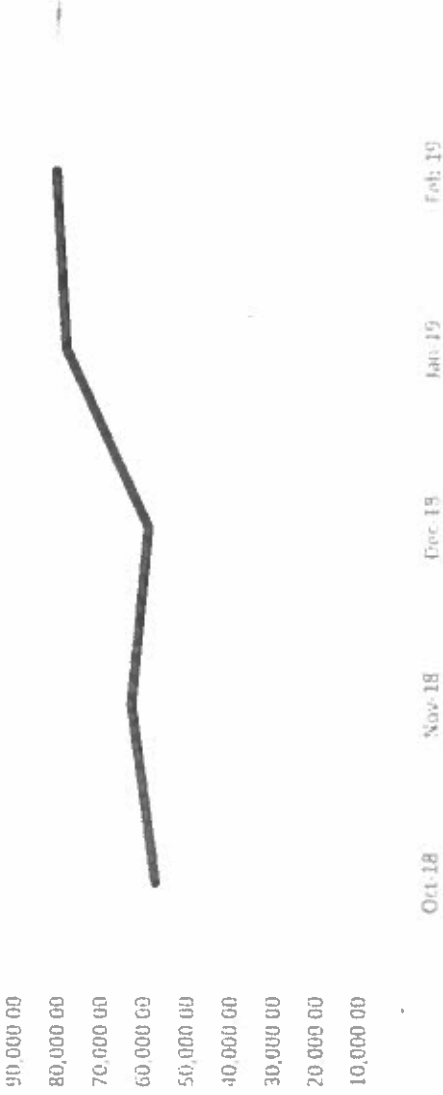
I hope the information provided assists toward a better understanding of our current position. There is still much work ahead and the GHC team is working toward identifying solutions to our current challenges.

APPENDIX

Guam Housing Corporation
Rental Collections

Cash Received	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
	57,325.00	63,071.69	59,244.60	78,484.84	81,006.15

Cash Received

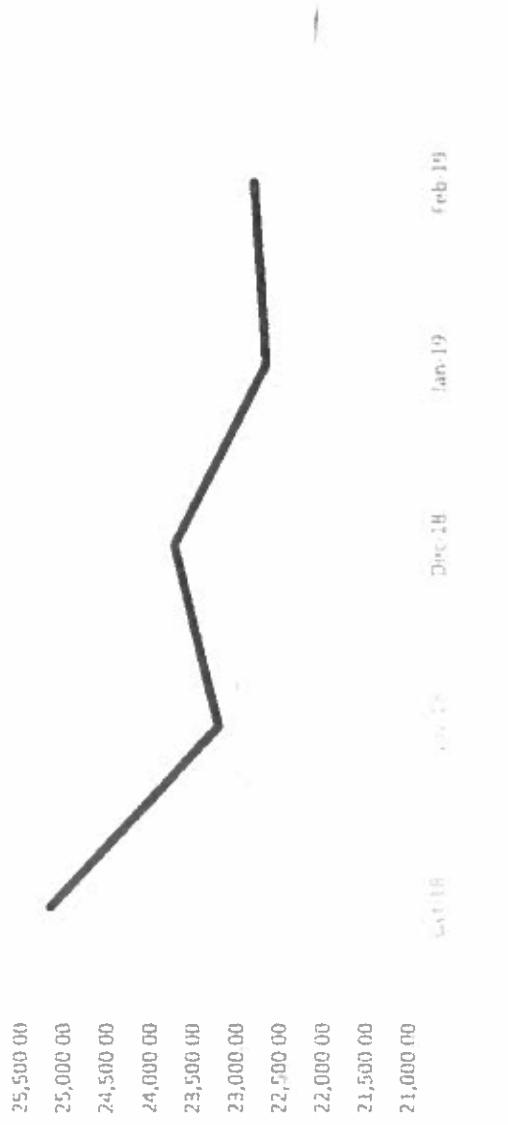


GRAPH - A

Guam Housing Corporation
Vacancy Loss

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Vacancy Loss	25,159.78	23,220.00	23,738.32	22,678.16	22,821.53
No. of Units at the End of the month	38	33	33	32	33

