



## MONTANA LEGISLATIVE AUDIT DIVISION

### FINANCIAL AUDIT

# Montana Board of Housing

For the Two Fiscal Years Ended June 30, 2009

NOVEMBER 2009

08-07B

REPORT SUMMARY

The Montana Board of Housing (board) purchased fewer single-family mortgages in 2009 than in 2008 due to economic changes affecting home purchases. Mortgage Loans Receivable and Bonds Payable, Net of the board decreased by \$83.3 million and \$74.6 million, respectively, in fiscal year 2008-09.

### Context

The board was created by the Montana Housing Act of 1975 and is attached to the Housing Division within the Department of Commerce. The board's purpose is to provide decent, safe, sanitary and affordable housing for lower income individuals and families in the state of Montana. The board accomplishes this purpose by issuing tax-exempt bonds to provide funds to purchase home mortgages, administering federal housing programs and working in partnership with other housing providers throughout Montana.

As of June 30, 2009, the maximum income limitations for qualifying for a loan ranged between \$58,159 to \$90,020 depending on location and the number of people in the household. The maximum qualifying purchase price and loan amount for a home was \$237,031 until February 2009, when it was reduced to \$236,840. Qualifying mortgage loans made during the year ranged from \$23,500 to \$237,000. In 2009, \$55 million in single-family mortgages were purchased by the board, down from \$202 million purchased the prior year.

Factors contributing to the reduction of purchases made by the board included unfavorable interest rates in the bond market and the significant decline in investment interest rates.

### Results

Our audit report contained no recommendations to the board. We had one recommendation in our prior audit report pertaining to enhanced control procedures over the preparation of financial statements and notes. The board has implemented this recommendation.

Recommendation Concurrence	
Concur	0
Partially Concur	0
Do Not Concur	0

Source: Agency audit response included in final report.