

FINANCIAL-COMPLIANCE AUDIT

Montana Board of Housing

For the Fiscal Year Ended June 30, 2013

OCTOBER 2013

13-07A

REPORT SUMMARY

In fiscal year 2013, the Montana Board of Housing (board) began collecting mortgage payments from borrowers. The board services approximately 325 loans, which include loans from the Veteran Loans Program.

**Context**

The board operates within the Department of Commerce for administrative purposes. Under the Montana Housing Act of 1975, the board does not receive appropriations from the State’s general fund and is completely self-supporting. Substantially all of the funds for the board’s operations and programs are provided by the private sector through the sale of tax-exempt bonds and repayment of loans.

The powers are vested in a seven member board, appointed by the Governor, subject to the confirmation of the Senate. The board provides policy direction to the agency staff, authorizes bond issues, approves development financing, and evaluates board housing programs. These programs include the Single Family Program, Recycled Single Family Program, Multifamily Loan Programs, Low Income Housing Tax Credit Program and the Reverse Annuity Mortgage Program.

In fiscal year 2013 the board purchased 305 single-family mortgages for \$38 million. The board retired \$114 million in bonds payable through prepayments and regular debt

service payments. However, total bond debt payable only decreased \$94 million during the fiscal year due to newly issued bonds.

**Results**

Our audit report contains one recommendation to the board related to following review procedures over the preparation of the Statement of Cash Flows.

Recommendation Concurrence	
Concur	1
Partially Concur	0
Do Not Concur	0
<b>Source: Agency audit response included in final report.</b>	