Vacancy Loss

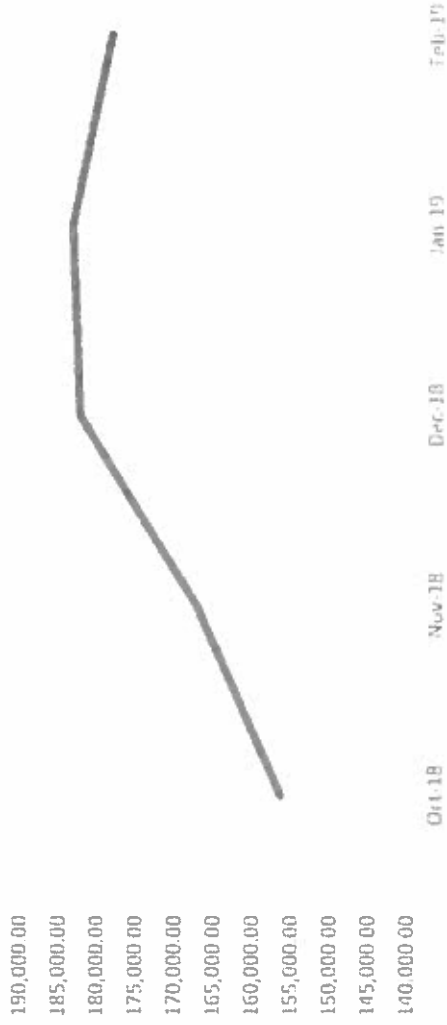


GRAPH - B

**Guam Housing Corporation
Tenant Account Receivable**

Tenant A/R No. of Tenants	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
	156,375.70	167,209.01	182,306.25	183,319.89	178,241.65
	83	84	87	93	95

Tenant A/R

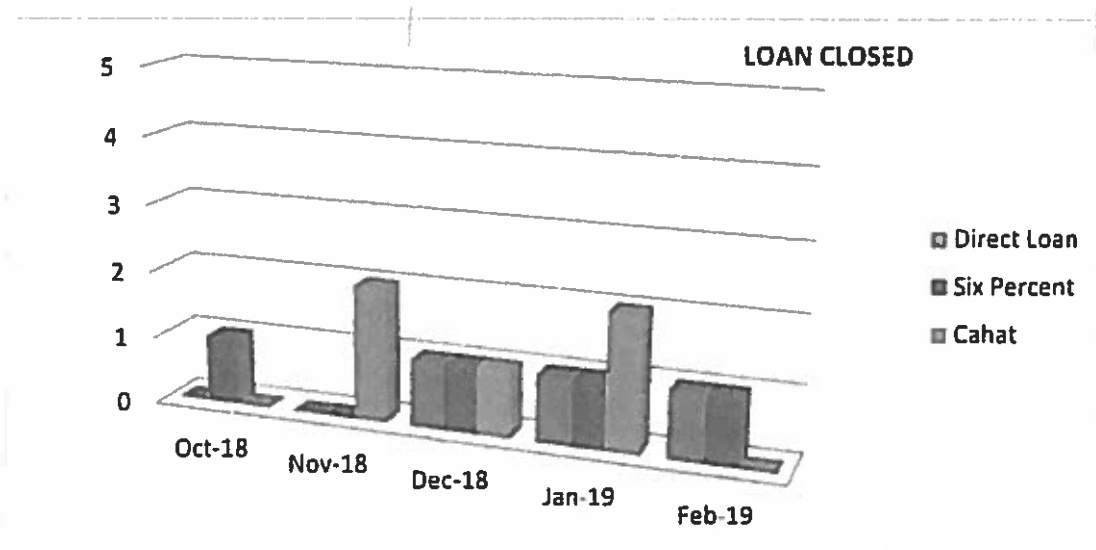


GRAPH - C

LOAN ACTIVITY REPORT

Loan Closed as of February 28, 2019

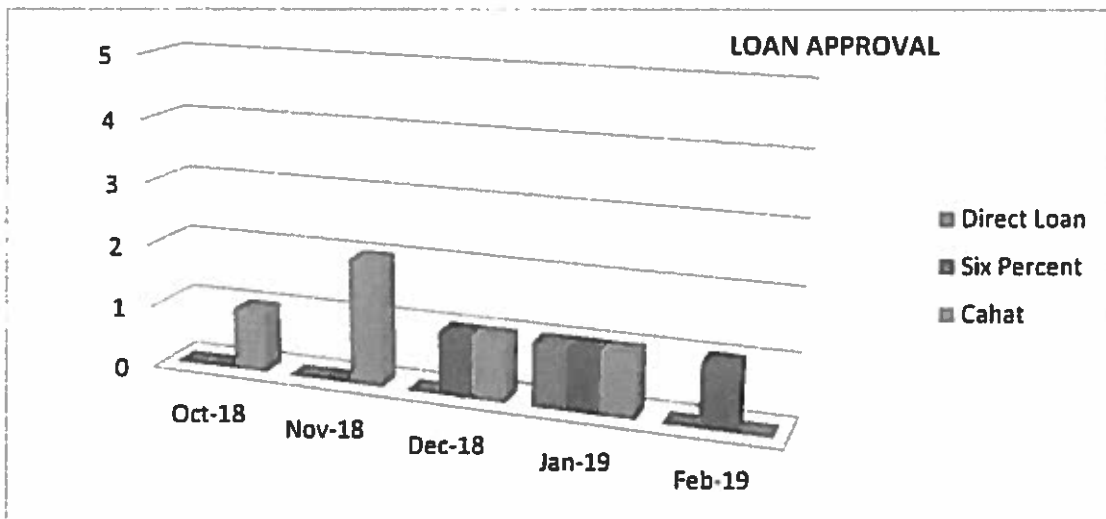
	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Direct Loan	0	0	1	1	1
Six Percent	1	0	1	1	1
Cahat	0	2	1	2	0



