

## Message from the Chair and Executive Director

We are pleased to present MassHousing's annual financial report for fiscal year 2023 (July 1, 2022 – June 30, 2023). The information within demonstrates that MassHousing is well-positioned financially to continue to confront a growing list of housing challenges.

The details of this report, when woven together, tell a story of a very active housing finance agency using a variety of financing tools to address a wide range of housing needs of Massachusetts residents. MassHousing is a mission-driven agency. We deploy housing finance in a way that strengthens communities, prioritizes underserved populations, and creates a foundation for economic prosperity.

In the last fiscal year, MassHousing provided a total of \$1.4 billion in affordable housing financing, helping first-time homebuyers achieve homeownership, and assisting developers in creating and preserving affordable rental housing. In a challenging economic environment, MassHousing achieved strong financial performance and mission-oriented outcomes.

MassHousing's Multifamily business line closed 31 transactions totaling \$658.2 million, which supported the creation and preservation of 3,461 rental housing units, of which 3,331, or 96%, are affordable. During the year, we serviced 1,662 multifamily loans with an outstanding balance of \$6.9 billion (as of June 30, 2023).

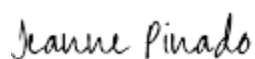
Our Home Ownership business line helped 2,197 Massachusetts residents buy their first home by providing \$697.2 million in first mortgage financing. In a rising interest rate environment, MassHousing helped low to moderate-income households achieve homeownership by providing \$26.9 million in down payment assistance loans and \$37.4 million in publicly-funded homebuyer assistance grants. An additional 157 homeowners utilized \$4.6 million in MassHousing financing to remove lead paint, repair or replace a septic system, or make home improvements.

The financial aspects of our work are critical, but it is the people we serve who matter most. Our website, [www.masshousing.com](http://www.masshousing.com), highlights stories of homebuyers and renters we help, partners we work with, and other programs and services we offer that go well "beyond bricks and mortar."

We are as committed as ever to making economic opportunities available to diverse businesses, and to providing access to an array of programs and resources that help make MassHousing-financed apartment communities vital and vibrant places to live.

We thank our many partners and stakeholders, including the Healey-Driscoll Administration, the legislature, developers, property owners, property managers, home mortgage lenders, financial advisors and bond counsels, auditors, housing advocates and others.

Thank you for reading this report and for your support of MassHousing. We could not succeed without you.



Jeanne Pinado, Chair



Chrystal Kornegay, Executive Director

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**MASSACHUSETTS HOUSING FINANCE AGENCY**  
**FINANCIAL STATEMENTS, REQUIRED SUPPLEMENTARY INFORMATION,**  
**SCHEDULES AND SUPPLEMENTAL SCHEDULES**  
**JUNE 30, 2023 AND 2022**

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## **Report of Independent Auditors**

To the Members of the Massachusetts Housing Finance Agency

### ***Opinions***

We have audited the accompanying financial statements of the business-type activities and fiduciary fund information of Massachusetts Housing Finance Agency and its affiliates (the "Agency"), which comprise the statements of net position and of fiduciary net position as of June 30, 2023 and 2022, and the related statements of revenues, expenses, and changes in net position, of changes in fiduciary net position and of cash flows for the years then ended, including the related notes, which collectively comprise the Agency's basic financial statements.

In our opinion, based on our audits and the reports of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary fund information of the Agency as of June 30, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Massachusetts Housing Finance Agency OPEB Trust as of and for the periods ended December 31, 2022 and June 30, 2022, which represent 16 percent and 15 percent of the assets of the fiduciary fund information as of December 31, 2022 and June 30, 2022, respectively, and -5 percent and -14 percent of additions of the fiduciary fund information for the years then ended. We did not audit the financial statements of the Massachusetts Housing Finance Agency Employees' Retirement System as of and for the years ended December 31, 2022 and 2021, which represent 84 percent and 85 percent of the assets of the fiduciary fund information as of June 30, 2023 and 2022, respectively, and 105 percent and 114 percent of additions of the fiduciary fund information for the years then ended. The financial statements of the Massachusetts Housing Finance Agency OPEB Trust and the Massachusetts Housing Finance Agency Employees' Retirement System were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Massachusetts Housing Finance Agency OPEB Trust and the Massachusetts Housing Finance Agency Employees' Retirement System, which as discussed in Note B are the two fiduciary activities making up the fiduciary fund information, is based solely on the reports of the other auditors.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplemental Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 19 and the schedules of changes in the Agency's net pension liability/ (asset) and related ratios and of Agency contributions for the Massachusetts Housing Finance Agency Employees' Retirement System Plan, and the schedules of changes in the Agency's net OPEB liability and related ratios and of Agency contributions for the Massachusetts Housing Finance Agency OPEB Trust on pages 91 through 94 be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or



historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplemental Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The supplemental information on schedule 1 – mortgage / construction loan obligations and commitments and schedule 5 – combining statements of net position, of revenues, expenses and changes in net position and of cash flows by program (collectively referred to as the "supplemental information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining information is not intended to present, and we do not express an opinion on, the financial position, changes in financial position and cash flows of the individual programs. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Message from the Chair and Executive Director, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

PriceWaterhouseCoopers LLP

September 22, 2023

# **Massachusetts Housing Finance Agency**

Annual Financial Report

June 30, 2023

Prepared by the

Office of the Financial Director

Rachel C. Madden, Financial Director

Stephen E. Vickery, Comptroller

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

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### **Overview of the Annual Financial Report**

This annual financial report of the Massachusetts Housing Finance Agency (MassHousing or Agency) consists of six sections: (1) management's discussion and analysis; (2) audited combined financial statements (the financial statements); (3) notes to the financial statements; (4) required supplemental schedules; (5) supplemental schedules; and (6) schedules.

The management's discussion and analysis, financial statements, notes to the financial statements, required supplemental schedules, schedules and supplemental schedules were all prepared in conformity with the accounting principles generally accepted in the United States of America (GAAP) using the accounting standards promulgated by the Governmental Accounting Standards Board (GASB).

### **Background**

MassHousing is a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts (the Commonwealth) established by Chapter 708 of the Acts of 1966, as amended (the Act), to increase the supply of residential housing in the Commonwealth for occupancy by persons and families of low and moderate income.

MassHousing is empowered by the Act, among other things, to issue bonds and notes to finance owner-occupied, residential housing for persons and families of low and moderate income and to make mortgage loans to sponsors of rental housing projects containing two or more dwelling units having promise of supplying well-planned, well-designed apartment units for low-income persons or families in locations where there is a need for such housing. Pursuant to the Act, MassHousing has the power to issue bonds and notes to finance construction and permanent mortgage loans, to utilize various lending programs to finance mortgage loans including the Housing Finance Agency Risk Sharing Program administered by the U.S. Department of Housing and Urban Development (HUD), Federal National Mortgage Association (FNMA) mortgage-backed securities (MBS), Government National Mortgage Association (GNMA) MBS, Federal Home Loan Mortgage Corporation (FHLMC) programs, Federal Home Loan Bank (FHLB) programs and Federal Financing Bank (FFB) programs and to enter into agreements and perform other functions in furtherance of its public purposes.

The Massachusetts Legislature has authorized MassHousing to issue bonds and notes up to an aggregate outstanding combined single debt limit of \$4.9 billion for both multifamily and single-family purposes. The Agency's bonds and notes do not constitute obligations of the Commonwealth or any political subdivision thereof.

## **Financial Markets**

MassHousing relies on its ability to gain orderly access to financial markets so it can meet its mission of providing and sustaining affordable housing and improving the lives of people in the Commonwealth. MassHousing meets its mission by: (1) issuing bonds and notes in order to fund its various programs, (2) utilizing government and government sponsored enterprise lending programs to sustain affordable housing and (3) investing a certain portion of its funds in the community to improve living conditions. MassHousing utilizes financial products such as (1) derivatives to be able to issue long-term debt at reasonable, synthetically fixed interest rates, as well as (2) mortgage-backed security forward contracts (MBS Forward Contracts) to securitize and service its qualified first mortgage loans originated by MassHousing-approved lenders into forward contracts to sell MBS to investors before the securities are ready for delivery.

## **Management's Discussion and Analysis**

The following is an unaudited narrative overview of MassHousing's financial position and the results of its operations for the fiscal years ended June 30, 2023 (FY 2023) and June 30, 2022 (FY 2022), with selected comparative information for the fiscal year ended June 30, 2021 (FY 2021). Readers are encouraged to consider the information presented in this discussion and analysis in conjunction with the information presented in the audited financial statements, notes to the financial statements, supplemental schedules, schedules, and unaudited required supplemental schedules, all of which follow this narrative overview.

This discussion and analysis is designed to (1) assist the reader in focusing on significant financial matters and activities of the Agency and (2) identify and discuss significant changes in the Agency's financial position and results of its operations during the indicated fiscal years. The primary accounting policies followed by the Agency are presented in Note B to the financial statements.

## **The Financial Statements**

- The statement of net position provides information about the Agency's financial condition at the end of the fiscal year by indicating the nature and amounts of its investments in resources (assets), its deferred outflows of resources, its obligations to outside creditors (liabilities), its deferred inflows of resources, and its resulting net position at the date of the statement of net position. Net position represents total assets, plus deferred outflows of resources, less total liabilities, less deferred inflows of resources. The organization of the statement of net position separates assets and liabilities into their current and non-current components.
- The statement of revenues, expenses, and changes in net position provides information about the Agency's revenues and expenses for the fiscal year in order to measure the results of the Agency's operations over the fiscal year.
- The statement of cash flows provides information about the net change in the Agency's cash and cash equivalents for the fiscal year resulting from four principal types of activities: operating activities, non-capital financing activities, capital financing activities and investing activities. Cash collections (receipts) and payments (disbursements) are presented in this statement to arrive at the net increase or decrease in cash and cash equivalents for the fiscal years.

- The statements of fiduciary net position provide information about the Agency's two fiduciary activities: (1) the Massachusetts Housing Finance Agency Other Post-Employment Benefits (OPEB) Trust and (2) the Massachusetts Housing Finance Agency Employees' Retirement System at the end of their respective fiscal periods.
- The statements of changes in fiduciary net position provides information about the additions and deductions of the Agency's two fiduciary activities: (1) the Massachusetts Housing Finance OPEB Trust and (2) the Massachusetts Housing Finance Agency Employees' Retirement System in order to measure the results of the fiduciary activities' operations at the end of their respective fiscal periods.

### **The Notes to Financial Statements**

- The Notes to Financial Statements provide information that is useful to the reader in understanding the Agency's financial statements. Descriptions of the Agency's programs and its accounting methods and policies are contained in Notes A and B of the financial statements.
- The notes include details of the Agency's investments and contractual obligations as well as future commitments and contingencies.
- The notes also include information regarding events or developments that did have or could have a material impact upon the Agency's financial condition, results of operations, changes in net position and cash flows.

### **Required Supplementary Schedules, Schedules, and Supplemental Schedules**

- Required Supplementary Information represents information required by GASB, which supplements the basic financial statements and notes. It is presented in conformity with GAAP using the accounting standards promulgated by GASB. These schedules provide additional information about the Agency's pension plan, which administers the investments of, and provides funding for benefits, under the terms of the Agency's pension plan for retirees, and the OPEB Trust, which administers the investments of, and provides funding for benefits under the terms of, the Agency's healthcare plan for retirees. Required Supplemental Schedules 1, 2, 3, and 4 are unaudited.
- Supplemental Schedule 1, which provides detailed information on the Agency's loan receivables and loan commitments, is presented to facilitate additional analysis of the information included herein and is not part of the basic financial statements. This schedule provides information in addition to what is included in Note D.
- The audited Schedules 2, 3, & 4 provide detailed information on the Agency's: bonds and notes payable; and MBS Forward Contracts. These schedules provide information in addition to what is included in Notes H and J.
- In addition to the Agency's basic financial statements, presented on a combined basis, combined financial statements that provide details of each separate bond resolution and the Working Capital Fund (WCF) and Affiliates (as defined in Note A) are presented in Supplemental Schedule 5 for both FY 2023 and FY 2022, in accordance with the financial reporting requirements of the various bond resolutions. These detailed combined financial statements include eliminating entries.

### Summarized Financial Information – Statement of Net Position (in millions)

The table below presents summarized comparative statements of net position at June 30:

|                                                                                | 6/30/2023       | Change from FY 2022 |               | 6/30/2022       | Change from FY 2021 |                | 6/30/2021       |
|--------------------------------------------------------------------------------|-----------------|---------------------|---------------|-----------------|---------------------|----------------|-----------------|
|                                                                                |                 | \$                  | %             |                 | \$                  | %              |                 |
| <b>Assets - Working Capital Fund and Affiliates (WCF)</b>                      |                 |                     |               |                 |                     |                |                 |
| Cash, cash equivalents, investments                                            | \$ 631          | \$ 108              | 20.7%         | \$ 523          | \$ (77)             | -12.8%         | \$ 600          |
| Loans receivable (net)                                                         | 613             | (46)                | -7.0%         | 659             | 35                  | 5.6%           | 624             |
| Other assets                                                                   | 846             | 4                   | 0.5%          | 842             | 4                   | 0.5%           | 838             |
| <b>Total Assets – WCF and Affiliates</b>                                       | <b>\$ 2,090</b> | <b>\$ 66</b>        | <b>3.3%</b>   | <b>\$ 2,024</b> | <b>\$ (38)</b>      | <b>-1.8%</b>   | <b>\$ 2,062</b> |
| <b>Total Deferred Outflow of Resources - WCF and Affiliates</b>                | <b>\$ 25</b>    | <b>\$ 13</b>        | <b>108.3%</b> | <b>\$ 12</b>    | <b>\$ (10)</b>      | <b>-45.5%</b>  | <b>\$ 22</b>    |
| <b>Total Assets and Deferred Outflow of Resources – WCF and Affiliates</b>     | <b>\$ 2,115</b> | <b>\$ 79</b>        | <b>3.9%</b>   | <b>\$ 2,036</b> | <b>\$ (48)</b>      | <b>-2.3%</b>   | <b>\$ 2,084</b> |
| <b>Assets - Bond Programs</b>                                                  |                 |                     |               |                 |                     |                |                 |
| Cash, cash equivalents, investments                                            | \$ 1,483        | \$ (11)             | -0.7%         | \$ 1,494        | \$ (194)            | -11.5%         | \$ 1,688        |
| Loans receivable (net)                                                         | 3,252           | 528                 | 19.4%         | 2,724           | 157                 | 6.1%           | 2,567           |
| Derivative instruments                                                         | 2               | 1                   | 100.0%        | 1               | 1                   |                | -               |
| Other assets                                                                   | 19              | 7                   | 58.3%         | 12              | -                   | 0.0%           | 12              |
| <b>Total Assets – Bond Programs</b>                                            | <b>\$ 4,756</b> | <b>\$ 525</b>       | <b>12.4%</b>  | <b>\$ 4,231</b> | <b>\$ (36)</b>      | <b>-0.8%</b>   | <b>\$ 4,267</b> |
| <b>Total Deferred Outflow of Resources - Bond Programs</b>                     | <b>\$ -</b>     | <b>\$ -</b>         |               | <b>\$ -</b>     | <b>\$ (4)</b>       | <b>-100.0%</b> | <b>\$ 4</b>     |
| <b>Total Assets and Deferred Outflow of Resources – Bond Programs</b>          | <b>\$ 4,756</b> | <b>\$ 525</b>       | <b>12.4%</b>  | <b>\$ 4,231</b> | <b>\$ (40)</b>      | <b>-0.9%</b>   | <b>\$ 4,271</b> |
| <b>Total Assets and Deferred Outflow of Resources</b>                          | <b>\$ 6,871</b> | <b>\$ 604</b>       | <b>9.6%</b>   | <b>\$ 6,267</b> | <b>\$ (88)</b>      | <b>-1.4%</b>   | <b>\$ 6,355</b> |
| <b>Liabilities - WCF and Affiliates</b>                                        |                 |                     |               |                 |                     |                |                 |
| Debt (net)                                                                     | \$ 214          | \$ 5                | 2.4%          | \$ 209          | \$ (65)             | -23.7%         | \$ 274          |
| Derivative instruments                                                         | 5               | (2)                 | -28.6%        | 7               | (4)                 | -36.4%         | 11              |
| Other liabilities                                                              | 807             | 20                  | 2.5%          | 787             | (27)                | -3.3%          | 814             |
| <b>Total Liabilities – WCF and Affiliates</b>                                  | <b>\$ 1,026</b> | <b>\$ 23</b>        | <b>2.3%</b>   | <b>\$ 1,003</b> | <b>\$ (96)</b>      | <b>-8.7%</b>   | <b>\$ 1,099</b> |
| <b>Total Deferred Inflow of Resources - WCF and Affiliates</b>                 | <b>\$ 25</b>    | <b>\$ (7)</b>       | <b>-21.9%</b> | <b>\$ 32</b>    | <b>\$ 1</b>         | <b>3.2%</b>    | <b>\$ 31</b>    |
| <b>Total Liabilities and Deferred Inflow of Resources – WCF and Affiliates</b> | <b>\$ 1,051</b> | <b>\$ 16</b>        | <b>1.5%</b>   | <b>\$ 1,035</b> | <b>\$ (95)</b>      | <b>-8.4%</b>   | <b>\$ 1,130</b> |
| <b>Liabilities – Bond Programs</b>                                             |                 |                     |               |                 |                     |                |                 |
| Debt (net)                                                                     | \$ 4,228        | \$ 522              | 14.1%         | \$ 3,706        | \$ 31               | 0.8%           | \$ 3,675        |
| Derivative instruments                                                         | -               | -                   |               | -               | (8)                 | -100.0%        | 8               |
| Other liabilities                                                              | 15              | 4                   | 36.4%         | 11              | 1                   | 10.0%          | 10              |
| <b>Total Liabilities – Bond Programs</b>                                       | <b>\$ 4,243</b> | <b>\$ 526</b>       | <b>14.2%</b>  | <b>\$ 3,717</b> | <b>\$ 24</b>        | <b>0.6%</b>    | <b>\$ 3,693</b> |
| <b>Total Deferred Inflow of Resources - Bond Programs</b>                      | <b>\$ 3</b>     | <b>\$ 2</b>         | <b>200.0%</b> | <b>\$ 1</b>     | <b>\$ 1</b>         |                | <b>\$ -</b>     |
| <b>Total Liabilities and Deferred Inflow of Resources – Bond Programs</b>      | <b>\$ 4,246</b> | <b>\$ 528</b>       | <b>14.2%</b>  | <b>\$ 3,718</b> | <b>\$ 25</b>        | <b>0.7%</b>    | <b>\$ 3,693</b> |
| <b>Total Liabilities and Deferred Inflow of Resources</b>                      | <b>\$ 5,297</b> | <b>\$ 544</b>       | <b>11.4%</b>  | <b>\$ 4,753</b> | <b>\$ (70)</b>      | <b>-1.5%</b>   | <b>\$ 4,823</b> |
| <b>Net Position – WCF and Affiliates</b>                                       |                 |                     |               |                 |                     |                |                 |
| Restricted by contractual or statutory agreements                              | \$ 417          | \$ 168              | 67.5%         | \$ 249          | \$ 1                | 0.4%           | \$ 248          |
| Unrestricted                                                                   | 647             | (105)               | -14.0%        | 752             | 47                  | 6.7%           | 705             |
| <b>Total Net Position – WCF and Affiliates</b>                                 | <b>\$ 1,064</b> | <b>\$ 63</b>        | <b>6.3%</b>   | <b>\$ 1,001</b> | <b>\$ 48</b>        | <b>5.0%</b>    | <b>\$ 953</b>   |
| <b>Net Position – Bond Programs</b>                                            |                 |                     |               |                 |                     |                |                 |
| Restricted by bond resolutions                                                 | \$ 510          | \$ (3)              | -0.6%         | \$ 513          | \$ (66)             | -11.4%         | \$ 579          |
| <b>Total Net Position – Bond Programs</b>                                      | <b>\$ 510</b>   | <b>\$ (3)</b>       | <b>-0.6%</b>  | <b>\$ 513</b>   | <b>\$ (66)</b>      | <b>-11.4%</b>  | <b>\$ 579</b>   |
| <b>Total Net Position</b>                                                      |                 |                     |               |                 |                     |                |                 |
| Restricted by bond resolutions                                                 | \$ 510          | \$ (3)              | -0.6%         | \$ 513          | \$ (66)             | -11.4%         | \$ 579          |
| Restricted by contractual or statutory agreements                              | 417             | 168                 | 67.5%         | 249             | 1                   | 0.4%           | 248             |
| Unrestricted                                                                   | 647             | (105)               | -14.0%        | 752             | 47                  | 6.7%           | 705             |
| <b>Total Net Position</b>                                                      | <b>\$ 1,574</b> | <b>\$ 60</b>        | <b>4.0%</b>   | <b>\$ 1,514</b> | <b>\$ (18)</b>      | <b>-1.2%</b>   | <b>\$ 1,532</b> |

Due to rounding, numbers presented in the table of summarized financial information may not sum precisely to the totals provided and percentages may not precisely reflect the absolute figures.

## Discussion of Changes in Statements of Net Position

Reference is made to the comparative statements of net position at June 30, 2023, 2022 and 2021 and the year-over-year increases and decreases presented on the prior page and the consolidated Statements of Net Position and Supplemental Schedule 5, Combined Statements of Net Position.

### Assets

#### Cash and Cash Equivalents

| <b>Cash and Cash Equivalents<br/>(in thousands)</b> | <b>2023</b> | <b>2022</b> | <b>2021</b>  |
|-----------------------------------------------------|-------------|-------------|--------------|
| Balance at June 30                                  | \$ 836,374  | \$ 768,730  | \$ 1,214,476 |
| \$ increase/(decrease) from prior period            | 67,644      | (445,746)   |              |
| % increase/(decrease) from prior period             | 9%          | -37%        |              |

The increase in Cash and Cash Equivalents in FY 2023 was primarily due to the issuance of bonds, the receipt of proceeds from investment redemptions, and the receipt of grants for which the related disbursements will be made in a future period, partially offset by the purchase of investments, the redemption of bonds and the purchase of new loans. The decrease in Cash and Cash Equivalents in FY 2022 was primarily due to the purchase of investments, the redemption of bonds and the purchase of new loans, partially offset by the issuance of bonds and the receipt of proceeds from investment redemptions.

### Investments

| <b>Investments<br/>(in thousands)</b> | <b>2023</b>  | <b>2022</b>  | <b>2021</b>  |
|---------------------------------------|--------------|--------------|--------------|
| Balance at June 30                    | \$ 1,277,498 | \$ 1,247,873 | \$ 1,074,014 |
| \$ increase from prior period         | 29,625       | 173,859      |              |
| % increase from prior period          | 2%           | 16%          |              |

The increase in Investments in FY 2023 was primarily the result of the purchase of investments in the Housing Bond (HB), Single-Family Housing Revenue Bond (SFHRB) Program and the WCF, partially offset by the redemption of investments in the same programs. The increase in Investments in FY 2022 was primarily the result of the purchase of investments in the HB and SFHRB Programs, partially offset by accelerated payments on MBS due to increased refinancing activity on the underlying loans.

At June 30, 2023, 2022 and 2021, MBS with a fair value totaling approximately \$407 million, \$477 million and \$638 million, respectively, were held as investments in the WCF and Affiliates, the SFHRB Program and the Residential Mortgage Revenue Bond (RMRB) Program. At June 30, 2023 and 2022, the aggregate fair value of these investments was lower than their cost basis by approximately \$36 and \$16 million, respectively. At June 30, 2021 the aggregate fair value of these investments exceeded their cost basis by approximately \$38 million. These amounts were recorded to reflect the current value that is the result of a changing interest rate environment. In addition, certain MBS held in the WCF and Affiliates are pledged as security for the FHLB of Boston's "Helping to House New England" program loans. MBS are recorded as investments and are not expected to be sold prior to maturity. Because the Agency expects to hold these MBS to maturity,

it does not expect to realize fair market gains or losses from these investments, only interest income is expected.

## Loan Portfolios

### Loan Portfolios

| (in thousands)                | 2023         | 2022         | 2021         |
|-------------------------------|--------------|--------------|--------------|
| Balance at June 30            | \$ 3,864,500 | \$ 3,382,718 | \$ 3,190,974 |
| \$ increase from prior period | 481,782      | 191,744      |              |
| % increase from prior period  | 14%          | 6%           |              |

The net increase in the mortgage loan portfolios in both FY 2023 and FY 2022 was primarily the result of multifamily and single-family loan production, partially offset by loan collections and an increase in the allowance for uncollectable accounts.

The following are key highlights of comparative loan related activities for the years ended June 30, 2023, 2022 and 2021:

### Multifamily Loans

#### Multifamily Loans, net

| (in thousands)                | 2023         | 2022         | 2021         |
|-------------------------------|--------------|--------------|--------------|
| Balance at June 30            | \$ 2,744,483 | \$ 2,734,202 | \$ 2,705,303 |
| \$ increase from prior period | 10,281       | 28,899       |              |
| % increase from prior period  | 0%           | 1%           |              |

The increase in the multifamily mortgage loan portfolio in both FY 2023 and FY 2022 was primarily the result of a combination of new lending activity, partially offset by loan payoffs and an increase in the allowance for uncollectible accounts.

### Multifamily Loan Originations <sup>1</sup>

(in millions)

| Years ended June 30                                         | 2023            | 2022            | 2021            |
|-------------------------------------------------------------|-----------------|-----------------|-----------------|
| Loans retained in Bond Resolutions or WCF                   | \$ 427.1        | \$ 358.8        | \$ 408.6        |
| Loans securitized as MBS and sold to Investors <sup>2</sup> | 217.1           | 545.3           | 394.3           |
| Loans sold to FFB <sup>2</sup>                              | -               | -               | 5.8             |
|                                                             | <u>\$ 644.2</u> | <u>\$ 904.1</u> | <u>\$ 808.7</u> |

<sup>1</sup> This table does not include originations for which neither the bonds nor the mortgage loans securing those bonds are in the Agency's financial statements. For more details see Conduit Debt disclosure in Note H - Bond and Note Indebtedness.

<sup>2</sup> The Agency retains the servicing rights on these loans and receives servicing fees, but the loans are not reflected on the Combined Statements of Net Position.

Mortgage loans and other receivable balances are reported net of allowances for uncollectible amounts. The evaluation of the multifamily loan portfolio takes into consideration the entire loan portfolio, primarily utilizing an impairment assessment model that employs the most recent or readily available net operating income data along with capitalization rates, property location, costs to sell, capital needs assessments and other data in assessing potential impairment to establish a reserve that complies with GAAP and therefore presents loans at their estimated net realizable

value. In certain instances, independent appraisals and other pertinent data such as loan repayment status or physical property status is obtained to assist management's decision in determining the estimated fair value of the property which serves as collateral on the loan.

**Multifamily Loan Loss Reserve  
(in thousands)**

|                                       | <b>2023</b> | <b>2022</b> | <b>2021</b> |
|---------------------------------------|-------------|-------------|-------------|
| Balance at June 30                    | \$ 286,305  | \$ 234,671  | \$ 225,761  |
| Multifamily loan balance, gross       | 3,030,788   | 2,968,873   | 2,931,064   |
| Reserve/Loan percentage               | 9.45%       | 7.90%       | 7.70%       |
| \$ reserve increase from prior period | 51,634      | 8,910       |             |
| % reserve increase from prior period  | 22%         | 4%          |             |

The increase in the multifamily allowance in FY 2023 and FY 2022 was mainly due to an increase in new subordinate debt on projects for which the current expectations are not supportive of full collection.

***Single-Family Loans***

**Single-Family Loans, net  
(in thousands)**

|                               | <b>2023</b>  | <b>2022</b> | <b>2021</b> |
|-------------------------------|--------------|-------------|-------------|
| Balance at June 30            | \$ 1,120,017 | \$ 648,516  | \$ 485,671  |
| \$ increase from prior period | 471,501      | 162,845     |             |
| % increase from prior period  | 73%          | 34%         |             |

The increase in single-family loans in both FY 2023 and FY 2022 was primarily the result of an increase in loans purchased by the SFHRB Program, partially offset by loan payoffs and an increase in the loan reserve.

Single-family mortgage loans are reported net of allowances for uncollectible amounts.

**Single-Family Loan Reserve  
(in thousands)**

|                                       | <b>2023</b> | <b>2022</b> | <b>2021</b> |
|---------------------------------------|-------------|-------------|-------------|
| Balance at June 30                    | \$ 5,138    | \$ 4,761    | \$ 3,884    |
| Single-family loan balance, gross     | 1,125,256   | 653,218     | 489,227     |
| Reserve/Loan percentage               | 0.46%       | 0.73%       | 0.79%       |
| \$ reserve increase from prior period | 377         | 877         |             |
| % reserve increase from prior period  | 8%          | 23%         |             |

The increase in the single-family loan reserve in both FY 2023 and FY 2022 was primarily due to an increase in subordinate loans related to down payment assistance to borrowers and a growing loan portfolio.

During each of the last three fiscal years, Home Ownership purchased single-family loans from participating lenders. Beginning with the quarter ending December 31, 2022, Home Ownership began originating single family loans sourced through mortgage brokers. As part of efforts to carry out its mission to provide financing for affordable housing in Massachusetts, MassHousing developed a wholesale lending channel to expand its reach across the state with a particular focus on increasing its lending within Massachusetts Gateway Cities and to underserved communities. Loan purchases and originated loans are initially funded through the WCF. The WCF serves as a

temporary funding source for Home Ownership lending activity, pending subsequent sale of the loans, or loans wrapped by MBS, either to outside investors or to one or more of MassHousing's bond programs. The table below summarizes the WCF warehouse activity for each of the years ended June 30, 2023, 2022 and 2021, including the purchases of loans and the sales of the loans, or loans wrapped by MBS, to: FNMA, the SFHRB Program, the WCF, FHLMC, and other loan sales. There have been no sales of loans wrapped by MBS to the RMRB Program during these periods. MassHousing retains the servicing rights for all loans sold or loans wrapped by MBS to FNMA, the SFHRB Program, the RMRB Program, FHLMC and others.

**Home Ownership Loan purchases, originations, sales and transfers**

(in millions)

| <b>Years ended June 30</b>                                       | <b>2023</b>    | <b>2022</b>    | <b>2021</b>    |
|------------------------------------------------------------------|----------------|----------------|----------------|
| Loan beginning balance                                           | \$ 21.3        | \$ 32.9        | \$ 56.6        |
| Loan purchases                                                   | 718.2          | 458.4          | 893.2          |
| Loan originations                                                | 5.8            | -              | -              |
| MBS backed by loans or loans sold to FNMA <sup>3</sup>           | (45.8)         | (84.3)         | (301.9)        |
| MBS backed by loans or loans sold to SFHRB Program               | (503.7)        | (267.6)        | (186.2)        |
| MBS backed by loans or loans sold to FHLMC                       | (154.4)        | (98.3)         | (406.3)        |
| Loans sold to FHLB                                               | -              | (8.5)          | (8.3)          |
| Down Payment Assistance and other loan sales retained in the WCF | (14.9)         | (10.8)         | (13.9)         |
| Principal receipts                                               | (0.4)          | (0.5)          | (0.3)          |
| <b>Ending balance</b>                                            | <b>\$ 26.1</b> | <b>\$ 21.3</b> | <b>\$ 32.9</b> |

<sup>3</sup> FNMA has acquired both FNMA MBS backed by loans and GNMA MBS backed by loans.

***Home Ownership Servicing Portfolio***

MassHousing's Mortgage Service Center (MSC), which was established in 1996 within Home Ownership, services the Home Ownership loan portfolio. This portfolio includes MassHousing's loans on the Statement of Net Position, as well as loans that are serviced for other entities. As of June 30, 2023, 2022 and 2021, the MSC serviced a portfolio with a principal balance of approximately \$3.7 billion, \$3.3 billion, and \$3.5 billion, respectively, for each of the three years, as detailed more fully in the table below:

**Home Ownership Servicing Portfolio**

(in millions)

| <b>Year ended June 30</b>                                               | <b>2023</b>       | <b>2022</b>       | <b>2021</b>       |
|-------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Beginning Balance                                                       | \$ 3,291.9        | \$ 3,528.2        | \$ 3,968.9        |
| New loans, including loans in which the servicing rights were purchased | 728.7             | 462.1             | 894.5             |
| Loans Paid in Full                                                      | (162.0)           | (599.8)           | (1,234.8)         |
| Amortization and Curtailments                                           | (105.5)           | (91.3)            | (95.2)            |
| Foreclosures, Write-offs and Adjustments                                | (5.3)             | (7.3)             | (5.2)             |
| <b>Ending Balance</b>                                                   | <b>\$ 3,747.8</b> | <b>\$ 3,291.9</b> | <b>\$ 3,528.2</b> |

As of June 30, 2023, 2022 and 2021, the Agency's Home Ownership servicing portfolio had payment arrearages on first mortgage loans of 30 days or more on 759 loans (4.48% of the loans in the home ownership servicing portfolio), 825 loans (5.26% of the loans in the home ownership

servicing portfolio), and 1,405 loans (8.19% of the loans in the home ownership servicing portfolio), respectively. The outstanding mortgage loan balances for these loans at June 30, 2023, 2022 and 2021 totaled \$147.7 million (4.05% of the outstanding principal balance of the loans in home ownership servicing portfolio), \$163.0 million (5.06% of the outstanding principal balance of the loans in home ownership servicing portfolio) and \$282.6 million (8.16% of the outstanding principal balance of the loans in home ownership servicing portfolio), respectively.

## **Liabilities**

### **Debt Payable**

MassHousing's total debt payable, which includes bonds, notes and other debt obligations, comprised approximately 84%, 82% and 82% of total liabilities at June 30, 2023, 2022 and 2021, respectively. All bonds are special obligations of MassHousing and all notes are either special obligations or general obligations of MassHousing, depending on the terms of the applicable resolution. All other debt obligations are general obligations of MassHousing. General obligations of MassHousing are secured by the full faith and credit of MassHousing and are payable out of any of its moneys or revenues, subject to lawful expenditures and to the provisions of any other resolutions or agreements now or hereafter pledging particular moneys or revenues to particular notes, bonds or other obligations of MassHousing. Special obligations are payable solely from and secured solely by a pledge of certain Revenues and Funds established under a specific bond resolution. Funds generated from the sales of bonds and notes are used to fund or purchase mortgages or MBS. Principal and interest payments received from such loans and MBS are used to fund the debt service (principal and interest payments) due on MassHousing's bonds and notes.

#### **Total Debt**

| <b>(in millions)</b>                     | <b>2023</b> | <b>2022</b> | <b>2021</b> |
|------------------------------------------|-------------|-------------|-------------|
| Balance at June 30                       | \$ 4,442    | \$ 3,915    | \$ 3,949    |
| \$ increase/(decrease) from prior period | 527         | (34)        |             |
| % increase/(decrease) from prior period  | 13%         | -1%         |             |

The increase in total debt payable in FY 2023 was mainly due to the issuance of bonds and notes in the SFHRB, HB and Direct Purchase Construction Loan Notes (DPCLN) Programs, partially offset by the redemption of bonds in the HB, SFHRB Programs, and note repayments on the DPCLN. The decrease in total debt payable in FY 2022 was mainly due to the redemption of bonds in the SFHRB Program and the WCF.

### Bond and Note Activity

MassHousing incurred approximately \$1,057 million, \$625 million and \$718 million of new bond and note debt in FY 2023, FY 2022 and FY 2021, respectively, to fund multifamily and single-family loans, as detailed more fully in the table below:

#### New Debt Fundings (in millions)

Years ended June 30

| <u>Program</u>                   | <u>2023</u>       |                         | <u>2022</u>     |                         | <u>2021</u>     |                         |
|----------------------------------|-------------------|-------------------------|-----------------|-------------------------|-----------------|-------------------------|
|                                  | <u>Total</u>      | <u>Number of Series</u> | <u>Total</u>    | <u>Number of Series</u> | <u>Total</u>    | <u>Number of Series</u> |
| WCF Direct Purchase Construction |                   |                         |                 |                         |                 |                         |
| Loan Notes                       | \$ 35.2           | 3                       | \$ 71.2         | 5                       | \$ 140.4        | 9                       |
| HB                               | 477.2             | 10                      | 223.5           | 6                       | 304.1           | 9                       |
| SFHRB and Notes                  | 545.0             | 7                       | 330.2           | 5                       | 273.6           | 7                       |
| <b>Total New Debt Fundings</b>   | <b>\$ 1,057.4</b> | <b>20</b>               | <b>\$ 624.9</b> | <b>16</b>               | <b>\$ 718.1</b> | <b>25</b>               |

### Total Net Position

#### Changes in Net Position

#### Total Net Position

(in millions)

|                                          | <b>2023</b> | <b>2022</b> | <b>2021</b> |
|------------------------------------------|-------------|-------------|-------------|
| Balance at June 30                       | \$ 1,574    | \$ 1,514    | \$ 1,532    |
| \$ increase/(decrease) from prior period | 60          | (18)        |             |
| % increase/(decrease) from prior period  | 4%          | -1%         |             |

Restricted net position is the portion of net position on which constraints have been placed that are either (1) externally imposed by creditors, grantors, laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation. These are presented as restricted net position on the combined Statements of Net Position. MassHousing management designates a portion of unrestricted net position balances for specific purposes that further MassHousing's mission. MassHousing Board members (Members) may also choose to remove or modify such designations at any time.

### WCF and Affiliates

#### Total WCF Net Position

(in thousands)

|                               | <b>2023</b>  | <b>2022</b>  | <b>2021</b> |
|-------------------------------|--------------|--------------|-------------|
| Balance at June 30            | \$ 1,064,172 | \$ 1,000,361 | \$ 953,691  |
| \$ increase from prior period | 63,811       | 46,670       |             |
| % increase from prior period  | 6%           | 5%           |             |

The increase in total net position of the WCF and Affiliates for the year ended June 30, 2023 was primarily the result of three factors: operating income of \$91.6 million and a transfer of net position from bond programs of \$17.9 million, partially offset by an increase in the provision for loan losses of \$45.7 million. The increase in total net position of the WCF and Affiliates for the year ended June 30, 2022 was primarily the result of three factors: operating income of \$19.1 million and a transfer of net position from bond programs of \$37.0 million, partially offset by an increase in the provision for loan losses of \$9.4 million.

**WCF Net Position Restricted by  
Contractual or Statutory Agreements  
(in thousands)**

|                               | <b>2023</b> | <b>2022</b> | <b>2021</b> |
|-------------------------------|-------------|-------------|-------------|
| Balance at June 30            | \$ 417,056  | \$ 249,065  | \$ 248,255  |
| \$ increase from prior period | 167,991     | 810         |             |
| % increase from prior period  | 67%         | 0%          |             |

The following table presents the restricted net position on which constraints have been externally imposed by creditors, grantors and laws or regulations on the WCF at June 30, 2023, 2022 and 2021, respectively, and the amount of those restrictions (in thousands).

| <b>WCF and Affiliates Restricted Net Position</b>        | <b>2023</b>       | <b>2022</b>       | <b>2021</b>       |
|----------------------------------------------------------|-------------------|-------------------|-------------------|
| Minimum net position covenants                           | \$ 200,000        | \$ 100,000        | \$ 100,000        |
| MassHousing Mortgage Insurance Funds (MIF)               | 127,554           | 123,089           | 123,235           |
| State and Local Fiscal Recovery Funds (ARPA)             | 26,501            | -                 | -                 |
| FHLB of Boston Collateral (Helping to House New England) | 18,917            | 21,036            | 20,038            |
| Capital Magnet Funds                                     | 15,262            | -                 | -                 |
| Neighborhood Stabilization Program                       | 12,582            | -                 | -                 |
| Other Grant Programs                                     | 10,084            | -                 | -                 |
| Single family co-insurance                               | 3,796             | 3,796             | 3,796             |
| Restricted by Note Resolutions                           | 2,360             | 1,144             | 1,186             |
| <b>Total WCF and Affiliates Restricted Net Position</b>  | <b>\$ 417,056</b> | <b>\$ 249,065</b> | <b>\$ 248,255</b> |

**WCF Unrestricted Net Position  
(in thousands)**

|                                          | <b>2023</b> | <b>2022</b> | <b>2021</b> |
|------------------------------------------|-------------|-------------|-------------|
| Balance at June 30                       | \$ 647,116  | \$ 751,296  | \$ 705,436  |
| \$ increase/(decrease) from prior period | (104,180)   | 45,860      |             |
| % increase/(decrease) from prior period  | -14%        | 7%          |             |

The following table presents the WCF's unrestricted net position at June 30, 2023, 2022 and 2021, respectively, which has been designated by vote of MassHousing Members for specified purposes that further the Agency's mission, and the amount of those designations (in thousands):

| <b>WCF and Affiliates Unrestricted Designations Net Position</b>                                                           | <b>2023</b>       | <b>2022</b>       | <b>2021</b>       |
|----------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Funding for loan purchases, advances and unrestricted net position requirements                                            | \$ 306,588        | \$ 337,645        | \$ 288,177        |
| Opportunity Fund (including loans receivable)                                                                              | 291,422           | 355,701           | 353,493           |
| Lease Commitments                                                                                                          | 30,829            | 38,342            | 43,686            |
| Funding of the Construction Security Fund                                                                                  | 14,000            | 14,000            | 14,000            |
| Capital Magnet Grants                                                                                                      | -                 | 1,696             | 3,331             |
| Equity of Affiliates Center for Community Recovery Innovations (CCRI) and Property Acquisition and Disposition Corporation | 1,667             | 1,168             | 927               |
| Funding for Summer Youth Programs, Youth Development and Community Engagement                                              | 920               | 1,100             | -                 |
| Funding of the Tenancy Preservation Project                                                                                | 820               | 769               | 773               |
| Funding of the CCRI                                                                                                        | 700               | 700               | 700               |
| FHLB Helping to House New England Grant                                                                                    | -                 | -                 | 179               |
| Funding for the Mel King Institute                                                                                         | 120               | 125               | 120               |
| Funding of the New Lease for Homeless Families initiative                                                                  | 50                | 50                | 50                |
| <b>Total WCF and Affiliates Unrestricted Designations of Net Position</b>                                                  | <b>\$ 647,116</b> | <b>\$ 751,296</b> | <b>\$ 705,436</b> |

### **Bond-Funded Programs**

#### **Total Bond Program Net Position**

| <b>(in thousands)</b>           | <b>2023</b> | <b>2022</b> | <b>2021</b> |
|---------------------------------|-------------|-------------|-------------|
| Balance at June 30              | \$ 509,439  | \$ 513,260  | \$ 578,589  |
| \$ (decrease) from prior period | (3,821)     | (65,329)    |             |
| % (decrease) from prior period  | -1%         | -11%        |             |

The decrease in net position of the bond-funded programs for the year ended June 30, 2023 was primarily the result of three factors: net transfers to the WCF of \$17.9 million and an increase to the provision for loan losses of \$11.1 million, partially offset by operating income before provision for loan losses of \$25.2 million. The decrease in net position of the bond-funded programs for the year ended June 30, 2022 was primarily the result of three factors: net transfers to the WCF of \$37.0 million and an operating loss before provision for loan losses of \$30.2 million, partially offset by a decrease to the provision for loan losses of \$1.9 million.

