

**MCALLEN HOUSING FINANCE CORPORATION
MARCH 25, 1999**

A meeting of the McAllen Housing Finance Corporation was held on March 25, 1999 at 12:00 p.m. at The McAllen Country Club, Mesquite Lounge with the following present:

	Morgan Talbot	President
	Lynda Moore	Vice-President
	Wilfred Dean	Member
	Bill Meyers	Member
Absent:	Richard Cortez	Member
	Charles Cardenas	Member
	Carlos Garza	Member
Staff	Jim Darling	City Attorney
	Leticia M. Vacek	City Secretary/Corp. Secretary
	Bobby Calvillo	Executive Director - MAHI

CALL TO ORDER

President Morgan Talbot called the meeting to order.

MINUTES

1. ELECTION OF OFFICERS

Ms. Moore moved to elect Richard Cortez as President. Mr. Talbot seconded the motion. The question was called and the motion carried unanimously by those present.

Mr. Meyers moved to re-elect Lynda Moore as Vice-President. Mr. Dean seconded the motion. The question was called and the motion carried unanimously by those present.

2. APPROVAL OF JANUARY 29, 1998 MINUTES

Ms. Moore moved to approve the minutes of January 29, 1999 as submitted. Mr. Dean seconded the motion. The question was called and the motion carried unanimously by those present.

3. REVIEW OF LOAN AGREEMENT WITH MCALLEN AFFORDABLE HOMES, INC.

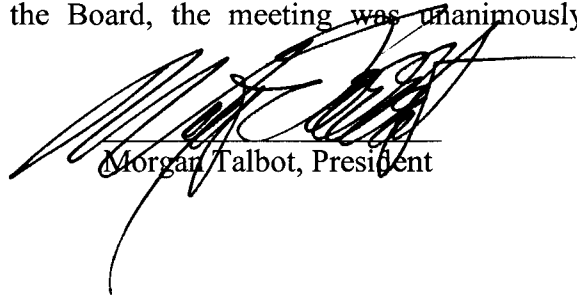
Mr. Darling recommended an amendment to the loan agreement with McAllen Affordable Homes, Inc. (MAHI) to include Los Encinos Subdivision improvements. McAllen Housing Finance Corporation (MHFC) funds would be used for the relocation of a gas line (FINA) for \$75,000 plus surveying and engineering fees for a total project request of \$100,000. A

discussion ensued with regards to loan versus a grant. Mr. Meyers moved to accept the request of a \$100,000 grant to MAHI in the form of an amendment to the existing MHFC/MAHI Loan Agreement. Mr. Dean seconded the motion. The question was called and the motion carried unanimously by those present. Mr. Darling clarified that this would be done with existing funds under the agreement and no new funds.

4. CONSIDER PROPOSED AGREEMENT WITH MCALLEN AFFORDABLE HOMES, INC.

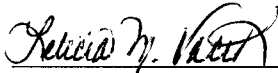
Mr. Darling reported on the Bond Issues and refinancing at a lower interest rate. He reported that 48 loans existed on the portfolio. It was noted that Valley Mortgage Loan Company had very few repossessions. Out of seven, four are in bankruptcy. He commented that once the issue collapses there are no other source of funds. Also reported were McAllen Affordable Homes total assets at \$13 million in which they service their own loans and deal with local banks. Mr. Talbot seconded the motion. The question was called and the motion carried unanimously by those present.

There being no other business to come before the Board, the meeting was unanimously adjourned at 1:00 p.m.



Morgan Talbot, President

ATTEST:



Leticia M. Vacek, City Secretary