LOAN ACTIVITY REPORT

Loan Approval as of February 28, 2019

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Direct Loan	0	0	0	1	0
Six Percent	0	0	1	1	1
Cahat	1	2	1	1	0

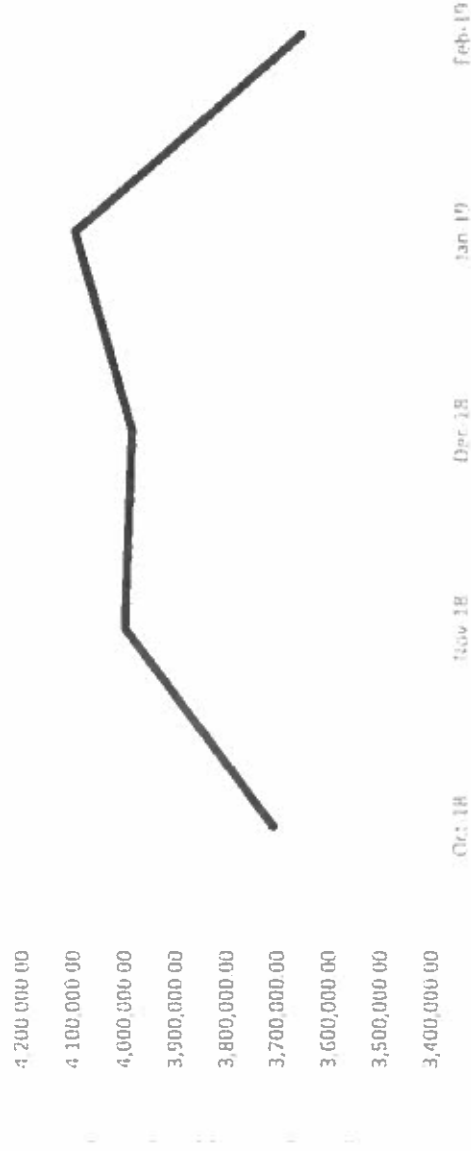


GRAPH D

Guam Housing Corporation
 Loan Receivable (30 days & over)
 Portfolio includes GHC, CHAT & HM

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Principal Balance	3,708,839.88	4,002,276.13	3,988,696.79	4,100,092.33	3,656,573.62
No. of Loans	46	49	51	50	43

Principal Balance



Note: The decrease in February is due, in part, to the number of days in the month.

