



GHC 2021 BOARD MINUTES

GUAM HOUSING CORPORATION BOARD OF DIRECTORS REGULAR MEETING Guam Economic Development Conference Room Friday, July 30, 2021		ATTENDANCE			
<p>Commenced: 9:19 a.m. Roll call/quorum present: 5 members present Adjourned: 10:42 a.m.</p> <p>Note: Notice of Meeting was published in the Guam Daily Post, the AG's website and GHC's website to allow members of the public to attend via zoom meeting.</p>		<p><u>Directors present:</u></p> <p>Francisco Florig, Chairman (in person) Tomas Flores, Vice-Chairman (via zoom) Lanita Tiong, Director (via zoom) Sandra Bordallo, Director (via zoom) Doreen Crisostomo-Muña, Director (via zoom)</p> <p>Legal Counsel, Cynthia V. Ecube, Present (in person)</p> <p><u>Absent:</u></p> <p>Cecilia G. Mantanona, Director Gabriel A. Jugo, Director</p>	<p><u>Management present in person and via zoom:</u></p> <p>Edith Pangelinan, Acting President (in person) Angela Camacho, Housing Manager (via zoom) Mary Guerrero, Loan Administrator (in person) Patricia M.Q. Kier, Special Assistant (in person) Audrey Topasna, Planning & Development Administrator (in person) Cassandra Santos, ASMA (via zoom) John Muña, Maintenance Supervisor (in person) John Potter, Senior Tenant Relations Supervisor (via zoom) Arleen Ada, Administrative Secretary (in person)</p> <p><u>Absent:</u></p> <p>Alysia Leon Guerrero, Accounting Manager</p>		
AGENDA ITEM	DISCUSSION	ACTION / PLAN	FOLLOW UP	RESPONSIBLE PARTY	STATUS
<p>I. Approval of Minutes: July 2, 2021 Minutes were reviewed and discussed by the Board.</p>		<p>Upon motion made, and seconded, and without any further discussions, the Board approved Minutes of the July 2,</p>	<p>Legal Counsel</p>	<p>Legal Counsel</p>	<p>APPROVED</p>

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II. President's Report/ Remarks:	<p>A. <u>June 2021 Report:</u> The President provided a written report, for the month of May 2021, to the Board with the supporting attachments. The Acting President reported that GHC COVID-19 precautionary measures remain in place to mitigate the spread of COVID-19 when interacting with clients, tenants, and GHC personnel under the current PCOR3 status for the island.</p> <p>B. <u>UPDATE ON MORTGAGE RELIEF ASSISTANCE PROGRAM</u> The President reported that under the Mortgage Relief Program applications were reviewed during the month of June with the program ending on July 16, 2021. The applications processed for the program totaled ninety six (96). Ninety (90) applications were deemed ineligible under the program requirements. Six (6) applications were approved</p>	2021 Meeting with Director Crisostomo-Muña abstaining from voting.	President	President	On-going

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	<p>for a total of \$18,230.44 in assistance given.</p> <p><u>C. UPDATE OF LADA GARDENS RENOVATION PROJECT:</u></p> <p>The Acting President reported that the contract for the Lada Gardens Renovation Project was signed on July 19, 2021 and is currently with the Attorney General's Office for review and signature prior to submission the Governor's office for final review and signature.</p> <p><u>D. STATUS OF RENTAL DIVISION:</u> The President reported that the Tenant Relations Office continued to assist tenants in applying for rent relief under the Emergency Rental Assistance Program. As of June 30, 2021, GHC received a total of \$40,815.50 in rental payments from the program. For the month of July, GHC received an additional \$8,510.00 in rental payments bringing total payments received to date to</p>				

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	<p>\$49,325.50. The team continues to encourage tenants to apply for assistance under the program, providing assistance where needed.</p> <p>LOAN DIVISION MONTHLY REPORT FOR JUNE 2021 (UPDATE ON HIGHLIGHTS)</p> <p>GHC OREO PROPERTIES:</p> <p>The President reported that an offer of \$202,000.00 was accepted on the Dededo OREO with closing to be completed by August 6, 2021. The Yigo OREO property closed for \$255,000.00 on June 29, 2021 resulting in a gain of \$38,000.00. A question regarding payment of property taxes has been resolved and GHC is now anticipating funds in the coming days.</p> <p>ACCOUNTING DIVISION MONTHLY REPORT FOR JUNE 2021 (UPDATE ON HIGHLIGHTS)</p> <p>Revenue for the month</p>				