## Summarized Financial Information – Statement of Revenues, Expenses, and Changes in Net Position (in millions)

The table below represents summarized comparative statements of revenues, expenses, and changes in net position for the fiscal years ended June 30:

|                                                                                         | Change from FY 2022 |               |                | Change from FY 2021 |                |                |                 |
|-----------------------------------------------------------------------------------------|---------------------|---------------|----------------|---------------------|----------------|----------------|-----------------|
| Fiscal 2023                                                                             | \$                  | %             | Fiscal 2022    | \$                  | %              | Fiscal 2021    |                 |
| <b>Operating Revenues – WCF and Affiliates</b>                                          |                     |               |                |                     |                |                |                 |
| Interest on loans                                                                       | \$ 19               | \$ -          | 0.0%           | \$ 19               | \$ 2           | 11.8%          | \$ 17           |
| Investment earnings                                                                     | 16                  | 24            | -300.0%        | (8)                 | 2              | -20.0%         | (10)            |
| Fee income                                                                              | 82                  | -             | 0.0%           | 82                  | (9)            | -9.9%          | 91              |
| Grant income                                                                            | 122                 | 113           | 1255.6%        | 9                   | (4)            | -30.8%         | 13              |
| Other income                                                                            | 9                   | 4             | 80.0%          | 5                   | (20)           | -80.0%         | 25              |
| <b>Total Revenues - WCF and Affiliates</b>                                              | <b>\$ 248</b>       | <b>\$ 141</b> | <b>131.8%</b>  | <b>\$ 107</b>       | <b>\$ (29)</b> | <b>-21.3%</b>  | <b>\$ 136</b>   |
| <b>Operating Revenues – Bond Programs</b>                                               |                     |               |                |                     |                |                |                 |
| Interest on loans                                                                       | \$ 124              | \$ 10         | 8.8%           | \$ 114              | \$ (6)         | -5.0%          | \$ 120          |
| Investment earnings                                                                     | 37                  | 67            | -223.3%        | (30)                | (38)           | -475.0%        | 8               |
| Fee income                                                                              | 2                   | -             | 0.0%           | 2                   | -              | 0.0%           | 2               |
| Other income                                                                            | 1                   | 1             | -              | (1)                 | (1)            | -100.0%        | 1               |
| <b>Total Revenues - Bond Programs</b>                                                   | <b>\$ 164</b>       | <b>\$ 78</b>  | <b>90.7%</b>   | <b>\$ 86</b>        | <b>\$ (45)</b> | <b>-34.4%</b>  | <b>\$ 131</b>   |
| <b>Total Revenues</b>                                                                   | <b>\$ 412</b>       | <b>\$ 219</b> | <b>113.5%</b>  | <b>\$ 193</b>       | <b>\$ (74)</b> | <b>-27.7%</b>  | <b>\$ 267</b>   |
| <b>Operating Expenses – WCF and Affiliates</b>                                          |                     |               |                |                     |                |                |                 |
| Interest on bonds and notes, net of discount/premium                                    | \$ 7                | \$ -          | 0.0%           | \$ 7                | \$ (1)         | -12.5%         | \$ 8            |
| Administrative expenses                                                                 | 82                  | 14            | 20.6%          | 68                  | (2)            | -2.9%          | 70              |
| Grant expenses                                                                          | 67                  | 55            | 458.3%         | 12                  | 8              | 200.0%         | 4               |
| Other expenses                                                                          | -                   | -             | -              | -                   | (1)            | -100.0%        | 1               |
| <b>Total Expenses - WCF and Affiliates</b>                                              | <b>\$ 156</b>       | <b>\$ 69</b>  | <b>79.3%</b>   | <b>\$ 87</b>        | <b>\$ 4</b>    | <b>4.8%</b>    | <b>\$ 83</b>    |
| <b>Operating Expenses – Bond Programs</b>                                               |                     |               |                |                     |                |                |                 |
| Interest on bonds and notes, net of discount/premium                                    | \$ 126              | \$ 22         | 21.2%          | \$ 104              | \$ (7)         | -6.3%          | \$ 111          |
| Administrative expenses                                                                 | 4                   | (3)           | -42.9%         | 7                   | 1              | 16.7%          | 6               |
| Other expenses                                                                          | 9                   | 3             | 50.0%          | 6                   | -              | 0.0%           | 6               |
| <b>Total Expenses - Bond Programs</b>                                                   | <b>\$ 139</b>       | <b>\$ 22</b>  | <b>18.8%</b>   | <b>\$ 117</b>       | <b>\$ (6)</b>  | <b>-4.9%</b>   | <b>\$ 123</b>   |
| <b>Total Expenses</b>                                                                   | <b>\$ 295</b>       | <b>\$ 91</b>  | <b>44.6%</b>   | <b>\$ 204</b>       | <b>\$ (2)</b>  | <b>-1.0%</b>   | <b>\$ 206</b>   |
| Operating income before provision for (reduction to) loan losses- WCF and Affiliates    | \$ 92               | \$ 72         | 360.0%         | \$ 20               | \$ (33)        | -62.3%         | \$ 53           |
| Operating income (loss) before provision for (reduction to) loan losses - Bond Programs | \$ 25               | \$ 56         | -180.6%        | \$ (31)             | \$ (39)        | -487.5%        | \$ 8            |
| Total operating income (loss) before provision for (reduction to) loan losses           | \$ 117              | \$ 128        | -1163.6%       | \$ (11)             | \$ (72)        | -118.0%        | \$ 61           |
| Provision for (reduction to) loan losses                                                | \$ 57               | \$ 50         | 714.3%         | \$ 7                | \$ (15)        | -68.2%         | \$ 22           |
| Total provision for (reduction to) loan losses                                          | \$ 57               | \$ 50         | 714.3%         | \$ 7                | \$ (15)        | -68.2%         | \$ 22           |
| <b>Total operating income (loss)</b>                                                    | <b>\$ 60</b>        | <b>\$ 78</b>  | <b>-433.3%</b> | <b>\$ (18)</b>      | <b>\$ (57)</b> | <b>-146.2%</b> | <b>\$ 39</b>    |
| Changes in net position                                                                 | \$ 60               | \$ 78         | -433.3%        | \$ (18)             | \$ (57)        | -146.2%        | \$ 39           |
| Cumulative effect of GASB 87 adjustments to Net Position                                | \$ -                | \$ -          | -              | \$ -                | \$ (2)         | -100.0%        | \$ 2            |
| Net position at beginning of the fiscal year                                            | \$ 1,514            | \$ (18)       | -1.2%          | \$ 1,532            | \$ 41          | 2.7%           | \$ 1,491        |
| <b>Total net position at end of the fiscal year</b>                                     | <b>\$ 1,574</b>     | <b>\$ 60</b>  | <b>4.0%</b>    | <b>\$ 1,514</b>     | <b>\$ (18)</b> | <b>-1.2%</b>   | <b>\$ 1,532</b> |

Due to rounding, numbers presented in the table of summarized financial information may not sum precisely to the totals provided and percentages may not precisely reflect the absolute figures.

## **Discussion of Operating Results**

Reference is made to the statements of revenues, expenses, and changes in net position for the fiscal years ended June 30, 2023, 2022 and 2021, and the year-over-year increases and decreases presented on the prior page. Changes in Operating Income are the result of several major items that positively or negatively affected Operating Income as described below:

### **Operating Revenues**

#### **Interest on Loans**

Interest on loans for the year ended June 30, 2023 increased, as compared with FY 2022, primarily due to the increase in the Loans Receivable in the single-family program and an increase in interest rates on newer loans, which is increasing the overall portfolio rate. Interest on loans for the year ended June 30, 2022 decreased, as compared with FY 2021, primarily due to the decrease in interest rates on newer loans when compared to the rates on paid off loans.

#### **Investment Earnings**

Investment Earnings consist of interest income and increases or decreases in the fair value of investments. Investment Earnings for the year ended June 30, 2023 increased, as compared with FY 2022, primarily due to an increase in Interest Income on Investments as a result of rising interest rates, and a lower decrease in the Fair Market Value of Investments. Investment Earnings for the year ended June 30, 2022 decreased, as compared with FY 2021, primarily due to a decrease in the Fair Market Value of Investments, as a result of the rising interest rate environment.

#### **Fee Income**

Fee Income includes fees received from loan originations, securitization premiums, loan servicing fees, insurance premiums, and Section 8 administrative fees received from HUD, including administrative fees that are paid by HUD to MassHousing in consideration for serving as HUD's contract administrator with respect to the Performance-Based Contract Administration (PBCA) program contract and the Traditional Contract Assistance (TCA) program. Fee Income for the year ended June 30, 2023, as compared with FY 2022, was flat with increases in contract administration and financing fees, offset by a decrease in secondary marketing gains on single family and multifamily loan sales. Fee Income for the year ended June 30, 2022, as compared with FY 2021, decreased primarily due to a decrease in secondary marketing gains on single family loan sales and a decrease in multifamily recapitalization fees, partially offset by an increase in multifamily secondary marketing gains on loan sales.

As noted above, MassHousing receives fee income in consideration for serving as HUD's contract administrator with respect to project-based Section 8 subsidy programs in the Commonwealth, including both the PBCA and TCA programs. Starting in 2011, HUD sought to achieve cost savings in the PBCA program and initiated the first of several processes for re-bidding PBCA administration in multiple states. Each such process has been withdrawn or overturned following legal challenges. On December 20, 2022, HUD gave notice of its election to extend the tenth amendment of the Annual Contributions Contract (ACC), subject to the availability of sufficient appropriations, for the first extension term, which began on February 1, 2023 and ended on July 31, 2023. On May 12, 2023, HUD gave notice of its election to extend the tenth amendment of the ACC, subject to the availability of sufficient appropriations, for the second extension term, which began on August 1, 2023 and will end on January 31, 2024. Effective June 1, 2023, HUD transferred the remaining three contracts, that MassHousing administered on HUD's behalf, from the Section 8 TCA program into the PBCA program. MassHousing's Section 8 contract administration work under the TCA program has concluded.

**Other Income**

Other Income primarily includes insurance claim receipts on foreclosed properties, reinsurance receipts received by MIF on insurance claims paid, recoveries on multifamily loans previously charged off, fees for administering certain contracts and various other operating income items. Other Income for the year ended June 30, 2023, as compared to FY 2022, increased primarily due to an increase in funds received for administering certain contracts. Other income for the year ended June 30, 2022, as compared to the year ended June 30, 2021, decreased primarily due to funds received from multifamily refinancings in FY 2021 not occurring in FY 2022.

**Operating Expenses****Interest Expense on Bonds and Notes, net of premium/discount**

Interest Expense on Bonds and Notes, net of premium/discount, for the year ended June 30, 2023, as compared with FY 2022, increased due to the issuance of new bonds in excess of the redemption of bonds, an increase in the interest on new bonds and an increase in interest on variable rate bonds. Interest Expense on Bonds and Notes, net of premium/discount, for the year ended June 30, 2022, as compared to FY 2021, decreased due to savings from bond refundings and lower interest rates.

**Administrative Expenses**

Administrative Expenses for the year ended June 30, 2023, as compared with the year ended June 30, 2022, increased primarily due to an increase in Pension expenses. There was not a significant change in Administrative Expenses for the year ended June 30, 2022, as compared with FY 2021.

**Provision for Loan Losses**

The Provision for Loan Losses for the year ended June 30, 2023, as compared with the year ended June 30, 2022, increased primarily due to an increase in new subordinate debt on projects for which the current expectations are not supportive of full collection. The Provision for Loan Losses for the year ended June 30, 2022, as compared with the year ended June 30, 2021, decreased mainly due to fewer projects experiencing reserve requirements in FY 2022 as compared to FY 2021.

**Net Grant Activity**

In accordance with MassHousing's grant policy, MassHousing recognizes Grant Income based on satisfaction of timing and eligibility requirements as required in the relevant accounting standards, and outgoing grants are expensed as disbursed. Certain programs allow for the disbursement of funds in the form of a repayable loan. These loans are included in Loans Receivable and are reported net of allowance, as described more fully in Note B – Summary of Significant Accounting Policies.” Grant income may be recognized in a different accounting period than the grant expense. As a result, grant expenses may exceed grant income in some years.

For the fiscal years ended June 30, 2023, 2022, and 2021, respectively, the Agency received and made expenditures the following grants:

**Grants Received and Grants Expensed (in thousands)**

**For the year ended** **6/30/2023** **6/30/2022** **6/30/2021**

**Grants Received**

|                                                 |                   |                 |                  |
|-------------------------------------------------|-------------------|-----------------|------------------|
| State and Local Fiscal Recovery Funds (SLFRF) - |                   |                 |                  |
| Commonwealth Builder                            | \$ 37,892         | \$ -            | \$ -             |
| MassDREAMS Program                              | 37,085            | -               | -                |
| Homeowner Assistance Fund (HAF) Program         | 24,169            | 2,772           | -                |
| Capital Magnet Fund                             | 12,000            | -               | 5,800            |
| Neighborhood Stabilization Program              | 6,523             | 6,473           | -                |
| Gateway Housing Rehab Program                   | 2,320             | -               | -                |
| Sober Homes Fire Sprinklers Program             | 1,500             | -               | -                |
| FHLB - Helping to House New England Program     | 100               | 100             | 2,000            |
| Department of Housing and Community Development |                   |                 |                  |
| Lead Paint Abatement Loan Program               | -                 | -               | 5,000            |
| Total Grants Received                           | <u>\$ 121,589</u> | <u>\$ 9,345</u> | <u>\$ 12,800</u> |

**Grant Expense**

|                                  |                  |                  |                 |
|----------------------------------|------------------|------------------|-----------------|
| MassDREAMS Program               | \$ 37,417        | \$ -             | \$ -            |
| HAF Program                      | 14,894           | 1,459            | -               |
| SLFRF - Commonwealth Builder     | 10,058           | -                | -               |
| Other grants expenditures        | 3,764            | 1,845            | 2,732           |
| Commonwealth Builder - MA Funded | 750              | 8,411            | 814             |
| Total Grant Expense <sup>4</sup> | <u>\$ 66,883</u> | <u>\$ 11,715</u> | <u>\$ 3,546</u> |

<sup>4</sup> Does not include funds used for repayable loans.

**Legislative Developments**

From time to time, bills may be introduced into the Commonwealth legislature that could affect government operations generally or seek to impose financial and other obligations on MassHousing, including requiring the transfer of funds or assets from MassHousing to the Commonwealth or other Commonwealth agencies. Furthermore, measures and legislation may be considered by the Federal government, or the Commonwealth legislature, which measures could affect MassHousing's programs. While some of these measures may benefit the programs, no assurance can be given that the programs will not be adversely affected by such measures. In addition, the United States Congress or the Commonwealth legislature could enact legislation that would adversely affect the timing and amount of MassHousing's recoveries from mortgage loans and thereby adversely affect the availability of amounts for the payment of debt service on obligations. MassHousing cannot predict whether any such legislation will be enacted or, if it were enacted, what effect it would have on the revenues received by MassHousing from mortgage loans. There can be no assurance that any such legislation will not be enacted or that such legislation, if enacted, will not have an adverse impact on the operations of MassHousing, its financial condition, or any of its contractual obligations.

**COMBINED STATEMENTS OF NET POSITION**

June 30, 2023 and 2022

**In thousands**

|                                                                               | June 30, 2023 |           | June 30, 2022 |           |
|-------------------------------------------------------------------------------|---------------|-----------|---------------|-----------|
| <b>Assets</b>                                                                 |               |           |               |           |
| <b>Current assets</b>                                                         |               |           |               |           |
| Cash and cash equivalents (Note C)                                            | \$            | 836,374   | \$            | 768,730   |
| Investments (Note C)                                                          |               | 702,559   |               | 537,495   |
| Interest and fees receivable on construction and mortgage loans, net (Note D) |               | 13,137    |               | 10,388    |
| Current portion of loans receivable, net (Note D)                             |               | 209,194   |               | 208,970   |
| Hedging derivative instruments (Note J)                                       |               | 72        |               | -         |
| Other assets (Note F)                                                         |               | 28,989    |               | 14,798    |
| Total current assets                                                          |               | 1,790,325 |               | 1,540,381 |
| <b>Non-current assets</b>                                                     |               |           |               |           |
| Investments (Note C)                                                          |               | 574,939   |               | 710,378   |
| Non-current portion of loans receivable, net (Notes D & E)                    |               | 3,655,306 |               | 3,173,748 |
| Escrowed funds (Note G)                                                       |               | 726,336   |               | 701,415   |
| Hedging derivative instruments (Note J)                                       |               | 3,155     |               | 1,127     |
| Investment derivative instruments (Note J)                                    |               | 2,066     |               | 835       |
| Net Pension Asset (Note N)                                                    |               | -         |               | 26,677    |
| Other assets (Note F)                                                         |               | 93,768    |               | 99,834    |
| Total non-current assets                                                      |               | 5,055,570 |               | 4,714,014 |
| Total assets                                                                  |               | 6,845,895 |               | 6,254,395 |
| <b>Deferred outflow of resources</b>                                          |               |           |               |           |
| Pension and OPEB (Note N)                                                     |               | 24,856    |               | 12,174    |
| Hedging derivative instruments (Note J)                                       |               | -         |               | 207       |
| Total deferred outflow of resources                                           |               | 24,856    |               | 12,381    |
| Total assets and deferred outflow of resources                                | \$            | 6,870,751 | \$            | 6,266,776 |
| <b>Liabilities</b>                                                            |               |           |               |           |
| <b>Current liabilities</b>                                                    |               |           |               |           |
| Current portion of long term debt, net (Note H)                               | \$            | 218,840   | \$            | 363,080   |
| Obligation line of credit (Note H)                                            |               | 50,000    |               | 25,000    |
| Accrued interest payable                                                      |               | 14,546    |               | 10,093    |
| Other liabilities (Note F)                                                    |               | 21,922    |               | 23,939    |
| Hedging derivative instruments (Note J)                                       |               | -         |               | 183       |
| Total current liabilities                                                     |               | 305,308   |               | 422,295   |
| <b>Non-current liabilities</b>                                                |               |           |               |           |
| Non-current portion of long term debt, net (Note H)                           |               | 4,157,245 |               | 3,510,804 |
| Long term-loan (Note H)                                                       |               | 16,363    |               | 16,363    |
| Net pension and OPEB liability (Note N)                                       |               | 10,658    |               | 12,001    |
| Other liabilities (Note F)                                                    |               | 48,593    |               | 50,052    |
| Escrowed funds payable (Note G)                                               |               | 726,336   |               | 701,415   |
| Hedging derivative instruments (Note J)                                       |               | -         |               | 24        |
| Investment derivative instruments (Note J)                                    |               | 4,828     |               | 6,743     |
| Total non-current liabilities                                                 |               | 4,964,023 |               | 4,297,402 |
| Total liabilities                                                             |               | 5,269,331 |               | 4,719,697 |
| <b>Deferred inflow of resources</b>                                           |               |           |               |           |
| Pension and OPEB (Note N)                                                     |               | 20,543    |               | 31,100    |
| Hedging derivative instruments (Note J)                                       |               | 3,227     |               | 1,127     |
| Sublease (Note I)                                                             |               | 4,039     |               | 1,231     |
| Total deferred inflow of resources                                            |               | 27,809    |               | 33,458    |
| Total liabilities and deferred inflow of resources                            |               | 5,297,140 |               | 4,753,155 |
| Commitments and contingencies (Note O)                                        |               |           |               |           |
| Net position (Notes A & L)                                                    |               |           |               |           |
| Restricted by bond resolutions                                                |               | 509,439   |               | 513,260   |
| Restricted by contractual or statutory agreements                             |               | 417,056   |               | 249,065   |
| Unrestricted                                                                  |               | 647,116   |               | 751,296   |
| Total net position                                                            | \$            | 1,573,611 | \$            | 1,513,621 |

**COMBINED STATEMENTS OF REVENUES,  
EXPENSES, AND CHANGES IN NET POSITION**

For the periods ended: June 30, 2023 and 2022

| In thousands                                                           | Fiscal Year Ended   |                     |
|------------------------------------------------------------------------|---------------------|---------------------|
|                                                                        | June 30, 2023       | June 30, 2022       |
| <b>Operating revenues</b>                                              |                     |                     |
| Interest on loans (Notes B & D)                                        | \$ 143,312          | \$ 132,646          |
| Investment earnings: (Notes B & C)                                     |                     |                     |
| Interest income                                                        | 67,643              | 23,109              |
| Net (decrease) in fair value of investments                            | (14,976)            | (61,345)            |
| Fee income (Note B)                                                    | 83,851              | 84,213              |
| Grant income (Note B)                                                  | 121,589             | 9,345               |
| Other income (Note B)                                                  | 10,635              | 4,405               |
| <b>Total operating revenues</b>                                        | <b>412,054</b>      | <b>192,373</b>      |
| <b>Operating expenses</b>                                              |                     |                     |
| Interest on bonds and notes, net of discount/premium (Notes B & H)     | 132,783             | 110,853             |
| Financing costs                                                        | 9,768               | 5,945               |
| Administrative expenses                                                | 85,633              | 74,855              |
| Grant expenses (Note B)                                                | 66,883              | 11,715              |
| Other expenses (Note B)                                                | 147                 | 241                 |
| <b>Total operating expenses</b>                                        | <b>295,214</b>      | <b>203,609</b>      |
| <b>Operating income (loss) before provision for loan loss reserves</b> | <b>116,840</b>      | <b>(11,236)</b>     |
| Provision for loan loss reserves (Notes B & D)                         | 56,850              | 7,423               |
| <b>Total provision for loan loss reserves</b>                          | <b>56,850</b>       | <b>7,423</b>        |
| <b>Operating income (loss) after provision for loan loss reserves</b>  | <b>59,990</b>       | <b>(18,659)</b>     |
| <b>Change in net position</b>                                          | <b>59,990</b>       | <b>(18,659)</b>     |
| Net position at the beginning of the year                              | 1,513,621           | 1,532,280           |
| <b>Net position at the end of the year</b>                             | <b>\$ 1,573,611</b> | <b>\$ 1,513,621</b> |

**COMBINED STATEMENTS OF CASH FLOWS**

For the periods ended: June 30, 2023 and 2022

| In thousands                                                               | Fiscal Year Ended |                   |
|----------------------------------------------------------------------------|-------------------|-------------------|
|                                                                            | June 30, 2023     | June 30, 2022     |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                    |                   |                   |
| <b>Cash flows from operating activities:</b>                               |                   |                   |
| Collections on mortgage loans, construction loan repayments and loan sales | \$ 1,418,827      | \$ 1,614,895      |
| Loan advances to borrowers                                                 | (1,814,894)       | (1,690,107)       |
| Interest collections on construction loans                                 | 10,284            | 10,502            |
| Fees collected                                                             | 84,719            | 82,543            |
| Cash payments to employees for services                                    | (41,029)          | (35,665)          |
| Cash payments to other suppliers of goods and services                     | (36,492)          | (25,406)          |
| Grants received                                                            | 121,589           | 9,345             |
| Grants disbursed                                                           | (66,883)          | (11,718)          |
| Miscellaneous disbursements                                                | (12,068)          | (23,208)          |
| Net cash (used for) operating activities                                   | <b>(335,947)</b>  | <b>(68,819)</b>   |
| <b>Cash flows from non-capital financing activities:</b>                   |                   |                   |
| Sale of bonds and notes and draw down on line of credit                    | 1,154,065         | 726,718           |
| Bond issuance / redemption costs                                           | (9,904)           | (6,076)           |
| Retirement of bonds and notes and pay down on line of credit               | (619,654)         | (753,339)         |
| Interest on bonds and notes                                                | (135,432)         | (118,233)         |
| Net cash provided by (used for) non-capital financing activities           | <b>389,075</b>    | <b>(150,930)</b>  |
| <b>Cash flows from capital financing activities:</b>                       |                   |                   |
| Lease Payments                                                             | (4,811)           | (4,770)           |
| Sub-Lease Receipts                                                         | 569               | 175               |
| Net cash (used for) capital financing activities                           | <b>(4,242)</b>    | <b>(4,595)</b>    |
| <b>Cash flows from investing activities:</b>                               |                   |                   |
| Purchase of investments                                                    | (1,096,294)       | (869,033)         |
| Proceeds from sales of investments                                         | 1,058,726         | 622,892           |
| Investment earnings                                                        | 56,326            | 24,739            |
| Net cash provided by (used for) investing activities                       | <b>18,758</b>     | <b>(221,402)</b>  |
| Net increase (decrease) in cash and cash equivalents                       | 67,644            | (445,746)         |
| Cash and cash equivalents at the beginning of the year                     | 768,730           | 1,214,476         |
| Cash and cash equivalents at end of the year                               | <b>\$ 836,374</b> | <b>\$ 768,730</b> |

**COMBINED STATEMENTS OF CASH FLOWS (continued)**

For the periods ended: June 30, 2023 and 2022

| In thousands                                                                                  | Fiscal Year Ended   |                    |
|-----------------------------------------------------------------------------------------------|---------------------|--------------------|
|                                                                                               | June 30, 2023       | June 30, 2022      |
| <b>RECONCILIATION OF OPERATING LOSS TO NET CASH (USED FOR) OPERATING ACTIVITIES</b>           |                     |                    |
| <b>Operating income (loss)</b>                                                                | <b>\$ 59,990</b>    | <b>\$ (18,659)</b> |
| Adjustments to reconcile operating income (loss) to net cash (used for) operating activities: |                     |                    |
| Amortization of bond original discount (premium), net                                         | (7,211)             | (6,802)            |
| Depreciation and amortization                                                                 | 12,678              | 7,567              |
| Provision for loan loss reserves                                                              | 56,850              | 7,423              |
| Recognition of fee income                                                                     | (4,096)             | (4,383)            |
| Investment earnings                                                                           | (67,643)            | (23,109)           |
| Change in fair value of investments                                                           | 14,976              | 61,345             |
| Interest expense on bonds and notes                                                           | 139,406             | 117,425            |
| Financing expenses                                                                            | 9,768               | 5,945              |
| Changes in assets and liabilities                                                             |                     |                    |
| Increase in loans receivable                                                                  | (531,541)           | (197,645)          |
| Increase in interest and fees receivable on loans                                             | (2,751)             | (356)              |
| Increase in other assets and other receivables                                                | (18,676)            | (14,581)           |
| Increase (decrease) in accounts payable and other liabilities                                 | 2,303               | (2,989)            |
| Total adjustments                                                                             | (395,937)           | (50,160)           |
| Net cash (used for) operating activities                                                      | <b>\$ (335,947)</b> | <b>\$ (68,819)</b> |

## STATEMENTS OF FIDUCIARY NET POSITION

|                                        | Massachusetts Housing Finance Agency<br>OPEB Trust * |               | Massachusetts Housing Finance Agency<br>Employees' Retirement System |                   | Total Pension (and other employee benefit)<br>Trust Funds * |                     |
|----------------------------------------|------------------------------------------------------|---------------|----------------------------------------------------------------------|-------------------|-------------------------------------------------------------|---------------------|
| In thousands                           | December 31, 2022                                    | June 30, 2022 | December 31, 2022                                                    | December 31, 2021 | December 31, 2022                                           | Prior Period Ending |
| <b>Assets</b>                          |                                                      |               |                                                                      |                   |                                                             |                     |
| Cash and cash equivalents              | \$ 88                                                | \$ 100        | \$ 890                                                               | \$ 2,263          | \$ 978                                                      | \$ 2,363            |
| Investments                            | 42,701                                               | 42,648        | 218,961                                                              | 247,894           | 261,662                                                     | 290,542             |
| Other assets                           | -                                                    | -             | 213                                                                  | 212               | 213                                                         | 212                 |
| Total assets                           | 42,789                                               | 42,748        | 220,064                                                              | 250,369           | 262,853                                                     | 293,117             |
| <b>Liabilities</b>                     |                                                      |               |                                                                      |                   |                                                             |                     |
| Accounts Payable                       | 746                                                  | 671           | 91                                                                   | 146               | 837                                                         | 817                 |
| Due to MassHousing                     | -                                                    | -             | 183                                                                  | 172               | 183                                                         | 172                 |
| Total liabilities                      | 746                                                  | 671           | 274                                                                  | 318               | 1,020                                                       | 989                 |
| <b>Fiduciary net position</b>          |                                                      |               |                                                                      |                   |                                                             |                     |
| Restricted for postemployment benefits | 42,043                                               | 42,077        | 219,790                                                              | 250,051           | 261,833                                                     | 292,128             |
| Total fiduciary net position           | \$ 42,043                                            | \$ 42,077     | \$ 219,790                                                           | \$ 250,051        | \$ 261,833                                                  | \$ 292,128          |

\* During CY 2022, the Massachusetts Housing Finance Agency OPEB Trust changed its year end from June 30 to December 31.  
The reporting period at December 31, 2022 is for the six-month period of July 1, 2022 through December 31, 2022.  
The reporting period at June 30, 2022 is for the twelve-month period of July 1, 2021 through June 30, 2022.

## STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

| In thousands                                                                                  | Massachusetts Housing Finance Agency<br>OPEB Trust * |                                    | Massachusetts Housing Finance Agency<br>Employees' Retirement System |                   | Total Pension (and other employee benefit)<br>Trust Funds * |                   |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------|----------------------------------------------------------------------|-------------------|-------------------------------------------------------------|-------------------|
|                                                                                               | Period Ended<br>December 31, 2022                    | Fiscal Year Ended<br>June 30, 2022 | December 31, 2022                                                    | December 31, 2021 | Period Ended                                                | Prior Year Ended  |
| <b>Additions</b>                                                                              |                                                      |                                    |                                                                      |                   |                                                             |                   |
| Contributions                                                                                 |                                                      |                                    |                                                                      |                   |                                                             |                   |
| Employer contributions                                                                        | \$ 817                                               | \$ 1,535                           | \$ 1,087                                                             | \$ 13,273         | \$ 1,904                                                    | \$ 14,808         |
| Plan members contributions                                                                    | -                                                    | -                                  | 3,747                                                                | 3,591             | 3,747                                                       | 3,591             |
| Reimbursements and transfers from other systems                                               | -                                                    | -                                  | 844                                                                  | 746               | 844                                                         | 746               |
| Total contributions                                                                           | 817                                                  | 1,535                              | 5,678                                                                | 17,610            | 6,495                                                       | 19,145            |
| Net investment earnings:                                                                      |                                                      |                                    |                                                                      |                   |                                                             |                   |
| Interest and dividend income                                                                  | 896                                                  | 1,323                              | 1,893                                                                | 2,834             | 2,789                                                       | 4,157             |
| Gain on the sale of investments                                                               | 39                                                   | 218                                | -                                                                    | -                 | 39                                                          | 218               |
| Net increase (decrease) in fair value                                                         | (880)                                                | (9,354)                            | (23,988)                                                             | 32,775            | (24,868)                                                    | 23,421            |
| Less: investment expense                                                                      | (33)                                                 | (16)                               | (1,952)                                                              | (2,509)           | (1,985)                                                     | (2,525)           |
| Total net investment earnings                                                                 | 22                                                   | (7,829)                            | (24,047)                                                             | 33,100            | (24,025)                                                    | 25,271            |
| Total additions                                                                               | 839                                                  | (6,294)                            | (18,369)                                                             | 50,710            | (17,530)                                                    | 44,416            |
| <b>Deductions</b>                                                                             |                                                      |                                    |                                                                      |                   |                                                             |                   |
| Benefits and refunds                                                                          | 836                                                  | 1,542                              | 11,047                                                               | 10,097            | 11,883                                                      | 11,639            |
| Reimbursements and transfers to other systems                                                 | -                                                    | -                                  | 390                                                                  | 225               | 390                                                         | 225               |
| Administrative expenses                                                                       | 37                                                   | 35                                 | 455                                                                  | 555               | 492                                                         | 590               |
| Total deductions                                                                              | 873                                                  | 1,577                              | 11,892                                                               | 10,877            | 12,765                                                      | 12,454            |
| <b>Net increase (decrease) in fiduciary net position</b>                                      | <b>(34)</b>                                          | <b>(7,871)</b>                     | <b>(30,261)</b>                                                      | <b>39,833</b>     | <b>(30,295)</b>                                             | <b>31,962</b>     |
| <b>Fiduciary net position restricted for postemployment benefits</b>                          |                                                      |                                    |                                                                      |                   |                                                             |                   |
| Fiduciary net position restricted for postemployment benefits at the beginning of the period  | 42,077                                               | 49,948                             | 250,051                                                              | 210,218           | 292,128                                                     | 260,166           |
| <b>Fiduciary net position restricted for postemployment benefits at the end of the period</b> | <b>\$ 42,043</b>                                     | <b>\$ 42,077</b>                   | <b>\$ 219,790</b>                                                    | <b>\$ 250,051</b> | <b>\$ 261,833</b>                                           | <b>\$ 292,128</b> |

\* During CY 2022, the Massachusetts Housing Finance Agency OPEB Trust changed its year end from June 30 to December 31.

The reporting period for the period ended December 31, 2022 is for the six-month period of July 1, 2022 through December 31, 2022.

The reporting period for the fiscal year ended June 30, 2022 is for the twelve-month period of July 1, 2021 through June 30, 2022.

**Note A. Authorizing Legislation, Programs and Affiliates of the Massachusetts Housing Finance Agency (MassHousing or the Agency) and Recent Events**

MassHousing is a self-supporting, independent authority created by Chapter 708 of the Acts of 1966 of the Commonwealth of Massachusetts (Commonwealth), as amended (the Act). The Agency's statutory mission is to finance affordable home mortgage loans for low- and moderate- income homebuyers and to finance the construction and preservation of affordable rental housing in the Commonwealth. MassHousing does not use taxpayer dollars to support its operations. Generally, MassHousing funds its loan programs through the sale of bonds and notes to investors, government entities, and Government Sponsored Enterprises (GSEs).

MassHousing commenced operations in December 1968. The Act was amended in 1982 to place the then existing Massachusetts Home Mortgage Finance Agency under the direction of the Agency's Members and Executive Director.

MassHousing is authorized to make or purchase loans to increase the supply of both multifamily, residential rental housing and owner-occupied, single-family housing in the Commonwealth. The Massachusetts Legislature has authorized MassHousing to issue bonds and notes up to an aggregate outstanding debt limit of \$4.9 billion for financing both multifamily and single-family loans. Bonds and notes issued by the Agency are not obligations of the Commonwealth or any political subdivision thereof.

**Working Capital Fund (WCF) and Affiliates**

A potential component unit of a primary government must meet several conditions in order for it to qualify as a "component unit" as defined by Governmental Accounting Standards Board (GASB) Statement No. 14 - The Reporting Entity (GASB 14) (as amended by GASB Statement No. 61).

The Agency's affiliates set forth below are: (1) blended component units of MassHousing or (2) units that are part of the primary government, MassHousing.

Listed below is a summary of MassHousing's major programs and affiliates:

**(1) Working Capital Fund (WCF) and Affiliates**

The WCF is MassHousing's general operating fund. The WCF derives its revenues primarily from interest, grant, and fee income. Operating expenses include payroll, rent, grant, and other related administrative expenses. The Agency's affiliates are listed below. Summarized Financial Information of the WCF and Affiliates is presented in Note M.

**MassHousing Mortgage Insurance Fund (MIF)**

MIF does not have a separate legal standing from MassHousing, thus it is not a component unit as defined by GASB 14, as amended. MIF is part of MassHousing and is included in MassHousing's combined financial statements as a part of the Agency. MIF was established within the WCF to provide an additional source of primary mortgage insurance for certain borrowers. MIF is the primary insurer for single-family loans serviced by MassHousing and is also an insurer approved by the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA) and Massachusetts community banks and credit unions. MIF and its operations are more fully described in Note P; "Commitments and Contingencies." Summarized financial

information is presented in Note M, “Summarized Financial Information of the Working Capital Fund and Affiliates.” MIF is included in a separate account within the WCF, and its net position is included in Restricted Net Position on the combining Statements of Net Position.

**Massachusetts Housing Finance Agency Property Acquisition and Disposition Corporation (PADCO)**

PADCO is an incorporated 501(c)(3) entity that has separate legal standing from MassHousing. The Agency’s Members and Executive Director comprise PADCO’s Board of Directors and President, respectively, and Agency staff serve as officers. PADCO is a component unit of MassHousing, as defined by GASB 14, and its financial data is blended with the Agency’s financial statements. PADCO’s purpose is to take title, hold, manage and sell properties with respect to both the Agency’s homeownership and rental portfolio, including collateral held as a result of defaults, foreclosures, settlements or restructuring. When necessary, PADCO may establish separate limited liability companies to acquire, own, manage and sell properties acquired through foreclosure, settlement or restructuring of the related homeownership or multifamily loans. One such PADCO subsidiary, PADCO Realty Holding I LLC, currently exists. Reference is made to Note B for PADCO’s significant accounting policies. Summarized financial information is presented in Note M. PADCO’s net position is included in Unrestricted (Designated) Net Position on the combining Statements of Net Position.

**Center for Community Recovery Innovations, Inc. (CCRI)**

CCRI is an incorporated 501 (c) (3) entity that has separate legal standing from MassHousing. The Agency appoints a majority of the respective Board and is able to impose its will on the entity. CCRI is a component unit of MassHousing, as defined by GASB 14, and its financial data is blended with the Agency’s financial statements. MassHousing formed CCRI to study and develop creative strategies for dealing with issues of drug and alcohol addiction in housing communities. Its Board of Directors includes the Members of the Agency; certain Agency employees are its principal officers. CCRI has been funded with contributions from MassHousing since fiscal year 1995. Summarized financial information is presented in Note M. Reference is also made to Notes L and P for current and future MassHousing commitments to CCRI. CCRI’s net position is included in Unrestricted (Designated) Net Position on the combining Statements of Net Position.

**(2) Multifamily Bond Programs**

MassHousing issues bonds to finance multifamily rental housing under several separate bond resolutions. Each general and series specific bond resolution requires that certain funds and accounts be established and maintained for that respective bond program. The following multifamily development bond programs were active in the fiscal years ended June 30, 2023 (FY 2023) and June 30, 2022 (FY 2022).

**(a) General Rental Development Bond Program**

The General Rental Development Bond (GRDB) Program was established to provide permanent financing for several multifamily residential developments, each of which may be secured on a series-by-series basis.

**(b) Multi-Family Housing Bond Program**

The Multi-Family Housing Bond (MFHB) Program was established to provide permanent financing for certain multifamily residential developments selected by MassHousing. In October 2009, the U.S. Department of the Treasury (the

Treasury), the Federal Housing Finance Agency, FNMA and FHLMC (and collectively with FNMA, the GSEs), announced availability of the Federal New Issue Bond Program (the Federal NIBP), under authority of the Housing and Economic Recovery Act of 2008.

Pursuant to the Federal NIBP, the GSEs purchased bonds from housing finance agencies and packaged them into GSE guaranteed securities for delivery to and purchase by the Treasury. The housing finance agency bonds are issued to finance multifamily residential mortgage loans.

**(c) Housing Bond Program**

The Housing Bond (HB) Program was established to provide financing for various loans and loan participations for multifamily residential and single-family properties as well as for the refunding of existing bond programs and for other housing financing purposes. Currently the HB Program does not hold any single-family loans.

**(3) Single-Family Housing Bond Programs**

MassHousing has issued bonds to finance the purchase of mortgage-backed securities or loans made to single-family borrowers from participating lenders under two separate general resolutions. Each general and series specific bond resolution requires that certain funds and accounts be established and maintained for that respective bond program. The following is a description of the Single-Family Housing Revenue Bond (SFHRB) Program and the Residential Mortgage Revenue Bond (RMRB) Program, which were active in fiscal years 2023 and 2022.

**(a) Single-Family Housing Revenue Bond Program**

The SFHRB Program was established to finance the purchase of single-family loans and Mortgage-Backed Securities (MBS) that are backed by single-family loans from participating lenders at competitive lending rates to finance the purchase of single-family loans in targeted areas. The program supports mortgage loans to first-time homebuyers, as well as refinancing existing loans to responsible and performing borrowers.

**(b) Residential Mortgage Revenue Bond Program**

The RMRB Program was established in September 2012 to finance mortgage loans under the Home Ownership Program exclusively through the purchase of Fannie Mae MBS that are backed by single-family mortgage loans.

**Note B. Summary of Significant Accounting Policies**

**Basis of Presentation**

MassHousing's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The combined financial statements include all MassHousing's programs and affiliates described in Note A. All interprogram and interfund transactions and balances have been eliminated and are summarized in Note K. Detailed financial information for each individual bond program is presented in accompanying Supplemental Schedule 5 to the financial statements.

**Basis of Accounting**

MassHousing accounts for and reports its activities by applying Standards of Governmental Accounting and Financial Reporting, as promulgated by GASB. The statements are prepared utilizing the economic resources measurement focus and the accrual basis of accounting, wherein revenues are recognized when earned and expenses when incurred.

Operating revenues and expenses result from providing services in connection with MassHousing's ongoing operations, as outlined in Note A. Principal operating revenues consist of mortgage loan interest and investment income of all programs, as well as fee and grant income, which is primarily received in the WCF. Operating expenses represent the cost of providing the services and include bond and note interest expense, administrative and grant expenses and a provision for uncollectible amounts.