GRAPH - E

Guam Housing Corporation
Statement of Net Position
As of 2/28/2019

	Current Year	Prior Year
Assets and Deferred Outflows of Resources		
Unrestricted Assets		
Cash and cash equivalents	3,296,033.76	2,689,981.39
Self-insurance fund	1,140,735.72	1,121,075.21
Loans receivable	26,876,487.59	28,027,078.24
Allowance for loan losses	(574,176.71)	(599,523.62)
Tenant & inter receivable, net	47,494.40	97,829.36
Other receivables	10,951.49	1,258.74
Accrued interest receivable	70,207.88	70,625.99
Prepaid expenses and other	108,921.89	100,918.14
Foreclosed assets held for resale	477,450.00	408,818.83
Total Unrestricted Assets	31,454,106.02	31,918,062.28
Restricted Assets		
Cash and cash equivalents	2,831,002.36	3,001,909.82
Investments with trustee	2,257,659.09	2,673,267.21
Other loans receivables (CAHAT, Sagan, DPCCA & H+I)	2,005,653.52	1,858,016.03
Total Restricted Assets	7,094,314.97	7,533,193.06
Capital assets, net		
Depreciable property, plant and equipment	3,204,227.07	3,327,762.39
Non-depreciable property, plant and equipment	2,934,227.47	2,934,227.47
Total Capital assets, net	6,138,454.54	6,261,989.86
Deferred outflows of resources		
	423,681.00	423,681.00
Total Assets and Deferred Outflows of Resources	45,110,556.53	46,136,926.20
Liabilities		
Payable from unrestricted assets		
Accounts payable and accrued expenses	142,766.24	143,955.91
Accrued compensated absences	236,897.57	236,393.37
Unearned revenue	153,429.79	158,127.95
Total Payable from unrestricted assets	533,093.60	538,477.23
Payable from restricted assets		
Accounts payable	98,530.92	210,039.23
Bonds payable	3,715,000.00	3,905,000.00
Accrued interest payable	103,210.02	108,292.50
Security deposits	50,930.08	55,292.58
Deposits by borrowers	455,400.42	597,693.76
Loans held in trust	162,747.59	173,706.32
Rebate liability	78,015.47	75,716.66
Total Payable from restricted assets	4,663,834.50	5,125,741.05
Net pension liability		
	4,035,146.00	4,035,146.00
Total Liabilities	9,232,074.10	9,699,364.28
Deferred inflows of resources - pension		
	42,023.00	42,023.00
Net position		
Invested in capital assets, net of related debt		
	6,216,039.91	6,335,993.91
Restricted		
	3,903,674.51	3,605,361.44
Unrestricted		
	25,716,745.01	26,454,183.57
Total Net position	35,836,459.43	36,395,538.92
Total liabilities, deferred inflows and net position		
	45,110,556.53	46,136,926.20

Guam Housing Corporation
Statement of Net Position
As of 2/28/2019

	<u>Housing Division</u>	<u>Rental Division</u>	<u>Total</u>
Assets and Deferred Outflows of Resources			
Unrestricted Assets			
Cash and cash equivalents	2,732,766.99	563,266.77	3,296,033.76
Self-insurance fund	0.00	1,140,735.72	1,140,735.72
Loans receivable	26,876,487.59	0.00	26,876,487.59
Allowance for loan losses	(574,176.71)	0.00	(574,176.71)
Tenant & inter receivable, net	(371,797.55)	419,291.95	47,494.40
Other receivables	10,951.49	0.00	10,951.49
Accrued interest receivable	63,509.05	6,698.83	70,207.88
Prepaid expenses and other	40,027.94	68,893.95	108,921.89
Foreclosed assets held for resale	477,450.00	0.00	477,450.00
Total Unrestricted Assets	<u>29,255,218.80</u>	<u>2,198,887.22</u>	<u>31,454,106.02</u>
Restricted Assets			
Cash and cash equivalents	2,684,778.06	146,224.30	2,831,002.36
Investments with trustee	2,257,659.09	0.00	2,257,659.09
Other loans receivables (CAHAT, Sagan, DPCCA & HM)	2,005,653.52	0.00	2,005,653.52
Total Restricted Assets	<u>6,948,090.67</u>	<u>146,224.30</u>	<u>7,094,314.97</u>
Capital assets, net			
Depreciable property, plant and equipment	0.00	3,204,227.07	3,204,227.07
Non-depreciable property, plant and equipment	0.00	2,934,227.47	2,934,227.47
Total Capital assets, net	<u>0.00</u>	<u>6,138,454.54</u>	<u>6,138,454.54</u>
Deferred outflows of resources			
	<u>263,614.00</u>	<u>160,067.00</u>	<u>423,681.00</u>
Total Assets and Deferred Outflows of Resources	<u><u>36,466,923.47</u></u>	<u><u>8,643,633.06</u></u>	<u><u>45,110,556.53</u></u>
Liabilities			
Payable from unrestricted assets			
Accounts payable and accrued expenses	89,151.50	53,614.74	142,766.24
Accrued compensated absences	155,728.02	81,169.55	236,897.57
Unearned revenue	145,577.35	7,852.44	153,429.79
Total Payable from unrestricted assets	<u>390,456.87</u>	<u>142,636.73</u>	<u>533,093.60</u>
Payable from restricted assets			
Accounts payable	98,530.92	0.00	98,530.92
Bonds payable	3,715,000.00	0.00	3,715,000.00
Accrued interest payable	103,210.02	0.00	103,210.02
Security deposits	900.00	50,030.08	50,930.08
Deposits by borrowers	455,400.42	0.00	455,400.42
Loans held in trust	162,747.59	0.00	162,747.59
Rebate liability	78,015.47	0.00	78,015.47
Total Payable from restricted assets	<u>4,613,804.42</u>	<u>50,030.08</u>	<u>4,663,834.50</u>
Net pension liability			
	<u>2,510,668.00</u>	<u>1,524,478.00</u>	<u>4,035,146.00</u>
Total Liabilities	<u><u>7,514,929.29</u></u>	<u><u>1,717,144.81</u></u>	<u><u>9,232,074.10</u></u>
Deferred inflows of resources - pension			
	<u>26,147.00</u>	<u>15,876.00</u>	<u>42,023.00</u>
Net position			
Invested in capital assets, net of related debt			
	<u>0.00</u>	<u>6,216,039.91</u>	<u>6,216,039.91</u>
Restricted			
	<u>3,816,591.38</u>	<u>87,083.13</u>	<u>3,903,674.51</u>
Unrestricted			
	<u>25,109,255.80</u>	<u>607,489.21</u>	<u>25,716,745.01</u>
Total Net position	<u><u>28,925,847.18</u></u>	<u><u>6,910,612.25</u></u>	<u><u>35,836,459.43</u></u>
Total liabilities, deferred inflows and net position	<u><u>36,466,923.47</u></u>	<u><u>8,643,633.06</u></u>	<u><u>45,110,556.53</u></u>