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	<p>decreased by 9.67% compared to last fiscal year due, to the decrease in interest on loans (loan portfolio decreased due to the lack of affordable houses and skilled workers) and decreased in interest on investment and bank deposit (due to the decrease in interest rates). Expense for the month increased slightly by .37% compared to last fiscal year due, to a payment made for a software maintenance agreement in June 2021. Available Escheated Funds for FTHAP is \$91,788.53.</p> <p style="text-align: center;"><u>HOMEOWNER ASSISTANCE FUND</u></p> <p>Under the American Rescue Plan Act, Guam is eligible to receive 13 million dollars for the Homeowner's Assistance Fund. The Department of Administration (DOA) has been designated to administer and implement the program for Guam. They have requested Technical Assistance from GHC</p>				

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	<p>in drafting Guam's Homeowner Assistance Fund Plan which is due to the U.S. Treasury on July 31, 2021. Audrey Topasna has been assigned to assist DOA in these efforts.</p> <p><u>PROFESSIONAL DEVELOPMENT</u></p> <p>The President reported that GHC partnered with NeighborWorks America for staff capacity building. NeighborWorks America is the nation's leading trainer of community-development and affordable-housing professionals, awarding nearly 14,000 certificates in fiscal year 2019. Their certification programs are in accordance with the requirements of the National Industry Standards (NIS) for Homeownership Education and Counseling. The National Industry Standards 4S for Homeownership Education and Counseling are a set of guidelines for quality</p>				

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	<p>homeownership and counseling services. Industry professionals who adopt these standards can be trusted to provide consistent, high quality advice. GHC was awarded three (3) scholarships for staff participation in the NeighborWorks Homeownership Education and Counseling Certification Training Program. Planning and Development Administrator (Audrey Topasna), and Collection Agent (Linda Chargualaf) attended the Homeownership Counseling Certification: Principles, Practices, and Techniques. They both passed their exams and received Completion Certificates. Upon completion of one more course, they will both receive National Certification. Ms. Topasna and Ms. Chargualaf were required to attend on-line classes from 1:30 to 3:30 a.m., over the course of 4 days on June 3rd, 10th, 17th, and</p>				

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	<p>24th with rigorous assignment completion requirements between class sessions. GHC's Loan Officer (Susymae Santos) attended the Homebuyer Education Methods: Training the Trainer. Her classes were held on the same days and times with the same high standard of course work. Ms. Santos passed her exam with a Completion Certificate and is eligible to receive National Certification as well. GHC's goal through this training is to ultimately be able to offer Counseling to its clients, which is currently a service that GHC outsources to other Home Counseling entities, particularly with regard to the FTHAP program. Not only will it be a service that GHC will be able to offer, but, it will, eventually, be an additional source of revenue to the agency.</p>				

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	<p><u>FTHAP CERTIFICATE PRESENTATION</u></p> <p>GHC approved eight (8) First Time Homeowners that have been approved to receive assistance under the FTHAP program. A Presentation for the Certificates Ceremony has been scheduled for Tuesday, August 3, 2021 at 11:00 a.m. in the large conference room at Adelup. The Board is invited to attend the ceremony in celebration of eight (8) families achieving their dream of homeownership and GHC's part in helping them towards that goal. The President completed her Report and inquired with the Board if the Board had any additional questions.</p>				
<p>III. Legal Report:</p>	<p>A. <u>Status of Foreclosure Cases:</u> Legal Counsel reported an error on the amount listed on the last column of GHC-51 file on the Legal Report on Page 5. The current Principal owed should be corrected to reflect</p>	<p>Vice Chairman Flores inquired if there were any monies received from the COVID relief programs that were used to pay on the outstanding legal accounts. Legal counsel responded that as to GHC-50, debtor's family made a large payment of \$10,000,</p>	<p>Legal Counsel</p>	<p>Legal Counsel</p>	<p>On-going</p>