**Fiduciary Statements**

The statements of fiduciary net position provide information about the Agency's two fiduciary activities: (1) the Massachusetts Housing Finance Agency Other Post-Employment Benefits (OPEB) Trust and (2) the Massachusetts Housing Finance Agency Employees' Retirement System at the end of their respective fiscal periods.

The statements of changes in fiduciary net position provide information about the additions and deductions of the Agency's two fiduciary activities: (1) the Massachusetts Housing Finance OPEB Trust and (2) the Massachusetts Housing Finance Agency Employees' Retirement System in order to measure the results of the fiduciary activities operations at the end of their respective fiscal periods.

The fiduciary activities and their results are not presented within the Agency's combined financial statements.

**PADCO Accounting Policies**

Properties acquired by PADCO are carried at the lower of cost or market. The related mortgage loans receivable were included in Other Assets on the Statements of Net Position of either the applicable bond programs or the WCF, with an offset to Other Liabilities on the WCF's Statements of Net Position, and were eliminated in the combined Statements of Net Position. Rent and other revenues from properties owned by PADCO were included in Miscellaneous Income. Expenses of operating the properties were included in Miscellaneous Expenses. There were no properties owned by PADCO during the fiscal years ended June 30, 2023 or June 30, 2022.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP at times requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates are based on management's best knowledge of current events, historical experience, actions that MassHousing may undertake in the future, and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Significant estimates, when used, are more fully described in the applicable following notes.

**Cash, Cash Equivalents, Investments and Investment Earnings**

Cash includes cash on hand and amounts on deposit in checking and savings accounts. Cash equivalents include investments with maturities of three months or less at the date of purchase, including repurchase agreements, U.S. Treasury and agency MBS, and various other investments such as money-market mutual fund shares.

U.S. Government Guaranteed Obligations and Negotiable Bank Deposit Obligations with maturities of one year or less but more than three months to maturity at the time of purchase are treated as investments and carried at amortized cost which approximates fair market value. Investments in Guaranteed Investment Contracts (GICs) and Commercial Paper are carried at amortized cost.

Certain investments are carried at their fair values at the date of the Statements of Net Position. These investments are typically long-term, with more than one year to maturity at the time of purchase. MassHousing uses quoted market prices, where available, to determine the fair value of long-term investments at the close of each reporting period. For non-trading long-term investments, MassHousing uses composite quotes set by a third party and evaluated by management. The change in the fair value of investments from one period to the next is a separately stated component of investment income and is presented in the combined Statements of Revenues, Expenses, and Changes in Net Position as a change in fair value of investments.

Investments of individual bond programs are those permitted by the various MassHousing general and series specific bond resolutions. Certain bond resolutions include reserve fund requirements; investments in such reserve funds are generally not available for the funding of mortgage loans.

Interest income is accrued as earned and is presented in the combined Statements of Revenues, Expenses, and Changes in Net Position net of any applicable arbitrage rebate owed to or received from the U.S. Treasury. There were no arbitrage rebates received or paid in FY 2023 and FY 2022.

**Mortgage Loans**

Multifamily and single-family mortgage loans are primarily recorded at cost, or in certain instances such as a significant refinancing, at the negotiated face value of the first or subordinated note, net of an allowance for uncollectible loans, which approximates net realizable value.

**Allowance for Uncollectible Loans**

The allowance for uncollectible loans is a valuation allowance that reflects an estimate on loan losses related to the Agency's multifamily and single-family loan portfolios. The allowance for uncollectible loans is based upon separate evaluations of the multifamily and single-family loan portfolios.

The evaluation of the multifamily loan portfolio takes into consideration the entire loan portfolio primarily utilizing an impairment assessment model. MassHousing's model and estimation process provides a materially consistent methodology of assessment for all projects and takes a more standardized approach to its assessment of loan impairment. The model employs recent or readily available net operating income data along with capitalization rates, property location, costs to sell, capital needs assessments and other data in assessing potential impairment to establish a reserve that complies with GAAP, and

therefore presents loans at their estimated net realizable value. In certain instances, independent appraisals and other pertinent data, such as loan repayment status or physical property status is obtained to assist management's decision in determining the estimated fair value of the property, which serves as collateral on the loan.

Evaluation of the single-family loan portfolio takes into consideration such factors as historical recovery rates of delinquencies, property value trends and insurance coverage. Based upon MassHousing's periodic review of the loan portfolios, an allowance for uncollectible loans is established when deemed necessary.

### **Derivative Instruments**

The fair values of both hedging derivatives and investment derivatives, if any, are presented on the Statements of Net Position, either as a derivative liability (negative fair value) or as a derivative asset (positive fair value). The change in the total fair value of derivatives that are determined to be effective hedges (and, therefore, hedging derivatives) is recorded as a deferred inflow or outflow of resources on the Agency's combined Statements of Net Position. If a derivative was determined to be an ineffective hedge, it would be classified as an investment derivative, and the change in the total fair value would be presented as part of investment earnings. The Agency currently has three types of derivatives outstanding: an interest rate cap agreement, interest rate swaps and MBS forward contracts. The interest rate swaps are a mix of effective hedges, which are presented as hedging derivative instruments on the Statements of Net Position, and ineffective hedges, which are presented as investment derivative instruments on the Statements of Net Position. The interest rate cap is deemed to be an ineffective hedge and is presented as an investment derivative instrument on the Statements of Net Position. MBS forward contracts are effective hedges and are presented as hedging derivative instruments on the Statements of Net Position. Reference is made to Note J for further details of these derivatives.

### **Escrow Funds**

The Agency holds escrow funds consisting of deposits that are invested principally in money-market mutual fund shares, which are held in segregated cash accounts. Escrow accounts are recorded on the Statements of Net Position as Escrow funds (assets) with an equal amount recorded as Escrow funds payable (liability). The accounts described above are required to be held by the Agency through its mission as a Mortgage Lender and Servicer. As a policy and practice, the Agency holds funds for the benefit of its borrowers, investors and others.

### **Other Assets**

Other Assets, Current on the combined Statements of Net Position include accounts receivable - various, investment income receivable, and prepaid expenses.

Other Assets, Non-current on the combined Statements of Net Position include the lease right of use asset, office equipment, leasehold improvements, mortgage servicing rights, mortgage reinsurance premiums, prepaid expenses and computer software, all net of accumulated depreciation or amortization, where applicable. These assets are being depreciated or amortized, where applicable, over their expected lives or lease period, whichever is less. Also included in Other Assets, Non-Current, are participation interests in certain loans made by the Commonwealth's Affordable Housing Trust Fund. Discounts recorded by the Agency upon its purchases of the participation interests are being accreted over the life of each participation interest. Reference is made to Note F for further information.

**Mortgage Servicing Rights**

Mortgage servicing rights purchased by the Agency are capitalized and amortized over the expected life of the related cash flows.

Excess mortgage servicing rights for mortgage loans pooled into MBS under the terms of which the stated servicing fee rate differs from a current (normal) servicing are capitalized and amortized over the expected life of the related cash flows.

**Other Liabilities**

Other Liabilities, Current on the combined Statements of Net Position include accounts payable, the current portion of unearned premium income, the current portion of the lease liability and accrued expenses.

Other Liabilities, Non-current on the combined Statements of Net Position include the non-current portion of the lease liability, the non-current portion of unearned premium and fee income and the non-current portion of unearned interest income, and various other obligations. Reference is made to Note F for further information.

**Bond Issuance Costs, Discounts and Premiums in Long-Term Debt**

The costs of issuing bonds (other than bond discount and premium) are recognized as an expense in the period incurred as financing costs. Bond discounts and premiums are amortized utilizing the effective interest method. The amortization is reflected as a component of interest expense. The amortization period used for each new bond issue is equal to the average life of the bond series, which is estimated at 10 years.

**Interest and Fee Revenues on Mortgage Loans****Interest on Loans**

Interest on loans is accrued as earned. When borrowers on multifamily and single-family loans are more than 90 days delinquent in their scheduled loan payments, the loans are considered to be non-performing. At that point, any existing interest and fee revenue accruals are fully allowed against, and no further accruals are recorded until such time as the loans either have been restored to performing status or have been restructured.

**Fee Income**

Fee income is accrued as earned and includes administrative fees received from developments financed by MassHousing, Section 8 administrative fees received from U.S. Department of Housing and Urban Development (HUD) and MIF premiums earned, net of reinsurance premiums incurred. Fees collected in connection with the origination and closing of new multifamily loans, net of related direct costs, are recognized as revenue in the period received. Fees collected in connection with the restructuring of troubled multifamily loans are initially reflected as a prepaid fee on the WCF's Statement of Net Position and are not recognized as fee income until the loans are no longer considered to be troubled, have been foreclosed, or have been paid off. In connection with a recapitalization program, MassHousing receives distributions of excess residual receipts and excess replacement reserves from certain Section 8 subsidized developments, which are included in fee income of the WCF. Multifamily fee income in the WCF includes loan origination, loan servicing and securitization profits from the utilization of government and government sponsored enterprise lending programs used by MassHousing to sustain affordable housing.

WCF fee income also includes premiums collected and discounts paid from the sale of MBS.

**Grant Income and Grant Expense**

Grant income is recorded depending on the terms of the related grant agreement. Most grants are pass-through grants and are recorded as revenue when all eligibility and time restriction requirements are met.

Grant Expenses are recognized when grant funds are disbursed for the related grant projects. Certain programs allow for the disbursement of funds in the form of a repayable loan. Grant income may be recognized in a different accounting period than the grant expense. As a result, grant expenses may exceed grant income in some years.

**Other Income and Other Expenses**

Other income and expenses are accrued as earned or incurred. Other income primarily includes insurance claim receipts on foreclosed properties, reinsurance receipts received by MIF on insurance claims paid, recoveries on multifamily loans, and various other operating income items. Other expense primarily includes MIF insurance claims paid, losses on property dispositions, and various unusual expense items.

**Interprogram and Interfund Balances and Eliminations**

The WCF engaged in interfund transactions with several of the bond programs. These transactions, and resulting year-end interfund balances, have been eliminated in the accompanying combined financial statements. Further details of these transactions and year-end balances are included in Note K.

**Net Position**

Net Position is reported as restricted when constraints placed on the use of the net position have been either: (1) externally imposed by creditors, grantors or laws and regulations of governments or (2) imposed by law through constitutional provisions or enabling legislation. Unrestricted net position that MassHousing Members have designated to be used for specific purposes are presented and identified as “designated” unrestricted net position. Further detail is included in Note L. Such designated net position is considered to be specifically directed to be used for certain activities that are consistent with MassHousing’s mission. MassHousing anticipates that it will continue to designate unrestricted net position for specific purposes in furtherance of its affordable housing mission.

**Recently Issued Accounting Standards**

In March 2020, GASB approved Statement No. 93, “Replacement of Interbank Offered Rates” (GASB 93). As a result of global reference rate reform, the London Interbank Offered Rate (LIBOR) is expected to cease to exist in its current form, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. GASB issued GASB 93 to amend GASB Statement 53 to address the accounting and financial reporting implications that result from the replacement of LIBOR. At the time that GASB 93 was issued, LIBOR was expected to cease to exist after December 31, 2021. The GASB Board chose that date as the date after which LIBOR would no longer be an appropriate benchmark interest rate for a derivative instrument that hedges the interest rate risk of taxable debt. Subsequently, LIBOR’s administrator, the ICE

Benchmark Administration (IBA), announced that the most widely used United States Dollar LIBOR tenors would continue to be published until June 30, 2023. In April 2022, GASB issued Statement No. 99, “Omnibus” (GASB 99), as described more fully below, to address several items including the extension of the publication of LIBOR. For purposes of applying paragraphs 35–38 of GASB 53, as amended, LIBOR will no longer be an appropriate benchmark interest rate for a derivative instrument that hedges the interest rate risk of taxable debt when LIBOR ceases to be determined by the ICE Benchmark Administration. For derivatives the Agency will adhere to the International Swaps and Derivatives Association, Inc. (ISDA) 2020 IBOR Fallbacks Protocol as published by the ISDA on October 23, 2020. Effective July 1, 2023, any MassHousing variable rate bonds, swaps or other financial instruments that identify LIBOR as the benchmark interest rate, and not previously amended through mutual negotiations, will be replaced with benchmark rates based on Secured Overnight Financing Rate (SOFR) in accordance with the final rule adopted by the Federal Reserve Board that implements the Adjustable Interest Rate (LIBOR) Act.

In May 2020, GASB approved Statement No. 96, “Subscription-Based Information Technology Arrangements” (GASB 96). The primary objective of GASB 96 is to provide guidance on the accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) for government end users. GASB 96 (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of GASB 96 are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The Agency has applied the relevant provisions of GASB 96. There was no material impact to the Agency’s financial statements as a result of the implementation of GASB 96.

In April 2022, GASB approved Statement No. 99, “Omnibus” (GASB 99). GASB 99 addresses practice issues that have been identified during implementation and application of certain GASB Statements. GASB 99 addresses a variety of topics, including the requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB 34, as amended, and terminology updates related to GASB 53 and GASB 63. These requirements are effective upon issuance. GASB 99 also addresses the requirements related to leases, Public-Private and Public-Public Partnerships, and SBITAs. These requirements are effective for fiscal years beginning after June 15, 2022. GASB 99 also addresses the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB 53. These requirements are effective for fiscal years beginning after June 15, 2023. The Agency has reviewed the list of topics addressed in GASB 99, Omnibus and found that two of the eleven topics require action for implementation per the guidance. The Agency will reclass its investment derivative instruments to other derivative instruments. Future changes in fair value of other derivative instruments will be reported on the resource flows statement separately from the investment revenue classification beginning in Q1 of FY 2024 as its derivative instruments currently classified as investment derivatives will no longer meet the definition of an investment derivative nor would they meet the definitions of a hedging derivative. The Agency will continue to monitor the requirements related to the use of LIBOR until the IBA ceases use of the LIBOR valuation methodology.

In June 2022, GASB issued Statement No. 100, “Accounting Changes and Error Corrections” (GASB 100). The primary objective of GASB 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of GASB 100 are effective for fiscal years beginning after June 15, 2023. Earlier application is encouraged. The Agency has assessed the impact of GASB 100 and will adopt the new provisions beginning in FY 2024.

In June 2022, GASB issued Statement No. 101, “Compensated Absences” (GASB 101). The objective of GASB 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of GASB 101 are effective for fiscal years beginning after December 15, 2023. Earlier application is encouraged. The Agency is currently assessing the impact of GASB 101 and the implementation issues.

#### **Note C. Investments, Cash and Cash Equivalents**

MassHousing’s Investment Policy is designed to ensure the prudent management of the Agency’s funds and the availability of operating and capital funds when required, while earning a competitive return on the funds within the policy framework. The primary objectives of investment activity, in order of priority, are safety of principal, liquidity, and investment yield.

Under MassHousing’s approved Investment Policy, revised April 13, 2021 authorized investments may include:

- (1) U.S. Treasury/U.S. Government Guaranteed Obligations
- (2) Federal Agency or GSE obligations
- (3) Agency or GSE MBS
- (4) U.S. Instrumentalities (Supranationals) - U.S. dollar denominated debt obligations of a multilateral organization of governments for which the United States government is a participant, shareholder, and/or voting member with minimum ratings of AAA/Aaa (or the equivalent) or A-1/P-1 (or the equivalent) by any one rating agency.
- (5) Municipal Bonds - Minimum ratings of A-/A3 (or the equivalent) or SP-1/MIG 1 (or the equivalent) by any one rating agency.
- (6) Corporates and Other Debt Obligations - Minimum ratings of A-/A3 (or the equivalent) or A-1/P-1 (or the equivalent) by any one rating agency.
- (7) Commercial Paper - Minimum ratings of A-1/P-1 (or the equivalent) by any one rating agency.

- (8) Asset-Backed Securities - Minimum ratings of AAA/Aaa (or the equivalent) or A-1+/P-1 (or the equivalent) by any one rating agency.
- (9) Bankers' Acceptances - Minimum ratings of A-1/P-1 (or the equivalent) by any one rating agency.
- (10) Negotiable Bank Deposit Obligations - Minimum ratings of A-/A3 (or the equivalent) or A-1/P-1 (or the equivalent) by any one rating agency.
- (11) Collateralized Bank Deposits
- (12) Insured Bank Deposits
- (13) Money Market Funds - Maintain the highest rating at the time of investment from Standard & Poor's or Moody's, or the equivalent from a nationally recognized statistical rating organization.
- (14) Participation units of the Massachusetts Municipal Depository Trust (MMDT)
- (15) Repurchase agreements - The counterparty maintains a short-term credit rating of at least A-1/P-1 (or the equivalent) by any one rating agency and have been in operation for at least five years.
- (16) Investment agreements or guaranteed investment contracts (GIC) Minimum ratings of at least AA-/Aa3 (or the equivalent) from any one rating agency. Short term investment agreements with durations of less than three years may be entered into with companies that have a short-term rating of at least SP-1/VMIG1/F1 (or the equivalent) from any one rating agency.
- (17) Any other investments expressly permitted by Commonwealth statute and authorized by MassHousing.

The MMDT is an external investment pool not subject to U.S. Securities and Exchange Commission registration but regulated by the Treasurer of the Commonwealth. MMDT's manager seeks to maintain a net asset value at \$1.00 per share.

Funds held in accounts established and governed by the Agency's bond resolutions or other security agreements are subject to the investment requirements as set forth by such agreements, which are generally more conservative than the investment provisions in the Agency's Investment Policy Statement.

## Investments and Cash Equivalents

At June 30, 2023 and 2022, MassHousing had the following investments and cash equivalents by type and by maturities with credit ratings when available (in thousands):

| June 30, 2023                     | Investment Maturities (In Years)    |                     |                   |                 |                   | Creditor<br>Rating<br>Range |
|-----------------------------------|-------------------------------------|---------------------|-------------------|-----------------|-------------------|-----------------------------|
|                                   | Total Cost,<br>Amortized<br>Cost or | Less                |                   |                 | More              |                             |
|                                   | <u>Fair Value</u>                   | <u>Than 1</u>       | <u>1-5</u>        | <u>6-10</u>     | <u>Than 10</u>    |                             |
| <b>Investments</b>                |                                     |                     |                   |                 |                   |                             |
| Cash Equivalents                  | \$ 770,872                          | \$ 770,872          | \$ -              | \$ -            | \$ -              | N/A - AAA                   |
| U.S. Treasuries                   | 460,906                             | 409,293             | 51,613            | -               | -                 | A-1+ to AA+                 |
| GSE MBS and Obligations           | 662,535                             | 255,240             | 24,260            | 3,155           | 379,880           | AA+                         |
| Corporate Obligations             | 99,159                              | 10,770              | 87,792            | 597             | -                 | AAA to BBB+                 |
| Commercial Paper                  | 23,908                              | 23,908              | -                 | -               | -                 | A-1+ to A-1                 |
| Asset-Backed Securities           | 21,948                              | 175                 | 20,062            | 1,711           | -                 | AAA                         |
| Government Guaranteed Obligations | 7,882                               | 2,076               | 5,806             | -               | -                 | AAA to AA-                  |
| Negotiable Bank Debt Obligations  | 1,097                               | 1,097               | -                 | -               | -                 | A-1                         |
| GlC's                             | 63                                  | -                   | 63                | -               | -                 | N/A                         |
| <b>Total Investments</b>          | <b>\$ 2,048,370</b>                 | <b>\$ 1,473,431</b> | <b>\$ 189,596</b> | <b>\$ 5,463</b> | <b>\$ 379,880</b> |                             |

| June 30, 2022                     | Investment Maturities (In Years)    |                     |                   |                 |                   | Creditor<br>Rating<br>Range |
|-----------------------------------|-------------------------------------|---------------------|-------------------|-----------------|-------------------|-----------------------------|
|                                   | Total Cost,<br>Amortized<br>Cost or | Less                |                   |                 | More              |                             |
|                                   | <u>Fair Value</u>                   | <u>Than 1</u>       | <u>1-5</u>        | <u>6-10</u>     | <u>Than 10</u>    |                             |
| <b>Investments</b>                |                                     |                     |                   |                 |                   |                             |
| Cash Equivalents                  | \$ 742,892                          | \$ 742,892          | \$ -              | \$ -            | \$ -              | N/A - AAA                   |
| U.S. Treasuries                   | 599,286                             | 474,776             | 124,510           | -               | -                 | A-1+ to AA+                 |
| GSE MBS and Obligations           | 490,850                             | 16,844              | 16,921            | 4,113           | 452,972           | AA+                         |
| Corporate Obligations             | 86,374                              | -                   | 83,586            | 2,788           | -                 | AAA to BBB+                 |
| Government Guaranteed Obligations | 22,119                              | 14,190              | 7,929             | -               | -                 | AAA to A+                   |
| Asset-Backed Securities           | 17,496                              | -                   | 15,764            | 1,732           | -                 | AAA                         |
| Commercial Paper                  | 16,050                              | 16,050              | -                 | -               | -                 | A-1+ to A-1                 |
| Negotiable Bank Debt Obligations  | 15,635                              | 15,635              | -                 | -               | -                 | A-1+ to A                   |
| GlC's                             | 63                                  | -                   | 63                | -               | -                 | N/A                         |
| <b>Total Investments</b>          | <b>\$ 1,990,765</b>                 | <b>\$ 1,280,387</b> | <b>\$ 248,773</b> | <b>\$ 8,633</b> | <b>\$ 452,972</b> |                             |

The Agency's accounting and valuation policies for investments, cash and cash equivalents are presented in Note B.

The total carrying amount of these items plus cash deposits (see below) equals the sum of all cash and cash equivalents and investments line items in the accompanying combined Statements of Net Position.

For the fiscal year ended June 30, 2023, the total cash equivalents and investments from the bond programs included in the table were \$498.9 million and \$982.1 million, respectively, all of which are restricted as to use. For the fiscal year ended June 30, 2022, the total cash equivalents and investments from the bond programs included in the table were \$547.0 million and \$943.0 million, respectively, all of which are restricted as to use.

For the fiscal years ended June 30, 2023 and June 30, 2022 the total cash and cash equivalents and investments from the WCF and Affiliates included in the table that were restricted as to use were \$417.1 million and \$249.1 million, respectively.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Under MassHousing's Investment Policy, the investment portfolio is structured so that the maturities of the securities are scheduled to meet the timing of cash requirements for ongoing operations in order to minimize interest rate risk. The Agency thereby avoids the need to sell securities on the open market prior to their maturities. MassHousing also minimizes its interest rate risk by investing operating funds primarily in money-market funds and/or in the MMDT.

**Credit Risk and Custodial Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, MassHousing will not be able to recover the value of its investment or collateral securities held by an outside party. MassHousing mitigates credit risk and custodial credit risk by limiting investments to the types of securities permitted by MassHousing's approved Investment Policy and by investing with institutions which meet specified criteria such as, but not limited to, minimum levels of capital and surplus and specified minimum ratings provided by recognized rating agencies. The Agency also actively monitors the credit quality for the issuers of securities in its investment portfolio. In the event the credit ratings of an issuer were to fall below the minimum acceptable credit ratings requirements, the Agency will consider its maintenance of the position, or whether liquidation is appropriate.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. MassHousing diversifies its investment portfolio to minimize the impact of potential losses from one type of security or individual issuer, excluding U.S. Treasury securities, Federally Guaranteed Obligations, GSE securities, and the MMDT. MassHousing seeks to limit investment concentration to no more than 15% with any single counterparty. This limit may be exceeded under appropriate circumstances that mitigate risk, which may include, but are not limited to, the term of the investment, the amount and nature of the investment, the rating of the counterparty, or the collateral pledged by the counterparty.

**Cash Deposits**

MassHousing's cash deposits per the bank were approximately \$79.1 million and \$45.6 million at June 30, 2023 and 2022, respectively. Of those amounts, \$4.7 million and \$4.1 million, respectively, were fully insured by the Federal Deposit Insurance Corporation or collateralized with securities held by the pledging financial institution, its trust department or its agent. Such securities were not held in MassHousing's name. Deposits totaling \$74.4 million and \$41.5 million, respectively, were not insured or collateralized.

Cash balances reflected on the combined Statements of Net Position were approximately \$65.5 million and \$25.8 million at June 30, 2023 and 2022, respectively. The difference between the bank balances and the carrying amounts represents deposits in transit, net of outstanding checks and other transactions not recorded by the bank until after year-end.

## Fair Value of Investments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market or, if none exists, the most advantageous market, for the specific asset or liability at the measurement date (exit price). The fair value hierarchy established by generally accepted accounting principles prioritizes the inputs to valuation techniques used to measure fair value are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1 that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable.

MassHousing has the following recurring fair value measurements as of June 30, 2023 and June 30, 2022:

- U.S. Treasuries purchased with an initial maturity of more than one year are valued using quoted market prices for identical instruments (Level 1 inputs)
- U.S. Treasuries purchased with an initial maturity of one year or less are recorded at amortized cost, which approximates fair value (Level 2 inputs)
- GSE MBS are valued using quoted market prices for similar instruments (Level 2 inputs)
- GSE Obligations with an initial maturity of more than one year are valued using quoted market prices for similar instruments (Level 2 inputs)
- GSE Obligations with an initial maturity of one year or less are recorded at amortized cost, which approximates fair value (Level 2 inputs)
- Government Guaranteed Obligations with an initial maturity of more than one year are valued using quoted market prices for similar instruments (Level 2 inputs)
- Government Guaranteed Obligations purchased with an initial maturity of more than one year are valued using quoted market prices for similar instruments (Level 2 inputs)
- Government Guaranteed Obligations purchased with an initial maturity of one year or less are recorded at amortized cost, which approximates fair value (Level 2 inputs)
- MBS Forward Contracts are valued using quoted market prices (Level 1 inputs)
- Negotiable Bank Debt Obligations with an initial maturity of more than one year are valued using quoted market prices for similar instruments (Level 2 inputs)
- Negotiable Bank Debt Obligations with an initial maturity of one year or less are recorded at amortized cost, which approximates fair value (Level 2 inputs)
- Corporate Obligations are valued using quoted market prices for similar instruments (Level 2 inputs)
- Commercial Paper is valued using amortized cost, which approximates fair value (Level 2 inputs)
- Asset-Backed Securities are valued using quoted market prices for similar instruments (Level 2 inputs)
- Interest Rate Cap agreement is valued using the zero-coupon valuation technique (Level 2 inputs)
- Interest Rate Swaps are valued using the zero-coupon valuation technique (Level 2 inputs)

MassHousing has the following Investment and Derivative Instruments, which are measured at fair value, as of June 30, 2023 and 2022:

**Investment and Derivative Instruments Measured at Fair Value- Asset /(Liability)**

(in thousands)

| <b>June 30, 2023</b>                     | <b>Total Fair Value<br/>06/30/23</b> | <b>Quoted Prices in Active Markets<br/>(Level 1)</b> | <b>Significant Other Observable Inputs<br/>(Level 2)</b> | <b>Significant Unobservable Inputs<br/>(Level 3)</b> |
|------------------------------------------|--------------------------------------|------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------|
| <b>Investments by fair value level</b>   |                                      |                                                      |                                                          |                                                      |
| <b>Debt securities</b>                   |                                      |                                                      |                                                          |                                                      |
| U.S. Treasuries                          | \$ 460,906                           | \$ 143,422                                           | \$ 317,484                                               | \$ -                                                 |
| GSE MBS and Obligations                  | 662,535                              | -                                                    | 662,535                                                  | -                                                    |
| Corporate Obligations                    | 99,159                               | -                                                    | 99,159                                                   | -                                                    |
| Commercial Paper                         | 23,908                               | -                                                    | 23,908                                                   | -                                                    |
| Asset-Backed Securities                  | 21,948                               | -                                                    | 21,948                                                   | -                                                    |
| Government Guaranteed Obligations        | 7,882                                | -                                                    | 7,882                                                    | -                                                    |
| Negotiable Bank Debt Obligations         | 1,097                                | -                                                    | 1,097                                                    | -                                                    |
| <b>Total Debt Securities</b>             | <b>\$ 1,277,435</b>                  | <b>\$ 143,422</b>                                    | <b>\$ 1,134,013</b>                                      | <b>\$ -</b>                                          |
| <b>Investment derivative instruments</b> |                                      |                                                      |                                                          |                                                      |
| Interest Rate Cap Agreement              | \$ 30                                | \$ -                                                 | \$ 30                                                    | \$ -                                                 |
| Interest Rate Swaps                      | 363                                  | -                                                    | 363                                                      | -                                                    |
| MBS Forward Contracts                    | 72                                   | \$ 72                                                | -                                                        | -                                                    |
| <b>Total Derivative Instruments</b>      | <b>\$ 465</b>                        | <b>\$ 72</b>                                         | <b>\$ 393</b>                                            | <b>\$ -</b>                                          |

**Investment and Derivative Instruments Measured at Fair Value- Asset /(Liability)**

(in thousands)

| <b>June 30, 2022</b>                     | <b>Total Fair Value<br/>06/30/22</b> | <b>Quoted Prices in Active Markets<br/>(Level 1)</b> | <b>Significant Other Observable Inputs<br/>(Level 2)</b> | <b>Significant Unobservable Inputs<br/>(Level 3)</b> |
|------------------------------------------|--------------------------------------|------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------|
| <b>Investments by fair value level</b>   |                                      |                                                      |                                                          |                                                      |
| <b>Debt securities</b>                   |                                      |                                                      |                                                          |                                                      |
| U.S. Treasuries                          | \$ 599,286                           | \$ 229,862                                           | \$ 369,424                                               | \$ -                                                 |
| GSE MBS and Obligations                  | 490,850                              | -                                                    | 490,850                                                  | -                                                    |
| Corporate Obligations                    | 86,374                               | -                                                    | 86,374                                                   | -                                                    |
| Government Guaranteed Obligations        | 22,119                               | -                                                    | 22,119                                                   | -                                                    |
| Asset-Backed Securities                  | 17,496                               | -                                                    | 17,496                                                   | -                                                    |
| Commercial Paper                         | 16,050                               | -                                                    | 16,050                                                   | -                                                    |
| Negotiable Bank Debt Obligations         | 15,635                               | -                                                    | 15,635                                                   | -                                                    |
| <b>Total Debt Securities</b>             | <b>\$ 1,247,810</b>                  | <b>\$ 229,862</b>                                    | <b>\$ 1,017,948</b>                                      | <b>\$ -</b>                                          |
| <b>Investment derivative instruments</b> |                                      |                                                      |                                                          |                                                      |
| Interest Rate Cap Agreement              | \$ 78                                | \$ -                                                 | \$ 78                                                    | \$ -                                                 |
| Interest Rate Swaps                      | (4,883)                              | -                                                    | (4,883)                                                  | -                                                    |
| MBS Forward Contracts                    | (183)                                | \$ (183)                                             | -                                                        | -                                                    |
| <b>Total Derivative Instruments</b>      | <b>\$ (4,988)</b>                    | <b>\$ (183)</b>                                      | <b>\$ (4,805)</b>                                        | <b>\$ -</b>                                          |

**Note D. Mortgage Loans Receivable and Allowances for Uncollectible Loans**

Mortgage loans receivable are reported net of allowances for uncollectible loans.

| <b>6/30/2023 (in thousands)</b> | <b>Mortgage<br/>Obligation</b> | <b>Unamortized<br/>Prem./Disc. Loans</b> | <b>Loan Loss<br/>Reserve</b> | <b>Total</b>               |
|---------------------------------|--------------------------------|------------------------------------------|------------------------------|----------------------------|
| WCF - Multifamily               | \$ 800,038                     | \$ -                                     | \$ (263,218)                 | \$ 536,820                 |
| GRDB Program                    | 159,657                        | -                                        | (542)                        | 159,115                    |
| MFHB Program                    | 158,657                        | -                                        | (950)                        | 157,707                    |
| HB Program                      | 1,912,436                      | -                                        | (21,595)                     | 1,890,841                  |
| Subtotal Multifamily            | <u>\$ 3,030,788</u>            | <u>\$ -</u>                              | <u>\$ (286,305)</u>          | <u>\$ 2,744,483</u>        |
| WCF - Single-family             | \$ 77,529                      | \$ (101)                                 | \$ (899)                     | \$ 76,529                  |
| SFHRB Program                   | 1,047,727                      | -                                        | (4,239)                      | 1,043,488                  |
| Subtotal Single-family          | <u>\$ 1,125,256</u>            | <u>\$ (101)</u>                          | <u>\$ (5,138)</u>            | <u>\$ 1,120,017</u>        |
| <b>Totals</b>                   | <b><u>\$ 4,156,044</u></b>     | <b><u>\$ (101)</u></b>                   | <b><u>\$ (291,443)</u></b>   | <b><u>\$ 3,864,500</u></b> |

| <b>6/30/2022 (in thousands)</b> | <b>Mortgage<br/>Obligation</b> | <b>Unamortized<br/>Prem./Disc. Loans</b> | <b>Loan Loss<br/>Reserve</b> | <b>Total</b>               |
|---------------------------------|--------------------------------|------------------------------------------|------------------------------|----------------------------|
| WCF - Multifamily               | \$ 823,365                     | \$ -                                     | \$ (222,402)                 | \$ 600,963                 |
| GRDB Program                    | 162,210                        | -                                        | (626)                        | 161,584                    |
| MFHB Program                    | 161,120                        | -                                        | (950)                        | 160,170                    |
| HB Program                      | 1,822,178                      | -                                        | (10,693)                     | 1,811,485                  |
| Subtotal Multifamily            | <u>\$ 2,968,873</u>            | <u>\$ -</u>                              | <u>\$ (234,671)</u>          | <u>\$ 2,734,202</u>        |
| WCF - Single-family             | \$ 59,417                      | \$ 59                                    | \$ (951)                     | \$ 58,525                  |
| SFHRB Program                   | 593,801                        | -                                        | (3,810)                      | 589,991                    |
| Subtotal Single-family          | <u>\$ 653,218</u>              | <u>\$ 59</u>                             | <u>\$ (4,761)</u>            | <u>\$ 648,516</u>          |
| <b>Totals</b>                   | <b><u>\$ 3,622,091</u></b>     | <b><u>\$ 59</u></b>                      | <b><u>\$ (239,432)</u></b>   | <b><u>\$ 3,382,718</u></b> |

The Agency also reviews its off-balance sheet loans with risk share for potential loss exposure. As of June 30, 2023 and 2022, the Agency has recorded a loss reserve on off-balance sheet loans of \$3.5 million and \$0, respectively, and is included in Other Liabilities, non-current on the Combined Statements of Net Position. Loans with risk sharing agreements are described more fully in Note P, "Commitments and Contingencies."

**Note E. Mortgage Loan Delinquencies****Home Ownership Loans**

As of June 30, 2023 and 2022, the Agency's Home Ownership loans had payment arrearages on mortgage loans of 30 days or more on 362 loans (4.12% of the home ownership loans) and 320 loans (4.66% of the home ownership loans), respectively. The outstanding mortgage loan balances (OMLB) for these loans at June 30, 2023 and 2022 totaled \$37.5 million or 3.35% of the total OMLB, and \$27.0 million or 4.17% of the total OMLB, respectively.

**Multifamily Loans**

There were two delinquent developments included in the multifamily loan portfolio at June 30, 2023. There was one delinquent development included in the multifamily loan portfolio at June 30, 2022. The total principal balance included in loans receivable for these developments at June 30, 2023 and 2022 was \$46.1 million and \$5.2 million, respectively. No multifamily loans were foreclosed in either FY 2023 or FY 2022.

**Note F. Other Assets and Other Liabilities**

At June 30, 2023 and 2022, MassHousing had the following current and non-current other assets (in thousands):

|                                                                          | <b>FY 2023</b>    | <b>FY 2022</b>    |
|--------------------------------------------------------------------------|-------------------|-------------------|
| Single-family Service Rights and Excess Servicing Rights                 | \$ 33,777         | \$ 30,999         |
| Right of use asset                                                       | 29,202            | 33,583            |
| Accounts receivable - various                                            | 21,454            | 8,559             |
| Investments in Affordable Housing Trust Fund (AHTF) participation rights | 16,524            | 15,666            |
| Unamortized Reinsurance Premium - Mortgage Insurance Fund                | 5,365             | 6,290             |
| Interest receivable on investments                                       | 4,977             | 3,521             |
| Investment in Cooperative Agreement                                      | 4,504             | 12,147            |
| Sublease Receivable                                                      | 4,150             | 1,277             |
| Fixed assets, net of accumulated depreciation                            | 1,603             | 1,932             |
| Other Real Estate Owned, net of allowance                                | 1,201             | 658               |
| <b>Total Other Assets</b>                                                | <b>\$ 122,757</b> | <b>\$ 114,632</b> |

At June 30, 2023 and 2022, MassHousing had the following current and non-current other liabilities (in thousands):

|                                | <b>FY 2023</b>   | <b>FY 2022</b>   |
|--------------------------------|------------------|------------------|
| Lease Liability                | \$ 30,829        | \$ 34,815        |
| Accounts Payable               | 13,446           | 14,996           |
| Unearned Premium Income        | 10,879           | 11,501           |
| Liabilities- various           | 13,950           | 10,701           |
| Allowance for MIF Claims       | 1,411            | 1,978            |
| <b>Total Other Liabilities</b> | <b>\$ 70,515</b> | <b>\$ 73,991</b> |

#### **Note G. Escrowed Funds**

Escrowed Funds primarily represent: (a) deposits received from mortgage loan borrowers to cover taxes, insurance, repair and replacement costs and other specific purpose reserves required by the Agency or the Investor, where the Agency serves as loan servicer, and (b) debt service collections received where the Agency is acting as a loan servicer and loan provider. In addition, the Agency processes funds through escrow accounts relative to its role as subsidy administrator for various federal and state programs. Deposits are invested principally in money-market mutual fund shares which are held in segregated cash accounts. The accounts described above are required to be held by the Agency through its mission as a Mortgage Lender and Servicer. As a policy and practice, the Agency holds funds for the benefit of its borrowers, investors and others.

#### **Note H. Bond and Note Indebtedness**

MassHousing issues bond and note indebtedness under various resolutions for the following purposes: (1) to provide permanent financing for qualified housing developments; (2) to provide financing for housing developments during their construction; (3) to provide financing for the purchase of mortgage loans on owner-occupied residential properties; and (4) for other related purposes.

The Massachusetts Legislature has authorized MassHousing to issue bonds and notes, up to an aggregate outstanding debt limit of \$4.9 billion, for financing both multifamily and single-family loans. As of June 30, 2023 and 2022, MassHousing had bonds and notes outstanding of \$4.3 billion and \$3.8 billion, respectively, leaving a legal margin of \$600 million and \$1.1 billion, respectively.

Summaries of MassHousing's bond and note indebtedness activity for fiscal years 2023 and 2022 are as follows (in thousands):

| 2023                                   | Beginning<br>Balance | New Issues          | Retirements       | Ending<br>Balance   | Current<br>Maturities <sup>1</sup> |
|----------------------------------------|----------------------|---------------------|-------------------|---------------------|------------------------------------|
| Bonds (all programs)                   | \$ 3,562,785         | \$ 991,090          | \$ 363,433        | \$ 4,190,442        | \$ 166,003                         |
| Notes: SFHRB Program                   | 100,000              | 31,155              | 131,155           | -                   | -                                  |
| Notes: WCF                             | 167,413              | 35,190              | 55,066            | 147,537             | 52,837                             |
| <b>Totals</b>                          | <b>\$ 3,830,198</b>  | <b>\$ 1,057,435</b> | <b>\$ 549,654</b> | <b>\$ 4,337,979</b> | <b>\$ 218,840</b>                  |
| Unamortized Bond/Note Discount/Premium |                      |                     |                   | 38,106              |                                    |
| <b>Bonds and Notes Payable, Net</b>    |                      |                     |                   | <b>\$ 4,376,085</b> |                                    |

| 2022                                   | Beginning<br>Balance | New Issues        | Retirements       | Ending<br>Balance   | Current<br>Maturities <sup>1</sup> |
|----------------------------------------|----------------------|-------------------|-------------------|---------------------|------------------------------------|
| Bonds (all programs)                   | \$ 3,635,854         | \$ 453,685        | \$ 526,754        | \$ 3,562,785        | \$ 213,614                         |
| Notes: SFHRB Program                   | -                    | 100,000           | -                 | 100,000             | 100,000                            |
| Notes: WCF                             | 232,824              | 71,174            | 136,585           | 167,413             | 49,466                             |
| <b>Totals</b>                          | <b>\$ 3,868,678</b>  | <b>\$ 624,859</b> | <b>\$ 663,339</b> | <b>\$ 3,830,198</b> | <b>\$ 363,080</b>                  |
| Unamortized Bond/Note Discount/Premium |                      |                   |                   | 43,686              |                                    |
| <b>Bonds and Notes Payable, Net</b>    |                      |                   |                   | <b>\$ 3,873,884</b> |                                    |

<sup>1</sup> Current Maturities refers to Current Principal Maturities of long-term debt due and payable within the next twelve months.

Future principal and interest payments on bonds and notes for the years subsequent to June 30, 2023 through their final maturities are presented in the Fixed Rate Bonds and Notes and the Variable Rate Bonds tables below. Interest rates and other information relating to bond and note indebtedness of individual programs are presented in the accompanying Schedules 2 (Bonds) and 3 (Notes and Other Indebtedness) to the financial statements.

Bonds in each series that mature 10 or more years after the date of issuance are generally redeemable at the option of MassHousing on prescribed redemption dates at prices ranging from 100% to 103% of the outstanding principal balance.

In most cases, MassHousing obtains first (and in some cases second) mortgage liens on the real property of such housing developments and on residential properties. Liens on multifamily developments and residential properties permanently financed by Agency bonds and notes are assignable by MassHousing as additional collateral for its bonds and notes. Similar liens on multifamily developments, for which interim financing is outstanding, provide collateral to MassHousing in the event of default by the borrowers.

