

NOTES FOR WI-CARH LIAISON MEETING

AUGUST 13, 2019

1. Updates from Program Directors Training:

a) Will be working with a contractor to evaluate all properties based on the following:

- 1) Physical Condition
- 2) Financial Condition
- 3) Compliance
- 4) Market Health

Hopefully complete within 1 year

b) The 4 pillars to RD realignment

- 1) Outreach and marketing
- 2) Processing/Underwriting
- 3) Servicing
- 4) Special Assets

2) Currently have 351 properties. 128 A's – no issues – 36.5% 10 – B - Workout plans 2.85% 203 – C – Some finding (Physical or financial) 57.8% 10 – D – Problem 2.85%

3) Current vacancy 8.1% 677 units down from 9% in Feb. Unused RA 7.9% down from 8.3% in Feb. Currently have 42 projects with 25% or above vacancy.

4) We require 109 physical inspections or 31% of portfolio. This is slightly less than neighboring states but higher than National average of 21.3%.

5) New management fee amounts should be out shortly.