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	<p>that the outstanding amount on the account is \$154,422.81 and the Maturity date on the Loan is April 8, 2044. Legal Counsel also reported that since the Governor lifted the moratorium on foreclosures and evictions on July 1, 2021, both the foreclosure and collection accounts have been consolidated into one (1) Report. Legal Counsel stated that she had instituted foreclosure proceedings on following accounts: GHC-05; GHC-49, GHC-50; GHC-51 and GHC-53. Legal Counsel has prepared and mailed demand letters on these accounts and will take the necessary action after thirty (30) days have lapsed. Legal Counsel also sent a collection letter for GHC-52 account since it was reported that the borrower may be current on the loan payments, but have pending attorney's fees due on the account. Legal Counsel indicated that she is hopeful that debtor will cure this issue soon. Legal Counsel indicated that she hopes to receive</p>	<p>however the funds came as a result of an insurance policy and was not part of any COVID relief funds. Legal Counsel added that most of the pending accounts were not COVID related. GHC Loan Administrator also commented that GHC advised borrowers of the Mortgage Relief Program, however, most of the borrowers that applied were deemed ineligible. Only one (1) borrower qualified but the amount of the award was only for a three (3) month period. GHC Planning and Development Administrator added that she is working on a new plan referred to as the Homeowner's Fund Plan which is due July 31st. One of the big differences with this new plan and the MRP is that the income eligibility for the Homeowner's Fund goes up more than 150% as opposed to the MRP which was only 80%. This new program is more promising for those applicants who were deemed ineligible for the MRP and is hoping that Guam will hear back on the plan from the Department of Treasury since Guam is eligible to receive</p>			

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	<p>responses from all the debtors from the above pending legal accounts within the next 3 to 4 weeks. Lastly, Legal Counsel reported that the remaining debtors continue to make payments on their accounts and will continue to monitor payments and debtors' compliance with their loan workout agreement.</p>	<p>\$13 million. Chairman Florig inquired what the median income is currently. GHC Planning and Development Administrator responded that the average median income is \$66,000 and reported that there are different tables regarding this information. The primary eligibility requirement is that it must be COVID related and/or impacted (directly or indirectly). The Homeowner's Fund Plan is similar to the Rental Assistance Program and originates from the Treasury Department. Chairman Florig inquired of the stigma related to those homeowners who entered into forbearance agreements with their lenders. GHC Planning and Development Administrator responded that the Homeowner's Fund Plan is designed to assist owners with getting out of forbearance and/or deferment, however policies will need to be established for this Program. She also commented that this program is a less stringent program and foresees more homeowners qualifying for this program. By August, DOA should</p>			

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		<p>be launching the program. Chairman Florig reconfirmed if GHC will be spearheading the program and GHC Planning and Development reported that she has provided 90% of the assistance with this program and that her time will be compensated for this program. Chairman Florig was pleased to hear about the on-going progress with the program and indicated that it will give mortgagors more hope to look forward to for assistance.</p>			
<p>IV. Old Business:</p>	<p>A. <u>Status and Update of Proposed Legislation for Mortgage Assistance for Chamorro Land Trust Commission Leaseholders and Amendment to GHC's Enabling Legislation:</u></p> <p>CLTC PROPOSED LEGISLATION: Legal counsel reported that she forwarded the proposed legislation to Board members which will be addressed with GHC's Legislative Oversight Chairman. Chairman Florig commented that the Governor's Office reviewed</p>		<p>Legal Counsel/ GHC Board</p>	<p>Legal Counsel/ GHC Board</p>	<p>On-going</p>

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	<p>the legislation and saw nothing wrong with it and was interested in introducing it themselves. Chairman Florig indicated that it was best to allow the legislators to introduce the legislation and inquire if any board members have any further comments or revisions since he will be meeting with the Oversight Chairman soon on this matter and is hoping to get this proposed legislation accomplished in the next thirty (30) days. He commented that he is pushing for this legislation so it can open doors for people to build a structure on their CTLC property thus causing an infusion of applications to GHC to assist with funding since GHC is the only institution allowing funding for construction on CLTC property. Director Crisostomo-Muña indicated that she had not seen the draft legislation. Chairman Florig instructed the Board Secretary to send it to her and indicated that he will give her a day to review and provide comments</p>				

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	<p>to him or Legal Counsel since he will be meeting with the Oversight Chairman next week to discuss this matter.</p> <p>AMENDMENT TO GHC'S ENABLING LEGISLATION: Legal counsel also reported that due to an issue regarding the rejection of the increase of service fees by the AG's office, through the Triple A Process (Administrative Adjudicative Act), and based on the reasoning that GHC's enabling legislation did not provide for the establishment and collection of fees for its programs, Legal Counsel drafted legislation to be presented to the Board for consideration once as soon the moratorium was lifted. Legal Counsel prepared the draft legislation and forwarded it to GHC Board and Management and is hoping that this legislation can be included together with the proposed legislation for the financing of the construction of homes of CLTC leaseholders. Chairman Florig agreed that GHC should</p>				