**Fixed Rate Bonds and Notes** – Bonds are issued in the form of both serial bonds and term bonds. Term bonds and notes require the establishment of a sinking fund in the year preceding any scheduled mandatory redemption. Debt service requirements of the Agency's outstanding fixed rate debt at June 30, 2023 are as follows (in thousands):

| <b>Fixed Rate Bonds and Notes</b> |                     |                     |                   |                   |                     |
|-----------------------------------|---------------------|---------------------|-------------------|-------------------|---------------------|
| <b>Fiscal Year</b>                | <b>Underwritten</b> | <b>Underwritten</b> | <b>Private</b>    | <b>Private</b>    |                     |
| <b>Ending June 30</b>             | <b>Principal</b>    | <b>Interest</b>     | <b>Placement</b>  | <b>Placement</b>  | <b>Total</b>        |
|                                   |                     |                     | <b>Principal</b>  | <b>Interest</b>   |                     |
| FY24                              | \$ 157,265          | \$ 131,043          | \$ 58,267         | \$ 11,053         | \$ 357,628          |
| FY25                              | 128,000             | 127,549             | 82,915            | 9,230             | 347,694             |
| FY26                              | 263,830             | 123,335             | 15,280            | 7,260             | 409,705             |
| FY27                              | 134,555             | 116,097             | 1,865             | 6,794             | 259,311             |
| FY28                              | 138,725             | 110,840             | 1,925             | 6,729             | 258,219             |
| FY29 - FY33                       | 407,885             | 508,893             | 11,670            | 32,574            | 961,022             |
| FY34 - FY38                       | 461,175             | 432,800             | 27,560            | 29,522            | 951,057             |
| FY39 - FY43                       | 505,144             | 343,679             | 40,005            | 24,068            | 912,896             |
| FY44 - FY48                       | 517,015             | 242,751             | 52,070            | 16,624            | 828,460             |
| FY49 - FY53                       | 439,585             | 140,959             | 51,395            | 7,505             | 639,444             |
| FY54 - FY58                       | 262,560             | 62,440              | 11,650            | 2,644             | 339,294             |
| FY59 - FY63                       | 147,665             | 24,452              | 9,670             | 551               | 182,338             |
| FY64 - FY68                       | 40,620              | 3,108               | -                 | -                 | 43,728              |
| <b>Totals</b>                     | <b>\$ 3,604,024</b> | <b>\$ 2,367,946</b> | <b>\$ 364,272</b> | <b>\$ 154,554</b> | <b>\$ 6,490,796</b> |

## Variable Rate Bonds

### Series Resolution Amendments

On May 25, 2023, MassHousing amended its series resolutions for HB 2016 Series I and HB 2018 Series B, effective June 1, 2023 and July 1, 2023, respectively, to replace the benchmark interest rate of these variable rate bonds from LIBOR to SOFR.

Listed in the table below are the outstanding Variable Rate Bonds as of June 30, 2023 and 2022, including Remarketing Agents and Liquidity Providers, if applicable (in thousands):

| Issue Name                      | Maturity Date | Bonds & Notes<br>Outstanding<br>June 30, 2023 | Remarketing Agent                     | Remarketing<br>Expiration<br>Date | Liquidity<br>Provider | Liquidity<br>Expiration<br>Date |
|---------------------------------|---------------|-----------------------------------------------|---------------------------------------|-----------------------------------|-----------------------|---------------------------------|
| GRDB Variable Rate Housing Bond |               |                                               |                                       |                                   |                       |                                 |
| (VRHB) 2015A                    | 01/01/2034    | \$ 29,570                                     | Raymond James                         | 01/31/2034                        | Bank of America       | 01/31/2034                      |
| 2018 Mill Road                  | 11/01/2048    | 22,520                                        | n/a                                   | n/a                               | n/a                   | n/a                             |
| HB Series 2003F                 | 12/01/2037    | 255                                           | Merrill Lynch                         | 12/01/2037                        | n/a                   | n/a                             |
| HB Series 2008A                 | 05/01/2048    | 76,620                                        | n/a                                   | n/a                               | n/a                   | n/a                             |
| HB Series 2009B                 | 01/01/2044    | 10,608                                        | Merrill Lynch                         | 01/01/2044                        | T.D. Bank             | 02/01/2026                      |
| HB Series 2013F                 | 12/01/2038    | 21,465                                        | Raymond James                         | 12/01/2038                        | T.D. Bank             | 12/04/2023                      |
| HB Series 2016I                 | 12/01/2056    | 25,000                                        | n/a                                   | n/a                               | n/a                   | n/a                             |
| HB Series 2018B                 | 06/01/2058    | 25,000                                        | n/a                                   | n/a                               | n/a                   | n/a                             |
| SFHRB Series 196                |               |                                               | UBS Financial Services,<br>Inc. (UBS) | n/a                               | UBS                   | n/a                             |
| SFHRB Series 200                | 12/01/2048    | 15,000                                        | UBS                                   | n/a                               | UBS                   | n/a                             |
| SFHRB Series 204                | 12/01/2048    | 10,000                                        | UBS                                   | n/a                               | UBS                   | n/a                             |
| SFHRB Series 208                | 06/01/2049    | 15,000                                        | RBC Capital Markets                   | 05/08/2024                        | Royal Bank of Canada  | 05/08/2024                      |
| SFHRB Series 212                | 12/01/2049    | 15,000                                        | n/a                                   | n/a                               | n/a                   | n/a                             |
| SFHRB Series 216                | 12/01/2050    | 25,000                                        | n/a                                   | n/a                               | n/a                   | n/a                             |
| SFHRB Series 229                | 06/01/2052    | 63,645                                        | UBS                                   | 05/13/2026                        | UBS                   | n/a                             |
| <b>Total</b>                    |               | <b>\$ 369,683</b>                             |                                       |                                   |                       |                                 |

| Issue Name       | Maturity Date | Bonds & Notes<br>Outstanding<br>June 30, 2022 | Remarketing Agent   | Remarketing<br>Expiration<br>Date | Liquidity<br>Provider | Liquidity<br>Expiration<br>Date |
|------------------|---------------|-----------------------------------------------|---------------------|-----------------------------------|-----------------------|---------------------------------|
| GRDB VRHB 2015A  | 01/01/2034    | \$ 30,270                                     | Raymond James       | 01/31/2034                        | Bank of America       | 01/31/2034                      |
| 2018 Mill Road   | 11/01/2048    | 22,800                                        | n/a                 | n/a                               | n/a                   | n/a                             |
| HB Series 2003F  | 12/01/2037    | 275                                           | Merrill Lynch       | 12/01/2037                        | n/a                   | n/a                             |
| HB Series 2008A  | 05/01/2048    | 77,905                                        | n/a                 | n/a                               | n/a                   | n/a                             |
| HB Series 2009B  | 01/01/2044    | 10,808                                        | Merrill Lynch       | 01/01/2044                        | T.D. Bank             | 02/01/2026                      |
| HB Series 2013F  | 12/01/2038    | 22,265                                        | Raymond James       | 12/01/2038                        | T.D. Bank             | 12/04/2023                      |
| HB Series 2016I  | 12/01/2056    | 25,000                                        | n/a                 | n/a                               | n/a                   | n/a                             |
| HB Series 2018B  | 06/01/2058    | 25,000                                        | n/a                 | n/a                               | n/a                   | n/a                             |
| SFHRB Series 196 | 12/01/2048    | 15,000                                        | UBS                 | n/a                               | UBS                   | n/a                             |
| SFHRB Series 200 | 12/01/2048    | 15,000                                        | UBS                 | n/a                               | UBS                   | n/a                             |
| SFHRB Series 204 | 12/01/2048    | 10,000                                        | UBS                 | n/a                               | UBS                   | n/a                             |
| SFHRB Series 208 | 06/01/2049    | 15,000                                        | RBC Capital Markets | 05/08/2024                        | Royal Bank of Canada  | 05/08/2024                      |
| SFHRB Series 212 | 12/01/2049    | 15,000                                        | n/a                 | n/a                               | n/a                   | n/a                             |
| SFHRB Series 216 | 12/01/2050    | 25,000                                        | n/a                 | n/a                               | n/a                   | n/a                             |
| <b>Total</b>     |               | <b>\$ 309,323</b>                             |                     |                                   |                       |                                 |

Using interest rates at June 30, 2023, debt service requirements of the Agency's outstanding variable rate debt and net interest rate swap payments at June 30, 2023 are as follows (in thousands):

| Variable Rate Bonds and Notes |              |              |            |            |               |                    |  |
|-------------------------------|--------------|--------------|------------|------------|---------------|--------------------|--|
| Fiscal Year                   | Underwritten | Underwritten | Private    | Private    | Interest rate |                    |  |
| Ending June 30                | Principal    | Interest     | Placement  | Placement  | Swaps Net     | Total <sup>2</sup> |  |
| FY24                          | \$ 1,365     | \$ 10,111    | \$ 1,295   | \$ 6,883   | \$ 1,520      | \$ 21,174          |  |
| FY25                          | 1,440        | 10,064       | 1,375      | 6,786      | 1,427         | 21,092             |  |
| FY26                          | 1,520        | 10,015       | 1,500      | 6,313      | 1,324         | 20,672             |  |
| FY27                          | 1,600        | 9,953        | 1,565      | 7,002      | 1,212         | 21,332             |  |
| FY28                          | 1,680        | 9,898        | 1,625      | 5,746      | 1,124         | 20,073             |  |
| FY29 - FY33                   | 13,440       | 47,969       | 10,105     | 31,775     | 5,093         | 108,382            |  |
| FY34 - FY38                   | 58,735       | 38,926       | 13,680     | 27,526     | 4,838         | 143,705            |  |
| FY39 - FY43                   | 43,725       | 31,567       | 18,585     | 22,860     | 4,019         | 120,756            |  |
| FY44 - FY48                   | 73,078       | 19,617       | 33,725     | 16,283     | 2,002         | 144,705            |  |
| FY49 - FY53                   | 46,480       | 4,017        | 21,815     | 8,124      | 784           | 81,220             |  |
| FY54 - FY58                   | -            | -            | 21,350     | 2,533      | -             | 23,883             |  |
| Totals                        | \$ 243,063   | \$ 192,137   | \$ 126,620 | \$ 141,831 | \$ 23,343     | \$ 726,994         |  |

<sup>2</sup> The variable rate bonds included in the above table include \$37 million of the unhedged portion of series: HB Series 2008A- \$25.4 million, SFHRB Series 196- \$3.8 million, SFHRB Series 200- \$3.8 million, and SFHRB Series 208- \$3.8 million and \$134 million of the entirely unhedged: GRDB Series 2015A- \$29.6 million, GRDB 2018 Mill Road- \$22.5 million, HB Series 2003F-\$255 thousand, HB Series 2009B-\$10.6 million, HB Series 2013F- \$21.5 million, SFHRB Series 204- \$10 million, SFHRB Series 212- \$15 million, and SFHRB Series 216- \$25 million.

Reference is made to Note J for a description of the interest rate swaps and caps that are outstanding on several variable rate bonds at year end. The total amounts of such hedged variable rate bonds outstanding at June 30, 2023 and 2022 were as follows (in thousands):

|               | June 30, 2023     | June 30, 2022     |
|---------------|-------------------|-------------------|
| HB Program    | \$ 101,228        | \$ 102,090        |
| SFHRB Program | 97,395            | 33,750            |
| <b>Total</b>  | <b>\$ 198,623</b> | <b>\$ 135,840</b> |

The total amounts of such unhedged, or partially unhedged, variable rate bonds outstanding at June 30, 2023 and 2022 were as follows (in thousands):

| <u>Basis</u>                                                                                                                                | <u>June 30, 2023</u> | <u>June 30, 2022</u> |
|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Maximum rate of 9.0% after mandatory tender date of 12/1/2022                                                                               | \$ 15,000            | \$ 15,000            |
| Initial term rate of 1.85% until mandatory tender date of 6/1/2025                                                                          | 25,000               | 25,000               |
| One-month LIBOR plus 65 basis points                                                                                                        | 25,392               | 25,815               |
| 70% of one-month LIBOR                                                                                                                      | 7,500                | 7,500                |
| SIFMA Municipal Swap Index (SIFMA) plus 55 bps                                                                                              | 22,520               | 22,800               |
| SIFMA plus 33 bps                                                                                                                           | 10,000               | 10,000               |
| Weekly rate set by the underwriter/remarketing agent, determined by current market conditions                                               | 55,040               | 56,560               |
| Weekly rate set by the remarketing agent, determined by current market conditions, but not exceeding Variable Rate Ceiling of 15% per annum | 10,608               | 10,808               |
| <b>Total</b>                                                                                                                                | <b>\$ 171,060</b>    | <b>\$ 173,483</b>    |

Certain bond series are subject to maximum interest rates as defined by their related series' resolutions. Some variable rate bonds are supported by stand-by bond purchase liquidity facilities with banks, which require that the applicable bank purchase any bonds that are tendered for purchase, but which cannot be successfully remarketed. Unless and until the bonds can be remarketed, MassHousing would be required to pay to the bank interest on such bonds at an alternate rate. MassHousing also would be required to amortize the principal of such bonds on an accelerated schedule.

**Debt Issuance**

The following tables summarize new debt issues for the fiscal years ended June 30, 2023 and June 30, 2022:

| FY 2023                                                                         |                   |                            |                         |                              |                                   |                             |
|---------------------------------------------------------------------------------|-------------------|----------------------------|-------------------------|------------------------------|-----------------------------------|-----------------------------|
| <u>Issue Name</u>                                                               | <u>Issue Date</u> | <u>Final Maturity Date</u> | <u>Original</u>         | <u>New Debt</u> <sup>3</sup> | <u>Refunded Debt</u> <sup>4</sup> | <u>Conduit</u> <sup>5</sup> |
|                                                                                 |                   |                            | <u>Principal Amount</u> |                              |                                   |                             |
| Direct Purchase Construction Loan Notes (DPCLN), Issue 5 Blk 2022A (Taxable)    | 12/7/2022         | 12/5/2025                  | \$ 13,500               | \$ 13,500                    | \$ -                              | \$ -                        |
| DPCLN, Issue 4 Blk 2022B                                                        | 12/16/2022        | 6/16/2023                  | 5,600                   | 5,600                        | -                                 | -                           |
| DPCLN Issue 5, Blk 2023A                                                        | 5/30/2023         | 2/28/2024                  | 16,090                  | -                            | 16,090                            | -                           |
| <b>Total Direct Purchase CLN Issues</b>                                         |                   |                            | <b>\$ 35,190</b>        | <b>\$ 19,100</b>             | <b>\$ 16,090</b>                  | <b>\$ -</b>                 |
| HB Series 2022C 1                                                               | 11/3/2022         | 6/1/2066                   | \$ 65,465               | \$ 65,465                    | \$ -                              | \$ -                        |
| HB Series 2022C 2                                                               | 11/3/2022         | 6/1/2066                   | 53,425                  | 53,425                       | -                                 | -                           |
| HB Series 2022C 3                                                               | 11/3/2022         | 6/1/2026                   | 73,610                  | 73,610                       | -                                 | -                           |
| HB Series 2022D 1                                                               | 12/21/2022        | 6/1/2065                   | 21,055                  | 21,055                       | -                                 | -                           |
| HB Series 2022D 2                                                               | 12/21/2022        | 6/1/2066                   | 26,645                  | 26,645                       | -                                 | -                           |
| HB Series 2022D 3                                                               | 12/21/2022        | 6/1/2027                   | 51,070                  | 51,070                       | -                                 | -                           |
| HB Series 2023A 1                                                               | 2/16/2023         | 12/1/2065                  | 46,870                  | 46,870                       | -                                 | -                           |
| HB Series 2023A 2                                                               | 2/16/2023         | 12/1/2065                  | 30,060                  | 30,060                       | -                                 | -                           |
| HB Series 2023A 3                                                               | 2/16/2023         | 12/1/2027                  | 86,090                  | 86,090                       | -                                 | -                           |
| HB Series 2023B (taxable)                                                       | 2/16/2023         | 12/1/2025                  | 22,940                  | 22,940                       | -                                 | -                           |
| <b>Total HB Issues</b>                                                          |                   |                            | <b>\$ 477,230</b>       | <b>\$ 477,230</b>            | <b>\$ -</b>                       | <b>\$ -</b>                 |
| SFHRB Series 212 remarketing                                                    | 11/3/2022         | 12/1/2049                  | \$ 15,000               | \$ -                         | \$ 15,000                         | \$ -                        |
| SFHRB Series 225                                                                | 11/3/2022         | 12/1/2052                  | 78,860                  | -                            | 78,860                            | -                           |
| SFHRB Series 226 (Taxable)                                                      | 12/21/2022        | 12/1/2052                  | 200,000                 | 200,000                      | -                                 | -                           |
| SFHRB Notes, Series 2022                                                        | 12/21/2022        | 6/1/2023                   | 31,155                  | 31,155                       | -                                 | -                           |
| SFHRB Series 227                                                                | 3/14/2023         | 12/1/2053                  | 95,000                  | 31,682                       | 63,318                            | -                           |
| SFHRB Series 228 (taxable)                                                      | 3/14/2023         | 6/1/2042                   | 61,355                  | 61,355                       | -                                 | -                           |
| SFHRB Series 229 (taxable)                                                      | 3/14/2023         | 6/1/2052                   | 63,645                  | 63,645                       | -                                 | -                           |
| <b>Total SFHRB Issues</b>                                                       |                   |                            | <b>\$ 545,015</b>       | <b>\$ 387,837</b>            | <b>\$ 157,178</b>                 | <b>\$ -</b>                 |
| Multifamily Conduit Revenue Bonds, 1599 Columbus Avenue Issue, Series 2022A     | 8/29/2022         | 12/1/2025                  | \$ 13,200               | \$ -                         | \$ -                              | \$ 13,200                   |
| Multifamily Conduit Revenue Bonds, 1599 Columbus Avenue Issue, Series 2022B     | 8/29/2022         | 11/30/2045                 | 8,210                   | -                            | -                                 | 8,210                       |
| Multifamily Conduit Revenue Bonds, (Michael E. Haynes Arms Issue), Series 2022A | 11/21/2022        | 6/1/2023                   | 1,111                   | -                            | -                                 | 1,111                       |
| Multifamily Conduit Revenue Bonds, (Michael E. Haynes Arms Issue), Series 2022B | 11/21/2022        | 1/3/2040                   | 1,000                   | -                            | -                                 | 1,000                       |
| Multifamily Conduit Revenue Bonds, (Jaycee Place Issue), Series 2023            | 5/23/2023         | 5/1/2063                   | 13,985                  | -                            | -                                 | 13,985                      |
| <b>Total Conduit Issues</b>                                                     |                   |                            | <b>\$ 37,506</b>        | <b>\$ -</b>                  | <b>\$ -</b>                       | <b>\$ 37,506</b>            |
| <b>Total</b>                                                                    |                   |                            | <b>\$ 1,094,941</b>     | <b>\$ 884,167</b>            | <b>\$ 173,268</b>                 | <b>\$ 37,506</b>            |

<sup>3</sup> Funds used to finance new mortgage loans

<sup>4</sup> Funds used to refund and/or replace outstanding bonds.

<sup>5</sup> Funds used to finance mortgage loans for which neither the bonds nor the mortgage loans securing those bonds are in the Agency's financial statements. Each of such bond issues are separately secured from any other obligations issued by the Agency.

| FY 2022                                                                          |                   |                            |                                  |                                |                                   |                             |
|----------------------------------------------------------------------------------|-------------------|----------------------------|----------------------------------|--------------------------------|-----------------------------------|-----------------------------|
| <u>Issue Name</u>                                                                | <u>Issue Date</u> | <u>Final Maturity Date</u> | <u>Original Principal Amount</u> | <u>New Debt</u> <sup>3/6</sup> | <u>Refunded Debt</u> <sup>4</sup> | <u>Conduit</u> <sup>5</sup> |
| Direct Purchase CLN, Issue 5 Blk 2021A                                           | 12/8/2021         | 8/1/2022                   | \$ 2,000                         | \$ 2,000                       | \$ -                              | \$ -                        |
| Direct Purchase CLN, Issue 5 Blk 2021B                                           | 12/8/2021         | 12/1/2022                  | 2,906                            | 2,906                          | -                                 | -                           |
| Direct Purchase CLN, Issue 4 Blk 2022A                                           | 5/4/2022          | 5/23/2025                  | 41,200                           | 41,200                         | -                                 | -                           |
| <b>Total Direct Purchase CLN Issues</b>                                          |                   |                            | <b>\$ 46,106</b>                 | <b>\$ 46,106</b>               | <b>\$ -</b>                       | <b>\$ -</b>                 |
| HB Series 2021B 1                                                                | 11/2/2021         | 12/1/2063                  | \$ 77,820                        | \$ 77,820                      | \$ -                              | \$ -                        |
| HB Series 2021B 2                                                                | 11/2/2021         | 12/1/2026                  | 61,950                           | 61,950                         | -                                 | -                           |
| HB Series 2021C                                                                  | 11/2/2021         | 12/1/2023                  | 8,805                            | -                              | 8,805                             | -                           |
| HB Series 2022 A 1                                                               | 6/22/2022         | 12/1/2064                  | 23,850                           | 23,850                         | -                                 | -                           |
| HB Series 2022 A 2                                                               | 6/22/2022         | 12/1/2026                  | 49,115                           | 49,115                         | -                                 | -                           |
| HB Series 2022 B                                                                 | 6/22/2022         | 12/1/2034                  | 1,990                            | -                              | 1,990                             | -                           |
| <b>Total HB Issues</b>                                                           |                   |                            | <b>\$ 223,530</b>                | <b>\$ 212,735</b>              | <b>\$ 10,795</b>                  | <b>\$ -</b>                 |
| SFHRB Series 222                                                                 | 9/21/2021         | 6/1/2051                   | \$ 89,900                        | \$ 23,325                      | \$ 66,575                         | \$ -                        |
| SFHRB Series 204                                                                 | 11/4/2021         | 12/1/2048                  | 10,000                           | -                              | 10,000                            | -                           |
| SFHRB Series 223                                                                 | 12/22/2021        | 6/1/2047                   | 70,860                           | 33,538                         | 37,322                            | -                           |
| SFHRB Notes, Series 2021                                                         | 12/22/2021        | 12/1/2022                  | 100,000                          | 99,622                         | 378                               | -                           |
| SFHRB Series 224                                                                 | 5/27/2021         | 12/1/2048                  | 59,395                           | 24,478                         | 34,917                            | -                           |
| <b>Total SFHRB Issues</b>                                                        |                   |                            | <b>\$ 330,155</b>                | <b>\$ 180,963</b>              | <b>\$ 149,192</b>                 | <b>\$ -</b>                 |
| Multifamily Conduit Revenue Bonds, Orient Heights Phase Three Issue, Series 2021 | 7/15/2021         | 7/15/2024                  | \$ 40,750                        | \$ -                           | \$ -                              | \$ 40,750                   |
| <b>Total Conduit Issues</b>                                                      |                   |                            | <b>\$ 40,750</b>                 | <b>\$ -</b>                    | <b>\$ -</b>                       | <b>\$ 40,750</b>            |
| <b>Total</b>                                                                     |                   |                            | <b>\$ 640,541</b>                | <b>\$ 439,804</b>              | <b>\$ 159,987</b>                 | <b>\$ 40,750</b>            |

<sup>3</sup> Funds used to finance new mortgage loans

<sup>4</sup> Funds used to refund and/or replace outstanding bonds.

<sup>5</sup> Funds used to finance mortgage loans for which neither the bonds nor the mortgage loans securing those bonds are in the Agency's financial statements. Each of such bond issues are separately secured from any other obligations issued by the Agency.

<sup>6</sup> This table excludes \$25.1 million of CLN debt advanced in FY 2022 for notes issued in previous fiscal years.

## Bond Refundings

According to current GASB guidance, the unamortized premium/discount amounts should be amortized in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. The Agency has elected to recognize the unamortized premium/discount amounts related to debt refundings immediately as Gains/Loss on Early Retirement of Debt, due to the insignificance of these transactions. These gains and losses are included in Other Income in the Agency's financial statements.

See Schedules 2 and 3 for additional required disclosures related to bond and note indebtedness.

## Lines of Credit

On April 14, 2023, MassHousing amended its existing revolving loan agreement with Bank of America, N.A. for a line of credit to provide funding for the Agency's warehouse of single-family loans in the WCF. The maximum credit line of the revolving loan agreement was increased from \$100 million to \$200 million. As June 30, 2023 and June 30, 2022, the balance of the line of credit was \$50 million and \$25 million, respectively.

## Helping to House New England Financing

In December 2016, MassHousing entered into an *Agreement for Advances, Collateral Pledge, and Security Agreement* (Agreement) with the Federal Home Loan Bank (FHLB) of Boston's Helping to House New England Program, of which the Agency has posted certain

investments as collateral as required under the program. The Agency is utilizing the program to provide funding for some of the Agency's multi-family loans. Each advance has a term of 10 years and a 0% interest rate. The Agreement contains several provisions which would result in default, including, but not limited to, failure to pay the debt, bankruptcy and material breach of any representation or warranty. At both June 30, 2023 and 2022, \$16.4 million, with maturity dates of December 21, 2026 for \$9.2 million and December 6, 2028 for \$7.2 million, had been advanced and was outstanding. At June 30, 2023, MBS with a fair value of \$18.4 million and cash in the amount \$500 thousand was held in the WCF as collateral for the program. At June 30, 2023, the collateral for the program was deficient by \$390 thousand. A deposit of \$500 thousand, to cover the deficiency, was deposited on July 3, 2023. At June 30, 2022, MBS with a fair value of \$21.0 million was held in the WCF as collateral for the program.

**Conduit Debt**

MassHousing has issued bonds under its GRDB Resolution to finance certain mortgage loans for private-sector developers to assist in the acquisition and construction of multi-family housing. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector developers on the underlying mortgages. No additional or voluntary commitments were made beyond the limited commitment to the maintenance of the tax-exempt status of the conduit debt obligations by the Agency for any of those bonds. At June 30, 2023 and 2022, the bonds have an original principal amount payable of \$271.2 million and 292.5 million, respectively.

The issues of such conduit bonds, outstanding as of June 30, 2023 and 2022, are listed in the tables below (in thousands):

| <b>June 30, 2023</b>                                                                               |                   |                      | <b>Original</b>          |
|----------------------------------------------------------------------------------------------------|-------------------|----------------------|--------------------------|
| <b>Issue Name</b>                                                                                  | <b>Issue Date</b> | <b>Maturity Date</b> | <b>Principal Amount</b>  |
| Conduit Revenue Bonds (Kenmore Abbey Development), 2012 Series B                                   | 6/21/2012         | 6/1/2030             | \$ 42,700                |
| Multifamily Conduit Revenue Bonds, Olmsted Green Issue, Series 2018B                               | 11/30/2018        | 11/30/2037           | 18,470                   |
| Multifamily Tax-Exempt Mortgage-Backed Bonds (M-TEBS) (Chestnut Park Project), Series 2018A        | 12/13/2018        | 1/1/2039             | 32,900                   |
| Multi-Family Mortgage Revenue Note (Millers River Apartments), Series 2018                         | 12/28/2018        | 7/1/2053             | 52,000                   |
| Multi-Family Mortgage Revenue Note (Millers River Apartments), Series 2019                         | 3/22/2019         | 7/1/2023             | 30,000                   |
| Multifamily Conduit Revenue Bonds (Arthur O'Shea House Issue), Series 2019B                        | 7/31/2019         | 7/31/2038            | 5,276                    |
| Multifamily Conduit Revenue Bonds (Arthur O'Shea House Issue), Series 2019C                        | 7/31/2019         | 7/31/2038            | 1,694                    |
| Multifamily Tax-Exempt Mortgage-backed Bonds (M-TEMS) (Colonial Village Project), Series 2019 (FN) | 12/19/2019        | 1/1/2037             | 8,250                    |
| Multifamily Conduit Revenue Bonds, (Michael E. Haynes Arms Issue), Series 2020A <sup>7</sup>       | 1/16/2020         | 6/1/2022             | 10,653                   |
| Multifamily Conduit Revenue Bonds, (Michael E. Haynes Arms Issue), Series 2020B                    | 1/16/2020         | 1/3/2040             | 6,765                    |
| Multifamily Conduit Revenue Bonds, (Morse Apartments Issue), Series 2020A                          | 7/30/2020         | 8/1/2023             | 17,000                   |
| Multifamily Conduit Revenue Bonds, (Morse Apartments Issue), Series 2020B                          | 7/30/2020         | 7/30/2039            | 6,161                    |
| Multifamily Conduit Revenue Bonds, (Morse Apartments Issue), Series 2020C                          | 7/30/2020         | 7/30/2039            | 1,839                    |
| Multifamily Conduit Revenue Bonds, (1599 Columbus Avenue Issue), Series 2022A                      | 8/29/2022         | 12/1/2025            | 13,200                   |
| Multifamily Conduit Revenue Bonds, (1599 Columbus Avenue Issue), Series 2022B                      | 8/29/2022         | 11/30/2045           | 8,210                    |
| Multifamily Conduit Revenue Bonds, (Michael E. Haynes Arms Issue), Series 2022A <sup>8</sup>       | 11/21/2022        | 6/1/2023             | 1,111                    |
| Multifamily Conduit Revenue Bonds, (Michael E. Haynes Arms Issue), Series 2022B                    | 11/21/2022        | 1/3/2040             | 1,000                    |
| Multifamily Conduit Revenue Bonds, (Jaycee Place Issue), Series 2023                               | 5/23/2023         | 5/1/2063             | 13,985                   |
| <b>Total Conduit Bonds</b>                                                                         |                   |                      | <b><u>\$ 271,214</u></b> |

<sup>7</sup> This bond has been in forbearance since June 1, 2022.

<sup>8</sup> This bond has been in forbearance since June 1, 2023.

| June 30, 2022                                                                                      |                   |                      | Original                |
|----------------------------------------------------------------------------------------------------|-------------------|----------------------|-------------------------|
| <u>Issue Name</u>                                                                                  | <u>Issue Date</u> | <u>Maturity Date</u> | <u>Principal Amount</u> |
| Conduit Revenue Bonds (Kenmore Abbey Development), 2012 Series B                                   | 6/21/2012         | 6/1/2030             | \$ 42,700               |
| Multifamily Conduit Revenue Bonds, Olmsted Green Issue, Series 2018B                               | 11/30/2018        | 11/30/2037           | 18,470                  |
| Multifamily Tax-Exempt Mortgage-Backed Bonds (M-TEBS) (Chestnut Park Project), Series 2018A        | 12/13/2018        | 1/1/2039             | 32,900                  |
| Multi-Family Mortgage Revenue Note (Millers River Apartments), Series 2018                         | 12/28/2018        | 7/1/2053             | 52,000                  |
| Multi-Family Mortgage Revenue Note (Millers River Apartments), Series 2019                         | 3/22/2019         | 7/1/2023             | 30,000                  |
| Multifamily Conduit Revenue Bonds (Arthur O'Shea House Issue), Series 2019A                        | 7/31/2019         | 7/31/2022            | 18,030                  |
| Multifamily Conduit Revenue Bonds (Arthur O'Shea House Issue), Series 2019B                        | 7/31/2019         | 7/31/2038            | 5,276                   |
| Multifamily Conduit Revenue Bonds (Arthur O'Shea House Issue), Series 2019C                        | 7/31/2019         | 7/31/2038            | 1,694                   |
| Multifamily Tax-Exempt Mortgage-backed Bonds (M-TEMS) (Colonial Village Project), Series 2019 (FN) | 12/19/2019        | 1/1/2037             | 8,250                   |
| Multifamily Conduit Revenue Bonds, (Michael E. Haynes Arms Issue), Series 2020A <sup>7</sup>       | 1/16/2020         | 6/1/2022             | 10,653                  |
| Multifamily Conduit Revenue Bonds, (Michael E. Haynes Arms Issue), Series 2020B                    | 1/16/2020         | 1/3/2040             | 6,765                   |
| Multifamily Conduit Revenue Bonds, (Morse Apartments Issue), Series 2020A                          | 7/30/2020         | 8/1/2023             | 17,000                  |
| Multifamily Conduit Revenue Bonds, (Morse Apartments Issue), Series 2020B                          | 7/30/2020         | 7/30/2039            | 6,161                   |
| Multifamily Conduit Revenue Bonds, (Morse Apartments Issue), Series 2020C                          | 7/30/2020         | 7/30/2039            | 1,839                   |
| Multifamily Conduit Revenue Bonds, (Orient Heights Phase Three Issue), Series 2021                 | 7/15/2021         | 7/15/2024            | 40,750                  |
| Total Conduit Bonds                                                                                |                   |                      | <u>\$ 292,488</u>       |

<sup>7</sup> This bond has been in forbearance since June 1, 2022.

As to the Conduit Bonds, updated information with respect to the bonds and related mortgage loans is available in accordance with the provisions of the applicable Loan, Security and Trust Agreement and the Disbursing Agreement relating to such bonds.

**Note I. Leases**

The following is a summary of lease assets and liabilities as of June 30, 2023 and 2022:

**Lease Balances****(in thousands)**

| <b>As of June 30</b>           | <b>2023</b>      | <b>2022</b>      |
|--------------------------------|------------------|------------------|
| Current Assets:                |                  |                  |
| Sublease Receivable            | \$ 542           | \$ 146           |
| Non-current Assets:            |                  |                  |
| Right of Use Asset, net        | 29,202           | 33,583           |
| Sublease Receivable            | 3,608            | 1,131            |
| <b>Total Lease Assets</b>      | <b>\$ 33,352</b> | <b>\$ 34,860</b> |
| Current Liabilities:           |                  |                  |
| Lease Liability                | \$ 4,160         | \$ 3,986         |
| Non-current Liabilities:       |                  |                  |
| Lease Liability                | 26,669           | 30,829           |
| <b>Total Lease Liabilities</b> | <b>\$ 30,829</b> | <b>\$ 34,815</b> |

MassHousing is subject to an office lease. This lease consists of building space of approximately 106,382 rentable square feet and is effective through March 31, 2030.

MassHousing also leases office equipment, automobiles and other items under several non-cancelable leases with terms in excess of one year.

The following is a summary of the lease assets, accumulated amortization and gross asset balance for the office lease:

**Office Building Lease****(in thousands)****As of June 30, 2023**

| Lease Description   | Gross Asset<br>Balance | Accumulated<br>Amortization | Net Asset<br>Balance |
|---------------------|------------------------|-----------------------------|----------------------|
| 4th Amendment       | \$ 37,121              | \$ 11,520                   | \$ 25,601            |
| 5th Amendment       | 4,574                  | 1,420                       | 3,154                |
| Concourse           | 648                    | 201                         | 447                  |
| <b>Total Leases</b> | <b>\$ 42,343</b>       | <b>\$ 13,141</b>            | <b>\$ 29,202</b>     |

**Office Building Lease**  
**(in thousands)**  
**As of June 30, 2022**

| Lease Description | Gross Asset<br>Balance | Accumulated<br>Amortization | Net Asset<br>Balance |
|-------------------|------------------------|-----------------------------|----------------------|
| 4th Amendment     | \$ 37,121              | \$ 7,680                    | \$ 29,441            |
| 5th Amendment     | 4,574                  | 946                         | 3,628                |
| Concourse         | 648                    | 134                         | 514                  |
| Total Leases      | <u>\$ 42,343</u>       | <u>\$ 8,760</u>             | <u>\$ 33,583</u>     |

The following is a summary of office lease principal and interest requirements to maturity, presented separately, for the Lease Liability for each of the five subsequent fiscal years and the remaining lease term of three years thereafter:

**Building Lease**  
**(in thousands)**  
**As of June 30, 2023**

| FY Ending June 30th | Remaining<br>Payments | Interest<br>Expense | Liability<br>Reduction |
|---------------------|-----------------------|---------------------|------------------------|
| FY 2024             | \$ 4,883              | \$ 723              | \$ 4,160               |
| FY 2025             | 4,927                 | 618                 | 4,309                  |
| FY 2026             | 5,005                 | 508                 | 4,497                  |
| FY 2027             | 5,046                 | 394                 | 4,652                  |
| FY 2028             | 5,118                 | 275                 | 4,843                  |
| FY 2029 - FY30      | 8,552                 | 184                 | 8,368                  |
| Total               | <u>\$ 33,531</u>      | <u>\$ 2,702</u>     | <u>\$ 30,829</u>       |

**Sublease Commitments**

MassHousing entered into a sublease agreement for a portion of its leased space, where monthly payments began on December 1, 2018 and terminate on March 31, 2030.

On July 26, 2022 MassHousing entered into a contract to sublease additional office space. This sublease commenced on September 1, 2022 and terminates on March 31, 2030.

The following is a summary of sublease income recognized in FY 2023 and FY 2022:

**Building Sublease  
(in thousands)**

| For the fiscal year ended June 30, 2023 | Total Payments |                 | Principal |
|-----------------------------------------|----------------|-----------------|-----------|
|                                         | Collected      | Interest Income | Reduction |
|                                         | \$ 569         | \$ 143          | \$ 426    |

**Building Sublease  
(in thousands)**

| For the fiscal year ended June 30, 2022 | Total Payments |                 | Principal |
|-----------------------------------------|----------------|-----------------|-----------|
|                                         | Collected      | Interest Income | Reduction |
|                                         | \$ 175         | \$ 34           | \$ 141    |

**Note J. Derivative Instruments**

Derivative instruments are financial arrangements, often complex, used to manage specific risks or to make investments. By entering into these arrangements, organizations receive and/or make payments based on market prices or rates without actually entering into the related financial transactions. Derivative instruments associated with changing financial prices and rates result in changing cash flows and fair values that can be used as effective risk management or investment tools.

At June 30, 2023 and 2022 MassHousing had three types of derivative instruments outstanding: interest rate swaps, an interest rate cap agreement, and MBS Forward Contracts.

**Interest Rate Swaps**

**Master Swap Policy (MS Policy)** – MassHousing’s MS Policy sets guidelines for the use and management of variable rate debt and the use of various derivative financial products such as swaps, caps, floors, collars and options. The MS Policy governs the following: the appropriate usage of swaps and caps; acceptable swap and cap strategies; the procedure for entering into swaps and caps; standards for selection of swap and cap counterparties (including credit standards, diversification of exposure and collateral requirements); internal management of obligations and exposure; and the selection and procurement of swaps and caps.

The MS Policy permits MassHousing to enter into swaps and caps with qualified counterparties in connection with the issuance of debt obligations to reduce the amount and duration of rate, spread or similar risk and in connection with managing MassHousing’s assets. The MS Policy states that no swap or cap may be entered into prior to notification of appropriate bond rating agencies. The MS Policy contains guidelines for limiting concentration of exposure to single counterparties and limiting overall derivative counterparty exposure in relation to MassHousing’s net position.

**Synthetic Fixed Rate Bonds** – In connection with the issuance of certain variable rate bonds, MassHousing has entered into several separate pay-fixed, receive-variable interest rate hedging transactions (interest rate swap) generally in initial notional amounts equal to the initial aggregate principal amount of the related bonds. The interest rate swap counterparties are obligated to make periodic variable rate interest payments to MassHousing based on the notional amounts of the swaps at the then prevailing rates, and MassHousing is obligated to make interest payments to the counterparties at the fixed rates on the notional amounts specified in the interest rate swap agreements. Generally, only the net difference between the two interest payments is actually exchanged with the counterparty. MassHousing is also responsible for making the periodic interest payments to the variable rate bondholders. MassHousing's objective in entering into interest rate swap agreements is to effectively fix its interest payment obligations with respect to the variable rate bonds at a rate lower than possible if fixed rate bonds had been issued. MassHousing would be exposed to a variable rate under the following conditions: if the counterparties default; if the swap agreements are terminated; or if the benchmark rate exceeds a specified percentage rate. Termination of an interest rate swap agreement may also result in MassHousing either having to make or receive a termination payment.

**Swap Effectiveness** - The Agency assesses the effectiveness of its interest rate swaps each reporting period as described in Note B, Summary of Significant Accounting Policies. An actual synthetic rate is computed using data regarding (1) the fixed payments made to and the variable payments received from the swap counterparty as well as (2) the variable interest payments to the bondholders. If the actual synthetic rate is within a range of the fixed rate of the swap, the actual synthetic rate is deemed to be substantially fixed and the swap classified as an effective derivative instrument (hedge). If the actual synthetic rate is outside of the range, further testing is performed to determine if the swap is deemed to be an ineffective derivative instrument (investment derivative instrument). In FY 2023, the HB 2008 Block III was determined to be ineffective, as the actual synthetic rate was outside of the acceptable range. As such, this swap was re-classified from a hedge to an investment derivative instrument.

**Basis of Valuing Interest Rate Swaps** – The interest rate swap fair values reflected on the combined Statement of Net Position were obtained from an independent pricing service, which used acceptable methods and assumptions in compliance with the disclosure requirements of GASB pronouncements, subject to review and approval by MassHousing. The pricing service uses modeling systems to determine the values shown in this report. Unless stated otherwise, the values presented are mid-market levels and do not include accrued interest. The values are calculated based on the zero-coupon method. The zero-coupon method determines future net settlement payments assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. Future payments are then discounted using the spot rates implied by the yield curve as of the pricing date. Termination Option values are derived using the Black-Scholes model, considering variables such as interest rates, duration and implied volatility.

A positive fair value of an interest rate swap (an asset) implies that if the interest rate swap were terminated at midmarket pricing on the valuation date, MassHousing would be owed a payment from the interest rate swap provider. Conversely, a negative fair value of an interest rate swap (a liability) implies that MassHousing would owe a payment to the interest rate swap provider if the interest rate swap were terminated at midmarket pricing on the valuation date.

**Terms, fair values, and credit ratings** – The terms, including fair values and counterparty credit ratings, of the outstanding interest rate swaps at both June 30, 2023 and 2022 are provided below. The credit ratings were issued by S&P and Moody's, respectively. The maturity dates of hedged interest rate swap agreements and their related bonds are generally coterminous, maturing according to the dates shown below. The notional value of each interest rate swap and the principal amount of the associated debt declines over time.

