

NORTHWEST HOME EQUITY ASSURANCE PROGRAM

DECEMBER REGULAR MEETING MINUTES

13 DECEMBER, 2018

1. Meeting called to order 6:36
2. Approval of agenda.
 - a. Due to late arrivals/lack of quorum, Com Murphy suggests moving item 7 (Marquette Bank discussion) to top of agenda to start. Murphy motions, Reyes seconds, unanimous approval.
3. Manuel Jimenez, VP & Community Reinvestment Act Officer, Cathy Hood (Vice President of Lending) from Marquette Bank, presenting on SW Side Home Equity Loan Program.
 - a. The program launched in 2001 with Marquette Bank.
 - b. In 17 years, 950 loans have been originated. Delinquencies are at less than 1% (2 loans ever charged off, total \$5100 dollars).
 - i. Bank does NOT get reimbursed for the loss from the tax fund.
 - c. The best marketing is people who have already taken loans. Many people are repeat customers. People "don't believe" 0% interest (5 years).
 - d. 95% of the loans are "Program 1:" \$10K for 5 yrs, fixed payment, no pre-payment fees.
 - e. It is a HOME EQUITY loan, qualified by the bank.
 - f. All documented loans, ask for tax returns etc. Credit score min. is 630. Fixed incomes still qualify, but do pull credit reports for debt analysis, bankruptcy (chapter 7 less than 4 years, chapter 13 more than 2 years no new delinquencies), foreclosure (7 years), no open tax lien. Some leniency with medical collections.
 - g. Turnaround is 2-3 weeks. 100% of the funds must be used for home improvement, cannot be an improvement you've already done. Everything has documentation, SWHE does the inspection. Allows 6 mos to make intended improvements. It's OK if they change the use of the loan funds, as long as they're implemented. SWHE has a licensed home inspector who has been on retainer for 4-5 years, sees receipts etc.
 - h. Can get multiple loans but only one at a time. Cannot use one loan to pay off another loan.
 - i. No fees involved. Once the loan is paid off, Cook County charges a fee of \$52.25 to release the property from lien (can include in repayment plan).
 - j. Marquette will only go in first or second lien, no third lien position.
 - k. Appraisal – don't always do a full appraisal; may still be in owner's best interest to do a different appraisal.
 - l. Com Murphy: Do you offer credit counseling? Marquette: Everyone gets a list of housing/credit counselors as required by law.
 - m. Do NOT do non-owner occupied/investment properties (family member tenants is OK). Commission generally likes this rule.
 - n. SWHE is offsetting/paying interest on behalf of resident. 7.25% on \$0-15K; \$15K+ is 7.5%

- o. SWHE pays interest for all loans, for members. About \$4,000 a month in interest fees currently (on 650 loans). Must be a member first, do not offer loans to non-members (fee, appraisal, etc.)
- p. It's EQUITY driven. If value of home is below value at purchase, there is not equity. Income alone will not qualify.
- q. Take the value of the home (recent purchase price OR recent appraisal), multiply by 80%, subtract the first mortgage, and that's the equity.
- r. Most borrowers pay off the loan in about 3.5 years. Once the loan is paid off, the Fund stop paying interest payments.
- s. SWHE does not have requirements on minimum time for membership before originating a loan.
- t. Accessibility: there's a branch at 1628 W. Irving Park Rd. to meet by appointment; but loan offers will also come to homes, or meet at the NWHEAP office. Evening and weekend appointments are options.
 - i. We are still looking at a second bank (required)

4. 2018 Tax Levy (Ordinance 18-02)

- a. Legally, the NWHEAP must meet annually to discuss whether to raise the tax annually
- b. The 2017 levy was .12% - \$128,750 resulting
- c. The fund currently sits at over \$9 million, with budgeted expenditures at \$452,000.
- d. Last increased more than ten years ago.
- e. At the last regular meeting, we discussed but DID NOT VOTE that we did not feel there was a need to raise the tax levy at this time.
- f. For the record, we are not allowed to LOWER the tax levy.
- g. Com. Mitchell reads the tax document aloud.
- h. Com. Murphy motions to vote, Com. Reyes seconds, unanimous agreement to vote.
- i. Unanimous Ayes in favor of a tax levy at 0.12% for 2018. No Nays. With 5 of 7 commissioners present this does make a quorum.

5. Approval of November 8 minutes: no corrections or additions. Com. Murphy motions to approve as is, Com. Simmons seconds, unanimous approval.