Guam Housing Corporation
Statement of Revenues, Expenses and Changes in Net Position
From 2/1/2019 Through 2/28/2019

	Current Period Actual	Prior Year Current Period Actual
Operating Revenues:		
Interest on loans receivable	107,679.59	121,852.88
Rental Income	75,728.47	72,927.63
Interest on investments held by bond trustees	4,289.85	3,393.42
Loan origination fees/lost, net	8,863.54	1,773.66
Administrative Fee	0.00	6,406.66
Late fees, service fees & return check fees	2,310.72	3,018.13
Total Operating Revenues:	198,872.17	209,372.38
Operating Expenses:		
Interest expense MRB	17,201.67	18,048.75
Interest expense notes payable	0.00	0.00
Salaries	98,724.56	100,593.35
Bad debts and provision for loan losses	0.00	0.00
Retirement contributions	25,923.75	26,563.59
Retiree supplemental, cola & health benefits	17,478.86	18,989.76
First Time Homeowner's Assistance Program	0.00	0.00
Depreciation	15,495.78	14,800.81
Contractual services	13,292.77	6,978.48
Professional services	10,117.57	12,512.11
Rent	8,754.50	8,754.50
Other	3,593.12	3,049.02
Travel	0.00	0.00
Employee benefits, other than retirement	7,985.06	6,395.22
Maintenance	4,365.14	12,473.40
Bond trustee fees	1,226.00	1,226.00
Directors' fees	0.00	0.00
Loss on impaired asset or disposal of assets	0.00	0.00
Total Operating Expenses:	224,158.78	230,384.99
Non-operating Revenue (Expenses)		
Interest income on bank deposits	3,648.64	2,302.11
Gain/(loss) on assets	0.00	0.00
Other income	120.00	30.00
Total Non-operating Revenue (Expenses)	3,768.64	2,332.11
Change in net position	(21,517.97)	(18,680.50)
Total net position at beginning of month	35,857,977.40	36,414,219.42
Net position at end of year	35,836,459.43	36,395,538.92

Guam Housing Corporation
Statement of Revenues, Expenses and Changes in Net Position
From 2/1/2019 Through 2/28/2019

	<u>Housing Division</u>	<u>Rental Division</u>	<u>Total</u>
Operating Revenues:			
Interest on loans receivable	107,679.59	0.00	107,679.59
Loan origination fees/cost. net	8,863.54	0.00	8,863.54
Interest on investments held by bond trustees	4,289.85	0.00	4,289.85
Rental Income	0.00	75,728.47	75,728.47
Late fees, service fees & return check fees	2,240.72	70.00	2,310.72
Interest income on bank deposits	1,695.16	1,953.48	3,648.64
Administrative Fee	0.00	0.00	0.00
Other income	0.00	120.00	120.00
Gain/(loss) on sale of assets	0.00	0.00	0.00
Total Operating Revenues:	<u>124,768.86</u>	<u>77,871.95</u>	<u>202,640.81</u>
Operating Expenses:			
Interest expense MRB	17,201.67	0.00	17,201.67
Salaries	52,709.78	46,014.78	98,724.56
Bad debts and provision for loan losses	0.00	0.00	0.00
Retirement contributions	14,820.75	11,103.00	25,923.75
Medicare & DC Death & Disability Insurance	1,064.21	746.62	1,810.83
Retiree supplemental, cola & health benefits	12,748.70	4,730.16	17,478.86
First Time Homeowner's Assistance Program	0.00	0.00	0.00
Depreciation	0.00	15,495.78	15,495.78
Contractual services	8,908.16	4,384.61	13,292.77
Professional services	8,557.07	1,560.50	10,117.57
Rent	8,754.50	0.00	8,754.50
Other	1,336.77	2,256.35	3,593.12
Employee benefits, other than retirement, medicare & D&D ins	3,917.31	2,256.92	6,174.23
Maintenance	0.00	4,365.14	4,365.14
Bond trustee fees	1,226.00	0.00	1,226.00
Directors' fees	0.00	0.00	0.00
Loss on impaired assets or disposal of asset	0.00	0.00	0.00
Total Operating Expenses:	<u>131,244.92</u>	<u>92,913.86</u>	<u>224,158.78</u>
Change in net position	(6,476.06)	(15,041.91)	(21,517.97)
Total net position at beginning of year	28,932,323.24	6,925,654.16	35,857,977.40
Total net position of end of year	<u><u>28,925,847.18</u></u>	<u><u>6,910,612.25</u></u>	<u><u>35,836,459.43</u></u>