June 30, 2023

Swap - Derivative Instruments (in thousands)

| Associated Bond Series (Counterparty)     | Derivative Type | Notional Amount<br>6/30/23 | Effective Date | Swap Termination Date | Fixed Rate Paid | Variable Rate Received     | Change in Fair Values from 6/30/22 |                       |
|-------------------------------------------|-----------------|----------------------------|----------------|-----------------------|-----------------|----------------------------|------------------------------------|-----------------------|
|                                           |                 |                            |                |                       |                 |                            | Fair Values 6/30/23                | [increase/(decrease)] |
| WCF (1)                                   | Investment      | \$ 16,645                  | 9/3/2003       | 7/1/2043              | 6.729%          | LIBOR (a)                  | \$ (4,828)                         | \$ 1,850              |
| HB Series 2008A -Block III (Lebanese) (2) | Investment      | 2,418                      | 11/1/2009      | 5/1/2048              | 5.178%          | LIBOR + .65% (a)           | 76                                 | 100                   |
| HB Series 2016I (3)                       | Hedge           | 25,000                     | 6/1/2023       | 12/1/2041             | 3.655%          | (70% * SOFR) + 1.315% (d)  | 1,929                              | 820                   |
| HB 2018B (3)                              | Hedge           | 25,000                     | 6/19/2018      | 6/1/2053              | 3.845%          | (70 % * LIBOR) + 1.05% (a) | 1,226                              | 1,208                 |
| SFHRB Series 196 (4)                      | Investment      | 11,250                     | 6/19/2018      | 12/1/2048             | 2.573%          | 70% * LIBOR (a)            | 560                                | 494                   |
| SFHRB Series 200 (5)                      | Investment      | 11,250                     | 11/1/2018      | 12/1/2048             | 2.732%          | 70% * LIBOR (a)            | 413                                | 478                   |
| SFHRB Series 208 (5)                      | Investment      | 11,250                     | 5/9/2019       | 6/1/2049              | 2.350%          | SIFMA (c)                  | 975                                | 284                   |
| SFHRB Series 229 (2)                      | Investment      | 63,645                     | 3/14/2023      | 6/1/2032              | 4.027%          | SOFR + .10% (d)            | 12                                 | 12                    |
|                                           |                 | <b>\$166,458</b>           |                |                       |                 |                            | <b>\$ 363</b>                      | <b>\$ 5,246</b>       |

(a) LIBOR 1 month USD (5.21771% at June 30, 2023)

(b) LIBOR 3 month USD (5.54543% at June 30, 2023)

(c) USD SIFMA Municipal Swap Index (4.01% at June 30, 2023)

(d) Secured Overnight Financing Rate (SOFR) (5.09% at June 30, 2023)

| Counterparty              | Counterparty Credit Rating | Notional Amount<br>6/30/23 | Percentage of Notional Amount | Fair Values 6/30/23 | Percentage of Fair Values |
|---------------------------|----------------------------|----------------------------|-------------------------------|---------------------|---------------------------|
|                           |                            |                            |                               |                     |                           |
| (1) JP Morgan Chase Bank  | A+/Aa2                     | \$ 16,645                  | 9.99%                         | \$ (4,828)          | -1330.03%                 |
| (2) Bank of America, N.A. | A+/Aa1                     | 66,063                     | 39.69%                        | 88                  | 24.24%                    |
| (3) Barclays Bank PLC     | A+/A1                      | 50,000                     | 30.04%                        | 3,155               | 869.15%                   |
| (4) Citibank, N.A.        | A+/Aa3                     | 11,250                     | 6.76%                         | 560                 | 154.27%                   |
| (5) Royal Bank of Canada  | AA-/A1                     | 22,500                     | 13.52%                        | 1,388               | 382.37%                   |
|                           |                            | <b>\$ 166,458</b>          | <b>100.00%</b>                | <b>\$ 363</b>       | <b>100.00%</b>            |

June 30, 2022

Swap - Derivative Instruments (in thousands)

| Associated Bond Series (Counterparty)     | Derivative Type | Notional Amount<br>6/30/22 | Effective Date | Swap Termination Date | Fixed Rate Paid | Variable Rate Received     | Change in Fair Values from 6/30/21 |                       |
|-------------------------------------------|-----------------|----------------------------|----------------|-----------------------|-----------------|----------------------------|------------------------------------|-----------------------|
|                                           |                 |                            |                |                       |                 |                            | Fair Values 6/30/22                | [increase/(decrease)] |
| WCF (1)                                   | Investment      | \$ 17,010                  | 9/3/2003       | 7/1/2043              | 6.729%          | LIBOR (a)                  | \$ (6,678)                         | \$ 4,603              |
| HB Series 2008A -Block III (Lebanese) (2) | Hedge           | 2,455                      | 11/1/2009      | 5/1/2048              | 5.178%          | LIBOR + .65% (a)           | (24)                               | 284                   |
| HB Series 2016I (3)                       | Hedge           | 25,000                     | 12/15/2016     | 12/1/2041             | 3.655%          | (70% * LIBOR) + 1.20% (b)  | 1,109                              | 2,572                 |
| HB 2018B (3)                              | Hedge           | 25,000                     | 6/19/2018      | 6/1/2053              | 3.845%          | (70 % * LIBOR) + 1.05% (a) | 18                                 | 2,572                 |
| SFHRB Series 196 (4)                      | Investment      | 11,250                     | 6/19/2018      | 12/1/2048             | 2.573%          | 70% * LIBOR (a)            | 66                                 | 1,122                 |
| SFHRB Series 200 (5)                      | Investment      | 11,250                     | 11/1/2018      | 12/1/2048             | 2.732%          | 70% * LIBOR (a)            | (65)                               | 1,331                 |
| SFHRB Series 208 (5)                      | Investment      | 11,250                     | 5/9/2019       | 6/1/2049              | 2.350%          | SIFMA (c)                  | 691                                | 1,590                 |
|                                           |                 | <b>\$103,215</b>           |                |                       |                 |                            | <b>\$ (4,883)</b>                  | <b>\$ 14,074</b>      |

(a) LIBOR 1 month USD (1.78671% at June 30, 2022)

(b) LIBOR 3 month USD (2.28514% at June 30, 2022)

(c) USD SIFMA Municipal Swap Index (.91% at June 30, 2022)

| Counterparty              | Counterparty Credit Rating | Notional Amount<br>6/30/22 | Percentage of   |                     |
|---------------------------|----------------------------|----------------------------|-----------------|---------------------|
|                           |                            |                            | Notional Amount | Fair Values 6/30/22 |
| (1) JP Morgan Chase Bank  | A+/Aa2                     | \$ 17,010                  | 16.48%          | \$ (6,678)          |
| (2) Bank of America, N.A. | A+/Aa2                     | 2,455                      | 2.38%           | (24)                |
| (3) Barclays Bank PLC     | A/A1                       | 50,000                     | 48.44%          | 1,127               |
| (4) Citibank, N.A.        | A+/Aa3                     | 11,250                     | 10.90%          | 66                  |
| (5) Royal Bank of Canada  | AA-/A1                     | 22,500                     | 21.80%          | 626                 |
|                           |                            | <b>\$ 103,215</b>          | <b>100.00%</b>  | <b>\$ (4,883)</b>   |

Due to partial terminations of swap agreements, the changes in fair values in the tables above may not accurately depict actual market changes.

### Swap Agreement

On February 22, 2023, MassHousing entered into a swap agreement with a notional amount of \$63.6 million, effective March 14, 2023, as part of the financing of SFHRB Series 229 bonds. The purpose of the swap agreement is to hedge an interest rate for the variable rate bonds. The swap counterparty is obligated to pay MassHousing semi-annually based on an amount equal to the 100% of the daily compounding SOFR provided by the Federal Reserve Bank of New York plus 10 basis points, on the amortized notional amount of the contract. MassHousing is obligated to pay the counterparty semi-annually a stipulated annualized fixed rate of 4.027% on the amortized notional amount of the contract.

### Swap Amendment

On May 25, 2023, MassHousing amended its HB 2016 Series I swap agreement, originally effective December 15, 2016 with a notional amount of \$25,000,000 as part of the financing for its HB, 2016 Series I. The purpose of the swap agreement was to hedge an interest rate for the variable rate bonds described above. Per the original agreement, the swap counterparty was obligated to pay MassHousing monthly based on an annualized amount equal to 70% of the 3-month LIBOR plus 120 BP on the amortized notional amount of the contract, and MassHousing was obligated to pay the counterparty monthly a stipulated annualized fixed rate of 3.655% on the amortized notional amount of the contract. Per the amended agreement, effective June 1, 2023, the swap counterparty is obligated to pay MassHousing monthly based on an annualized amount equal to 70% of the Overnight SOFR plus 131.5 BP on the amortized notional amount of the contract and MassHousing continues to pay the counterparty monthly a stipulated annualized fixed rate of 3.655% on the amortized notional amount of the contract.

**Interest Rate Swap payments and associated debt** – As interest rates vary, variable-rate bond interest payments and net interest rate swap payments vary. Certain of the Agency's interest rate swap agreements contain scheduled reductions in the notional amounts that are expected to approximately follow the scheduled or anticipated reductions in the principal balances of the associated bonds payable. See Note H for projected net interest rate swap payments.

**Current Collateral Agreements** – The outstanding interest rate swap agreements contain varying collateral requirements with the counterparties to mitigate the potential for credit risk. When these requirements are not met, collateral is posted with the counterparty. These requirements were met at June 30, 2023 and 2022, and as a result, the Agency did not have any collateral on deposit with any of its swap counterparties.

**Interest Rate Cap Agreement**

As an interest rate hedge of a certain variable rate bond, MassHousing entered into an interest rate cap (cap agreement) in the initial notional amount of \$54.7 million equal to the aggregate principal amount of the related bonds. The cap agreement counterparty is obligated to make monthly interest payments to MassHousing on the notional schedule at the then prevailing rates should the index rate exceed the strike rate.

**Objective of the Interest Rate Cap** – MassHousing's objective in entering into interest rate cap agreements is to provide rate protection with respect to the variable rate bonds.

**Basis of Valuing Interest Rate Caps** – The cap fair value reflected on the combined Statement of Net Position was obtained from an independent pricing service, which used acceptable methods and assumptions in compliance with the disclosure requirements of GASB pronouncements, subject to review and approval by MassHousing.

**June 30, 2023**

**Interest Rate Cap - Investment Derivative Instrument (dollars in thousands)**

June 30, 2022

**Interest Rate Cap - Investment Derivative Instrument (dollars in thousands)**

## MBS Forward Contracts

MassHousing's Home Ownership division utilizes both a whole loan purchase program and a program financed through the sale of MBS guaranteed by a Government Agency or GSEs as to timely payment of principal and interest. These MBS represent pools of qualified first mortgage loans originated by MassHousing-approved lenders. Under this program, MassHousing periodically enters into forward contracts to sell MBS to investors before the securities are ready for delivery (referred to as MBS Forward Contracts). MassHousing enters into MBS Forward Contracts to hedge the interest rate risk for loan commitments made to originating mortgage lenders. MBS Forward Contracts are derivative instruments due to one or more of the following factors that are not determined at the time MassHousing and the investor enter into the transaction: settlement factors; the reference rates or interest rates the MBS will bear; and notional amounts in the form of the principal amount of the future MBS. In addition, payment to MassHousing by the investor is not required until the investor receives the MBS, enabling the investor to take a position on interest rates without making a payment. Finally, the MBS Forward Contracts may be "net settled" because MassHousing is not obligated to deliver or purchase an asset (the MBS) to settle the MBS Forward Contract.

MBS Forward Contracts are included on the combined Statements of Net Position as deferred outflows of resources if the fair value is negative and as deferred inflows of resources if the fair value adjustment is positive. Pursuant to the terms of the counterparty

forward contract with Fannie Mae, when the aggregate negative value of the forward contracts exceeds \$3 million, the Agency is required to post collateral. The minimum transfer amount is \$50 thousand. Collateral is not returned until the aggregate negative value becomes positive. At June 30, 2023 and 2022, the Agency did not have any collateral on deposit with Fannie Mae.

**Terms, fair values, and credit ratings** – A summary of the MBS Forward Contracts outstanding at June 30, 2023 and 2022, are provided below. The terms, including fair values and counterparty credit ratings, of the MBS Forward Contracts at June 30, 2023 and 2022, are provided in Schedule 4. The credit rating was issued by Moody's. The fair values presented below and in Schedule 4 at June 30, 2023 and 2022 were obtained from an external pricing service, which used acceptable methods and assumptions in compliance with GASB disclosure requirements, subject to review and approval by MassHousing.

**MBS Forward Contracts at June 30, 2023 (dollars in thousands)**

| MBS Forward Contracts | Notional<br>Amount<br>June 30, 2023 | Coupon<br>Rate<br>Rate | Fair Value at<br>June 30, 2023 | Counterparty<br>Credit Rating |
|-----------------------|-------------------------------------|------------------------|--------------------------------|-------------------------------|
| FNMA                  | \$ 21,500                           | 4.5-6%                 | \$ 72                          | Aaa                           |
| <b>Total</b>          | <b>\$ 21,500</b>                    |                        | <b>\$ 72</b>                   |                               |

**MBS Forward Contracts at June 30, 2022 (dollars in thousands)**

| MBS Forward Contracts | Notional<br>Amount<br>June 30, 2022 | Coupon<br>Rate<br>Rate | Fair Value at<br>June 30, 2022 | Counterparty<br>Credit Rating |
|-----------------------|-------------------------------------|------------------------|--------------------------------|-------------------------------|
| FNMA                  | \$ 10,000                           | 5.00%                  | \$ (83)                        | Aaa                           |
| FHLMC                 | 10,000                              | 4.5-5.5%               | (100)                          | Aaa                           |
| <b>Total</b>          | <b>\$ 20,000</b>                    |                        | <b>\$ (183)</b>                |                               |

See Schedule 4 for additional required disclosures related to MBS forward contracts.

**Derivative Instrument Risk**

**Credit risk** – Credit risk is the risk that a counterparty will not fulfill its settlement obligations. The fair values of the interest rate swaps at June 30, 2023 and 2022 represent MassHousing's credit exposure to the various counterparties with which the swaps were executed. Swap terms often expose MassHousing to credit risk for those swaps with positive fair values. The term "positive fair value" implies that the swap provider would owe a payment to MassHousing if the swap were terminated at a midmarket price on the valuation date. The term "negative fair value" implies that MassHousing would owe a payment to the swap provider if the swap were terminated at a midmarket price on the valuation date. At June 30, 2023, the Agency was exposed to credit risk as seven of its outstanding interest rate swaps had a positive value. However, the Agency does not believe the exposure was significant due to the strength of the counterparties, which were rated A or better by S&P Global Ratings and A1 or better by Moodys. At June 30, 2022, the Agency

was exposed to credit risk as four of its outstanding interest rate swaps had a positive value. However, the Agency does not believe the exposure was significant due to the strength of the counterparties, which were rated A or better by S&P Global Ratings and A1 or better by Moodys.

MBS Forward Contract terms often expose MassHousing to credit risk. On June 30, 2023, the Agency was exposed to credit risk on its outstanding MBS Forward Contracts as all of the MBS Forward Contract had positive fair values. On June 30, 2022, the Agency was not exposed to credit risk on its outstanding MBS Forward Contracts as there were no positive fair values on such MBS Forward Contracts. The counterparty was rated Aaa by Moody's on both dates. As such, the Agency does not believe it was exposed to significant credit risk on its MBS Forward Contracts at June 30, 2023 and 2022.

**Basis risk** – Basis risk is the risk that arises when variable rates or prices of a hedging derivative instrument and a hedged item are based on different reference rates. If a change occurs that results in the rates not being equal, the expected interest cost savings may not be realized.

The Agency's SFHRB Series 208 bonds have a variable rate determined weekly by the Remarketing Agent. The related swap is based on a SIFMA rate. At June 30, 2023 and 2022, the weekly bond rate being paid by MassHousing was 3.95% and .90%, respectively, and the SIFMA rate being received by MassHousing was 4.01 and .91%, respectively.

The Agency's SFHRB Series 229 bonds have a variable rate determined weekly by the Remarketing Agent. The related swap is based on a daily compounding SOFR rate. At June 30, 2023, the weekly bond rate being paid by MassHousing was 5.15%, and the daily compounding SOFR rate being received by MassHousing was 5.19%.

At June 30, 2023 and 2022, the Agency was not exposed to significant basis risk on its interest rate swaps, interest rate cap, or its MBS Forward Contract.

**Market-access risk** – MassHousing would be exposed to market-access risk if a termination event occurred and the Agency was unable to obtain replacement interest rate swaps, caps or forwards because the market had suffered a loss of liquidity or had collapsed. The Agency utilizes these agreements knowing that the risk of failure exists, although that risk is generally thought to be remote. The Agency may consider redeeming the underlying bonds or remarketing bonds to fixed rates as possible alternative solutions to a lack of swaps or caps.

**Termination risk** – The interest rate swap contract MassHousing uses is the International Swap Dealers Association Master Agreement, which includes provisions for standard termination events. Either MassHousing or the counterparty may terminate any interest rate swap if the other party fails to perform under the terms of the contract.

MassHousing has the option to terminate the interest rate swap agreements on the dates listed in the table below. If a termination event occurs due to reasons other than MassHousing exercising its standard termination option, MassHousing would be liable to the counterparty for a settlement amount to be established using the "Second Method and Market Quotation" determination. Under these terms, if the interest rate swap has a negative fair value at the time of termination, MassHousing would be liable to the

counterparty for a payment equal to the interest rate swap's fair value; if the interest rate swap has a positive value, the counterparty would be liable for a payment to MassHousing.

**Interest rate risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the interest rate swaps. The Agency is not exposed to significant interest rate risk on its pay-fixed, receive variable interest rate swaps. For the various contracts, as the benchmark rates change, the Agency's net interest rate swap payment to the counterparty changes in an approximately equal, but opposite, direction of the payment to the bondholders.

The Agency is exposed to interest rate risk on its interest rate cap. As the benchmark rate increases, the Agency's payment to the variable-rate bond holder increases until the interest rate cap strike rate is reached.

The Agency is not exposed to interest rate risk on its MBS Forward Contracts.

**Rollover risk** – MassHousing is exposed to rollover risk on interest rate swaps that mature or may be terminated prior to the maturity of the associated debt. When these interest rate swaps terminate, or if MassHousing exercises its elective termination option, the risk is that MassHousing will not realize the synthetic rate offered by the interest rate swaps on the underlying debt issues. The debt that is exposed to rollover risk at June 30, 2023 and 2022 is as follows:

**Debt exposed to Rollover risk - June 30, 2023**

| <u>Associated Debt Issuance</u> | <u>Debt Maturity<br/>Dates</u> | <u>Swap Early<br/>Termination Date</u> |
|---------------------------------|--------------------------------|----------------------------------------|
| HB 2008A Block III (Lebanese)   | 05/01/48                       | 10/18/24                               |
| HB 2016I                        | 12/01/56                       | 12/01/25                               |
| HB 2018B                        | 06/01/58                       | 06/01/27                               |
| SFHRB 196                       | 12/01/48                       | 06/01/27                               |
| SFHRB 200                       | 12/01/48                       | 12/01/28                               |
| SFHRB 208                       | 06/01/49                       | 12/01/28                               |

**Debt exposed to Rollover risk - June 30, 2022**

| <u>Associated Debt Issuance</u> | <u>Debt Maturity<br/>Dates</u> | <u>Swap Early<br/>Termination Date</u> |
|---------------------------------|--------------------------------|----------------------------------------|
| HB 2008A Block III (Lebanese)   | 05/01/48                       | 10/18/24                               |
| HB 2016I                        | 12/01/56                       | 12/01/25                               |
| HB 2018B                        | 06/01/58                       | 06/01/27                               |
| SFHRB 196                       | 12/01/48                       | 06/01/27                               |
| SFHRB 200                       | 12/01/48                       | 12/01/28                               |
| SFHRB 208                       | 06/01/49                       | 12/01/28                               |

**Note K. Interfund Receivable (Payable) Balances and Interfund Transfers**

For cash flow purposes in meeting the liquidity requirements of various affiliated entities and bond programs, the WCF may provide or receive cash or other resources which are recorded on the combined Statements of Net Position as an interfund account receivable or (payable). Interfund transfers of net position may be made from time to time among the WCF and bond programs as provided by the requirements of the various bond resolutions and their related indentures. The Agency may make interfund transfers to the extent that such transfers are not required to meet the Agency's debt obligations and if such transfers are not in violation of the terms of bond resolutions or indentures. These transfers are made for the following purposes: to make initial contributions to new bond series and/or to cover any debt service shortfalls of the new bond series; to receive from the bond programs amounts no longer restricted by bond resolution requirements; and in order to facilitate tax compliance.

The following tables provide the interfund receivable (payable) balances at June 30, 2023 and 2022 and the interfund transfers for fiscal years 2023 and 2022 (in thousands):

|                  | WCF &<br>Affiliates | GRDB<br>Program | MFHB<br>Program | HB Program    | SFHRB<br>Program | RMRB<br>Program | Totals   |
|------------------|---------------------|-----------------|-----------------|---------------|------------------|-----------------|----------|
| WCF & Affiliates | \$ -                | \$ (20)         | \$ (6)          | \$ (1)        | \$ (204)         | \$ (11)         | (242)    |
| GRDB Program     | 20                  | -               | -               | -             | -                | -               | 20       |
| MFHB Program     | 6                   | -               | -               | -             | -                | -               | 6        |
| HB Program       | 1                   | -               | -               | -             | -                | -               | 1        |
| SFHRB Program    | 204                 | -               | -               | -             | -                | -               | 204      |
| RMRB Program     | 11                  | -               | -               | -             | -                | -               | 11       |
| <b>Totals</b>    | <b>\$ 242</b>       | <b>\$ (20)</b>  | <b>\$ (6)</b>   | <b>\$ (1)</b> | <b>\$ (204)</b>  | <b>\$ (11)</b>  | <b>-</b> |

**Interfund Receivable (Payable) Balances at June 30, 2022**

|                  | WCF &<br>Affiliates | GRDB<br>Program | MFHB<br>Program | HB Program  | SFHRB<br>Program | RMRB<br>Program | Totals   |
|------------------|---------------------|-----------------|-----------------|-------------|------------------|-----------------|----------|
| WCF & Affiliates | \$ -                | \$ (16)         | \$ (6)          | \$ -        | \$ (317)         | \$ (3)          | (342)    |
| GRDB Program     | 16                  | -               | -               | -           | -                | -               | 16       |
| MFHB Program     | 6                   | -               | -               | -           | -                | -               | 6        |
| HB Program       | -                   | -               | -               | -           | -                | -               | -        |
| SFHRB Program    | 317                 | -               | -               | -           | -                | -               | 317      |
| RMRB Program     | 3                   | -               | -               | -           | -                | -               | 3        |
| <b>Totals</b>    | <b>\$ 342</b>       | <b>\$ (16)</b>  | <b>\$ (6)</b>   | <b>\$ -</b> | <b>\$ (317)</b>  | <b>\$ (3)</b>   | <b>-</b> |

| Interfund Transfers for Fiscal Year 2023 |                     |                   |                   |                    |                 |             |
|------------------------------------------|---------------------|-------------------|-------------------|--------------------|-----------------|-------------|
|                                          | WCF &<br>Affiliates | GRDB<br>Program   | MFHB<br>Program   | HB Program         | RMRB<br>Program | Totals      |
| WCF & Affiliates                         | \$ -                | \$ (1,027)        | \$ (2,307)        | \$ (14,500)        | \$ (51)         | \$ (17,885) |
| GRDB Program                             | 1,027               | -                 | -                 | -                  | -               | 1,027       |
| MFHB Program                             | 2,307               | -                 | -                 | -                  | -               | 2,307       |
| HB Program                               | 14,500              | -                 | -                 | -                  | -               | 14,500      |
| RMRB Program                             | 51                  | -                 | -                 | -                  | -               | 51          |
| <b>Totals</b>                            | <b>\$ 17,885</b>    | <b>\$ (1,027)</b> | <b>\$ (2,307)</b> | <b>\$ (14,500)</b> | <b>\$ (51)</b>  | <b>\$ -</b> |

| Interfund Transfers for Fiscal Year 2022 |                      |                 |                 |             |                  |                 |             |
|------------------------------------------|----------------------|-----------------|-----------------|-------------|------------------|-----------------|-------------|
|                                          | WCF &<br>A ffiliates | GRDB<br>Program | MFHB<br>Program | HB Program  | SFHRB<br>Program | RMRB<br>Program | Totals      |
| WCF & Affiliates                         | \$ -                 | \$ (990)        | \$ (2,896)      | \$ (33,347) | \$ 283           | \$ (62)         | \$ (37,012) |
| GRDB Program                             | 990                  | -               | -               | -           | -                | -               | 990         |
| MFHB Program                             | 2,896                | -               | -               | -           | -                | -               | 2,896       |
| HB Program                               | 33,347               | -               | -               | -           | -                | -               | 33,347      |
| SFHRB Program                            | (283)                | -               | -               | -           | -                | -               | (283)       |
| RMRB Program                             | 62                   | -               | -               | -           | -                | -               | 62          |
| Totals                                   | \$ 37,012            | \$ (990)        | \$ (2,896)      | \$ (33,347) | \$ 283           | \$ (62)         | \$ -        |

**Note L. Net Position****(1) Restricted by Contractual or Statutory Agreements**

In accordance with the accounting policy outlined in Note B, all funds and accounts established by the various MassHousing bond resolutions are restricted as to their use. Portions of the net position of the WCF and Affiliates are restricted by contract or externally imposed requirements.

|                                                          | June 30, 2023     | June 30, 2022     |
|----------------------------------------------------------|-------------------|-------------------|
| Minimum net position covenants                           | \$ 200,000        | \$ 100,000        |
| MIF                                                      | 127,554           | 123,089           |
| State and Local Fiscal Recovery Funds (ARPA)             | 26,501            | -                 |
| FHLB of Boston Collateral (Helping to House New England) | 18,917            | 21,036            |
| Capital Magnet Funds                                     | 15,262            | -                 |
| Neighborhood Stabilization Program                       | 12,582            | -                 |
| Single family co-insurance                               | 3,796             | 3,796             |
| Other Grant Programs                                     | 10,084            | -                 |
| Restricted by Note Resolutions                           | 2,360             | 1,144             |
| <b>WCF and Affiliates Restricted Net Position</b>        | <b>417,056</b>    | <b>249,065</b>    |
| Restricted by Bond Resolutions                           | 509,439           | 513,260           |
| <b>Total Restricted Net Position</b>                     | <b>\$ 926,495</b> | <b>\$ 762,325</b> |

**(2) Designated Unrestricted Net Position**

In accordance with the accounting policy outlined in Note B, MassHousing has adopted, at its discretion, certain designations of the unrestricted net position in the WCF and Affiliates. Designated unrestricted net position at June 30, 2023 and 2022 consist of the following (in thousands):

|                                                                                    | <b>June 30, 2023</b> |                | <b>June 30, 2022</b> |                |
|------------------------------------------------------------------------------------|----------------------|----------------|----------------------|----------------|
| Funding for loan purchases and advances and unrestricted net position requirements | \$                   | 306,588        | \$                   | 337,645        |
| Opportunity Fund                                                                   |                      | 291,422        |                      | 355,701        |
| Lease Commitments                                                                  |                      | 30,829         |                      | 38,342         |
| Funding of the Construction Security Fund                                          |                      | 14,000         |                      | 14,000         |
| Equity of Affiliates (CCRI and PADCO)                                              |                      | 1,667          |                      | 1,168          |
| Funding for Summer Youth Programs, Youth Development and Community Engagement      |                      | 920            |                      | 1,100          |
| Funding of the Tenancy Preservation Project                                        |                      | 820            |                      | 769            |
| Funding of the CCRI                                                                |                      | 700            |                      | 700            |
| Funding for the Mel King Institute                                                 |                      | 120            |                      | 125            |
| Funding of the New Lease for Homeless Families initiative                          |                      | 50             |                      | 50             |
| Capital Magnet Grants                                                              |                      | -              |                      | 1,696          |
| <b>Total Designations</b>                                                          | <b>\$</b>            | <b>647,116</b> | <b>\$</b>            | <b>751,296</b> |

**Note M. Summarized Financial Information of the Working Capital Fund and Affiliates**

Included in the financial statements of the WCF and Affiliates are the blended component units PADCO and CCRI. MIF is included in the WCF, however, its assets are restricted under an Escrow Agreement. The condensed Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position are presented below for fiscal years 2023 and 2022 (in thousands):

| <b>Fiscal 2023</b>                                                           | <b>WCF (excluding<br/>MIF)</b> | <b>MIF</b>        | <b>PADCO</b> | <b>CCRI</b>     | <b>Eliminating<br/>Entries</b> | <b>Combined<br/>Totals</b> |
|------------------------------------------------------------------------------|--------------------------------|-------------------|--------------|-----------------|--------------------------------|----------------------------|
| <b><u>STATEMENTS OF NET POSITION at June 30, 2023</u></b>                    |                                |                   |              |                 |                                |                            |
| Total assets                                                                 | \$ 1,958,846                   | \$ 141,325        | \$ -         | \$ 1,667        | \$ (12,005)                    | \$ 2,089,833               |
| Deferred outflow of resources                                                | 24,856                         | -                 | -            | -               | -                              | 24,856                     |
| <b>Total assets and deferred outflow<br/>of resources</b>                    | <b>\$ 1,983,702</b>            | <b>\$ 141,325</b> | <b>\$ -</b>  | <b>\$ 1,667</b> | <b>\$ (12,005)</b>             | <b>\$2,114,689</b>         |
| Total liabilities                                                            | \$ 1,024,096                   | \$ 13,772         | \$ -         | \$ -            | \$ (12,005)                    | \$ 1,025,863               |
| Deferred inflow of resources                                                 | 24,654                         | -                 | -            | -               | -                              | 24,654                     |
| Total net position                                                           | 934,951                        | 127,554           | -            | 1,667           | -                              | 1,064,172                  |
| <b>Total liabilities, deferred inflow<br/>of resources, and net position</b> | <b>\$ 1,983,701</b>            | <b>\$ 141,326</b> | <b>\$ -</b>  | <b>\$ 1,667</b> | <b>\$ (12,005)</b>             | <b>\$2,114,689</b>         |
| <b><u>STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</u></b>  |                                |                   |              |                 |                                |                            |
| <b>For the fiscal year ended June 30, 2023</b>                               |                                |                   |              |                 |                                |                            |
| Total revenues                                                               | \$ 240,010                     | \$ 7,677          | \$ -         | \$ 844          | \$ (795)                       | \$ 247,736                 |
| Total expenses                                                               | 199,048                        | 3,212             | -            | 345             | (795)                          | 201,810                    |
| <b>Changes in net position</b>                                               | <b>\$ 40,962</b>               | <b>\$ 4,465</b>   | <b>\$ -</b>  | <b>\$ 499</b>   | <b>\$ -</b>                    | <b>\$ 45,926</b>           |

| Fiscal 2022                                                                  | WCF (excluding<br>MIF) | MIF               | PADCO       | CCRI            | Eliminating<br>Entries | Combined<br>Totals  |
|------------------------------------------------------------------------------|------------------------|-------------------|-------------|-----------------|------------------------|---------------------|
| <b>STATEMENTS OF NET POSITION at June 30, 2022</b>                           |                        |                   |             |                 |                        |                     |
| Total assets                                                                 | \$ 1,918,595           | \$ 137,605        | \$ -        | \$ 1,168        | \$ (34,185)            | \$ 2,023,183        |
| Deferred outflow of resources                                                | 12,357                 | -                 | -           | -               | -                      | 12,357              |
| <b>Total assets and deferred outflow<br/>of resources</b>                    | <b>\$ 1,930,952</b>    | <b>\$ 137,605</b> | <b>\$ -</b> | <b>\$ 1,168</b> | <b>\$ (34,185)</b>     | <b>\$ 2,035,540</b> |
| Total liabilities                                                            | \$ 1,022,517           | \$ 14,516         | \$ -        | \$ -            | \$ (34,185)            | \$ 1,002,848        |
| Deferred inflow of resources                                                 | 32,331                 | -                 | -           | -               | -                      | 32,331              |
| Total net position                                                           | 876,104                | 123,089           | -           | 1,168           | -                      | 1,000,361           |
| <b>Total liabilities, deferred inflow<br/>of resources, and net position</b> | <b>\$ 1,930,952</b>    | <b>\$ 137,605</b> | <b>\$ -</b> | <b>\$ 1,168</b> | <b>\$ (34,185)</b>     | <b>\$ 2,035,540</b> |
| <b>STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</b>         |                        |                   |             |                 |                        |                     |
| <b>For the fiscal year ended June 30, 2022</b>                               |                        |                   |             |                 |                        |                     |
| Total revenues                                                               | \$ 104,887             | \$ 985            | \$ -        | \$ 805          | \$ (800)               | \$ 105,877          |
| Total expenses                                                               | 95,323                 | 1,131             | -           | 565             | (800)                  | 96,219              |
| <b>Changes in net position</b>                                               | <b>\$ 9,564</b>        | <b>\$ (146)</b>   | <b>\$ -</b> | <b>\$ 240</b>   | <b>\$ -</b>            | <b>\$ 9,658</b>     |

## Note N. Employee Benefit Plans

### Defined Benefit Pension Plan

**Plan Description** – The Agency’s defined benefit pension plan, The Massachusetts Housing Finance Agency Employees’ Retirement System Plan (MHFAERS) is a single-employer contributory defined benefit pension plan that covers all employees of MassHousing who elected to join on July 1, 1974 and all regular full-time and certain part-time employees employed subsequent to that date. The Plan came into existence on July 1, 1974, pursuant to the Massachusetts Legislative Acts of 1973. The Plan is a member of the Commonwealth’s Public Employee Retirement Systems, which is overseen by the Public Employee Retirement Administration Commission. An independent retirement board administers the Plan and is bound by Chapter 32 of the Massachusetts General Laws (Chapter 32), which establishes benefits, contribution requirements, and an accounting and funding structure for all participating systems with certain provisions subject to retirement board amendment. The Pension is a component unit of MassHousing whose financial statements are not combined for financial reporting purposes but are reported as separate standalone financial statements in accordance with GASB Statement No. 67, Financial Reporting for Pension Plans.

A copy of the Pension Plan’s standalone financial statements can be obtained at [www.masshousingretirement.com](http://www.masshousingretirement.com).

**Benefits Provided** – The MHFAERS provides retirement, disability and death benefits to participants and their beneficiaries. Benefits vest after 10 years of a participant’s service at MassHousing alone or in combination with service at certain other Massachusetts public employers. Participants are always vested in their individual contributions. An employee who leaves Agency service may withdraw his or her contributions, plus any accumulated

interest. Benefit provisions and all other requirements are established by statute. Retirement eligibility is based upon the following conditions:

- Entered state service before April 2, 2012 and have 20 years of full-time creditable service at any age, or
- Entered state service before April 2, 2012 and attain the age of 55 with ten years of creditable service, or
- Entered state service on or after April 2, 2012 and attain the age of 60 with ten years of creditable service.

Benefit amounts are calculated based upon a formula, which includes the participant's age at retirement, average annual salary, and years of creditable service. The amount of retirement allowance depends upon the following:

- age, as of last birthday
- length of creditable service
- highest 36 consecutive months of regular compensation for members hired before April 2, 2012, or highest 5 consecutive years of regular compensation for members hired on or after April 2, 2012.
- Compensation basis limited to \$211,200 for members hired after January 1, 2011

On April 12, 2022, the MHFAERS Members voted to increase the current cost-of-living adjustment (COLA) of 3% on the first \$15,000 to the first \$16,000 of annual benefits, effective July 1, 2022, on the first \$17,000, effective July 1, 2023, and on the first \$18,000, effective July 1, 2024. On July 12, 2022 MassHousing Members approved these provisions. On December 13, 2022, the MHFAERS Members voted to increase the FY 2023 COLA to 5% on the first \$16,000 of annual benefits.

**Employees covered by benefit terms** – At December 31, 2022, the following employees were covered by the benefit terms:

|                                                         |            |
|---------------------------------------------------------|------------|
| Active Members                                          | 316        |
| Retirees and Beneficiaries Currently Receiving Benefits | 210        |
| Inactive Members                                        | 63         |
| Total                                                   | <u>589</u> |

**Contributions** – Active members (current employees covered by the Plan) are required to contribute between 5% and 9% of their annual salaries (members hired after 1978 contribute an additional 2% of pay over \$30,000) to the Plan, depending on their initial employment date in a Commonwealth's Public Employee Retirement Systems plan in accordance with Chapter 32. MassHousing is required to contribute the remaining amounts necessary to fund the Plan, using the actuarial basis specified by statute. The contribution to the pension plan from the Agency was \$1.0 million for FY 2022 and \$1.1 million for FY 2023.

**Net Pension Asset**

The Agency's net pension asset was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2023.

**Actuarial Assumptions** – The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |                                                                       |
|---------------------------|-----------------------------------------------------------------------|
| Inflation                 | 2.6%                                                                  |
| Salary Increases          | 5.25 % grading down to 3.75%                                          |
| Investment rate of return | 7.0 %, including inflation,<br>net of pension plan investment expense |

Mortality rates for the actuarial valuation as of January 1, 2023 were based on the Pri.-2012 White Collar Mortality Table projected using MP-2021, sex-distinct, projected using generational mortality and scale MP-2021. During employment, the healthy employee mortality table is used; post-employment, the healthy annuitant table is used.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2022 through December 31, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) over the next 20 years are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| <b>Asset Class</b>               | <b><u>Target Allocation</u></b> | <b><u>Long-Term Expected Real Rate of Return (Geometric Average)</u></b> |
|----------------------------------|---------------------------------|--------------------------------------------------------------------------|
| US Equity                        | 27.0%                           | 5.9%                                                                     |
| Private Equity                   | 12.0%                           | 8.2%                                                                     |
| Emerging Markets Equity          | 11.0%                           | 7.2%                                                                     |
| Developed Market Equity (non US) | 10.0%                           | 7.0%                                                                     |
| Investment Grade Bonds           | 9.0%                            | 2.0%                                                                     |
| Real Estate                      | 8.0%                            | 5.1%                                                                     |
| Core Infrastructure              | 7.0%                            | 5.1%                                                                     |
| TIPS                             | 6.0%                            | 1.9%                                                                     |
| High Yield Bonds                 | 5.0%                            | 4.6%                                                                     |
| Emerging Market Bonds            | 5.0%                            | 3.5%                                                                     |
| Total                            | <u>100.0%</u>                   |                                                                          |

**Discount rate** - The discount rate used to measure the total pension liability for the financial statements was 7.00% for FY 2023 and FY 2022. The discount rate is based on the long-term rate of return including the effect of inflation. It is based on a combination of expected rates of return on the mix of current and expected investments over a long-term period. These expectations are based on current market conditions, historical experience and future expectations. It assumes a rebalancing of assets on an ongoing basis as well as a constant monitoring of asset allocation and manager performance. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and contributions from the Agency will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The components of the net pension liability (asset) are detailed below (in thousands):

**Changes in the Net Pension Liability (Asset)**

|                                                               | <b>Total Pension<br/>Liability</b> | <b>Plan Fiduciary Net<br/>Position</b> | <b>Net Pension<br/>Liability/(Asset)</b> |
|---------------------------------------------------------------|------------------------------------|----------------------------------------|------------------------------------------|
| <b>Beginning Balance at 12/31/20</b>                          | \$ 211,735                         | \$ 210,217                             | 1,518                                    |
| <b>Changes for 2021:</b>                                      |                                    |                                        |                                          |
| Service Cost                                                  | 4,015                              | -                                      | 4,015                                    |
| Interest                                                      | 15,295                             | -                                      | 15,295                                   |
| Differences between expected and actual experience            | (387)                              | -                                      | (387)                                    |
| Change in assumptions                                         | 2,291                              | -                                      | 2,291                                    |
| Contributions - employer                                      | -                                  | 13,273                                 | (13,273)                                 |
| Contributions - employee                                      | -                                  | 3,591                                  | (3,591)                                  |
| Net Investment Income                                         | -                                  | 33,100                                 | (33,100)                                 |
| Benefit payments, including refunds of employee contributions | (9,576)                            | (9,576)                                | -                                        |
| Administrative expenses                                       | -                                  | (555)                                  | 555                                      |
| <b>Net Changes</b>                                            | <b>11,638</b>                      | <b>39,833</b>                          | <b>(28,195)</b>                          |
| <b>Balance at 12/31/21</b>                                    | <b>\$ 223,373</b>                  | <b>\$ 250,050</b>                      | <b>\$ (26,677)</b>                       |
| <b>Changes for 2022:</b>                                      |                                    |                                        |                                          |
| Service Cost                                                  | 4,103                              | -                                      | 4,103                                    |
| Interest                                                      | 15,553                             | -                                      | 15,553                                   |
| Change in benefit terms                                       | 2,531                              | -                                      | 2,531                                    |
| Differences between expected and actual experience            | 848                                | -                                      | 848                                      |
| Change in assumptions                                         | (5,675)                            | -                                      | (5,675)                                  |
| Contributions - employer                                      | -                                  | 1,087                                  | (1,087)                                  |
| Contributions - employee                                      | -                                  | 3,747                                  | (3,747)                                  |
| Net Investment Income                                         | -                                  | (24,047)                               | 24,047                                   |
| Benefit payments, including refunds of employee contributions | (10,593)                           | (10,593)                               | -                                        |
| Administrative expenses                                       | -                                  | (455)                                  | 455                                      |
| <b>Net Changes</b>                                            | <b>6,767</b>                       | <b>(30,261)</b>                        | <b>37,028</b>                            |
| <b>Balance at 12/31/22</b>                                    | <b>\$ 230,140</b>                  | <b>\$ 219,789</b>                      | <b>\$ 10,351</b>                         |

**Sensitivity of the Agency's net pension liability (asset) to changes in the discount rate**

The following presents the Agency's net pension asset as of December 31, 2022 calculated using the discount rate of 7.0%, as well as what the Agency's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate (in thousands):

|                                        | <b>1%<br/>Decrease to<br/>Rate (6.00%)</b> | <b>Current<br/>Discount<br/>Rate (7.00%)</b> | <b>1%<br/>Increase to<br/>Rate (8.00%)</b> |
|----------------------------------------|--------------------------------------------|----------------------------------------------|--------------------------------------------|
| Net pension liability (asset) 12/31/22 | \$ 36,285                                  | \$ 10,351                                    | \$ (11,708)                                |

The following presents the Agency's net pension liability as of December 31, 2021 calculated using the discount rate of 7.0%, as well as what the Agency's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate (in thousands):

|                              | <b>1%<br/>Decrease to<br/>Rate (6.00%)</b> | <b>Current<br/>Discount<br/>Rate (7.00%)</b> | <b>1%<br/>Increase to<br/>Rate (8.00%)</b> |
|------------------------------|--------------------------------------------|----------------------------------------------|--------------------------------------------|
| Net pension (asset) 12/31/21 | \$ (2,431)                                 | \$ (26,677)                                  | \$ (47,226)                                |

#### **Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2023, the Agency reported a liability of \$10.4 million for its net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023 and rolled forward to the measurement date. The Agency's net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employees, actuarially determined.

