

November 2021 NHLP Committee Meeting

Minutes

November 10, 2021

2:00-3:00 PM EDT



1. Opening

Mr. Brandon Palermo called the meeting to order at 2:05. The meeting was recorded. No member presented an issue with being recorded.

Members Present: Mr. Brandon Palermo, Ms. Genevieve English-Charles, Mr. TJ Moon, Mr. Horace Brown, Mr. Enrique Escallon.

Staff Present: Mr. Eric Reed, Mr. Eric Zimmerman

Members of the Public: None

A quorum was established.

2. Approval of Agenda

No members of the public commented. Mr. Brown motioned to accept the agenda. Ms.English-Charles seconded and the agenda was accepted.

3. Approval of minutes

Minutes from the October 14 committee meeting were presented for approval. Mr. Brown motioned to approve the minutes. Ms. English-Charles seconded the motion. The minutes were approved unanimously.

4. ACF Report

Mr. Reed provided a brief overview of the ACF report and financial updates since the October meeting. He noted the negative change in the investment balances as a result of the normal operating expense reimbursement to FAAST. The discussion primarily focused on past due accounts and actions that might be taken to help avoid borrowers from getting into difficult situations. Mr. Escallon stated a more proactive and not reactive approach should be used to benefit the individual. Members discussed opportunities

to assist borrowers with financial education and Quick Tip sheet for financial wellness and borrowing will be developed by the middle of the second quarter with the idea that this will be presented to potential borrowers to help them understand the loan process more thoroughly.

5. KL-NL rescue payment loan vote

Mr. Reed provided a brief review of the loan request and explained reasoning behind flexibility with when the repayment would be required. Mr. Brown motioned to approve the rescue payment loan with the option of all payments coming due following the maturity of the existing bank guaranty loan. Mr. Escallon seconded the motion. The motion as presented was approved unanimously.

6. CDFI / NHLP separation updates

Mr. Reed reported that a PowerPoint presentation was provided to DOE for review and an answer regarding the departments support of separation is expected prior to the next meeting. If a positive reply is received, the separation timeline will be restarted and should be able to be caught up and back on track by year end.

7. Closing

There was no public comment.

The next meeting will be Thursday, Dec 9 at 2:00 PM

Mr. Palermo adjourned the meeting at 2:54.

December 2 2021 NHLP Loan Vote Committee Meeting



Minutes

Dec 2, 2021

2:00-2:30 PM EDT

1. Opening

Mr. Brandon Palermo called the meeting to order at 2:03. The meeting was recorded. No member presented an issue with being recorded.

Members Present: Mr. Brandon Palermo, Ms. Genevieve English-Charles, Mr. TJ Moon, Mr. Horace Brown, Mr. Enrique Escallon.

Staff Present: Mr. Eric Reed

Members of the Public: None

A quorum was established.

2. Approval of Agenda

No members of the public commented. Mr. Escallon motioned to accept the agenda. Mr. Brown seconded and the agenda was accepted.

3. DB loan request

Mr. Reed provided a brief review of the loan request and Mr. Palermo opened the floor for discussion. Mr. Brown discussed his concern with the age and mileage of the vehicle. Other members agreed that this is a valid concern and that more information on the history of the vehicle and verification of any type of mechanical inspection should be obtained. Mr. Escallon recommended that the vote be tabled until a Carfax and inspection report are provided to the committee. These requests were given to Mr. Reed as action items and to return to the committee with verifiable information so a vote can be taken.

4. KL rescue payment loan vote

Mr. Reed provided a review of the loan request and explained that NL, a former borrower on the loan, has passed away and KL has requested a one month rescue payment, which will be applied as the December payment on her loan, in order to provide time to get financial affairs in order after the death of NL, who is KL's mother. Mr. Reed informed the committee that the partner bank has offered KL a payment deferment for her November payment which had not been paid prior to the death. This rescue payment will be added to the other rescue payment approved in November for forced place insurance expenses and the total amount will be due at the end of the bank guarantee loan period. Mr. Escallon motioned to approve the loan and Ms. English-Charles seconded. The loan was approved unanimously.

5. Closing

There was no public comment.

The next meeting will be Thursday, Dec 9 at 2:00 PM

Mr. Palermo adjourned the meeting at 2:25.

Loan Request Memorandum

Date: 12/9/2021
Borrower: AB
Amount: \$1,306
Purpose: Write-off balance as debt forgiveness

Summary: AB passed away on August 9 according to the online obituary. The last payment received was on April 21 and he was current on the loan at that time. The last contact made with AB was on June 30 when he explained that he had had some health issues but would get a payment made as soon as possible. The original loan was an unsecured loan that funded a left foot accelerator and the cost of driver certification with an originated loan amount of \$2,485.