Guam Housing Corporation
Statement of Revenues, Expenses and Changes in Net Position
From 10/1/2018 Through 2/28/2019

	<u>Current Year Actual</u>	<u>Prior Year Actual</u>
Operating Revenues:		
Interest on loans receivable	579,174.60	599,001.40
Loan origination fees/cost, net	23,356.22	7,167.00
Interest on investments held by bond trustees	13,499.61	(14,597.19)
Rental Income	375,132.21	366,153.75
Late fees, service fees & return check fees	13,547.45	17,272.23
Interest income on bank deposits	18,989.63	11,939.91
Administrative Fee	1,548.47	14,337.61
Other income	2,166.00	150.00
Gain/(loss) on sale of assets	0.00	0.00
Total Operating Revenues:	<u>1,027,414.19</u>	<u>1,001,424.71</u>
Operating Expenses:		
Interest expense MRB	86,008.35	90,243.75
Interest expense notes payable	0.00	0.00
Salaries	541,277.99	411,630.26
Bad debts and provision for loan losses	0.00	0.00
Retirement contributions	139,430.41	134,697.32
Medicare & DC Death & Disability Insurance	9,733.93	9,955.80
Retiree supplemental, cola & health benefits	86,694.19	95,010.82
First Time Homeowner's Assistance Program	0.00	0.00
Depreciation	77,585.37	74,004.05
Contractual services	35,006.42	33,641.61
Professional services	55,665.32	63,116.86
Rent	43,772.50	43,772.50
Other	27,026.02	16,840.81
Travel Expense	0.00	0.00
Employee benefits, other than retirement, medicare & D&D ins	32,207.55	26,690.60
Maintenance	21,327.03	25,905.42
Bond trustee fees	5,925.00	6,024.00
Directors' fees	1,300.00	250.00
Loss on impaired assets or disposal of asset	0.00	0.00
Loss on disposal of assets	0.00	0.00
Total Operating Expenses:	<u>1,162,960.08</u>	<u>1,031,783.80</u>
Change in net position	(135,545.89)	(30,359.09)
Total net position at beginning of year	35,972,005.32	36,425,898.01
Total net position of end of year	<u><u>35,836,459.43</u></u>	<u><u>36,395,538.92</u></u>

Guam Housing Corporation
Statement of Revenues, Expenses and Changes in Net Position
From 10/1/2018 Through 2/28/2019