At June 30, 2022, the Agency reported a net pension asset of \$26.7 million. The net pension asset was measured as of December 31, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021 and rolled forward to the measurement date. The Agency's net pension asset was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employees, actuarially determined.

For the year ended June 30, 2023, the Agency recognized pension expense of \$5.5 million, and for the year ended June 30, 2022, the Agency recognized pension expense recoveries of \$3.5 million, both of which are included in administrative expenses.

At June 30, 2023 and June 30, 2022, the Agency reported deferred outflows and inflows of resources related to pensions from the following sources (in millions):

| <b>Fiscal 2023</b>                                                               | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|----------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                               | \$ 1.6                                    | \$ 0.2                                   |
| Change in assumptions                                                            | 2.7                                       | 4.7                                      |
| Net difference between projected and actual earnings on pension plan investments | 13.6                                      | -                                        |
| <b>Total</b>                                                                     | <b>\$ 17.9</b>                            | <b>\$ 4.9</b>                            |

| <b>Fiscal 2022</b>                                                               | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|----------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                               | \$ 1.6                                    | \$ 0.6                                   |
| Change in assumptions                                                            | 5.1                                       | -                                        |
| Net difference between projected and actual earnings on pension plan investments | -                                         | 25.7                                     |
| <b>Total</b>                                                                     | <b>\$ 6.7</b>                             | <b>\$ 26.3</b>                           |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense, as follows (in thousands):

Year ended December 31:

|            |       |
|------------|-------|
| 2023       | \$ 71 |
| 2024       | 1,891 |
| 2025       | 4,292 |
| 2026       | 7,435 |
| 2027       | (666) |
| Thereafter | -     |

MHFAERS is a fiduciary activity unit of MassHousing whose financial statements are not combined for financial reporting purposes but are reported as separate standalone financial statements in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

**Pension plan fiduciary net position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued Pension financial report.

The MHFAERS financial statements for both calendar years 2022 and 2021 were audited by a different firm than the auditor of the Agency.

### **Deferred Compensation and Defined Contribution Plans**

**Plan Description** – MassHousing maintains a contributory deferred compensation plan, the MassHousing Deferred Compensation Plan, for all employees, created in accordance with IRC Section 457(b). All employees may contribute up to 50% of their gross compensation, subject to Internal Revenue Service limitations. All temporary employees must contribute a minimum of 7.5% of their gross compensation. Through April 30, 2009, MassHousing matched the contributions of certain classes of employees at a specified rate. This match was suspended effective May 1, 2009. MassHousing's match is maintained in a separate defined contribution plan in accordance with IRC Section 401(a) and vests at the rate of 25% per year over four years.

Beginning on January 1, 2018, MassHousing reinstituted a match program, with the following features:

- Employees vested in the MassHousing pension plan (10+ years), receive a 25% match of each dollar, up to 6% of salary, contributed to the deferred compensation plan. All matching dollars from MassHousing are vested automatically assuming employment with MassHousing for more than four years.
- Employees not vested in the MassHousing pension plan, (less than 10 years) receive a 50% match of each dollar, up to 6% of salary, contributed to the deferred compensation plan. For employees with four or more years of service, all matching dollars from MassHousing are vested automatically. For employees with less than four years of service, matching dollars from MassHousing vest over time at 25% increments, based on length of service.

Participant contributions and investment income are held in a trust for the exclusive benefit of participants and their beneficiaries. Participants may choose from among a range of fixed income and equity investment funds. Contributions, and earnings thereon, are not taxable to participants until they are withdrawn. Total participant contributions for both FY 2023 and FY 2022 were approximately \$2.5 million. Total matching contributions for FY 2023 and FY 2022 were approximately \$456,000 and \$447,000, respectively.

### **Postretirement Healthcare Benefit Plan**

**Plan Description** – Continuation of health and life insurance after retirement is covered by the Commonwealth's retirement law. MassHousing administers a single-employer contributory defined benefit healthcare plan for retirees, which is open to all regular full-time and certain regular part-time employees. The plan also provides \$5,000 of life insurance coverage to all eligible retirees and their beneficiaries. Benefit provisions and all other requirements are established by Massachusetts statutes. Benefits vest after 10 years of an employee's service either at MassHousing alone or in combination with service at certain other Massachusetts public employers. A committee comprised of key Agency staff members, one member designated by the Agency's Board and one member designated by the Agency's Executive Director, administers the Massachusetts Housing Finance Agency OPEB Trust (the Trust), an irrevocable trust dedicated solely to administering the investments of, and providing the benefits under the terms of, the substantive plan (the plan understood by the Agency and the plan participants).

The Trust is a fiduciary activity of MassHousing whose financial statements are not combined for financial reporting purposes but are reported as separate standalone financial statements in accordance with GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans.

In April 2022, the Trust Committee voted to recommend that the Members of the Agency change the fiscal year end of the Trust from June 30 to December 31. The Members of the Agency approved the change in June 2022.

The Trust's financial statements for both the six-month period ended December 31, 2022 and the fiscal year ended June 30, 2022 were audited by a different firm than the auditor of the Agency.

A copy of the Trust's standalone financial statements can be obtained at [www.masshousing.com](http://www.masshousing.com).

**Employees covered by benefit terms** – At December 31, 2022, the following employees were covered by the benefit terms:

|                                                                          |                   |
|--------------------------------------------------------------------------|-------------------|
| Active plan members                                                      | 316               |
| Retired, Disabled, Survivors and Beneficiaries receiving benefits        | 191               |
| Inactive plan members entitled to but not yet receiving benefit payments | <u>28</u>         |
| Total                                                                    | <u><u>535</u></u> |

**Contributions** – MassHousing is required to contribute approximately 80% of the basic cost of group health insurance for employees (and, in some cases, dependents) who retire after January 31, 2010, 85% for those who retired after July 1, 1994 and before February 1, 2010 and 90% for employees who retired prior to July 2, 1994. The remaining cost is withheld from the retiree's or beneficiary's monthly pension benefit, is remitted directly to the Commonwealth's Group Insurance Commission, and is not reflected on the Trust's financial statements.

The Employer Contribution includes an implicit subsidy resulting from a uniform healthcare insurance premium rate being applied to both active and retired participants.

Cash contributions to the Trust from the Agency were \$1.3 million in both FY 2023 and FY 2022. Employees are not required to contribute to the OPEB Plan.

**Net OPEB Liability** - MassHousing's net OPEB liability at June 30, 2023 was measured as of December 31, 2022. The total OPEB liability used to calculate the net OPEB liability was determined using an actuarial valuation as of January 1, 2023.

MassHousing's net OPEB liability at June 30, 2022 was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was determined using an actuarial valuation as of January 1, 2021. Update procedures were used to roll forward the total OPEB liability from January 1, 2021 to June 30, 2022.

**January 1, 2023 Actuarial Valuation Assumptions** - The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

1.1.23 Actuarial valuation

Salary Increases 3.5% average, including inflation, including new entrants at 3.0% per year

Investment rate of return 7.00%, including inflation, net of OPEB plan investment expense

Healthcare cost trend rate 6.4% to 8.7% initial, graded down to 5% in 2032

Mortality rates for the actuarial valuation as of January 1, 2023 was based on the Pri.H-2012 Private Retirement Headcount-Weighted White Collar Mortality Tables, sex distinct, a) for actives – for Employees projected using generational mortality and scale MP-2021, b.) for retirees – for Healthy Annuitants projected using generational mortality and scale MP-2021, c) for Disabled – for Healthy Annuitants projected using generational mortality and scale MP-2021 set forward two years, and d) for Survivors – for Contingent Survivors projected using generational mortality and scale MP-2021.

**January 1, 2021 Actuarial Valuation Assumptions** - The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases 3.5% average, including inflation

Investment rate of return 7.00%, including inflation, net of OPEB plan investment expense

Healthcare cost trend rate 7.1% to 9.0% initial, graded down to 5% in 2040

Mortality rates for the actuarial valuation as of January 1, 2021 was based on the. RPH-2014 Headcount-Weighted White Collar Mortality Tables adjusted to 2006, sex distinct, a) for actives – for Employees projected using generational mortality and scale MP-2020, b.) for retirees – for Healthy Annuitants projected using generational mortality and scale MP-2020 and c) for Disabled – for Healthy Annuitants projected using generational mortality and scale MP-2020 set forward two years.

The components of the net OPEB liability are detailed below (in thousands):

**Changes in the Net OPEB Liability**

|                                                    | <b>Total OPEB<br/>Liability</b> | <b>Plan Fiduciary Net<br/>Position</b> | <b>Net OPEB<br/>Liability</b> |
|----------------------------------------------------|---------------------------------|----------------------------------------|-------------------------------|
| <b>Beginning Balance at 6/30/21</b>                | \$ 50,993                       | \$ 49,948                              | \$ 1,045                      |
| <b>Changes for the year:</b>                       |                                 |                                        |                               |
| Service Cost                                       | 1,039                           | -                                      | 1,039                         |
| Interest                                           | 3,588                           | -                                      | 3,588                         |
| Contributions - employer                           | -                               | 1,535                                  | (1,535)                       |
| Net Investment Income                              | -                               | (7,829)                                | 7,829                         |
| Benefit payments                                   | (1,542)                         | (1,542)                                | -                             |
| Administrative expenses                            | -                               | (35)                                   | 35                            |
| Net Changes                                        | 3,085                           | (7,871)                                | 10,956                        |
| <b>Balance at 6/30/22</b>                          | <b>\$ 54,078</b>                | <b>\$ 42,077</b>                       | <b>\$ 12,001</b>              |
| <b>Changes for the six-months period:</b>          |                                 |                                        |                               |
| Service Cost                                       | 534                             | -                                      | 534                           |
| Interest                                           | 1,897                           | -                                      | 1,897                         |
| Differences between expected and actual experience | (7,447)                         | -                                      | (7,447)                       |
| Change in assumptions                              | (5,875)                         | -                                      | (5,875)                       |
| Contributions - employer                           | -                               | 817                                    | (817)                         |
| Net Investment Income                              | -                               | 21                                     | (21)                          |
| Benefit payments                                   | (836)                           | (836)                                  | -                             |
| Administrative expenses                            | -                               | (36)                                   | 36                            |
| Net Changes                                        | (11,727)                        | (34)                                   | (11,693)                      |
| <b>Balance at 12/31/22</b>                         | <b>\$ 42,351</b>                | <b>\$ 42,043</b>                       | <b>\$ 308</b>                 |

**Sensitivity of the net OPEB liability to changes in healthcare cost trend rates.**

The following presents the Agency's net OPEB liability at December 31, 2022, calculated using the healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates (in thousands):

|                                     | <b>1% decrease</b> | <b>Healthcare Cost<br/>Trend Rates</b> | <b>1% increase</b> |
|-------------------------------------|--------------------|----------------------------------------|--------------------|
| Net OPEB liability (asset) 12/31/22 | \$ (4,885)         | \$ 308                                 | \$ 6,742           |

The following presents the Agency's net OPEB liability at June 30, 2022, calculated using the healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates (in thousands):

|                            | Healthcare Cost |             |             |
|----------------------------|-----------------|-------------|-------------|
|                            | 1% decrease     | Trend Rates | 1% increase |
| Net OPEB liability 6/30/22 | \$ 5,014        | \$ 12,001   | \$ 20,685   |

#### Sensitivity of the Agency's net OPEB liability to changes in the discount rate

The following presents the Agency's net OPEB liability at December 31, 2022, calculated using the discount rate of 7.00%, as well as what the Agency's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate (in thousands):

|                                     | 1% Decrease<br>to 6.00% | Discount<br>Rate (7.00%) | 1% Increase<br>to 8.00% |
|-------------------------------------|-------------------------|--------------------------|-------------------------|
| Net OPEB liability (asset) 12/31/22 | \$ 6,170                | \$ 308                   | \$ (4,496)              |

The following presents the Agency's net OPEB liability at June 30, 2022, calculated using the discount rate of 7.00%, as well as what the Agency's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate (in thousands):

|                            | 1% Decrease<br>to 6.00% | Discount<br>Rate (7.00%) | 1% Increase<br>to 8.00% |
|----------------------------|-------------------------|--------------------------|-------------------------|
| Net OPEB liability 6/30/22 | \$ 19,332               | \$ 12,001                | \$ 6,067                |

**Discount rate** - The discount rate used to measure the total OPEB liability was 7.00% for the January 1, 2023 Actuarial Valuation. The discount rate is based on the long-term rate of return including the effect of inflation. It is based on a combination of expected rates of return on the mix of current and expected investments over a long-term period. These expectations are based on current market conditions, historical experience and future expectations. It assumes a rebalancing of assets on an ongoing basis as well as a constant monitoring of asset allocation and manager performance. The projection of cash flows used to determine the discount rate assumed that MassHousing contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the Trust's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Trust's investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate used to determine the FY 2023 and FY 2022 contribution was 7.00%, which was the rate used on the January 1, 2021 Actuarial Valuation.

The long-term expected rate of return on the Trust's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) over the next 20 years are

developed for each major asset class. These ranges are combined to produce the long-term expected rate of return (20-year real return estimate) by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class                       | Long Term Expected Real Rate |               |                   |                               |
|-----------------------------------|------------------------------|---------------|-------------------|-------------------------------|
|                                   | Target Allocation            | Target Ranges | Actual Allocation | of Return (Geometric Average) |
| US Equity                         | 30%                          | 24% to 36%    | 31%               | 5.9%                          |
| Developed Market Equity (non- US) | 16%                          | 11% to 21%    | 19%               | 7.0%                          |
| Emerging Market Equity            | 16%                          | 11% to 21%    | 18%               | 7.2%                          |
| Long- term Government Bonds       | 7%                           | 3% to 11%     | 7%                | 2.3%                          |
| TIPS                              | 7%                           | 4% to 10%     | 8%                | 1.9%                          |
| Private Equity                    | 6%                           | 0% to 10%     | 0%                | 8.2%                          |
| Real Estate                       | 5%                           | 0% to 8%      | 0%                | 5.1%                          |
| Infrastructure (Core Private)     | 5%                           | 0% to 8%      | 0%                | 5.1%                          |
| High Yield Bonds                  | 4%                           | 1% to 7%      | 9%                | 4.6%                          |
| Investment Grade Bonds            | 4%                           | 1% to 7%      | 8%                | 2.0%                          |
| Cash                              | 0%                           | < 5%          | 0%                | 0.0%                          |
|                                   | <u>100%</u>                  |               | <u>100%</u>       |                               |

#### **OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2023, the Agency reported a liability of \$308 thousand for its net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023. The Agency's net OPEB liability was based on a projection of the Agency's long-term share of the cost of health insurance, actuarially determined.

At June 30, 2022, the Agency reported a liability of \$12 million for its net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021. The Agency's net OPEB liability was based on a projection of the Agency's long-term share of the cost of health insurance, actuarially determined.

The Agency recognized an OPEB expense of \$692 thousand in FY 2023 and an OPEB expense recovery of \$12 thousand in FY 2022, which is included in administrative expenses. At June 30, 2023 and 2022, the Agency reported deferred outflows and inflows of resources related to OPEB from the following sources (in thousands):

| <b>Fiscal 2023</b>                                                            | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|-------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                            | \$ -                                      | \$ 9,434                                 |
| Change in assumptions                                                         | 131                                       | 6,181                                    |
| Net difference between projected and actual earnings on OPEB plan investments | 5,957                                     | -                                        |
| Employer contributions subsequent to measurement date                         | 817                                       | -                                        |
| <b>Total</b>                                                                  | <b>\$ 6,905</b>                           | <b>\$ 15,615</b>                         |
| <b>Fiscal 2022</b>                                                            | <b>Deferred Outflows<br/>of Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
| Differences between expected and actual experience                            | \$ -                                      | \$ 3,770                                 |
| Change in assumptions                                                         | 225                                       | 1,001                                    |
| Net difference between projected and actual earnings on OPEB plan investments | 5,204                                     | -                                        |
| <b>Total</b>                                                                  | <b>\$ 5,429</b>                           | <b>\$ 4,771</b>                          |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB as (expense)/expense recovery as follows (in thousands):

|                         |            |
|-------------------------|------------|
| Year ended December 31: |            |
| 2023                    | \$ (2,921) |
| 2024                    | (1,978)    |
| 2025                    | (1,160)    |
| 2026                    | (1,191)    |
| 2027                    | (2,277)    |
| Thereafter              | -          |

The next actuarial report is required as of January 1, 2025.

**The Trust's Financial Statements** – The Trust's financial statements are prepared using the accrual basis of accounting, in accordance with the GASB pronouncements. The Trust's Statements of Net Position and Statements of Changes in Net Position for fiscal year 2023 are presented in the separate OPEB financial statements.

**Employer (Agency) Contributions to the Trust** – The Agency’s contributions to the Trust are recognized on the Trust’s financial statements in the period in which the contributions are due.

**Participant (Retiree) Contributions to the Health Insurance Cost** – The retirees’ share of the cost of the health insurance is withheld from the retiree’s or beneficiary’s monthly pension benefit, is remitted directly to the Commonwealth’s Group Insurance Commission, and is not reflected on the Trust’s financial statements.

**Method Used to Value the Trust’s Investments** – Investments are reported on the Trust’s Statement of Net Position at fair value. Quoted market prices for long-term investments, where available, are used to determine the fair values at the close of each reporting period.

## **Note O. Grant Programs**

### **Capital Magnet Funds**

Since FY 2020, the Agency has been awarded \$20.1 million of Capital Magnet Funds from the federal government’s Community Development Financial Institutions Fund. The Agency has designated \$2.3 million of these funds to provide down payment assistance loans to income-eligible, first-time homebuyers. The Agency has designated \$17.8 million to provide subordinate loans to multifamily developments. As of June 30, 2023, the Agency has disbursed \$5.1 million under this program.

### **Workforce Production Funds**

On February 11, 2020, the Board voted to accept \$86.2 million from the Commonwealth through the Massachusetts Development Finance Agency. The Agency has allocated \$60 million for the financing of developments under Commonwealth Builder Program. The Agency, in its capacity as administrator, will distribute state financial assistance to developers for the production of new workforce homeownership units for first-time homebuyers. Additionally, the Agency has allocated \$21.0 million to facilitate a mixed-use rental residential and commercial development in Springfield, Massachusetts. Finally, the Agency has allocated \$5.2 million to the Workforce Housing Fund (WHF). The WHF supports housing with rents affordable to individuals and families with incomes of generally between 60% and 120% of Area Median Income (AMI), provides up to \$100,000 of subsidy per workforce housing unit, leverages strategic opportunities to use state-owned land, complements (but does not replace) traditional MassHousing development financing, and ensures workforce housing units are deed restricted as affordable. As of June 30, 2023, the Agency has disbursed \$26.7 million under this program.

### **FHLB - Helping to House New England Program**

Since FY 2020, the Agency has received \$4.2 million from the FHLB in the form of grants under the Helping to House New England Program. The Agency has allocated approximately \$2.3 million of these proceeds to fund affordable sober housing and support services through CCRI, and approximately \$1.9 million has been allocated for down payment assistance loan program available to income-eligible, first-time homebuyers. As of June 30, 2023, the Agency has disbursed \$3.8 million under this program.

### **Workforce Advantage**

Since FY 2022, the Agency has been allocated \$7.5 million from the Commonwealth’s budget to use for MassHousing’s Workforce Advantage (WFA) Program. WFA is a DPA loan program available to income-eligible (80% of AMI), first-time homebuyers looking

to purchase a single-family dwelling, a two-family dwelling or a condominium located in Massachusetts. The DPA loans are made available in conjunction with a first mortgage loan funded by MassHousing for a principal amount of up to ten percent (10%) of the purchase price, or \$50,000, whichever is less, for properties located in a Gateway City (as outlined by the Massachusetts Legislature) or in the cities of Boston and Framingham or the town of Randolph and up to \$30,000 for properties located in the remainder of the Commonwealth. The DPA loan is a subordinate mortgage loan at 0% interest, deferred until the sale, transfer, refinance, or payoff of the first mortgage loan. As of June 30, 2023, the Agency has disbursed \$3.0 million under this program.

**Homeowner Assistance Fund (HAF)**

On November 17, 2021, the Agency entered into a contract with the Commonwealth's Executive Office of Administration and Finance (EOHLC)<sup>9</sup> as a subrecipient of federal HAF received from the U.S. Treasury's HAF program, authorized by the American Rescue Plan Act of 2021 (ARPA). The aggregate maximum obligation was \$27.1 million as of June 30, 2023. Under the contract, the Agency will provide services relative to the HAF Initiative, which will include, homeowner assistance with respect to borrowers within the Agency's own servicing portfolio. As of June 30, 2023, the Agency had received \$27.1 million and disbursed \$17.5 million under this program.

**Massachusetts Delivering Real Equity and Mortgage Stability (MassDREAMS)**

On September 28, 2022, the Agency entered into a contract with the EOHLC<sup>9</sup> with an aggregate maximum obligation of approximately \$37.1 million. The program is funded by State and Local Fiscal Recovery Funds (SLFRF) available pursuant to Section 9901 of the ARPA. Under this contract, the Agency provided services relative to the MassDREAMS Program, a program to provide expanded down payment assistance, as well as other support, for people in places that have been disproportionately impacted by COVID-19. As of June 30, 2023, the Agency had received \$37.1 million and disbursed all of the available \$37.1 million under this program.

**Neighborhood Stabilization Program**

On April 12, 2022, the Agency entered into a contract with the EOHLC<sup>9</sup> with an aggregate maximum obligation of approximately \$35.7 million. Under this contract, the Agency will provide services relative to the Neighborhood Stabilization Program, a program for revitalization of neighborhoods and communities with blighted or substandard conditions throughout the Commonwealth. As of June 30, 2023, the Agency had received \$13.0 million and disbursed \$661 thousand for this program.

**Sober Homes Fire Sprinklers System Program**

On November 1, 2022, the Agency entered into a contract with the EOHLC<sup>9</sup> with an aggregate maximum obligation of \$4.0 million. The program is funded by appropriated state funds from Chapter 102 of the Acts of 2021. The Agency, in its capacity as a "Contractor," will distribute financial assistance to certified sober homes for fire sprinklers installed in accordance with the local and state building and fire codes. As of June 30, 2023 the Agency had received \$1.5 million and disbursed \$432 thousand under this program.

**State and Local Fiscal Recovery Funds (SLFRF) – Commonwealth Builder**

On October 14, 2022, the Agency entered into a contract with the EOHLC<sup>9</sup> with an aggregate maximum obligation of approximately \$113.5 million. The program is funded by SLFRF available pursuant to Section 9901 of ARPA. The Agency, in its capacity as a “Contractor”, will distribute federal financial assistance to developers for the production of new construction and adaptive reuse of home ownership projects and the eligible purchase of home ownership units. As of June 30, 2023, the Agency had received \$37.9 million and disbursed \$10.1 million under this program.

**Gateway Housing Rehabilitation Program**

On February 23, 2023, the Agency entered into a contract with the EOHLC<sup>9</sup> with an aggregate maximum obligation of \$12.3 million. The program is funded by appropriated state funds from Chapter 99 of the Acts of 2018. The Agency, in its capacity as a “Contractor,” will distribute grants to assist in the revitalization of neighborhoods and communities with properties in blighted or substandard conditions in Gateway and like communities throughout the Commonwealth. As of June 30, 2023, the Agency had received \$2.3 million for this program. As of June 30, 2023, no funds had been disbursed for this program.

<sup>9</sup> On May 30, 2023, the Department of Housing and Community Development was absorbed into the newly created EOHLC. The EOHLC assumed the duties and commitments of the DHCD.

**Note P. Commitments and Contingencies****MassHousing Mortgage Insurance Fund (MIF)**

MassHousing established MIF within the WCF to provide an additional source of primary mortgage insurance for certain borrowers. In both fiscal years 2023 and 2022, MassHousing made no transfers to MIF. From the inception of MIF in fiscal year 1989 through fiscal year 2010, MassHousing transferred a total of \$30.6 million to MIF. These transfers and MIF’s regular operations have resulted in total net position of approximately \$127.6 million and \$123.1 million at June 30, 2023 and 2022, respectively, which is included in a separate account within the WCF. At June 30, 2023 and 2022, approximately \$89.7 million and \$63.0 million, respectively, of these totals served as collateral for insurance coverage relating to insured loans. Reinsurance agreements with unrelated insurers (described below) provide additional resources for the settlement of claims. A reserve for claims totaling \$1.4 million and \$2.0 million at June 30, 2023 and 2022, respectively, is included in WCF’s other liabilities.

In addition to providing traditional mortgage insurance coverage, MIF also provides, under its MIPlus<sup>®</sup> program, additional mortgage payment protection on new loans insured on or after July 1, 2004. The MIPlus<sup>®</sup> program pays the borrower’s monthly mortgage principal and interest requirements for up to six months in the event that the borrower becomes an “enrolled unemployed,” as defined by the Commonwealth’s unemployment compensation program. MIPlus<sup>®</sup> payments are made directly to the borrower’s mortgage loan servicer and are designed to keep the mortgage loan current, avoiding foreclosure, loan loss and mortgage insurance claims.

The following table summarizes the MIF claims activity during the fiscal year ended June 30, 2023 and 2022 (claims paid in thousands):

|                  | FY 2023       |                       | FY 2022       |                       |
|------------------|---------------|-----------------------|---------------|-----------------------|
|                  | <u>Claims</u> | <u>MI Plus Claims</u> | <u>Claims</u> | <u>MI Plus Claims</u> |
| Claims Paid      | \$ 303        | \$ 144                | \$ 147        | \$ 144                |
| Number of Claims | 6             | 126                   | 5             | 125                   |

MassHousing, on behalf of MIF, has reinsurance agreements with the Mortgage Guaranty Insurance Corporation (MGIC), United Guaranty Residential Insurance Corporation (UG), Enact Mortgage Insurance Corporation (EMIC) and Gallagher Re, acting as a broker for Aspen American Insurance Company<sup>10</sup>, Everest Reinsurance Company, Insurance Company of the West, Markel Global Reinsurance Company, Partner Reinsurance Europe ZE (Zurich Branch), and Partner Reinsurance Company of the U.S. These agreements provide reinsurance of MassHousing's Home Ownership loans and, in certain cases, other conventional mortgage loans purchased by MassHousing, loans which were made to persons and families of low- and moderate-income and which were originated by other mortgage lenders on Massachusetts one-to-four unit, owner-occupied residential dwellings, as well as other bank portfolio loans held by Massachusetts banks.

<sup>10</sup> Effective January 1, 2023, the reinsurance agreement with Aspen Insurance UK Limited was assigned and transferred, by novation, to Aspen American Insurance Company.

Under each reinsurance agreement, the MIF retains a 10% share of the insurance coverage written on any reinsured loan; the reinsurer provides reinsurance for the remaining 90% of the coverage. In addition to MIF's 10% share, MIF receives a ceding commission ranging from 20% to 37% of the reinsurance premiums paid under the MGIC, UG, EMIC, and Gallagher Re agreements. The net benefits to MIF under the agreements range from 26.3% to 43.3% of the premiums for the assumption of 10% of the mortgage risk. Under certain circumstances, MIF may be due additional commissions contingent upon reinsurer operational results.

The following table summarizes the MIF reinsurance balances and insurance in force at June 30, 2023 and 2022 (in millions):

|                                              | <u>June 30, 2023</u> | <u>June 30, 2022</u> |
|----------------------------------------------|----------------------|----------------------|
| Gallagher RE                                 | \$ 1,766             | \$ 1,454             |
| EMIC                                         | 30                   | 35                   |
| MGIC                                         | 9                    | 10                   |
| UG                                           | 4                    | 5                    |
| Reinsurers 90% share of reinsurance coverage | 1,809                | 1,504                |
| MIF 10% share of reinsurance coverage        | 201                  | 169                  |
| MIF 100% share of insurance coverage         | 481                  | 487                  |
| <b>Total loans with reinsurance</b>          | <b>\$ 2,491</b>      | <b>\$ 2,160</b>      |

**Center for Community Recovery Innovations, Inc. (CCRI)**

CCRI has been funded with contributions from MassHousing since fiscal year 1995. In FY 2023 and FY 2022, MassHousing contributed \$700,000 and \$800,000, respectively, and has committed to fund \$700,000 in fiscal year 2024.

**Opportunity Fund**

On March 8, 2016, MassHousing Members voted to create a segregated revolving fund, to be known as the Opportunity Fund, within the Agency's WCF for programs and initiatives that increase housing opportunities and otherwise support the Agency's mission, subject to all applicable requirements of the Agency's enabling act. The Opportunity Fund is a designated unrestricted net position of the WCF and is included in the financial statements of the WCF and Affiliates. As of June 30, 2023, the Opportunity Fund has received \$286.4 million from MassHousing and \$112.5 million from external grants.

The funds in the Opportunity Fund as of June 30, 2023 are committed as follows:

| Opportunity Fund - as of June 30, 2023<br>(in thousands) | Original<br>Funding | Funds<br>Disbursed to<br>date | Fund Balance      | Commitments<br>Outstanding | Remaining<br>Funds<br>Available |
|----------------------------------------------------------|---------------------|-------------------------------|-------------------|----------------------------|---------------------------------|
| <b>Multifamily Operations</b>                            |                     |                               |                   |                            |                                 |
| Commonwealth Builder Grants                              | \$ 60,000           | \$ (9,975)                    | \$ 50,025         | \$ (150)                   | \$ 49,875                       |
| Workforce Housing Loans*                                 | 136,200             | (114,217)                     | 21,983            | (49,300)                   | (27,317)                        |
| 13A Portfolio Preservation Loans/Grants                  | 50,000              | (36,920)                      | 13,080            | (360)                      | 12,720                          |
| Capital Needs Loan                                       | 12,079              | (653)                         | 11,426            | (11,426)                   | -                               |
| Capital Magnet Funds - MF Subordinate Debt               | 17,270              | (2,008)                       | 15,262            | (6,762)                    | 8,500                           |
| AHTF/CHSI Participation Interest Loans                   | 10,000              | (9,353)                       | 647               | -                          | 647                             |
| 2Life Communities Grant                                  | 1,500               | -                             | 1,500             | (1,500)                    | -                               |
| <b>Home Ownership Operations</b>                         |                     |                               |                   |                            |                                 |
| Workforce Advantage DPA Loans                            | 19,400              | (16,233)                      | 3,167             | -                          | 3,167                           |
| Operation Welcome Home Loans                             | 3,010               | (1,358)                       | 1,652             | -                          | 1,652                           |
| Veterans Closing Cost Assistance Grants                  | 250                 | (193)                         | 57                | -                          | 57                              |
| <b>General</b>                                           |                     |                               |                   |                            |                                 |
| Senior Housing Research Studies Grants                   | 290                 | (228)                         | 62                | -                          | 62                              |
| Planning for Housing Production Program Grants           | 3,000               | (1,693)                       | 1,307             | -                          | 1,307                           |
| Housing Navigator Massachusetts Grants                   | 1,000               | (1,000)                       | -                 | -                          | -                               |
| <b>Unallocated Funds</b>                                 | 66,894              | -                             | 66,894            | -                          | 66,894                          |
| <b>Totals</b>                                            | <b>\$ 380,893</b>   | <b>\$ (193,831)</b>           | <b>\$ 187,062</b> | <b>\$ (69,498)</b>         | <b>\$ 117,564</b>               |

\* \$110M from Agency and \$26.2 from Commonwealth

MassHousing Members also voted to transfer previously committed non-cash assets in the Working Capital Fund from the Priority Development Fund (PDF) program and Agency funds invested in Affordable Housing Trust Fund (AHTF) assets, with any payments received from such assets to remain in the Opportunity Fund. MassHousing created the PDF program in 2004 to help increase the production of rental housing in Massachusetts. MassHousing has been administering the AHTF since 2001.

### Other

MassHousing's WCF has pledged to indemnify its municipal bond insurers in the event an insurer incurs losses under certain policies the insurer has issued. Those policies guarantee that bondholders of certain bond series and maturities will receive scheduled principal and interest payments. The indemnified amount at June 30, 2023, was \$155 thousand in the GRDB program.

At June 30, 2023, MassHousing had commitments to provide approximately \$203.6 million for undisbursed portions of existing and new permanent and construction mortgage loans.

### Risk-Sharing Program

MassHousing serves as an approved lender under the Housing Finance Agency Risk-Sharing Program for Insured Affordable Multi Family Project Loans (Risk-Sharing Program), authorized by Section 542(c) of the Housing and Community Development Act of 1992, which is administered by HUD. Under the Risk-Sharing Program, MassHousing

acts as the servicer for these loans, and bears a percentage of risk loss ranging from 10-50% of each loan with the balance of risk loss borne by HUD in the event of a claim. As of June 30, 2023, MassHousing has 264 loans with an unpaid principal balance of \$2.9 billion, which is subject to a maximum loss exposure up to \$1.3 billion. MassHousing utilizes strict underwriting standards to minimize exposure to risk loss. Following default on a risk-share loan, MassHousing may obtain an initial claim payment from HUD of 100% of the loan's unpaid principal balance and accrued interest (subject to certain adjustments). After a period during which MassHousing works toward curing the default, foreclosure or resale of the related project, losses (if any) are calculated and apportioned between MassHousing and HUD according to the applicable risk-sharing percentage for the loan, and MassHousing reimburses HUD (with interest on the initial claim payment) for its share of the loss, with such reimbursement to be made by debentures maturing over a period of five years (unless extended by HUD). In addition to using this program to insure mortgage loans pledged to secure bonds, MassHousing from time to time has sold 100% participation interests in mortgage loans secured under this program. In these cases, MassHousing is the original mortgagee and holds legal title to certain mortgage loans insured under this program for which 100% beneficial ownership has been transferred to participant owners. Since the inception of the Risk-Sharing Program, the Agency has collected on two partial claims, totaling approximately \$5 million.

Additionally, MassHousing has risk sharing agreements with four independent insurers whereby MassHousing co-insures single-family primary mortgage loans. The following table provides the risk sharing exposure balances at June 30, 2023 and 2022 (in thousands):

|                                                   | <u>June 30, 2023</u> | <u>June 30, 2022</u> |
|---------------------------------------------------|----------------------|----------------------|
| Balance of loans with co-insurance                | \$ 1,962             | \$ 2,546             |
| Risk exposure of loans with co-insurance coverage | 672                  | 876                  |
| MassHousing claim liability                       | 3,796                | 3,796                |
| Co-insurers claim liability                       | 1,316                | 1,316                |
| MassHousing collateral on deposit                 | 1,355                | 1,313                |

#### **Note Q. Events Subsequent to June 30, 2023**

##### **Massachusetts Community Climate Bank**

On August 8, 2023, MassHousing entered into a contract with the Commonwealth's Executive Office for Administration and Finance to administer the Massachusetts Community Climate Bank ("Climate Bank"), the nation's first green bank dedicated to affordable housing. This initiative was seeded with \$50 million in state funds from the Department of Environmental Protection and is designed to maximize investment in the reduction of greenhouse gas emissions from the building sector. One of the Climate Bank's primary goals is to attract private sector capital and federal funds available under the Inflation Reduction Act to finance building retrofits aligned with the state's long-term climate objectives and new construction of decarbonized buildings. The bank will focus on the affordable housing market, where residents bear a disproportionate burden in energy costs and climate impacts, to promote an equitable energy transition and to meet the needs of environmental justice populations. Over time, the bank will diversify investments to include other decarbonization measures that benefit communities.

**Swap Termination**

Effective July 14, 2023, MassHousing terminated an interest rate swap agreement in the WCF with a notional amount of \$16.6 million at no cost to the Agency.

**HAF Amendment**

On August 4, 2023, the aggregate maximum obligation for HAF was increased to \$29.75 million.

**Loan Commitments**

Through the September 12, 2023 meeting of the Members of MassHousing, the Agency issued new mortgage and bridge loan commitments totaling \$184.4 million for multifamily developments.

**Note R.   Litigation**

MassHousing is involved in certain litigation and disputes incidental to its operations. Because it is generally difficult to predict the outcome of lawsuits, MassHousing cannot give any assurance as to the outcome of such litigation. Based upon the information it presently possesses, however, it is management's judgment that such litigation will not have a material adverse impact upon the financial condition of MassHousing.

