

MCALLEN HOUSING FINANCE CORPORATION
APRIL 2, 1991

A meeting of the McAllen Housing Finance Corporation was held on April 2, 1991 at 11:00 am at the Airport Conference Room with the following present:

Morgan Talbot	President
Lynda Moore	Vice-President
Bill Meyers	Member
Wilfred Dean	Member
Richard Cortez	Member
Charles Cardenas	Member

Staff:	Jim Darling	City Attorney
	Irma Perez	Senior Clerk

Also Present: Milton Halpern
Micheal O'Hara

CALL TO ORDER

President Talbot called the meeting to order.

1. APPROVAL OF MINUTES OF NOVEMBER 15, 1990 AND DECEMBER 20, 1990 MEETINGS

Mr. Cardenas moved to approve the minutes of November 15, 1990 and December 20, 1991 as submitted. Mr. Meyers seconded the motion. Motion carried unanimously.

2. CONSIDERATION OF ORDER CALLING FOR REFUNDING OF 1980 HOUSING BOND ISSUE, MCALLEN HOUSING FINANCE CORPORATION

Mr. Halpern reported that they have previously looked into refinancing the 1980 Housing Bond Issue. Mr. O'Hara distributed a sheet in reference to refinancing the series. He added that the bond issue has been running well for the past ten years and that they have approximately ten years left on the mortgages. The housing programs have been set up to where they are self running. This program's asset are approximately 25% over the outstanding debt. They are looking into abstracting these funds and placing the funds in the low/middle income housing program or placing it in the City's general fund.

A handout was distributed in reference to a summary of the cash flow form refunding Series 1980. He gave all the specifics in detail. The amount of cash in hand is approximately \$850,000 which can be taken out on August 1, 1991 (refunding date).

Mr. O'Hara went on to review the income for annual fees which was included in the summary. He stated that they basically are going to reconstruct the debt, they plan to take out the old debt and replace it with a new debt that will contain lower interest rates, which will generate some income back into the corporation from mortgage revenues.

It was asked what options the board had with the available funds. Mr. Darling explained that the board's options would be as follows; 1) give it to the city for general funds; 2) give it to the already developed housing corporation which is McAllen Affordable Homes; 3) to keep the money in the corporation to start a housing program under the act, which Mr. Darling would not recommend;

and 4) leave it in the account and let it draw some interest until the board can figure what they would like to do with it.

Mr. Darling added that the board can meet with the City Commission and the City Manager for discussion and to get some input.

Mr. Darling asked if refinancing would reduce the interest rate on the mortgage payment. It was commented that the interest rate might be brought down. The board is also looking into extending mortgages to 25 or 30 year mortgages. Mr. Darling commented that the another option would be to lower interest rates to the mortgaged home.

Mr. Cortez requested a list of options from the city, and he would like to place the decision on hold until the they can decide where to put the available funds. He asked what the gross closing figure was. Mr. Darling stated \$850,000. Mr. Darling added that they also need to include Reserve funds for insurance costs.

After due consideration, Mr. Cortez moved to refinance the funds. Mr. Dean seconded the motion. Motion carried unanimously.

Mr. Darling suggested the board and the Commission get together to figure out which would be the best route to go with these funds.

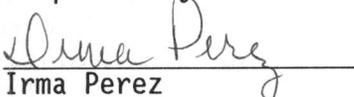
3. POTENTIAL 1991 MORTGAGE REVENUE BOND ISSUE

Mr. Darling stated that all motions are in place to go with the program and it would not be necessary to meet unless something comes up in late April or unless the board wanted to meet; otherwise, he will proceed with lining up the participation of banks and savings and loan companies. Mr. Talbot asked when Mr. Darling would have the information from the city of their recommendation. Mr. Darling stated that the item could be placed on the next City Commission agenda (4-18-91).

ADJOURNMENT

There being no further business to come before the board, the meeting was unanimously adjourned at 12:25 pm.

Respectfully submitted,



Irma Perez
Senior Clerk



Morgan Talbot, President