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	<p>include this legislation since GHC's rules are old and antiquated and the GHC needs to revise them to be current and to avoid taking any losses, in addition to making money to keep GHC afloat.</p> <p>B. <u>Review of Updated Loan/Assignment Agreement:</u> Legal Counsel Reported that she discussed the proposed Assignment Agreement and made all necessary revisions based on discussions with GHC Loan Administrator. Legal Counsel commented that the Assignment Agreement will be used as a servicing tool for borrowers who obtain mortgages from GHC. This Agreement will be particularly important in a situation where the borrower relocates from Guam without giving notice to GHC, rents the property to a third party, and undergoes default for failing to make payments on the mortgage to GHC. Legal Counsel stated that GHC has experienced these situations from former debtors and/or borrowers in</p>			<p>Legal Counsel/ Management</p>	<p>On-going</p>

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	<p>the past who rented the property and relocated from Guam. GHC foreclosed on the mortgage and learned that the debtor was renting the property without transmitting the rental payments to GHC for the mortgage. Legal Counsel further added that GHC will decide when to implement this Assignment as a servicing tool to recover payments based on the loan and mortgage agreement and can utilize the Assignment as a post-closing option. Vice Chairman Flores suggested that the Assignment Agreement be incorporated as part of the Loan package to be executed at the time of closing. Director Crisostomo-Muña raised her concerns about the Assignment Agreement. Director Crisostomo-Muña expressed that the Agreement is an option and that it can be used as a servicing tool, however, GHC has to be cautious regarding the policy created regarding the use of this Agreement. Director</p>				

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	<p>Cristosomo-Muña further added that she shared her concerns with the Loan Administrator regarding the use of the Agreement. Chairman Florig inquired what would preclude GHC from utilizing the Assignment Agreement as part of the Loan Closing Packet. GHC Loan Administrator responded that it needs to be made clear that there is a statutory provision that provides for occupancy of the property when the Assignment Agreement is signed by the borrowers so that GHC does not give the impression to the borrowers that the GHC is approving the rental of the property. GHC Loan Administrator further clarified that as long as it is clear that by executing the Assignment Agreement, it does negate the borrowers' understanding of the occupancy requirement both in the statute and in the Mortgage. Chairman Florig commented that the Loan Department can point to this requirement with the</p>				

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	<p>borrowers. Chairman Florig further supports the Vice Chairman's position that this Agreement should be a part of the Loan Package and should be executed at the time of closing and that GHC remind the borrowers at closing of the statutory requirement regarding the occupancy of the property. Vice Chairman Flores also added that GHC is already having difficulty contacting some of the borrowers after closing and in the event of non-payment, there will be no incentive for the borrowers to sign and notarize the Agreement once the loan documents have been signed. Chairman Florig also responded that if the Agreement was not part of the Loan documents, borrowers may not want to sign it because it was not initially part of the Loan Package. GHC Special Assistant remarked that to alleviate the Loan Division's concerns, there could be a checklist or attachment to Loan Package memorializing the caveats</p>				

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	<p>regarding the occupancy of the property which can be initiated by the borrowers acknowledging that they have to live on the property for the specified statutory time period. Chairman Florig responded that the Board and Management hold different responsibilities for the Corporation. As Board members, Chairman Florig stated that they are tasked with giving GHC the proper tools and policies to keep GHC afloat. Management's job is to carry out the policies implemented by the Board. The Loan Administrator's concerns can be addressed at the time of closing to remind the borrowers of their statutory obligation regarding the occupancy of the property. Director Crisostomo-Muña expressed concerns about the policy established by the Board if the borrowers did not report that they are not occupying the property, and may raise issues regarding the audit. Chairman Florig remarked that the borrowers' action</p>				

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	<p>becomes a violation of the Mortgage and gives GHC added tools to collect based on the Assignment Agreement. Director Crisostomo-Muña inquired what happens if borrowers violate the Mortgage. Legal Counsel responded that the Mortgage Agreement provides the remedies available to GHC to cure the default if the borrowers violate the mortgage. Vice Chairman Flores also responded that the Assignment Agreement will be utilized only "in the event of" borrower renting the property and not making the mortgage payments to GHC. Legal Counsel confirmed Vice Chairman Flores' response that the Assignment Agreement is within the discretion of the GHC and GHC will determine whether to exercise this option to collect the rental payments. The application of this Agreement may come into play in a situation where the borrowers have relocated and GHC is having difficulty collecting the mortgage</p>				