Required Supplemental Schedule 1  
Unaudited

**Massachusetts Housing Finance Agency Employees' Retirement System Plan**  
**Schedules of Required Supplementary Information**  
**Schedule of changes in the Agency's Net Pension Liability/(Asset) and related ratios**  
**(Dollar amounts in thousands)**  
**June 30, 2023**

|                                                                               | 2023              | 2022               | 2021              | 2020              | 2019              | 2018              | 2017              | 2016              | 2015              |
|-------------------------------------------------------------------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Total Pension Liability</b>                                                |                   |                    |                   |                   |                   |                   |                   |                   |                   |
| Service Cost                                                                  | \$ 4,103          | \$ 4,015           | \$ 3,861          | \$ 3,700          | \$ 3,566          | \$ 3,437          | \$ 3,247          | \$ 3,129          | \$ 2,695          |
| Interest                                                                      | 15,553            | 15,295             | 14,608            | 13,583            | 12,908            | 11,895            | 11,623            | 10,443            | 9,984             |
| Changes in Benefit Terms                                                      | 2,531             | -                  | -                 | 1,592             | -                 | -                 | -                 | -                 | -                 |
| Differences between expected and actual experience                            | 848               | (387)              | -                 | 3,848             | -                 | (3,670)           | -                 | (265)             | -                 |
| Changes of assumptions                                                        | (5,675)           | 2,291              | -                 | 5,878             | -                 | 8,772             | -                 | 7,362             | -                 |
| Benefit payments, including refunds of employee contributions                 | (10,593)          | (9,576)            | (8,732)           | (8,029)           | (7,182)           | (6,920)           | (5,958)           | (5,161)           | (5,134)           |
| <b>Net change in total pension liability</b>                                  | 6,767             | 11,638             | 9,737             | 20,572            | 9,292             | 13,514            | 8,912             | 15,508            | 7,545             |
| <b>Total pension liability - beginning</b>                                    | 223,373           | 211,735            | 201,998           | 181,426           | 172,134           | 158,620           | 149,708           | 134,200           | 126,655           |
| <b>Total pension liability - ending (a)</b>                                   | <u>\$ 230,140</u> | <u>\$ 223,373</u>  | <u>\$ 211,735</u> | <u>\$ 201,998</u> | <u>\$ 181,426</u> | <u>\$ 172,134</u> | <u>\$ 158,620</u> | <u>\$ 149,708</u> | <u>\$ 134,200</u> |
| <b>Plan fiduciary net position</b>                                            |                   |                    |                   |                   |                   |                   |                   |                   |                   |
| Contributions - employer                                                      | \$ 1,087          | \$ 13,273          | \$ 10,081         | \$ 10,031         | \$ 6,527          | \$ 6,491          | \$ 6,093          | \$ 6,065          | \$ 3,946          |
| Contributions - employee                                                      | 3,747             | 3,591              | 3,527             | 3,449             | 3,483             | 3,552             | 3,274             | 3,219             | 3,497             |
| Net Investment Income                                                         | (24,048)          | 33,100             | 26,999            | 27,731            | (5,544)           | 18,139            | 11,087            | (3,352)           | 4,114             |
| Benefit payments, including refunds of employee contributions                 | (10,593)          | (9,576)            | (8,732)           | (8,029)           | (7,182)           | (6,920)           | (5,958)           | (5,161)           | (5,134)           |
| Administrative expenses                                                       | (455)             | (555)              | (489)             | (468)             | (446)             | (378)             | (380)             | (366)             | (419)             |
| <b>Net change in plan fiduciary net position</b>                              | (30,262)          | 39,833             | 31,386            | 32,714            | (3,162)           | 20,884            | 14,116            | 405               | 6,004             |
| <b>Plan fiduciary net position - beginning</b>                                | 250,051           | 210,218            | 178,832           | 146,118           | 149,280           | 128,396           | 114,280           | 113,875           | 107,871           |
| <b>Plan fiduciary net position - ending (b)</b>                               | <u>\$ 219,789</u> | <u>\$ 250,051</u>  | <u>\$ 210,218</u> | <u>\$ 178,832</u> | <u>\$ 146,118</u> | <u>\$ 149,280</u> | <u>\$ 128,396</u> | <u>\$ 114,280</u> | <u>\$ 113,875</u> |
| <b>Net Pension Liability/(Asset)- ending (a)-(b)</b>                          | <u>\$ 10,351</u>  | <u>\$ (26,678)</u> | <u>\$ 1,517</u>   | <u>\$ 23,166</u>  | <u>\$ 35,308</u>  | <u>\$ 22,854</u>  | <u>\$ 30,224</u>  | <u>\$ 35,428</u>  | <u>\$ 20,325</u>  |
| <b>Plan fiduciary net position as a percentage of total pension liability</b> | 95.5%             | 111.9%             | 99.3%             | 88.5%             | 80.5%             | 86.7%             | 80.9%             | 76.3%             | 84.9%             |
| <b>Covered Payroll (calendar year timing)</b>                                 | \$ 36,887         | \$ 35,372          | \$ 35,737         | \$ 34,362         | \$ 34,506         | \$ 33,250         | \$ 33,641         | \$ 32,430         | \$ 28,044         |
| <b>Net Pension Liability/(Asset) as a percentage of covered payroll</b>       | 28.1%             | -75.4%             | 4.2%              | 67.4%             | 102.3%            | 68.7%             | 89.8%             | 109.2%            | 72.5%             |

Required Supplemental Schedule 2  
Unaudited

Massachusetts Housing Finance Agency Employees' Retirement System Plan  
Schedule of Agency Contributions  
(Dollar amounts in thousands)  
June 30, 2023

|                                                 | 2023      | 2022      | 2019        | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      |
|-------------------------------------------------|-----------|-----------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Actuarial Determined Contribution               | \$ 1,087  | \$ 1,030  | \$ 10,081   | \$ 10,031 | \$ 6,527  | \$ 6,491  | \$ 6,093  | \$ 6,065  | \$ 3,946  |
| Contributions made                              | 1,087     | 1,030     | 22,323      | 10,031    | 6,527     | 6,491     | 6,093     | 6,065     | 3,946     |
| Contribution deficiency (excess)                | \$ -      | \$ -      | \$ (12,242) | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |
| Covered Payroll (fiscal year timing)            | \$ 37,647 | \$ 36,082 | \$ 36,447   | \$ 35,050 | \$ 35,154 | \$ 33,878 | \$ 34,264 | \$ 33,035 | \$ 28,044 |
| Contribution as a percentage of covered payroll | 2.9%      | 2.9%      | 61.2%       | 28.6%     | 18.6%     | 19.2%     | 17.8%     | 18.4%     | 14.1%     |

Notes to Schedule

Methods and assumption used to determine contribution rates for 2023 and 2022:

|                               |                                                                                                                                                                                                                                       |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial cost method         | Entry age, normal                                                                                                                                                                                                                     |
| Amortization method           | Level payment, closed                                                                                                                                                                                                                 |
| Remaining amortization period | Plan is fully funded as of June 30, 2021                                                                                                                                                                                              |
| Asset valuation method        | Fair value adjusted by accounts receivable and accounts payable                                                                                                                                                                       |
| Inflation                     | 2.2 percent                                                                                                                                                                                                                           |
| Salary Increases              | 5.25 percent grading down to 3.75 percent                                                                                                                                                                                             |
| Investment rate of return     | 7.00 percent, including inflation, net of pension plan investment expense                                                                                                                                                             |
| Mortality                     | RP-2014 White Collar Mortality Table projected generationally from the year 2006 using MP-2020 (sex-distinct). During employment, the healthy employee mortality table is used. Post-employment, the healthy annuitant table is used. |
| Most Recent Measurement Date  | December 31, 2022                                                                                                                                                                                                                     |
| Valuation Date                | January 1, 2021                                                                                                                                                                                                                       |
| Changes in assumptions        | In FY 2022, the discount rate used to measure the total pension liability was reduced to 7.00% from 7.25%.                                                                                                                            |
| Changes in benefit terms      | The COLA base was increased from \$13,000 to \$15,000.                                                                                                                                                                                |

**Required Supplemental Schedule 3**  
**Unaudited**

**Massachusetts Housing Finance Agency OPEB Trust**  
**Schedules of Required Supplementary Information**  
**Schedule of changes in the Agency's Net OPEB Liability and related ratios <sup>(1)</sup>**  
**(Dollar amounts in thousands)**  
**June 30, 2023**

|                                                                            | 2022(b) <sup>(2)</sup> | 2022(a)          | 2021 <sup>(3)</sup> | 2020             | 2019             | 2018             |
|----------------------------------------------------------------------------|------------------------|------------------|---------------------|------------------|------------------|------------------|
| <b>Total OPEB Liability</b>                                                |                        |                  |                     |                  |                  |                  |
| Service Cost                                                               | \$ 535                 | \$ 1,039         | \$ 767              | \$ 1,137         | \$ 1,294         | \$ 1,430         |
| Interest                                                                   | 1,897                  | 3,588            | 3,046               | 4,232            | 3,925            | 3,670            |
| Differences between expected and actual experience                         | (7,448)                | -                | (10,923)            | (534)            | (326)            | -                |
| Changes of assumptions                                                     | (5,875)                | -                | (745)               | (1,044)          | 929              | -                |
| Benefit payments                                                           | (836)                  | (1,542)          | (1,517)             | (1,327)          | (1,531)          | (1,175)          |
| <b>Net change in total OPEB liability</b>                                  | <b>(11,727)</b>        | <b>3,085</b>     | <b>(9,372)</b>      | <b>2,464</b>     | <b>4,291</b>     | <b>3,925</b>     |
| <b>Total OPEB liability - beginning</b>                                    | <b>54,078</b>          | <b>50,993</b>    | <b>60,365</b>       | <b>57,901</b>    | <b>53,610</b>    | <b>49,685</b>    |
| <b>Total OPEB liability - ending (a)</b>                                   | <b>\$ 42,351</b>       | <b>\$ 54,078</b> | <b>\$ 50,993</b>    | <b>\$ 60,365</b> | <b>\$ 57,901</b> | <b>\$ 53,610</b> |
| <b>Plan fiduciary net position</b>                                         |                        |                  |                     |                  |                  |                  |
| Contributions - employer (including implicit subsidy)                      | \$ 817                 | \$ 1,535         | \$ 3,597            | \$ 3,421         | \$ 3,459         | \$ 3,115         |
| Net Investment Income                                                      | 22                     | (7,829)          | 10,260              | 1,195            | 1,970            | 1,614            |
| Benefit payments                                                           | (836)                  | (1,542)          | (1,517)             | (1,327)          | (1,531)          | (1,175)          |
| Administrative expenses                                                    | (37)                   | (35)             | (43)                | (27)             | (40)             | (31)             |
| <b>Net change in plan fiduciary net position</b>                           | <b>(34)</b>            | <b>(7,871)</b>   | <b>12,297</b>       | <b>3,262</b>     | <b>3,858</b>     | <b>3,523</b>     |
| <b>Plan fiduciary net position - beginning</b>                             | <b>42,077</b>          | <b>49,948</b>    | <b>37,651</b>       | <b>34,389</b>    | <b>30,531</b>    | <b>27,008</b>    |
| <b>Plan fiduciary net position - ending (b)</b>                            | <b>\$ 42,043</b>       | <b>\$ 42,077</b> | <b>\$ 49,948</b>    | <b>\$ 37,651</b> | <b>\$ 34,389</b> | <b>\$ 30,531</b> |
| <b>Net OPEB Liability - ending (a)-(b)</b>                                 | <b>\$ 308</b>          | <b>\$ 12,001</b> | <b>\$ 1,045</b>     | <b>\$ 22,714</b> | <b>\$ 23,512</b> | <b>\$ 23,079</b> |
| <b>Plan fiduciary net position as a percentage of total OPEB liability</b> | <b>99.3%</b>           | <b>77.8%</b>     | <b>98.0%</b>        | <b>62.4%</b>     | <b>59.4%</b>     | <b>57.0%</b>     |
| <b>Covered Payroll</b>                                                     | <b>\$ 36,887</b>       | <b>\$ 35,139</b> | <b>\$ 34,116</b>    | <b>\$ 33,592</b> | <b>\$ 32,614</b> | <b>\$ 34,715</b> |
| <b>Net OPEB Liability as a percentage of covered payroll</b>               | <b>0.8%</b>            | <b>34.2%</b>     | <b>3.1%</b>         | <b>67.6%</b>     | <b>72.1%</b>     | <b>66.5%</b>     |

(1) Data is being accumulated annually to present 10 years of the reported information.

(2) During CY 2022, the Massachusetts Housing Finance Agency OPEB Trust changed its year end from June 30 to December 31. The reporting period for the 2022(b) column is for the six-month period of July 1, 2022 through December 31, 2022. The reporting period for the 2022(a) column is for the twelve-month period of July 1, 2021 through June 30, 2022.

(3) In FY 2021, the Agency identified an error in the FY 2019 and FY 2020 actuarial calculation of the Net OPEB Liability, which resulted in changes in the Schedule of Changes in the Agency's Net OPEB Liability and related ratios. The cumulative effect is reflected in the FY 2021 reporting period.

Required Supplemental Schedule 4  
Unaudited

Massachusetts Housing Finance Agency OPEB Trust  
Schedule of Agency Contributions  
(Dollar amounts in thousands)  
June 30, 2023

|                                                                      | 2023     | 2022     | 2021     | 2020     | 2019     | 2018     |
|----------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|
| Actuarial Determined Contribution                                    | \$ 1,635 | \$ 1,535 | \$ 3,597 | \$ 3,421 | \$ 3,459 | \$ 3,115 |
| Contributions in relation to the Actuarially Determined Contribution | 1,635    | 1,535    | 3,597    | 3,421    | 3,459    | 3,115    |
| Contribution deficiency (excess)                                     | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     |

Covered Payroll \$ 36,887 \$ 35,139 \$ 34,116 \$ 33,592 \$ 32,614 \$ 34,715

Contribution as a percentage of covered payroll 4.4% 4.4% 10.5% 10.2% 10.6% 9.0%

Notes to Schedule

Actuarially Determined Contributions consist of:

|                                   | 2023     | 2022     | 2021     | 2020     | 2019     | 2018     |
|-----------------------------------|----------|----------|----------|----------|----------|----------|
| Cash Contribution                 | \$ 1,341 | \$ 1,282 | \$ 3,300 | \$ 3,160 | \$ 2,897 | \$ 2,901 |
| Implicit Subsidy                  | 294      | 253      | 297      | 261      | 562      | 214      |
| Actuarial Determined Contribution | \$ 1,635 | \$ 1,535 | \$ 3,597 | \$ 3,421 | \$ 3,459 | \$ 3,115 |

Methods and assumption used to determine contribution rates for 2023 and 2022:

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial cost method         | Projected Unit Credit Level Dollar cost method                                                                                                                                                                                                                                                                                                                                                                 |
| Amortization method           | Level percentage of pay, closed basis                                                                                                                                                                                                                                                                                                                                                                          |
| Remaining amortization period | 14 years                                                                                                                                                                                                                                                                                                                                                                                                       |
| Asset valuation method        | Market value                                                                                                                                                                                                                                                                                                                                                                                                   |
| Salary Increases              | 3.5 percent                                                                                                                                                                                                                                                                                                                                                                                                    |
| Healthcare cost trend rates   | 7.1% to 9% initial graded down to 5% in 2040                                                                                                                                                                                                                                                                                                                                                                   |
| Investment rate of return     | 7.00 percent, net of OPEB plan investment expense                                                                                                                                                                                                                                                                                                                                                              |
| Retirement Age                | Based on Tier classification, gender and hire dates                                                                                                                                                                                                                                                                                                                                                            |
| Mortality                     | RPH-2014 HeadCount-Weighted White Collar Mortality Table adjusted to 2006, sex-distinct, a) for Actives-for Employees projected using generational mortality and scale MP-2020, b) for Retirees-for Healthy Annuitants projected using generational and mortality and scale MP-2020 and c) for Disabled - for Healthy Annuitants projected using generational mortality and scale MP-2020 set forward 2 years. |

## SUPPLEMENTAL SCHEDULE 1: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS

| Project<br>Name                       | Interest<br>Rate | Maturity<br>Date | In thousands           |                                                |                             | Notes |
|---------------------------------------|------------------|------------------|------------------------|------------------------------------------------|-----------------------------|-------|
|                                       |                  |                  | Mortgage<br>Obligation | Advances<br>Construction/<br>Mortgage<br>Loans | Balance<br>of<br>Commitment |       |
| Working Capital Fund and Affiliates   |                  |                  |                        |                                                |                             |       |
| 11 Long Point Road                    | 5.550%           | 01/01/2029       | \$ 59                  |                                                |                             |       |
| 1199 Hixville Road                    | 5.350%           | 08/01/2026       | 33                     |                                                |                             |       |
| 120 Centre Court                      | 0.000%           | 11/01/2042       | 591                    |                                                |                             |       |
| 120 Centre Court                      | 0.000%           | 11/01/2038       | 385                    |                                                |                             |       |
| 181 Chestnut                          | 3.670%           | 03/01/2061       | 4,764                  |                                                |                             |       |
| 181 Chestnut                          | 0.000%           | 03/01/2061       | 650                    |                                                |                             |       |
| 191 Talbot                            | 4.020%           | 04/01/2037       | 2,692                  |                                                |                             |       |
| 191 Talbot                            | 1.000%           | 04/01/2037       | 1,400                  |                                                |                             |       |
| 2 Pierce Lane                         | 5.350%           | 07/01/2026       | 33                     |                                                |                             |       |
| 2101 Washington Street                | 3.750%           | 06/01/2059       | 3,855                  |                                                |                             |       |
| 225 Centre Street                     | 0.000%           | 08/01/2054       | 5,600                  |                                                |                             |       |
| 246-248 Norwell Street                | 0.000%           | 06/01/2059       | 600                    |                                                |                             |       |
| 246-248 Norwell Street                | 0.000%           | 07/09/2059       | 762                    |                                                |                             |       |
| 28 Austin Street                      | 0.000%           | 04/01/2060       | 1,300                  |                                                |                             |       |
| 3 Flintlock Lane                      | 5.550%           | 12/01/2026       | 38                     |                                                |                             |       |
| 31 Elm Street                         | 0.000%           | 07/01/2062       | 11,496                 |                                                |                             |       |
| 35 Village Hill Road                  | 3.790%           | 01/01/2037       | 1,423                  |                                                |                             |       |
| 35 Village Hill Road                  | 0.000%           | 01/01/2062       | 1,367                  |                                                |                             |       |
| 38 Winfield Street                    | 5.350%           | 08/01/2026       | 34                     |                                                |                             |       |
| 571 Revere Street                     | 0.000%           | 04/01/2062       | 1,900                  |                                                |                             |       |
| 706 Huntington Ave                    | 0.000%           | 11/01/2049       | 338                    |                                                |                             |       |
| 808 Memorial Drive                    | 2.810%           | 07/01/2023       |                        | \$ 2,313                                       | \$ 1,050                    |       |
| 98 Essex                              | 1.500%           | 04/01/2055       | 930                    |                                                |                             |       |
| 98 Essex                              | 0.000%           | 04/01/2055       | 600                    |                                                |                             |       |
| A.O. Flats At Forest Hills            | 5.000%           | 06/01/2060       | 8,100                  |                                                |                             |       |
| Academy Hill School                   | 3.750%           | 04/30/2058       | 1,436                  |                                                |                             |       |
| Academy Hill School                   | 3.020%           | 04/30/2058       | 209                    |                                                |                             |       |
| Admiral's Tower                       | 0.000%           | 07/01/2044       | 535                    |                                                |                             |       |
| AEI Group Homes-Braintree             | 5.350%           | 08/01/2026       | 51                     |                                                |                             |       |
| AEI Group Homes-Centerville           | 5.350%           | 07/01/2026       | 45                     |                                                |                             |       |
| AEI Group Homes-Kingston              | 5.550%           | 02/01/2027       | 56                     |                                                |                             |       |
| AEI Group Homes-Marshfield            | 5.550%           | 05/01/2028       | 71                     |                                                |                             |       |
| Ames Privilege Unit 2                 | 2.600%           | 10/01/2054       | 118                    |                                                |                             |       |
| Appleton Mills Redevelopment Phase 1B | 3.500%           | 04/01/2052       | 158                    |                                                |                             |       |
| Arlington Park                        | 4.000%           | 02/01/2037       | 765                    |                                                |                             |       |
| Arlington Point                       | 0.000%           | 12/18/2060       | 1,900                  |                                                |                             |       |
| Arlington Point II                    | 5.490%           | 07/01/2060       | 1,223                  |                                                |                             |       |
| Aurora Hotel                          | 2.600%           | 03/01/2056       | 85                     |                                                |                             |       |
| Barstow Village                       | 0.010%           | 07/01/2053       | 877                    |                                                |                             |       |
| Bedford Village                       | 2.000%           | 07/01/2060       | 4,500                  |                                                |                             |       |
| Bergen Circle                         | 0.000%           | 04/01/2063       | 7,950                  |                                                |                             |       |
| Bergen Circle                         | 3.870%           | 04/01/2063       |                        | 10,997                                         | 2,319                       |       |
| Broadway Tower                        | 2.790%           | 09/01/2040       | 9,113                  |                                                |                             |       |
| Brooks School                         | 8.000%           | 01/01/2028       | 5,223                  |                                                |                             |       |
| Brooks School                         | 0.000%           | 01/01/2028       | 122                    |                                                |                             |       |
| Brown-Kaplan Townhomes                | 0.000%           | 08/25/2049       | 270                    |                                                |                             |       |
| Bunker Hill Bldg M                    | 5.240%           | 10/01/2045       |                        |                                                | 42,052                      |       |

**SUPPLEMENTAL SCHEDULE 1: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS**

| Project Name                          | Interest Rate | Maturity Date | In thousands        |                                          |                       | Notes |
|---------------------------------------|---------------|---------------|---------------------|------------------------------------------|-----------------------|-------|
|                                       |               |               | Mortgage Obligation | Advances Construction/<br>Mortgage Loans | Balance of Commitment |       |
| Bunker Hill Bldg M                    | 6.600%        | 08/01/2025    |                     |                                          | \$ 7,820              |       |
| Burbank Gardens                       | 2.590%        | 07/01/2059    | \$ 4,618            |                                          |                       |       |
| Burbank Gardens Acquisition           | 0.000%        | 07/01/2059    | 452                 |                                          |                       |       |
| Cable Gardens                         | 4.500%        | 01/01/2036    | 7,517               |                                          |                       |       |
| Canal Bluffs III                      | 2.500%        | 09/01/2059    | 700                 |                                          |                       |       |
| Casselman House                       | 0.000%        | 05/01/2044    | 180                 |                                          |                       |       |
| Central Grammar                       | 0.000%        | 04/01/2053    | 695                 |                                          |                       |       |
| Chapman House                         | 2.000%        | 04/10/2064    | 1,539               |                                          |                       |       |
| Chatham West I                        | 0.000%        | 06/01/2058    | 4,500               |                                          |                       |       |
| Chatham West II                       | 0.000%        | 06/01/2027    | 5,000               |                                          |                       |       |
| Cheriton Heights Senior Housing       | 0.000%        | 11/22/2053    | 1,000               |                                          |                       |       |
| City Square Elderly Housing           | 0.000%        | 02/01/2046    | 616                 |                                          |                       |       |
| Cobbet Hill                           | 2.260%        | 12/23/2066    | 1,000               |                                          |                       |       |
| Colonial Village                      | 0.000%        | 12/01/2059    | 945                 |                                          |                       |       |
| Cote Village 4%                       | 0.000%        | 10/01/2062    | 2,400               |                                          |                       |       |
| Council Tower                         | 0.000%        | 01/01/2046    | 923                 |                                          |                       |       |
| Covenant House I & II                 | 0.570%        | 07/01/2045    | 898                 |                                          |                       |       |
| Curtain Lofts                         | 0.000%        | 11/01/2052    | 783                 |                                          |                       |       |
| Elias Brooking Apts                   | 0.000%        | 01/01/2063    | 700                 |                                          |                       |       |
| Elias Brooking Apts                   | 4.560%        | 01/01/2063    | 1,126               |                                          |                       |       |
| Farnsworth House                      | 0.000%        | 10/01/2046    | 379                 |                                          |                       |       |
| Finch Cambridge                       | 0.000%        | 11/01/2060    | 3,737               |                                          |                       |       |
| Franklin Hill Revitalization Phase 2A | 6.000%        | 05/01/2059    | 1,350               |                                          |                       |       |
| Franklin Hill Revitalization Phase 2B | 0.100%        | 12/31/2059    | 1,000               |                                          |                       |       |
| Franklin Park                         | 6.200%        | 03/01/2052    | 1,081               |                                          |                       |       |
| Franklin School                       | 5.250%        | 12/31/2049    | 3,433               |                                          |                       |       |
| Gardner Terrace I & II                | 4.000%        | 08/01/2023    |                     | \$ 11,300                                |                       |       |
| Gateway Residences On Washington      | 0.000%        | 10/01/2058    | 1,600               |                                          |                       |       |
| Glen Meadow Apartments                | 0.000%        | 05/01/2057    | 1,750               |                                          |                       |       |
| Greenway Apartments                   | 3.850%        | 06/01/2053    | 1,000               |                                          |                       |       |
| Habitat for Humanity - Boston, Inc.   | 0.000%        |               | 382                 |                                          |                       |       |
| Hamilton Canal                        | 0.000%        | 04/01/2063    | 5,000               |                                          |                       |       |
| Hamilton Canal                        | 3.630%        | 04/01/2063    | 20,187              |                                          |                       |       |
| Hampton Court                         | 3.120%        | 06/20/2064    | 17,891              |                                          |                       |       |
| Hanover House                         | 0.000%        | 12/18/2029    | 1,036               |                                          |                       |       |
| Hanover Woods                         | 1.890%        | 08/01/2066    | 7,029               |                                          |                       |       |
| Harborwalk Residences                 | 0.000%        | 11/30/2026    | 71                  |                                          |                       |       |
| Haynes House                          | 3.310%        | 07/01/2061    | 2,700               |                                          |                       |       |
| Hayward Landing                       | 2.570%        | 11/04/2065    | 18,961              |                                          |                       |       |
| Hebronville Mill                      | 0.000%        | 08/01/2024    | 5,950               |                                          |                       |       |
| Hebronville Mill                      | 8.000%        | 12/01/2016    | 8                   |                                          |                       |       |
| Hebronville Mill                      | 9.616%        | 02/01/2020    | 4,702               |                                          |                       |       |
| Hebronville Mill                      | 8.500%        | 06/01/2018    | 1,166               |                                          |                       |       |
| Heritage Common                       | 0.700%        | 06/01/2050    | 9,141               |                                          |                       |       |
| Heritage Common                       | 0.000%        | 06/16/2051    | 1,500               |                                          |                       |       |
| Heywood Wakefield Village             | 4.790%        | 12/31/2041    | 14,004              |                                          |                       |       |
| Highland Apartments                   | 3.040%        | 05/01/2056    | 5,896               |                                          |                       |       |
| Hillcrest Acres                       | 0.000%        | 10/01/2064    | 3,700               |                                          | 1,000                 |       |
| Hillside Village                      | 0.000%        | 07/01/2059    | 600                 |                                          |                       |       |

**SUPPLEMENTAL SCHEDULE 1: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS**

| Project<br>Name                  | Interest<br>Rate | Maturity<br>Date | In thousands           |                                                |                             | Notes |
|----------------------------------|------------------|------------------|------------------------|------------------------------------------------|-----------------------------|-------|
|                                  |                  |                  | Mortgage<br>Obligation | Advances<br>Construction/<br>Mortgage<br>Loans | Balance<br>of<br>Commitment |       |
| Holmes Beverly Apartments        | 0.000%           | 11/01/2058       | \$ 1,600               |                                                |                             |       |
| Houghton Village                 | 2.700%           | 06/01/2058       | 6,919                  |                                                |                             |       |
| Houghton Village                 | 0.000%           | 06/01/2058       | 1,545                  |                                                |                             |       |
| Independence Manor II            | 6.510%           | 07/01/2047       | 2,265                  |                                                |                             |       |
| Indigo Block Apartments          | 0.000%           | 07/01/2062       | 3,531                  |                                                |                             |       |
| J.J. Carroll Apartments          | 0.000%           | 07/01/2064       | 3,240                  |                                                | \$ 360                      |       |
| Joseph'S House                   | 6.300%           | 09/01/2050       | 567                    |                                                |                             |       |
| Kennedy Building Apartments      | 0.000%           | 01/01/2064       | 1,250                  |                                                |                             |       |
| Kent Street                      | 6.010%           | 09/01/2056       | 5,460                  |                                                |                             |       |
| Kimball Court II                 | 7.270%           | 09/18/2023       | 16,521                 |                                                |                             |       |
| King James Court                 | 0.000%           | 04/01/2043       | 430                    |                                                |                             |       |
| Kuehns Way Apt                   | 0.000%           | 05/01/2053       | 1,800                  |                                                |                             |       |
| Kuehns Way Apt                   | 3.670%           | 05/01/2053       | 2,048                  |                                                |                             |       |
| Landfall Community Associates II | 0.000%           | 01/01/2060       | 134                    |                                                |                             |       |
| Latin Academy                    | 0.000%           | 06/01/2050       | 602                    |                                                |                             |       |
| Leyden Woods Apartments          | 3.850%           | 10/01/2037       | 1,735                  |                                                |                             |       |
| Lincoln Woods                    | 2.740%           | 07/01/2057       | 1,200                  |                                                |                             |       |
| Lincoln Woods                    | 0.000%           | 08/01/2057       | 291                    |                                                |                             |       |
| Linwood Mill                     | 0.010%           | 07/01/2053       | 1,000                  |                                                |                             |       |
| Loring Towers                    | 1.000%           | 12/20/2049       | 38                     |                                                |                             |       |
| LPI Portfolio                    | 2.990%           | 04/01/2061       | 1,700                  |                                                |                             |       |
| Madison Melnea Cass Apts         | 2.880%           | 03/01/2060       | 1,900                  |                                                |                             |       |
| Mansfield Meadows                | 4.094%           | 04/30/2072       | 9,988                  |                                                |                             |       |
| Maple Ridge Phase I              | 0.000%           | 06/01/2052       | 2,000                  |                                                |                             |       |
| Mariner's Hill                   | 0.899%           | 05/15/2064       | 653                    |                                                |                             |       |
| Mashpee Village                  | 7.000%           | 06/01/2056       | 1,500                  |                                                |                             |       |
| Mattapan Station 4%              | 2.000%           | 04/01/2063       | 3,000                  |                                                |                             |       |
| Mattapan Station 4%              | 4.050%           | 10/01/2023       |                        | \$ 16,090                                      |                             |       |
| Merrimack Valley Apts            | 0.000%           | 08/01/2044       | 246                    |                                                |                             |       |
| Middlebury Arms                  | 3.320%           | 09/30/2055       | 3,986                  |                                                |                             |       |
| Mill Falls Apartments            | 4.530%           | 02/01/2057       | 2,950                  |                                                |                             |       |
| Mill House                       | 3.750%           | 10/16/2069       | 177                    |                                                |                             |       |
| Mill Pond Apartments (Littleton) | 0.000%           | 05/01/2047       | 269                    |                                                |                             |       |
| Mill Valley Estates              | 2.550%           | 11/18/2060       | 10,840                 |                                                |                             |       |
| Mission Main                     | 6.740%           | 01/01/2026       |                        | 13,457                                         | 9,243                       |       |
| Mt Pleasant Apts                 | 7.700%           | 12/01/2048       | 500                    |                                                |                             |       |
| Museum Square                    | 2.720%           | 07/24/2065       | 15,164                 |                                                |                             |       |
| New Codman Square Apartments     | 2.640%           | 01/01/2054       | 840                    |                                                |                             |       |
| New Port Antonio Apts.           | 2.700%           | 08/01/2025       | 40,000                 |                                                |                             |       |
| Newcastle Saranac                | 0.000%           | 07/01/2062       | 2,250                  |                                                |                             |       |
| North 116 Flats                  | 3.710%           | 04/01/2029       | 41,200                 |                                                |                             |       |
| North Commons at Village Hill    | 0.000%           | 12/01/2062       | 1,400                  |                                                |                             |       |
| Oak Woods                        | 0.000%           | 12/01/2053       | 678                    |                                                |                             |       |
| Old Colony Phase Three B 9%      | 2.800%           | 04/01/2063       | 5,689                  |                                                |                             |       |
| Olmsted Green                    | 1.000%           | 05/01/2061       | 4,000                  |                                                |                             |       |
| Oxford House at Queeney Square   | 2.720%           | 01/01/2050       | 4,411                  |                                                |                             |       |
| Pac 10 Lofts                     | 0.000%           | 04/01/2063       | 5,000                  |                                                |                             |       |
| Pelham I Apartments              | 5.086%           | 12/01/2064       | 5,143                  |                                                |                             |       |
| Perlman House                    | 2.500%           | 03/01/2041       | 588                    |                                                |                             |       |
| Perlman House                    | 0.000%           | 03/01/2041       | 500                    |                                                |                             |       |

**SUPPLEMENTAL SCHEDULE 1: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS**

| Project<br>Name                             | Interest<br>Rate | Maturity<br>Date | In thousands           |                                                |                             | Notes |
|---------------------------------------------|------------------|------------------|------------------------|------------------------------------------------|-----------------------------|-------|
|                                             |                  |                  | Mortgage<br>Obligation | Advances<br>Construction/<br>Mortgage<br>Loans | Balance<br>of<br>Commitment |       |
| Peter Sanborn Place                         | 0.000%           | 08/01/2043       | \$ 329                 |                                                |                             |       |
| Pilot Grove Hill                            | 0.000%           | 12/01/2049       | 245                    |                                                |                             |       |
| Pine Crest                                  | 0.000%           | 01/01/2044       | 219                    |                                                |                             |       |
| Plantation Tower                            | 6.000%           | 04/01/2047       | 4,181                  |                                                |                             |       |
| Pleasant Plaza                              | 3.025%           | 01/01/2065       | 11,162                 |                                                |                             |       |
| Pond Side At Littleton                      | 2.119%           | 02/28/2071       | 13,844                 |                                                |                             |       |
| Preserve North Residences                   | 0.000%           | 01/01/2062       | 4,000                  |                                                |                             |       |
| Providence House                            | 6.350%           | 01/01/2045       | 7,602                  |                                                |                             |       |
| Residences At Brighton Marine               | 0.000%           | 11/01/2060       | 5,000                  |                                                |                             |       |
| Residences at Canal Bluffs                  | 5.250%           | 06/01/2051       | 1,850                  |                                                |                             |       |
| Residences At Fairmount Station             | 0.000%           | 09/01/2049       | 300                    |                                                |                             |       |
| Rindge Tower Apartments                     | 2.610%           | 07/01/2058       | 1,506                  |                                                |                             |       |
| River Place Towers                          | 3.210%           | 09/01/2029       | 30,622                 |                                                |                             |       |
| Riverboat Village                           | 5.010%           | 12/01/2033       | 5,620                  |                                                |                             |       |
| Riverside Towers (Medford)                  | 7.020%           | 04/01/2056       | 13,448                 |                                                |                             |       |
| Riverview Meadows                           | 2.180%           | 03/16/2065       | 4,968                  |                                                |                             |       |
| Rogers Hall                                 | 0.063%           | 05/01/2044       | 295                    |                                                |                             |       |
| Roslindale House                            | 0.000%           | 06/01/2045       | 364                    |                                                |                             |       |
| Roxbury Corners                             | 4.000%           | 01/01/2050       | 166                    |                                                |                             |       |
| Roxbury Corners                             | 0.000%           | 01/01/2050       | 1,196                  |                                                |                             |       |
| S.S.C.R.II-Bridgewater                      | 5.550%           | 03/01/2027       | 48                     |                                                |                             |       |
| S.S.C.R.II-Mattapoisett                     | 5.550%           | 10/01/2026       | 39                     |                                                |                             |       |
| S.S.C.R.II-Stoughton                        | 5.550%           | 03/01/2027       | 42                     |                                                |                             |       |
| School House Apartments Brookledge Cummings | 0.010%           | 12/04/2048       | 100                    |                                                |                             |       |
| School House Kenilworth                     | 0.010%           | 06/01/2049       | 1,000                  |                                                |                             |       |
| Semass Housing I-Raynham                    | 6.650%           | 10/01/2025       | 33                     |                                                |                             |       |
| Semass Housing I-Somerset                   | 6.650%           | 09/01/2025       | 31                     |                                                |                             |       |
| Semass Housing I-Taunton                    | 6.650%           | 10/01/2025       | 34                     |                                                |                             |       |
| Shillman House                              | 0.000%           | 11/01/2051       | 2,604                  |                                                |                             |       |
| Shillman House                              | 0.000%           | 12/17/2051       | 972                    |                                                |                             |       |
| Ships Watch                                 | 2.120%           | 03/31/2071       | 6,821                  |                                                |                             |       |
| Simon C. Fireman Community                  | 0.000%           | 03/01/2044       | 653                    |                                                |                             |       |
| Single Family Capital Magnet Fund Loans     | 0.000%           |                  | 2,104                  |                                                |                             |       |
| Single Family Gateway City Loans            | 1.000% to 2.000% |                  | 11,194                 |                                                |                             |       |
| Single Family Home Improvement Loans        | 5.000%           |                  | 1,065                  |                                                |                             |       |
| Single Family Long Term Assets              | 1.000% to 7.375% |                  | 21,663                 |                                                |                             |       |
| Single Family Mass Advantage Loans          | 0.000%           |                  | 1,071                  |                                                |                             |       |
| Single Family Modification Loans            | 0.000%           |                  | 593                    |                                                |                             |       |
| Single Family Mortgage (Warehouse) Loans    | 0.000% to 7.625% |                  | 26,052                 |                                                |                             |       |
| Single Family Short Term Assets             | 0.000%           |                  | -                      |                                                |                             |       |
| Single Family Veterans Assistance Loans     | 0.000% to 2.000% |                  | 545                    |                                                |                             |       |
| Single Family Work Force Advantage Loans    | 0.000% to 1.000% |                  | 12,860                 |                                                |                             |       |
| Sitkowski School Apartments                 | 2.000%           | 07/01/2056       | 1,645                  |                                                |                             |       |
| Skyview Downtown                            | 0.000%           | 12/01/2058       | 4,945                  |                                                |                             |       |
| Solemar at South Dartmouth                  | 2.750%           | 06/01/2052       | 543                    |                                                |                             |       |
| South End Tenants Houses II                 | 6.190%           | 12/01/2045       | 3,896                  |                                                |                             |       |
| South Shore-Easton                          | 6.650%           | 06/01/2025       | 33                     |                                                |                             |       |
| South Shore-Pembroke                        | 6.650%           | 03/01/2025       | 42                     |                                                |                             |       |
| Squirrelwood                                | 0.000%           | 01/01/2062       | 1,000                  |                                                |                             |       |
| St Mary's Plaza                             | 0.000%           | 03/01/2044       | 460                    |                                                |                             |       |

## SUPPLEMENTAL SCHEDULE 1: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS

| Project<br>Name                                | Interest<br>Rate | Maturity<br>Date | In thousands           |                                                |                             | Notes      |
|------------------------------------------------|------------------|------------------|------------------------|------------------------------------------------|-----------------------------|------------|
|                                                |                  |                  | Mortgage<br>Obligation | Advances<br>Construction/<br>Mortgage<br>Loans | Balance<br>of<br>Commitment |            |
| Station Pointe Apartments I                    | 1.834%           | 12/31/2070       | \$ 7,968               |                                                |                             |            |
| Station Pointe Apartments II                   | 1.834%           | 12/31/2070       | 10,565                 |                                                |                             |            |
| Stony Brook Court                              | 0.000%           | 12/31/2030       | 226                    |                                                |                             |            |
| Stratton Hill                                  | 0.000%           | 08/01/2059       | 2,156                  |                                                |                             |            |
| Susan S Bailis Assisted Living                 | 1.000%           | 12/31/2057       | 1,464                  |                                                |                             |            |
| Sycamore on Main                               | 0.000%           | 08/01/2062       | 1,800                  |                                                |                             |            |
| Sycamore on Main                               | 4.750%           | 08/01/2062       | 2,914                  |                                                |                             |            |
| Temple Landing                                 | 0.000%           | 02/01/2043       | 1,260                  |                                                |                             |            |
| The Central Building                           | 0.000%           | 03/01/2060       | 1,400                  |                                                |                             |            |
| The Commons at Boston Road (variable rate)     | 4.050%           | 11/30/2038       | 26                     |                                                |                             |            |
| The Coolidge                                   | 4.460%           | 06/30/2051       | 750                    |                                                |                             |            |
| The Meeting House                              | 2.980%           | 09/01/2031       | 9,350                  |                                                |                             |            |
| The Meeting House                              | 0.000%           | 09/01/2061       | 2,100                  |                                                |                             |            |
| The Settlement                                 | 7.160%           | 05/01/2013       | 2,200                  |                                                |                             |            |
| The Village At Brookline                       | 6.010%           | 09/01/2056       | 11,246                 |                                                |                             |            |
| The Watson                                     | 1.000%           | 12/01/2059       | 7,000                  |                                                |                             |            |
| Town Brook House                               | 0.000%           | 05/01/2045       | 556                    |                                                |                             |            |
| Trinity Terrace                                | 3.500%           | 01/31/2035       | 979                    |                                                |                             |            |
| Van Der Hayden                                 | 0.000%           | 07/01/2025       |                        |                                                | \$ 9,905                    |            |
| Van Der Hayden                                 | 5.710%           | 07/01/2065       |                        | \$ 3,071                                       | 379                         |            |
| Van Ness Terrace                               | 3.120%           | 06/24/2064       | 8,123                  |                                                |                             |            |
| Village At Nauset Green                        | 0.000%           | 09/01/2060       | 1,500                  |                                                |                             |            |
| Voke Lofts                                     | 3.400%           | 01/01/2055       | 190                    |                                                |                             |            |
| Voke Lofts                                     | 0.000%           | 01/01/2055       | 695                    |                                                |                             |            |
| Wakefield Place                                | 8.250%           | 12/31/2034       | 21,060                 |                                                |                             |            |
| Walden Square Apartments                       | 4.550%           | 09/01/2058       | 5,615                  |                                                |                             |            |
| Walker School                                  | 2.960%           | 08/01/2062       | 742                    |                                                |                             | 8          |
| Warren House                                   | 3.500%           | 12/01/2023       | 2,992                  |                                                |                             |            |
| Whitney Carriage Park                          | 0.000%           | 11/01/2069       | 4,093                  |                                                |                             |            |
| Whitney Carriage Park                          | 2.210%           | 11/01/2069       | 18,826                 |                                                |                             |            |
| Whitney Carriage Park                          | 3.502%           | 11/01/2069       | 626                    |                                                |                             |            |
| Whittier At Cabot 4%                           | 4.620%           | 01/01/2061       | 3,090                  |                                                |                             |            |
| Whittier At Cabot 4%                           | 2.000%           | 01/01/2061       | 800                    |                                                |                             |            |
| Whittier At Cabot 9%                           | 5.840%           | 02/01/2061       | 271                    |                                                |                             |            |
| Whittier At Cabot 9%                           | 2.000%           | 02/01/2061       | 700                    |                                                |                             |            |
| Whittier Phase Two                             | 2.000%           | 06/01/2063       | 700                    |                                                |                             |            |
| Worcester Courthouse                           | 2.890%           | 01/01/2062       | 3,100                  |                                                |                             |            |
| Worcester Courthouse                           | 0.000%           | 01/01/2062       | 1,000                  |                                                |                             |            |
| <b>Sub-total</b>                               |                  |                  | <b>\$ 820,339</b>      | <b>\$ 57,228</b>                               | <b>\$ 74,136</b>            | <b>(a)</b> |
| <b>General Rental Development Bond Program</b> |                  |                  |                        |                                                |                             |            |
| <b>Adopted April 13, 2004</b>                  |                  |                  |                        |                                                |                             |            |
| 113 Spencer                                    | 7.150%           | 05/01/2050       | \$ 1,811               |                                                |                             |            |
| Barstow Village                                | 5.500%           | 06/01/2053       | 1,113                  |                                                |                             |            |
| Blackstone                                     | 4.500%           | 07/01/2053       | 28,379                 |                                                |                             |            |
| Curtain Lofts                                  | 7.250%           | 11/01/2052       | 1,027                  |                                                |                             |            |
| Franklin Square House                          | 4.500%           | 09/01/2053       | 31,012                 |                                                |                             |            |
| Greenway Apartments                            | 6.720%           | 06/01/2053       | 1,116                  |                                                |                             |            |
| Linwood Mill                                   | 6.180%           | 07/01/2053       | 922                    |                                                |                             |            |
| Machado House at Peter's Grove                 | 5.300%           | 07/01/2053       | 5,915                  |                                                |                             |            |

**SUPPLEMENTAL SCHEDULE 1: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS**

| Project<br>Name                                                        | Interest<br>Rate | Maturity<br>Date | In thousands           |                                                |                             | Notes |
|------------------------------------------------------------------------|------------------|------------------|------------------------|------------------------------------------------|-----------------------------|-------|
|                                                                        |                  |                  | Mortgage<br>Obligation | Advances<br>Construction/<br>Mortgage<br>Loans | Balance<br>of<br>Commitment |       |
| Maple Ridge Phase II                                                   | 6.500%           | 02/01/2053       | \$ 1,107               |                                                |                             |       |
| Mill Road Apartments (variable rate)                                   | 4.560%           | 11/01/2033       | 22,466                 |                                                |                             |       |
| Ocean Shores at Marshfield                                             | 7.250%           | 07/01/2052       | 1,869                  |                                                |                             |       |
| Oliver Lofts                                                           | 7.250%           | 03/01/2052       | 1,297                  |                                                |                             |       |
| Princeton at Westford (variable rate)                                  | 4.010%           | 01/01/2034       | 29,570                 |                                                |                             |       |
| Regency Towers I                                                       | 1.000%           | 04/01/2040       | 430                    |                                                |                             |       |
| Rita Hall                                                              | 5.250%           | 11/01/2053       | 5,938                  |                                                |                             |       |
| Rock Harbor Village                                                    | 5.300%           | 05/01/2053       | 5,953                  |                                                |                             |       |
| School House Kenilworth                                                | 8.000%           | 06/01/2049       | 1,163                  |                                                |                             |       |
| Tecumseh Mill                                                          | 5.250%           | 02/01/2054       | 6,472                  |                                                |                             |       |
| Temple Landing                                                         | 6.500%           | 02/01/2043       | 1,772                  |                                                |                             |       |
| Tri-Town Landing Apartments                                            | 6.700%           | 12/01/2051       | 1,321                  |                                                |                             |       |
| Victory Gardens Plaza                                                  | 5.070%           | 04/01/2054       | 7,561                  |                                                |                             |       |
| Village at Hospital Hill II                                            | 6.830%           | 03/01/2050       | 1,283                  |                                                |                             |       |
| Winchendon Housing Authority                                           | 5.190%           | 01/01/2026       | 160                    |                                                |                             |       |
| <b>Sub-total</b>                                                       |                  |                  | <b>\$ 159,657</b>      |                                                |                             |       |
| <b>Multi-Family Housing Bond Program<br/>Adopted November 10, 2009</b> |                  |                  |                        |                                                |                             |       |
| 225 Centre Street                                                      | 3.600%           | 01/01/2055       | \$ 14,190              |                                                |                             |       |
| 225 Centre Street                                                      | 5.500%           | 01/01/2055       | 695                    |                                                |                             |       |
| Castle Square                                                          | 5.100%           | 01/01/2053       | 3,942                  |                                                |                             |       |
| Cedar Glen                                                             | 4.850%           | 01/01/2051       | 1,304                  |                                                |                             |       |
| Central Grammar                                                        | 5.250%           | 04/01/2053       | 2,607                  |                                                |                             |       |
| Charlesview Residences                                                 | 4.800%           | 10/01/2054       | 41,915                 |                                                |                             |       |
| Cheriton Grove                                                         | 5.070%           | 05/01/2053       | 4,543                  |                                                |                             |       |
| Chestnut Glen                                                          | 4.850%           | 01/01/2051       | 1,226                  |                                                |                             |       |
| Glen Grove                                                             | 4.850%           | 01/01/2051       | 1,756                  |                                                |                             |       |
| Gosnold Grove                                                          | 4.850%           | 01/01/2053       | 188                    |                                                |                             |       |
| Heritage Apartments                                                    | 4.610%           | 02/01/2053       | 17,658                 |                                                |                             |       |
| Heritage Green                                                         | 4.850%           | 01/01/2051       | 978                    |                                                |                             |       |
| Inman/Cast 2 Apartments                                                | 4.500%           | 07/01/2052       | 12,238                 |                                                |                             |       |
| Kensington Court at Lakeville                                          | 0.000%           | 08/01/2050       | 2,243                  |                                                |                             |       |
| Longfellow Glen                                                        | 4.850%           | 01/01/2051       | 1,116                  |                                                |                             |       |
| Lower Mills Apartments                                                 | 4.750%           | 08/01/2052       | 7,933                  |                                                |                             |       |
| Nehoiden Glen                                                          | 4.850%           | 01/01/2051       | 881                    |                                                |                             |       |
| Noonan Glen                                                            | 4.850%           | 01/01/2051       | 190                    |                                                |                             |       |
| Norton Glen                                                            | 4.660%           | 01/01/2051       | 1,399                  |                                                |                             |       |
| Old Mill Glen                                                          | 4.850%           | 01/01/2051       | 551                    |                                                |                             |       |
| Regency Towers I                                                       | 0.000%           | 04/01/2040       | 950                    |                                                |                             |       |
| Tri-Town Landing Apartments                                            | 0.000%           | 12/01/2051       | 1,317                  |                                                |                             |       |
| Westminster Village                                                    | 4.500%           | 10/01/2051       | 38,837                 |                                                |                             |       |
| <b>Sub-total</b>                                                       |                  |                  | <b>\$ 158,657</b>      |                                                |                             |       |
| <b>Housing Bond Program<br/>Adopted February 19, 2003</b>              |                  |                  |                        |                                                |                             |       |
| 113 Spencer                                                            | 0.000%           | 05/01/2050       | \$ 1,000               |                                                |                             |       |
| 140 Clarendon                                                          | 1.000%           | 11/01/2041       |                        |                                                | \$ 20,346                   |       |