	Housing Division	Rental Division	Total
Operating Revenues:			
Interest on loans receivable	579,174.60	0.00	579,174.60
Loan origination fees/cost. net	23,356.22	0.00	23,356.22
Interest on investments held by bond trustees	13,499.61	0.00	13,499.61
Rental Income	0.00	375,132.21	375,132.21
Late fees, service fees & return check fees	13,287.45	260.00	13,547.45
Interest income on bank deposits	9,107.18	9,882.45	18,989.63
Administrative Fee	1,548.47	0.00	1,548.47
Other income	36.00	2,130.00	2,166.00
Gain/(loss) on sale of assets	0.00	0.00	0.00
Total Operating Revenues:	<u>640,009.53</u>	<u>387,404.66</u>	<u>1,027,414.19</u>
Operating Expenses:			
Interest expense MRB	86,008.35	0.00	86,008.35
Salaries	308,218.41	233,059.58	541,277.99
Bad debts and provision for loan losses	0.00	0.00	0.00
Retirement contributions	80,274.68	59,155.73	139,430.41
Medicare & DC Death & Disability Insurance	5,714.27	4,019.66	9,733.93
Retiree supplemental, cola & health benefits	63,043.47	23,650.72	86,694.19
First Time Homeowner's Assistance Program	0.00	0.00	0.00
Depreciation	0.00	77,585.37	77,585.37
Contractual services	15,457.51	19,548.91	35,006.42
Professional services	40,439.32	15,226.00	55,665.32
Rent	43,772.50	0.00	43,772.50
Other	5,061.91	21,964.11	27,026.02
Employee benefits, other than retirement, medicare & D&D ins	20,405.27	11,802.28	32,207.55
Maintenance	0.00	21,327.03	21,327.03
Bond trustee fees	5,925.00	0.00	5,925.00
Directors' fees	1,300.00	0.00	1,300.00
Loss on impaired assets or disposal of asset	0.00	0.00	0.00
Total Operating Expenses:	<u>675,620.69</u>	<u>487,339.39</u>	<u>1,162,960.08</u>
Change in net position	(35,611.16)	(99,934.73)	(135,545.89)
Total net position at beginning of year	28,961,458.34	7,010,546.98	35,972,005.32
Total net position of end of year	<u><u>28,925,847.18</u></u>	<u><u>6,910,612.25</u></u>	<u><u>35,836,459.43</u></u>

Guam Housing Corporation
Budget vs Actual
From 10/1/2018 Through 2/28/2019

	Total Budget S - Original	YTD Budget S - Original	Current Year Actual	Over (Under) Budget	Variance	Remaining Balance
Operating Revenues:						
Interest on loans receivable	1,562,036.40	650,848.55	579,174.60	(71,673.95)	(11.0100%)	982,861.80
Rental Income	990,432.00	412,680.00	375,132.21	(37,547.79)	(9.0900%)	615,299.79
Interest on investments held by bond trustees	4,137.60	1,724.00	13,499.61	11,775.61	683.0400%	(9,362.01)
Loan origination fees	64,970.00	27,070.85	35,951.00	8,880.15	32.8000%	29,019.00
Administrative Fee	601,000.00	250,416.70	1,548.47	(248,868.23)	(99.3800%)	599,451.53
Late fees, service fees & return check fees	39,200.00	16,333.40	13,547.45	(2,785.95)	(17.0500%)	25,652.55
Total Operating Revenues	3,261,776.00	1,359,073.50	1,018,853.34	(340,220.16)	(25.0332%)	2,242,922.66
Operating Expenses:						
Interest expense MRB	205,000.00	85,416.65	86,008.35	(591.70)	0.6900%	118,991.65
Salaries	1,381,595.32	575,664.75	541,277.99	34,386.76	(5.9700%)	840,317.33
Bail debts and provision for loan losses	135,000.00	56,249.95	0.00	56,249.95	(100.0000%)	135,000.00
Retirement contributions	415,283.46	173,034.85	149,164.34	23,870.51	(13.7900%)	266,119.12
Retiree supplemental, cola & health benefits	247,118.88	102,966.20	86,694.10	16,272.01	(15.8000%)	160,424.69
First Time Homeowner's Assistance Program	0.00	0.00	0.00	0.00	0.0000%	0.00
Depreciation	215,079.99	89,616.65	77,585.37	12,031.28	(13.4200%)	137,494.62
Contractual services	117,271.20	48,863.05	35,006.42	13,856.63	(28.3500%)	82,264.78
Professional services	150,960.00	62,900.00	55,665.32	7,234.68	(11.5000%)	95,294.68
Rent	105,557.28	43,982.20	43,772.50	209.70	(0.4700%)	61,784.78
Other	103,338.00	43,057.50	27,026.02	16,031.48	(37.2300%)	76,311.98
Loan origination costs	20,000.00	8,333.35	12,594.78	(4,261.43)	51.1300%	7,405.22
Employee benefits, other than retirement	98,462.00	41,025.95	32,207.55	8,818.40	(21.4900%)	66,254.45
Maintenance	79,400.00	33,083.30	21,327.03	11,756.27	(35.5300%)	58,072.97
Bond trustee fees	16,800.00	7,000.00	5,925.00	1,075.00	(15.3500%)	10,875.00
Directors' fees	4,000.00	1,750.00	1,300.00	450.00	(25.7100%)	2,900.00
Loss on impaired assets or disposal of assets	0.00	0.00	0.00	0.00	0.0000%	0.00
Total Operating Expenses	3,255,157.55	1,172,944.40	1,175,554.86	197,389.54	7.3771%	2,119,511.27
Non-operating Revenue (Expenses)						
Interest income on bank deposits	33,450.00	13,937.55	18,989.63	5,052.08	36.2400%	14,460.37
Gain/(loss) on sale of assets	0.00	0.00	0.00	0.00	0.0000%	0.00
Other income	499.00	166.65	2,166.00	1,999.35	119.7200%	(1,766.00)
Total Non-operating Revenue (Expenses)	33,949.00	14,104.20	21,155.63	7,051.43	49.9952%	12,694.37
Change in net position	59.87	233.30	(135,545.89)	(135,779.19)	(58.1991996%)	136,105.76