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	<p>payments and then learns that the borrowers are renting the property. Chairman Florig agreed that this Agreement will only be utilized in the event of a delinquency and it gives GHC an additional tool to address the delinquency issue. Chairman Florig inquired with the Loan Administrator as to the steps needed to incorporate this Agreement as part of the Loan documents Packet. GHC Loan Administrator responded that in GHC's Policy, this Assignment Agreement needs to be included as part of the Loan Closing documents to be executed by the borrowers. Legal Counsel recommended that the Board should approve the Assignment Agreement and revise the Policy to include this document as part of the Loan Package for closing. Legal Counsel further stated that she will request the current policy from the Loan Division and prepare the amendment to the policy to be presented and approved by the Board at the next meeting,</p>				

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	<p>together with the Assignment Agreement for the Board's approval. Chairman Florig requested that in the amended policy, GHC should indicate that the borrowers shall acknowledge the requirement of occupancy when executing the Assignment Agreement.</p>				
<p>V. New Business:</p>	<p>A. <u>Resolution to Update Signatory Authorization to Include President Pangelinan:</u> GHC contacted Legal Counsel to prepare and amend the Board's Resolution updating the Signatory Authorization to include GHC's President, Edith Pangelinan. Legal Counsel prepared the Resolution to be presented to the Board for approval.</p>	<p>Upon Motion made by Vice-Chairman Flores, and seconded by Director Bordallo, and without any further objections, the Board approved GHC Board Resolution 04-2021.</p>	<p>Management</p>	<p>Management</p>	<p>Approved</p>
<p>VI. Public Participation:</p>	<p>Chairman Florig requested that Vice Chairman Flores preside over this item to allow Chairman Florig to discuss the time line of the Renovation Contract for Lada Gardens. President Pangelinan</p>				

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	<p>responded indicating that Management had followed up on the status of the contract with the AG's Office. President Pangelinan indicated that the Contract was assigned to Assistant Attorney General Tom Keeler. Legal Counsel reported that she communicated with GHC's Planning and Development Administrator yesterday and will do another follow up with AAG Keeler. GHC Planning and Development Administrator indicated that she had spoken with the awardee, Murphy Enterprises, of the contract and was informed that they were contacted by the AG's Office to include specific language in their insurance certification, which was already completed. She also commented that the AG's Office appears to be already involved in the reviewing of the Contract. Chairman Florig was inquiring of the status of the Project and stated that the</p>				

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	<p>longer this process drags out and is delayed, the costs for materials and labor will increase. GHC was able to save \$300,000.00 on the bid and does not want to see the amount increased due to change orders on the Project as a result of the delay.</p>				
<p>VII. Miscellaneous:</p>	<p>2021 Summer Youth Internship Employment Program (SYIEP) Final Project/Presentation: The President briefly reported on the Summer Youth Program with GHC's summer interns. The interns created a power point presentation required by the Program, which was presented to the Board as a final conclusion of their summer employment with GHC.</p>				
<p>VII. Adjournment:</p>		<p>The Board scheduled their next Board meeting for Thursday, August 26, 2021, at 9:00 a.m. Upon motion duly made, seconded, and without objections, the meeting was adjourned at 10:42 a.m.</p>			

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APPROVED AND ACCEPTED
AS TO FORM AND CONTENT:

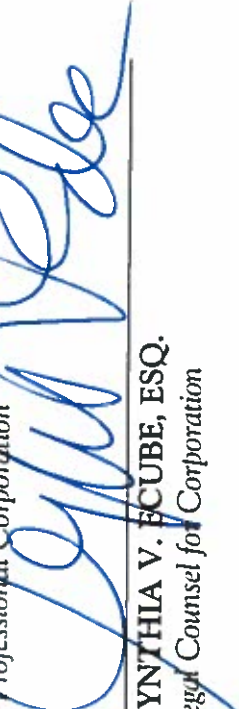
GUAM HOUSING CORPORATION

By:  _____
FRANCISCO FLORIG, Chairman

Date: 8/26/2021

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: 8/26/2021