6. Claim 3891 – Commission must vote whether to send for a new appraisal. Owner claiming \$10,000 investment, will pay \$75 (half of initial fee). Appraiser will pull permits, see receipts etc. to help asses. Com. Murphy motions to send the appraiser, Com. Rice seconds, unanimous approval.

7. Claim 4053 – request to waive appraisal fee. The requestor was a member for less than one year. He made improvements to his home within the year, then hired his own appraiser to reassess value. Our rules state you must be a member for a year prior to requesting a new certificate amount. Once one year had passed, ED Ellis spoke with him and let him know the commission would have to review. Only the commission can grant an appraisal and it needs to be completed by our own impartial appraiser. The request to waive the fee will be denied, and

the fee will be \$75 (the standard ½ reassessment rate). Com. Rice motions to deny the fee waiver, Com. Reyes seconds, unanimous agreement.

8. Bank Committee: as previously discussed, we will form a committee to review banks for the consideration of the loan program. The committee will consist of ED Ellis, Com. Reyes and Com. Simmons. THANK YOU!
9. Executive Director's Report, attached.
 - a. Regarding community meetings: Commission agrees we need to have one or more community meetings on both programs prior to enacting, or even voting, on the loan program. ED Ellis is planning for January, and has sent Wright College 3 more dates. In the interim two smaller informational sessions are planned:
 - i. Northwest Side Housing Center: Met with several district homeowners on Monday 10 December. Received positive feedback regarding the loan program option.
 - ii. ED Ellis and Com. Mitchell were to meet with the Jefferson Park Forward Community Development Committee, also on 10 December, however the organization postponed. We will reschedule for January.
 - b. Part-time administrator Search – ED Ellis and Com. Reyes interviewed 5 candidates in person (from 9 phone interviews). Hoping to make a final decision and issue an offer in the near future.

10. Old Business

- a. Com. Murphy to move the new website to Siteground, and give ED Ellis the Google code (to get a business email).
- b. Updating brochures & materials – waiting to see if we implement the loan program. We will use current materials for upcoming meetings.
- c. Com. Reyes asked about the creation of the policy steps in layman language. ED Ellis has created this and needs to post to the website.
- d. ED Ellis has created and updated our Facebook page!

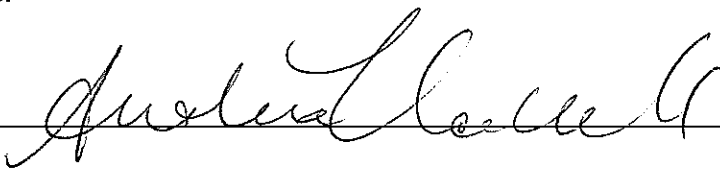
11. Public comment

- a. Pat: clarified the process for receiving a new appraisal, asked about meeting minutes (seem to be missing from website; ED Ellis to remedy ASAP)

12. Move to adjourn – Com. Murphy motions, Com. Rice seconds, unanimous. Adjourn 8:00 p.m.

THESE MINUTES WERE CREATED BY COMMISSIONER AND SECRETARY ANDREA MITCHELL ON 13 DECEMBER, 2018.

SIGNED:



BY:



Executive Director's Report

Submitted by Ivy S. Ellis

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File/Documentation Backup: We currently reconfiguring the Salesforce App to match our data. The reconfiguration should be complete by January 2019. I will be working on this with the Salesforce team. Once we are done matching fields and cleaning up all the data, we will be able to import all of the files located in the office into salesforce.

Payroll Software Update: We were able to negotiate a better deal with ADP. The new fee is \$92.69 per bi-weekly processing , plus we have three months free.

Meetings with Elected Officials:

September 26, 2018 –Alderman Nicholas Sposato

November 8, 2018 – Alderman Chris Taliaferro

November 26, 2018 – Alderman Milly Santiago

November 28, 2018 – Alderman Gilbert Villegas

November 30, 2018 – Alderman John Arena

Loan Program:

Marquette Bank will be presenting to the Board of Commissioners on December 13, 2018. We hope to have this program up and going by January 2019.

Administrative Assistant Job:

We are currently still searching for an administrative assistant. We have interviewed, by phone, a total of 9 qualified applicants. By December 13, 2018, we will have conducted at total of 5 in-person interviews. I have extended the search until December 21, 2018.

Community Meeting:

The Community Meeting has been pushed back until January 2019.