There has been no contact from any family regarding settling the loan and our attorney has filed a form with Hillsborough County which would trigger us being notified if any type of estate records were filed in the county however, from online research and with no contact four months after the death, it is unlikely that any there are any assets that would be liquidated to pay the remaining balance owed.

The request is to write-off the principal balance owed of \$1,306 and code the loan as closed, paid in full.

No further action will be taken, and the write-off amount will not be included in the charge-off calculation as it is not considered a derogatory debt.

The sections from the NHLP Manual that relate to this circumstance are below. This would be an exception to the current guideline of Death being a reason for a charge-off and instead consider it strictly debt forgiveness.

Death: A loan will generally be charged off within ninety (90) days after the death of a loan obligor.

Debt Forgiveness

For loan amounts up to \$10,000, the loan committee, after review of the written request by the borrower, may approve forgiveness of outstanding debt. For loans over \$10,000, the loan committee may recommend to the Board of Directors that the loan debt be forgiven. A majority vote of the Board at the next scheduled Board meeting is required to forgive the debt.

Debt may be forgiven for the following reasons:

- Medical/physical change
- Compounding disability
- Change in income
- Unexpected family expenses
- Other reasons that negatively impact the anticipated ongoing payment capacity of the borrower.

If loan is forgiven, a letter will be sent to the loan holder for their signature attesting to the statement of facts presented in the hardship letter.

Loan Request Memorandum

ORIGINAL APPROVED LOAN REQUEST

Date: 08/20/2019
Borrower: AB
Amount: \$2,800
Request Type: Direct
Collateral: Unsecured
Loan Terms: 5.50% / 36 mo / \$85 per month
Credit Score: 654
DTI: 55%

Purpose: AB had a below the knee amputation on his right leg in October 2018. He is purchasing a left foot accelerator and the proper training classes through Custom Mobility and Grace Adaptive Driving. AB works for a bank as a foreclosure trial witness, so he travels frequently around the state, making his job difficult and expensive by having to find public transportation or taxi's and ride shares. His insurance, Tricare, will not fund the modifications. He has not had contact with VR and is looking to obtain the modifications immediately on his own in order to not negatively impact his employment.

Credit Summary: AB has a good credit score of 654. He has no collection or charged-off account history and from the reporting of all open and closed accounts, he has a total of three 30-day late payments and one 60-day late payment, one occurring Nov 2018 and three of the four date back to 2016 or earlier. AB has twelve open revolving accounts, ten of which have balances totaling \$23,484 and total credit limits of all cards of \$37,800. His minimum payment due amount is \$840 combined. AB also has an open line American Express card with a reported balance of \$5,934. There is not a set payment for this and AB reports he has been paying between \$1,200 - \$1,500 per month to reduce this card to zero. AB spent nine months in the hospital between last year and this year due to his knee and rehab so his income has been severely strained during that time resulting in the extra use of credit cards. AB also has two unsecured installment loans with balances of approximately \$640 and \$1,500. The \$640 balance is due to be paid off in December. AB states his monthly rent is \$1,300.

AB earns \$3,500 per month in his. He also receives \$1,300 per month in a military pension.

AB has a DTI of 55%. This includes a typical 3% payment requirement for the AMEX card however AB states he pays much more than that each month.

Strengths

Loan Request Memorandum

1. AB has a credit score well above the program guidelines
2. AB has a strong credit history with only sporadic and very few late payments on his report.
3. The car adaptations will provide significant improvements to AB's independence and help him maintain his employment.

Weaknesses

1. AB has a DTI above the program guidelines however he has maintained on-time payment performance with very limited late payments and his overall payment obligations will go down by \$130 by the end of the year, bringing his DTI closer to the target. Further, he anticipates paying off the full balance of the open AMEX card in approximately the same time period.
2. AB utilizes about 62% of his revolving credit limits however the long hospital stay had a large impact on this and now that he has been able to maintain employment, he is working hard to reduce that ratio.

Recommendation

While AB has a debt to income above the guidelines, he has had no issues with monthly payments, even while he was in the hospital. He has a strong credit score to show that his overall credit situation is good, and he maintains payment performance. The vehicle mods will provide job security, reduction of out of pocket expenses and an overall sense of independence by driving again.

The loan is recommended for approval.

Committee Member Vote

Name:

Approve

Decline

Request further information from Program Director

Request Committee meeting to discuss