

CMHA selects banks through competitive solicitation via a request for proposal (RFP). All banks must be insured by either the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF). CMHA ensures that all investments exceeding Federal (FDIC Stated) limit are 100% collateralized by pledging U.S. Government Securities. All banks must sign a Depository Agreement, HUD Form 52736-A if the Housing Authority will be depositing federal funds into the bank.

Investment Strategy

CMHA considers the following in making investments

1. Safety- Safety shall be achieved by adherence to a HUD approved list of transactions (discussed below).
2. Yield- CMHA will strive to achieve the highest yield consistent with other factors of this Investment Policy.
3. Liquidity- All investments must be capable of being liquidated on one day's notice.
4. Maturity- Maturity dates will be similar to the date that the cash will be needed. In addition, maturity dates cannot be later than 3 years from the date of purchase.
5. Amount – CMHA will consider the amount available for investment.
6. Administrative Cost- CMHA will consider the administrative work involved when choosing an investment.

Approved Investments

HUD publishes a list of approved investments that the CMHA will strictly follow. A summary of the list is as follows:

1. US Treasury Bills with 3, 6, 9, and 12 month maturities
2. US Treasury Notes and Bonds
3. Money Market Deposit Accounts
4. CDs or Certificates of Deposit
5. SLMA (Student Loan Marketing Associations) Obligations
6. Small Business Administration (SBA), Small Business Investment Corporation (SBIC) Debentures
7. TVA (Tennessee Valley Authority) Notes and Bonds
8. FHLB (Federal Home Loan Bank) Consolidated Obligations
9. FHLMC Mortgage Participation Certificates (PC) and Collateralized Mortgage Obligations (CMO's)
10. FNMA (Federal National Mortgage Association) Debentures, Notes, Short-Term Discount Notes, and Capital Debentures
11. GNMA- Government National Mortgage Association, Mortgage Backed Securities (GNMA I and GNMA II)
12. Repurchase Agreements
13. Short-term cash and money market sweep accounts
14. Mutual Funds

Recordkeeping

The Assistant Controller will maintain a detailed investment registers summarizing the following:

1. Amount of investment securities purchased from each fund
2. A complete description of the investment instrument
3. Date of purchase
4. Purchase price
5. Interest rate
6. Applicable date of sale of maturity
7. Value at date of maturity

The Controller/Assistant Controller also reconciles, or reviews monthly/quarterly reconciliations provided internally or by third parties, invested cash and associated securities purchased/sold balances.

Authority to Make Investments

All investments transactions must be authorized by the Chief Executive Officer with Board Approval.

Recordkeeping and Safekeeping

Investments will be maintained in a trust or custodian account, in the name of CMHA. Reconciliations will be performed monthly, from the investment statements to the investment ledger.