Guam Housing Corporation
Statement of Cash Flows
As of 2/28/2019

	<u>Housing Division</u>	<u>Rental Division</u>	<u>Total</u>
Cash Flows from Operating Activities			
Net Gain (Loss)	(35,611.16)	(99,934.73)	(135,545.89)
Depreciation less disposal of assets	0.00	77,585.37	77,585.37
(Increase) decrease in accrued interest and others	(3,561.39)	530.37	(3,031.02)
(Increase) decrease in prepaid expenses and others	(37,757.39)	2,550.01	(35,207.38)
Increase (decrease) in accrued pension costs	0.00	0.00	0.00
Increase (decrease) in other liabilities	(48,361.67)	94,103.58	45,741.91
Increase (decrease) in deposits by borrowers	(151,205.47)	6,922.44	(144,283.03)
Increase (decrease) in loans held in trust	(3,990.47)	0.00	(3,990.47)
Total Cash Flows from Operating Activities	<u>(280,487.55)</u>	<u>81,757.04</u>	<u>(198,730.51)</u>
Cash Flows from Investing Activities			
Net (increase) decrease in loans receivables	(173,557.94)	0.00	(173,557.94)
Net (increase) decrease in other receivables	(105,064.07)	(35,122.90)	(140,186.97)
(Cost) sale of foreclosed houses	0.00	0.00	0.00
(Purchase) disposal of property and equipment	0.00	0.00	0.00
(Purchase) sale of investment securities	(6,342.36)	0.00	(6,342.36)
Total Cash Flows from Investing Activities	<u>(284,964.37)</u>	<u>(35,122.90)</u>	<u>(320,087.27)</u>
Cash Flows from Financing Activities			
Repayment of notes payable	0.00	0.00	0.00
Repayment of bonds payable	0.00	0.00	0.00
Accrued interest on bonds payable	86,008.35	0.00	86,008.35
Accrued rebate liability	0.00	0.00	0.00
Premium on bonds payable	0.00	0.00	0.00
Total Cash Flows from Financing Activities	<u>86,008.35</u>	<u>0.00</u>	<u>86,008.35</u>
Net increase (decrease) in cash	(479,443.57)	46,634.14	(432,809.43)
Cash at beginning of year	5,896,988.62	1,803,592.65	7,700,581.27
Cash at end of year	<u>5,417,545.05</u>	<u>1,850,226.79</u>	<u>7,267,771.84</u>



GUAM HOUSING CORPORATION

P.O. Box 3457, Hagåtña, Guam 96932

**ACCOUNT MEMBERSHIP AND
VALIDATION OF SIGNATORY ACCOUNT**

WHEREAS, the Board of Directors of Guam Housing Corporation ("the Corporation") adopted the attached Board Resolution No. 03-2019 on March 7, 2019, designating the following positions the authority to sign on the accounts established for the Corporation. This validation made on March 7, 2019 is made for the purpose of opening additional accounts and for identifying the following individuals holding the positions designated on the above mentioned resolution to be the authorize signers for the Corporation's business accounts at Community First Federal Credit Union ("CFFCU") by any two (2) individuals mentioned herein-below:

1. Alice M. Taijeron, President, or her acting designee;
2. Angela M. Camacho, Housing Manager; and
3. Mary R. Guerrero, Loan Administrator

BE IT RESOLVED that the following named individuals of the Corporation are empowered and have been appointed as authorized persons for and on behalf of this Corporation to perform all acts and execute and deliver all instruments which CFFCU may deem necessary to carry out the purposes of this validation until such time as the Board of Directors of this Corporation provides written notice of revocation thereof by a resolution duly adopted by the Board of Directors of this Corporation and that the certification of the Secretary of this Corporation as to the signatures of the above named persons shall be binding on this Corporation. By signing below, we acknowledge that the above statement and Resolution No. 03-2019 is in full force and effect and have not been amended nor revoked, and the signatures appearing below are the officers authorized to sign for this Corporation by virtue of said Resolution No. 03-2019.

Executed on this 29 day of March 2019.



FRANCISCO FLORIG, Chairman

Attested by:



CECILIA C. A. PEREZ, Secretary