**SUPPLEMENTAL SCHEDULE 1: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS**

| Project<br>Name                       | Interest<br>Rate | Maturity<br>Date | In thousands           |                                                |                             | Notes |
|---------------------------------------|------------------|------------------|------------------------|------------------------------------------------|-----------------------------|-------|
|                                       |                  |                  | Mortgage<br>Obligation | Advances<br>Construction/<br>Mortgage<br>Loans | Balance<br>of<br>Commitment |       |
| 27 Jackson Street                     | 0.000%           | 07/01/2048       | \$ 2,639               |                                                |                             |       |
| 571 Revere Street                     | 4.490%           | 04/01/2062       | 5,957                  |                                                |                             |       |
| 808 Memorial Drive                    | 3.830%           | 07/01/2063       | 61,500                 |                                                |                             |       |
| 808 Memorial Drive                    | 2.060%           | 07/01/2023       |                        | \$ 16,000                                      |                             |       |
| A.O. Flats at Forest Hills            | 4.120%           | 06/01/2060       | 12,787                 |                                                |                             |       |
| Academy Hill School                   | 3.020%           | 04/30/2058       | 911                    |                                                |                             |       |
| Academy Homes I                       | 5.850%           | 07/01/2040       | 5,310                  |                                                |                             |       |
| Adams Templeton                       | 3.870%           | 12/01/2057       | 11,799                 |                                                |                             |       |
| Allen Park Apartments I               | 7.750%           | 01/01/2035       | 2,514                  |                                                |                             |       |
| Allen Park Apartments II              | 7.750%           | 01/01/2026       | 413                    |                                                |                             |       |
| Ames Privilege                        | 3.500%           | 06/01/2024       | 253                    |                                                |                             |       |
| Ames Privilege - Unit 2               | 3.500%           | 10/01/2054       | 1,277                  |                                                |                             |       |
| Amory Street Residences               | 3.000%           | 07/01/2045       | 845                    |                                                |                             |       |
| Amy Lowell House                      | 5.900%           | 07/28/2039       | 7,000                  |                                                |                             |       |
| Anderson Park                         | 3.870%           | 08/01/2058       | 20,777                 |                                                |                             |       |
| Appleton Mills Redevelopment Phase IA | 6.300%           | 04/01/2052       | 1,334                  |                                                |                             |       |
| Appleton Mills Redevelopment Phase IA | 0.010%           | 07/01/2051       | 1,640                  |                                                |                             |       |
| Asher's Path                          | 6.910%           | 11/01/2048       | 665                    |                                                |                             |       |
| Asher's Path                          | 0.000%           | 11/01/2048       | 464                    |                                                |                             |       |
| Auburn Court                          | 3.530%           | 06/01/2048       | 12,923                 |                                                |                             |       |
| Back of the Hill                      | 5.400%           | 10/01/2048       | 6,308                  |                                                |                             |       |
| Bancroft Dixwell Apartments           | 3.500%           | 11/01/2064       |                        | 12,208                                         | \$ 4,375                    |       |
| Bancroft Dixwell Apartments           | 1.880%           | 10/01/2024       |                        | 14,570                                         |                             |       |
| Bancroft Dixwell Apartments           | 2.630%           | 10/01/2024       |                        | 1,862                                          | 2,287                       |       |
| Bay Meadow Apartment                  | 5.300%           | 12/15/2023       | 721                    |                                                |                             |       |
| Beachmont Apartments                  | 6.500%           | 05/01/2049       | 1,906                  |                                                |                             |       |
| Beacon House                          | 5.500%           | 07/01/2054       | 12,893                 |                                                |                             |       |
| Beacon House                          | 3.500%           | 07/01/2024       | 328                    |                                                |                             |       |
| Bedford Village                       | 4.740%           | 07/01/2060       | 8,057                  |                                                |                             |       |
| Berkshire Peak                        | 3.470%           | 04/01/2058       | 3,896                  |                                                |                             |       |
| Binnall House                         | 0.438%           | 04/01/2043       | 409                    |                                                |                             |       |
| Blue Mountain Apartments (Building)   | 3.890%           | 04/01/2063       |                        | 52,250                                         |                             |       |
| Blue Mountain Apts (Land)             | 3.900%           | 04/01/2063       |                        | 12,500                                         |                             |       |
| Brandy Hill                           | 3.900%           | 10/01/2058       | 10,415                 |                                                |                             |       |
| Bridle Path Apartments                | 5.430%           | 01/01/2049       | 855                    |                                                |                             |       |
| Briston Arms                          | 4.640%           | 03/01/2057       | 33,554                 |                                                |                             |       |
| Brown Family House                    | 4.370%           | 07/01/2061       | 5,412                  |                                                |                             |       |
| Brown School Residences               | 6.950%           | 08/01/2048       | 1,981                  |                                                |                             |       |
| Burbank Gardens                       | 4.420%           | 07/01/2059       | 3,652                  |                                                |                             |       |
| Camden Apartments                     | 4.920%           | 01/01/2061       | 5,779                  |                                                |                             |       |
| Capitol Square                        | 7.500%           | 11/01/2045       | 1,013                  |                                                |                             |       |
| Casa Maria                            | 5.500%           | 12/01/2048       | 3,814                  |                                                |                             |       |
| Central Annex                         | 5.250%           | 07/01/2055       | 5,041                  |                                                |                             |       |
| Chauncy House                         | 5.050%           | 07/01/2057       | 8,709                  |                                                |                             |       |
| Cheriton Heights Senior Housing       | 6.000%           | 08/01/2053       | 1,360                  |                                                |                             |       |
| Chestnut Gardens Apartments           | 5.400%           | 12/15/2023       | 184                    |                                                |                             |       |
| Clarendon Hill                        | 6.030%           | 03/01/2052       | 19,348                 |                                                |                             |       |
| Cleaves Dimock-Bragdon Apartments     | 4.000%           | 03/01/2057       | 9,392                  |                                                |                             |       |
| Clippership Apartments                | 5.070%           | 12/01/2061       | 6,521                  |                                                |                             |       |

## SUPPLEMENTAL SCHEDULE 1: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS

| Project Name                                | Interest Rate | Maturity Date | In thousands        |                                          |                       | Notes |
|---------------------------------------------|---------------|---------------|---------------------|------------------------------------------|-----------------------|-------|
|                                             |               |               | Mortgage Obligation | Advances Construction/<br>Mortgage Loans | Balance of Commitment |       |
| Cobbet Hill                                 | 4.290%        | 12/01/2058    | \$ 7,245            |                                          |                       |       |
| Cohen Residences                            | 4.420%        | 02/01/2060    | 27,461              |                                          |                       |       |
| Columbia West Apartments                    | 5.340%        | 12/31/2052    | 300                 |                                          |                       |       |
| Conant Village                              | 0.000%        | 05/01/2057    | 916                 |                                          |                       |       |
| Conway Court                                | 4.150%        | 11/01/2053    | 1,961               |                                          |                       |       |
| Cote Village 4%                             | 3.850%        | 10/01/2062    | 8,281               |                                          |                       |       |
| Counting House Lofts                        | 3.500%        | 12/01/2045    | 2,008               |                                          |                       |       |
| Cromwell Court                              | 5.360%        | 01/01/2052    | 5,326               |                                          |                       |       |
| Daniel F Burns Apartments                   | 4.040%        | 01/01/2063    | 43,536              |                                          |                       |       |
| Davenport Commons                           | 4.920%        | 08/01/2031    | 16,818              |                                          |                       |       |
| Dom Polski                                  | 5.400%        | 12/01/2048    | 2,144               |                                          |                       |       |
| Esperanza Trust                             | 3.860%        | 06/01/2061    | 24,699              |                                          |                       |       |
| Fairweather Apartments (A)                  | 5.450%        | 10/10/2023    | 1,508               |                                          |                       |       |
| Finch Cambridge                             | 4.790%        | 11/01/2060    | 8,697               |                                          |                       |       |
| Florence Apartments                         | 7.310%        | 08/01/2050    | 1,401               |                                          |                       |       |
| Forest Park Apartments                      | 3.500%        | 03/01/2041    | 809                 |                                          |                       |       |
| Forestvale                                  | 7.380%        | 08/01/2050    | 1,447               |                                          |                       |       |
| Founders Court Apts.                        | 3.600%        | 10/01/2057    | 1,760               |                                          |                       |       |
| Founders Court Apts.                        | 6.650%        | 01/01/2026    | 12                  |                                          |                       |       |
| Franklin Highlands                          | 4.550%        | 12/01/2026    | 3,688               |                                          |                       |       |
| Franklin Hill Revitalization Phase 2A       | 7.000%        | 10/01/2050    | 1,796               |                                          |                       |       |
| Franklin Hill Revitalization Phase 2B       | 6.000%        | 10/01/2050    | 1,063               |                                          |                       |       |
| Gateway Residences On Washington            | 4.100%        | 10/01/2058    | 9,568               |                                          |                       |       |
| Georgetowne Homes One                       | 4.520%        | 05/01/2056    | 67,100              |                                          |                       |       |
| Georgetowne Homes Two                       | 4.520%        | 05/01/2056    | 41,224              |                                          |                       |       |
| Golda Meir House Expansion                  | 3.500%        | 08/01/2063    |                     | \$ 6,187                                 | \$ 1,913              |       |
| Golda Meir House Expansion                  | 1.880%        | 08/01/2023    |                     | 13,625                                   |                       |       |
| Golda Meir House Expansion                  | 2.630%        | 08/01/2023    |                     | 1,775                                    |                       |       |
| Golda Meir House II                         | 3.900%        | 04/01/2059    | 36,023              |                                          |                       |       |
| Goldman Residences                          | 0.374%        | 11/01/2042    | 615                 |                                          |                       |       |
| Granite Lena Park Apts                      | 3.850%        | 04/01/2062    | 16,095              |                                          |                       |       |
| Hadley Building Apartments                  | 0.000%        | 01/31/2048    | 2,199               |                                          |                       |       |
| Haley House                                 | 6.250%        | 05/01/2029    | 293                 |                                          |                       |       |
| Hamilton Wade Douglas                       | 4.100%        | 01/01/2057    | 12,057              |                                          |                       |       |
| Hamilton Wade Douglas                       | 3.500%        | 01/01/2057    | 5,230               |                                          |                       |       |
| Harborview Towers                           | 4.200%        | 07/01/2052    | 5,849               |                                          |                       |       |
| Haynes House                                | 4.920%        | 07/01/2061    | 8,855               |                                          |                       |       |
| Heritage at Bedford Springs                 | 4.725%        | 08/01/2048    | 23,341              |                                          |                       |       |
| High Rock Homes                             | 5.650%        | 05/01/2050    | 2,357               |                                          |                       |       |
| High Rock Homes                             | 0.000%        | 05/01/2050    | 1,500               |                                          |                       |       |
| Hillcrest Acres                             | 3.440%        | 10/01/2024    |                     | 7,250                                    |                       |       |
| Hillcrest Acres                             | 5.070%        | 10/01/2064    |                     | 7,035                                    |                       |       |
| Historic South End Apartments (A)           | 5.250%        | 06/01/2055    | 2,127               |                                          |                       |       |
| Holyoke Farms                               | 3.900%        | 01/01/2061    | 12,482              |                                          |                       |       |
| Hotel Raymond                               | 5.950%        | 01/01/2044    | 1,552               |                                          |                       |       |
| Indigo Block Apts Low Income                | 4.000%        | 07/01/2062    | 8,455               |                                          |                       |       |
| Island Creek East - I                       | 6.850%        | 12/01/2048    | 413                 |                                          |                       |       |
| Island Creek Village North - Age Restricted | 4.500%        | 05/01/2058    | 3,511               |                                          |                       |       |
| Jaclen Tower                                | 4.150%        | 11/01/2053    | 8,339               |                                          |                       |       |

**SUPPLEMENTAL SCHEDULE 1: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS**

| Project<br>Name                  | Interest<br>Rate | Maturity<br>Date | In thousands           |                                                |                             | Notes |
|----------------------------------|------------------|------------------|------------------------|------------------------------------------------|-----------------------------|-------|
|                                  |                  |                  | Mortgage<br>Obligation | Advances<br>Construction/<br>Mortgage<br>Loans | Balance<br>of<br>Commitment |       |
| Jas Consolidation                | 4.670%           | 01/01/2060       | \$ 9,780               |                                                |                             |       |
| Kennedy Building Apartments      | 4.760%           | 01/01/2059       | 1,654                  |                                                |                             |       |
| Kensington Court at Lakeville    | 7.310%           | 08/01/2050       | 3,850                  |                                                |                             |       |
| King Pine                        | 4.920%           | 07/01/2060       | 9,554                  |                                                |                             |       |
| Kings Landing                    | 5.000%           | 06/01/2054       | 3,934                  |                                                |                             |       |
| Kurlat House                     | 3.900%           | 01/01/2049       | 51,981                 |                                                |                             |       |
| Landfall Community Associates II | 4.570%           | 01/01/2060       | 5,602                  |                                                |                             |       |
| LBB Housing                      | 3.400%           | 01/01/2054       | 3,478                  |                                                |                             |       |
| Lebanese Community Housing       | 5.750%           | 10/01/2049       | 2,416                  |                                                |                             |       |
| Leisure Towers                   | 5.250%           | 07/01/2054       | 16,620                 |                                                |                             |       |
| Lenox Apartments                 | 3.670%           | 11/01/2062       | 27,349                 |                                                |                             |       |
| Leyden Woods Apartments          | 3.850%           | 10/01/2057       | 24,455                 |                                                |                             |       |
| Lincoln Woods                    | 3.750%           | 08/01/2057       | 11,714                 |                                                |                             |       |
| Lionhead Apartments              | 4.540%           | 12/27/2055       | 6,570                  |                                                |                             |       |
| Loring Towers                    | 5.400%           | 01/01/2050       | 8,489                  |                                                |                             |       |
| Louis Barrett Residences         | 4.600%           | 03/01/2057       | 14,707                 |                                                |                             |       |
| LPI Portfolio                    | 4.540%           | 04/01/2061       | 25,477                 |                                                |                             |       |
| Lucerne Gardens                  | 3.500%           | 07/01/2024       | 101                    |                                                |                             |       |
| Madison Melnea Cass Apts         | 4.420%           | 03/01/2060       | 10,795                 |                                                |                             |       |
| Madison Park III                 | 4.090%           | 01/01/2058       | 19,738                 |                                                |                             |       |
| Majestic Apartments              | 3.150%           | 04/01/2061       | 2,493                  |                                                |                             |       |
| Maple Ridge Phase I              | 7.000%           | 06/01/2052       | 3,684                  |                                                |                             |       |
| Mary Colbert Apartments          | 5.500%           | 07/01/2055       | 3,028                  |                                                |                             |       |
| Mashpee Village                  | 4.900%           | 05/01/2056       | 3,820                  |                                                |                             |       |
| Mass Mills III                   | 4.500%           | 04/01/2048       | 3,179                  |                                                |                             |       |
| Matheson Apartments II           | 3.760%           | 08/01/2061       | 5,877                  |                                                |                             |       |
| Mattapan Heights II              | 3.500%           | 02/01/2046       | 958                    |                                                |                             |       |
| Mattapan Heights II              | 2.000%           | 02/01/2046       | 2,000                  |                                                |                             |       |
| Mattapan Heights III             | 5.330%           | 03/01/2048       | 2,595                  |                                                |                             |       |
| Mattapan Stattion 4%             | 6.600%           | 10/01/2023       |                        | \$ 3,500                                       |                             |       |
| Mattapan Stattion 4%             | 3.970%           | 04/01/2063       | 15,089                 |                                                |                             |       |
| Maverick Landing Phase I         | 3.500%           | 11/01/2035       | 1,767                  |                                                |                             |       |
| Maverick Landing Phase II        | 3.500%           | 11/01/2035       | 993                    |                                                |                             |       |
| Maverick Landing Phase III       | 3.500%           | 01/01/2037       | 1,391                  |                                                |                             |       |
| Maverick Landing Phase IV        | 3.500%           | 06/01/2037       | 1,254                  |                                                |                             |       |
| Metropolitan (Rental)            | 7.900%           | 06/01/2045       | 10,680                 |                                                |                             |       |
| Middlebury Arms                  | 5.250%           | 09/01/2055       | 1,210                  |                                                |                             |       |
| Mission Main                     | 5.990%           | 01/01/2066       |                        | 10,161                                         | \$ 50,456                   |       |
| Mission Park                     | 7.050%           | 02/01/2040       | 35,684                 |                                                |                             |       |
| Morgan Woods                     | 5.550%           | 01/01/2048       | 4,090                  |                                                |                             |       |
| Mtn View Terrace                 | 5.500%           | 07/31/2050       | 1,292                  |                                                |                             |       |
| New Codman Square Apartments     | 5.500%           | 01/01/2054       | 1,008                  |                                                |                             |       |
| New Girls Latin Academy          | 6.960%           | 07/01/2038       | 930                    |                                                |                             |       |
| Newcastle Saranac                | 3.830%           | 07/01/2062       | 17,426                 |                                                |                             |       |
| Nor-AI                           | 5.250%           | 01/01/2055       | 5,492                  |                                                |                             |       |
| Nor-AI                           | 5.250%           | 01/01/2034       | 1,677                  |                                                |                             |       |
| North Commons at Village Hills   | 3.770%           | 12/01/2062       | 3,083                  |                                                |                             |       |
| North Village at Webster         | 4.650%           | 01/01/2056       | 5,124                  |                                                |                             |       |
| Oak Terrace                      | 4.290%           | 06/01/2058       | 11,891                 |                                                |                             |       |

**SUPPLEMENTAL SCHEDULE 1: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS**

| Project Name                               | Interest Rate | Maturity Date | In thousands        |                                          |                       | Notes |
|--------------------------------------------|---------------|---------------|---------------------|------------------------------------------|-----------------------|-------|
|                                            |               |               | Mortgage Obligation | Advances Construction/<br>Mortgage Loans | Balance of Commitment |       |
| Ocean Shores - Lynn                        | 6.850%        | 06/01/2048    | \$ 17,076           |                                          |                       |       |
| Old Colony Phase Three A 4%                | 4.250%        | 03/01/2062    | 14,728              |                                          |                       |       |
| Old Colony Phase Three B 4%                | 3.820%        | 07/01/2063    | 19,188              |                                          |                       |       |
| Old Colony Phase Three C                   | 3.670%        | 01/01/2063    | 7,187               |                                          |                       |       |
| Old Colony Phase Four                      | 5.990%        | 02/01/2066    |                     | \$ 2,566                                 | \$ 24,915             |       |
| Old Colony Phase Five                      | 5.990%        | 02/01/2066    |                     | 1,417                                    | 24,893                |       |
| Orchard Hill                               | 6.680%        | 07/01/2027    | 391                 |                                          |                       |       |
| Pac 10 Lofts                               | 4.670%        | 04/01/2063    |                     | 17,768                                   |                       |       |
| Pac 10 Lofts                               | 3.440%        | 07/01/2023    |                     | 18,000                                   |                       |       |
| Palmer Green Est                           | 3.320%        | 05/01/2058    | 10,745              |                                          |                       |       |
| Palmer Green Est                           | 3.250%        | 07/01/2036    | 2,956               |                                          |                       |       |
| Pequot Highlands                           | 4.140%        | 05/01/2059    | 39,498              |                                          |                       |       |
| Powdermill Village                         | 3.820%        | 08/01/2062    | 14,376              |                                          |                       |       |
| Powdermill Village                         | 1.550%        | 08/01/2062    | 528                 |                                          |                       |       |
| Power Town                                 | 3.750%        | 11/01/2056    | 6,372               |                                          |                       |       |
| Preserve North Residences                  | 4.100%        | 01/01/2062    | 27,892              |                                          |                       |       |
| Quincy Heights                             | 2.290%        | 06/01/2041    | 13,108              |                                          |                       |       |
| Quincy Tower                               | 4.290%        | 01/01/2059    | 20,001              |                                          |                       |       |
| Regency Towers I                           | 0.000%        | 04/01/2040    | 5,151               |                                          |                       |       |
| Residences At Brighton Marine              | 4.570%        | 11/01/2060    | 9,564               |                                          |                       |       |
| Residences At Canal Bluffs                 | 3.500%        | 06/01/2051    | 733                 |                                          |                       |       |
| Rindge Tower Apartments                    | 4.250%        | 07/01/2058    | 20,002              |                                          |                       |       |
| River Place Towers (Lowell)                | 4.125%        | 04/01/2055    | 1,460               |                                          |                       |       |
| Sc Hamilton Apts                           | 4.100%        | 10/01/2061    | 6,487               |                                          |                       |       |
| School House Apts Brookledge Cummings      | 7.200%        | 01/01/2049    | 145                 |                                          |                       |       |
| Seabury Heights                            | 5.340%        | 02/01/2043    | 10,805              |                                          |                       |       |
| Shillman House                             | 6.500%        | 11/01/2051    | 11,606              |                                          |                       |       |
| Silver Leaf Terrace                        | 5.730%        | 12/01/2040    | 10,453              |                                          |                       |       |
| Sitkowski School Apartments                | 5.000%        | 07/01/2056    | 1,637               |                                          |                       |       |
| Smith House                                | 3.750%        | 12/01/2058    | 12,700              |                                          |                       |       |
| South End Apartments                       | 6.760%        | 06/01/2043    | 3,524               |                                          |                       |       |
| South End Tenants Houses II                | 6.190%        | 12/01/2045    | 10,533              |                                          |                       |       |
| South End Tenants Houses II                | 5.250%        | 12/01/2023    | 220                 |                                          |                       |       |
| Spring Gate                                | 7.250%        | 07/01/2056    | 5,182               |                                          |                       |       |
| Squirrelwood                               | 4.290%        | 01/01/2062    | 8,087               |                                          |                       |       |
| St Mathieus School                         | 4.000%        | 06/01/2053    | 1,710               |                                          |                       |       |
| St Stephen's Tower                         | 3.600%        | 01/01/2034    | 14,784              |                                          |                       |       |
| Stratton Hill                              | 4.560%        | 06/01/2059    | 9,508               |                                          |                       |       |
| Summer Hill Glen                           | 4.150%        | 04/01/2053    | 1,081               |                                          |                       |       |
| Susan S Bailis Assisted Living             | 6.500%        | 07/01/2043    | 1,794               |                                          |                       |       |
| Sycamore Village                           | 6.810%        | 08/01/2050    | 916                 |                                          |                       |       |
| The Apartments at Boott Mills              | 3.000%        | 10/01/2058    | 2,325               |                                          |                       |       |
| The Carruth                                | 5.850%        | 10/01/2048    | 4,872               |                                          |                       |       |
| The Close Building                         | 4.690%        | 03/01/2060    | 9,022               |                                          |                       |       |
| The Commons at Boston Road (variable rate) | 4.050%        | 11/30/2038    | 12,953              |                                          |                       |       |
| The Commons at Drum Hill (variable rate)   | 4.050%        | 08/31/2038    | 8,381               |                                          |                       |       |
| The Coolidge                               | 5.300%        | 07/01/2050    | 3,462               |                                          |                       |       |
| The Coolidge                               | 4.460%        | 08/01/2049    | 2,726               |                                          |                       |       |
| The Cordovan At Haverhill Station          | 6.760%        | 09/01/2048    | 662                 |                                          |                       |       |

**SUPPLEMENTAL SCHEDULE 1: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS**

| Project<br>Name                                   | Interest<br>Rate | Maturity<br>Date | In thousands           |                                                |                             | Notes |
|---------------------------------------------------|------------------|------------------|------------------------|------------------------------------------------|-----------------------------|-------|
|                                                   |                  |                  | Mortgage<br>Obligation | Advances<br>Construction/<br>Mortgage<br>Loans | Balance<br>of<br>Commitment |       |
| The Fairways At Lebaron Hills                     | 7.000%           | 02/01/2051       | \$ 364                 |                                                |                             |       |
| The Moorings at Squantum Gardens I                | 0.100%           | 02/01/2056       | 1,362                  |                                                |                             |       |
| The Watson                                        | 4.150%           | 12/01/2059       | 28,299                 |                                                |                             |       |
| Town Brook House                                  | 2.970%           | 10/01/2060       | 27,945                 |                                                |                             |       |
| Treehouse at Easthampton Meadow                   | 7.100%           | 09/01/2037       | 532                    |                                                |                             |       |
| Tribune Apartments                                | 4.290%           | 05/01/2058       | 4,117                  |                                                |                             |       |
| Trinity Terrace                                   | 3.500%           | 01/31/2035       | 350                    |                                                |                             |       |
| UE Apartments                                     | 5.500%           | 01/01/2053       | 3,978                  |                                                |                             |       |
| Uphams Corner Market                              | 6.470%           | 12/01/2042       | 1,239                  |                                                |                             |       |
| Valebrook                                         | 5.000%           | 04/01/2051       | 765                    |                                                |                             |       |
| Village at Hospital Hill II                       | 4.000%           | 01/20/2050       | 1,300                  |                                                |                             |       |
| Voke Lofts                                        | 3.400%           | 01/01/2055       | 1,904                  |                                                |                             |       |
| Warren House                                      | 6.947%           | 12/01/2023       | 235                    |                                                |                             |       |
| Washington Park Apartments                        | 3.400%           | 01/01/2055       | 2,922                  |                                                |                             |       |
| Waterway Apartments                               | 5.000%           | 02/01/2052       | 4,992                  |                                                |                             |       |
| Waverley Woods                                    | 6.980%           | 07/01/2049       | 1,562                  |                                                |                             |       |
| Waverley Woods                                    | 0.000%           | 07/01/2049       | 1,750                  |                                                |                             |       |
| Weeks School Apartments                           | 6.720%           | 06/01/2047       | 988                    |                                                |                             |       |
| Wellington Community                              | 4.570%           | 01/01/2060       | 15,868                 |                                                |                             |       |
| West Newton Rutland Apartments                    | 4.920%           | 03/01/2062       | 7,680                  |                                                |                             |       |
| Westland Avenue Apartments                        | 6.050%           | 02/01/2046       | 8,595                  |                                                |                             |       |
| Whittier At Cabot 4%                              | 4.620%           | 01/01/2061       | 8,996                  |                                                |                             |       |
| Whittier Phase Two                                | 2.060%           | 12/01/2023       |                        | \$ 500                                         |                             |       |
| Whittier Phase Two                                | 3.980%           | 06/01/2063       | 15,923                 |                                                |                             |       |
| Wilkins Glen                                      | 4.150%           | 11/01/2053       | 1,004                  |                                                |                             |       |
| Woods at Wareham                                  | 5.500%           | 07/01/2054       | 8,422                  |                                                |                             |       |
| Worcester Courthouse                              | 4.600%           | 01/01/2062       | 12,045                 |                                                |                             |       |
| Worcester Courthouse                              | 3.880%           | 01/01/2062       | 1,963                  |                                                |                             |       |
| Worcester Loomworks Phase I                       | 4.900%           | 01/01/2056       | 1,267                  |                                                |                             |       |
| Worcester Loomworks Phase II                      | 6.000%           | 01/01/2056       | 1,015                  |                                                |                             |       |
| Zelma Lacey House of Charlestown                  | 4.670%           | 05/01/2064       |                        | 2,900                                          |                             |       |
| Zelma Lacey House of Charlestown                  | 2.250%           | 05/01/2064       | 1,256                  |                                                |                             |       |
| Zelma Lacey House of Charlestown                  | 2.810%           | 05/01/2024       |                        | 13,597                                         | \$ 303                      |       |
| <b>Sub-total</b>                                  |                  |                  | <b>\$ 1,696,765</b>    | <b>\$ 215,671</b>                              | <b>\$ 129,488</b>           |       |
| <b>Single Family Housing Revenue Bond Program</b> |                  |                  |                        |                                                |                             |       |
| <b>Adopted September 12, 1985</b>                 |                  |                  |                        |                                                |                             |       |
| Home Improvement Loans                            | 1.000% - 2.00%   |                  | \$ 20,830              |                                                |                             |       |
| Single Family Mortgages Receivable                | 2.375% - 8.4500% |                  | 1,026,897              |                                                |                             |       |
| <b>Sub-total</b>                                  |                  |                  | <b>\$ 1,047,727</b>    |                                                |                             |       |
| <b>Total</b>                                      |                  |                  | <b>\$ 3,883,145</b>    | <b>\$ 272,899</b>                              | <b>\$ 203,624</b>           |       |

(a) This balance includes Single Family mortgages funded by the Agency's Working Capital Fund and held for pending subsequent sale of loans, or loans wrapped by MBS, either to outside investors or to one or more of the Agency's bond programs.

Massachusetts Housing Finance Agency  
**SCHEDULE 2: BONDS PAYABLE**

Note H: Bond and Note Indebtedness, continued

June 30, 2023

|                                                |            |                   |            |            |                   | In thousands of dollars |             |                  |                   |                  |                   |
|------------------------------------------------|------------|-------------------|------------|------------|-------------------|-------------------------|-------------|------------------|-------------------|------------------|-------------------|
|                                                | Final      | Next Scheduled    | Interest % | Rate Range | Debt              | Outstanding             | Issued and  | Retired or       | Outstanding       | Unamortized      | Adjusted          |
|                                                | Maturity   | Principal Payment |            |            |                   |                         |             |                  |                   | Bond/Note        |                   |
|                                                | Date       | Date              | From       | To         | Type              | June 30, 2022           | Compounded  | Exchanged        | June 30, 2023     | Discount/Premium | Totals            |
| <b>General Rental Development Bond Program</b> |            |                   |            |            |                   |                         |             |                  |                   |                  |                   |
| 2005 Series A/W                                | 01/01/2026 | 01/01/2024        | 4.5000     | 4.5000     | Underwritten      | \$ 200                  | \$ -        | \$ 45            | \$ 155            | \$ -             | \$ 155            |
| 2012 Issue One                                 | 06/01/2053 | 12/01/2023        | 3.0000     | 4.6250     | Underwritten      | 12,060                  | -           | 160              | 11,900            | -                | 11,900            |
| 2012 Series A                                  | 06/01/2053 | 12/01/2023        | 4.0000     | 4.0000     | Private Placement | 60,440                  | -           | 900              | 59,540            | -                | 59,540            |
| 2014 Series B                                  | 04/15/2054 | 04/01/2054        | 4.5000     | 4.5000     | Underwritten      | 36,230                  | -           | 455              | 35,775            | -                | 35,775            |
| VRHB 2015A (var)                               | 01/01/2034 | 01/01/2034        | 0.6500     | 4.4000     | Underwritten      | 30,270                  | -           | 700              | 29,570            | -                | 29,570            |
| 2018 Mill Road (var)                           | 11/01/2048 | 11/01/2023        | 1.2000     | 4.9000     | Underwritten      | 22,800                  | -           | 280              | 22,520            | -                | 22,520            |
| <b>Sub-total</b>                               |            |                   |            |            |                   | <b>\$ 162,000</b>       | <b>\$ -</b> | <b>\$ 2,540</b>  | <b>\$ 159,460</b> | <b>\$ -</b>      | <b>\$ 159,460</b> |
| <b>Multi-Family Housing Bond Program</b>       |            |                   |            |            |                   |                         |             |                  |                   |                  |                   |
| 2009 Series A, Subseries 1                     | 12/01/2051 | 12/01/2038        | 3.0100     | 3.0100     | Private Placement | \$ 22,350               | \$ -        | \$ 19,680        | \$ 2,670          | \$ -             | \$ 2,670          |
| 2009 Series A, Subseries 2                     | 12/01/2051 | 06/01/2033        | 3.5500     | 3.5500     | Private Placement | 50,170                  | -           | -                | 50,170            | -                | 50,170            |
| 2009 Series A, Subseries 3                     | 12/01/2051 | 06/01/2035        | 2.5800     | 2.5800     | Private Placement | 42,830                  | -           | -                | 42,830            | -                | 42,830            |
| 2009 Series A, Subseries 4                     | 12/01/2051 | 12/01/2023        | 2.3200     | 2.3200     | Private Placement | 13,830                  | -           | 280              | 13,550            | -                | 13,550            |
| 2010 Series A                                  | 12/01/2038 |                   | 4.6250     | 5.3000     | Underwritten      | 2,320                   | -           | 2,320            | -                 | -                | -                 |
| 2011 Series A                                  | 12/01/2032 | 12/01/2023        | 3.7500     | 4.8750     | Underwritten      | 11,665                  | -           | 880              | 10,785            | -                | 10,785            |
| 2011 Series B                                  | 12/01/2053 | 12/01/2023        | 3.4000     | 5.1250     | Underwritten      | 24,470                  | -           | 975              | 23,495            | -                | 23,495            |
| <b>Sub-total</b>                               |            |                   |            |            |                   | <b>\$ 167,635</b>       | <b>\$ -</b> | <b>\$ 24,135</b> | <b>\$ 143,500</b> | <b>\$ -</b>      | <b>\$ 143,500</b> |
| <b>Housing Bond Program</b>                    |            |                   |            |            |                   |                         |             |                  |                   |                  |                   |
| 2003 Series F (var)                            | 12/01/2037 | 12/01/2023        | 0.6800     | 4.5000     | Underwritten      | \$ 275                  | \$ -        | \$ 20            | \$ 255            | \$ -             | \$ 255            |
| 2003 Series H                                  | 06/01/2043 | 12/01/2023        | 4.8750     | 5.1250     | Underwritten      | 1,310                   | -           | 35               | 1,275             | -                | 1,275             |
| 2008 Series A (var)                            | 05/01/2048 | 07/01/2023        | 1.9500     | 5.8300     | Private Placement | 77,905                  | -           | 1,285            | 76,620            | -                | 76,620            |
| 2009 Series B (var)                            | 01/01/2044 | 07/01/2023        | 1.6000     | 5.2500     | Underwritten      | 10,808                  | -           | 200              | 10,608            | -                | 10,608            |
| 2009 Series C                                  | 12/01/2049 | 12/01/2023        | 4.4500     | 5.3500     | Underwritten      | 18,340                  | -           | 390              | 17,950            | -                | 17,950            |
| 2011 Series A                                  | 12/01/2041 | 12/01/2023        | 4.2500     | 5.3000     | Underwritten      | 10,980                  | -           | 335              | 10,645            | -                | 10,645            |
| 2012 Series A                                  | 12/01/2031 | 12/01/2023        | 2.6500     | 3.5000     | Underwritten      | 19,180                  | -           | 1,765            | 17,415            | -                | 17,415            |
| 2012 Series B                                  | 06/01/2053 | 12/01/2023        | 2.6500     | 4.0200     | Underwritten      | 16,515                  | -           | 295              | 16,220            | -                | 16,220            |
| 2012 Series C                                  | 06/01/2043 | 12/01/2023        | 3.5290     | 4.8360     | Underwritten      | 7,720                   | -           | 315              | 7,405             | -                | 7,405             |
| 2012 Series E                                  | 12/01/2054 | 12/01/2023        | 2.3500     | 3.7500     | Underwritten      | 21,390                  | -           | 600              | 20,790            | -                | 20,790            |
| 2012 Series F                                  | 06/01/2043 | 12/01/2023        | 2.3500     | 3.5000     | Underwritten      | 530                     | -           | 15               | 515               | -                | 515               |
| 2013 Series B                                  | 06/01/2056 | 12/01/2023        | 3.0000     | 4.5000     | Underwritten      | 108,500                 | -           | 1,500            | 107,000           | -                | 107,000           |
| 2013 Series C                                  | 12/01/2049 | 12/01/2023        | 3.5000     | 5.3500     | Underwritten      | 8,280                   | -           | 110              | 8,170             | -                | 8,170             |
| 2013 Series E                                  | 12/01/2054 | 12/01/2023        | 3.2000     | 5.2500     | Underwritten      | 27,655                  | -           | 19,185           | 8,470             | (9)              | 8,461             |
| 2013 Series F (var)                            | 12/01/2038 | 12/01/2023        | 0.6800     | 4.6500     | Underwritten      | 22,265                  | -           | 800              | 21,465            | -                | 21,465            |
| 2014 Series A                                  | 12/01/2055 | 12/01/2023        | 2.7500     | 4.6000     | Underwritten      | 17,850                  | -           | 850              | 17,000            | -                | 17,000            |
| 2014 Series B                                  | 12/01/2047 | 06/01/2024        | 3.2500     | 4.7000     | Underwritten      | 56,735                  | -           | 36,975           | 19,760            | -                | 19,760            |
| 2014 Series C                                  | 12/01/2045 | 12/01/2023        | 3.5380     | 5.0000     | Underwritten      | 1,170                   | -           | 95               | 1,075             | -                | 1,075             |
| 2014 Series D                                  | 12/01/2054 | 12/01/2023        | 2.6000     | 4.2500     | Underwritten      | 27,315                  | -           | 465              | 26,850            | -                | 26,850            |
| 2014 Series E                                  | 12/01/2045 |                   | 3.0000     | 4.3500     | Underwritten      | 3,525                   | -           | 3,525            | -                 | -                | -                 |
| 2015 Series A                                  | 12/01/2048 | 12/01/2023        | 3.0500     | 4.5000     | Underwritten      | 36,060                  | -           | 845              | 35,215            | -                | 35,215            |
| 2015 Series B                                  | 12/01/2053 | 12/01/2023        | 3.1730     | 4.6140     | Underwritten      | 17,655                  | -           | 560              | 17,095            | -                | 17,095            |
| 2015 Series C                                  | 06/01/2055 | 12/01/2023        | 2.7000     | 4.2500     | Underwritten      | 19,545                  | -           | 305              | 19,240            | -                | 19,240            |
| 2015 Series D                                  | 12/01/2045 | 12/01/2023        | 2.6000     | 4.3000     | Underwritten      | 33,860                  | -           | 405              | 33,455            | -                | 33,455            |
| 2015 Series E                                  | 12/01/2045 | 12/01/2023        | 2.5000     | 4.2000     | Underwritten      | 25,165                  | -           | 690              | 24,475            | -                | 24,475            |
| 2015 Series G                                  | 12/01/2050 | 12/01/2023        | 2.2500     | 4.1000     | Underwritten      | 46,685                  | -           | 975              | 45,710            | -                | 45,710            |
| 2015 Series H                                  | 12/01/2050 | 12/01/2023        | 2.2500     | 4.1000     | Underwritten      | 18,870                  | -           | 395              | 18,475            | -                | 18,475            |
| 2016 Series A                                  | 12/01/2055 | 12/01/2023        | 1.9500     | 4.1000     | Underwritten      | 23,490                  | -           | 315              | 23,175            | -                | 23,175            |
| 2016 Series B                                  | 12/01/2048 | 12/01/2023        | 2.3500     | 4.2500     | Underwritten      | 8,775                   | -           | 3,000            | 5,775             | -                | 5,775             |
| 2016 Series C                                  | 12/01/2055 | 12/01/2023        | 3.1500     | 5.0000     | Underwritten      | 17,420                  | -           | 315              | 17,105            | -                | 17,105            |
| 2016 Series D                                  | 12/01/2048 | 12/01/2027        | 2.9000     | 3.4500     | Underwritten      | 48,530                  | -           | -                | 48,530            | -                | 48,530            |
| 2016 Series E                                  | 12/01/2027 | 12/01/2023        | 2.4500     | 3.2000     | Underwritten      | 7,780                   | -           | 1,405            | 6,375             | -                | 6,375             |
| 2016 Series F                                  | 06/01/2057 | 12/01/2023        | 1.6000     | 3.6250     | Underwritten      | 69,355                  | -           | 1,330            | 68,025            | -                | 68,025            |
| 2016 Series G                                  | 12/01/2058 | 12/01/2023        | 3.8500     | 3.8500     | Private Placement | 9,570                   | -           | 120              | 9,450             | -                | 9,450             |
| 2016 Series H                                  | 12/01/2046 | 12/01/2023        | 2.6000     | 4.4000     | Underwritten      | 47,820                  | -           | 1,205            | 46,615            | -                | 46,615            |
| 2016 Series I (var)                            | 12/01/2056 | 06/01/2047        | 2.9766     | 4.9529     | Private Placement | 25,000                  | -           | -                | 25,000            | -                | 25,000            |
| 2017 Series A                                  | 12/01/2049 | 12/01/2023        | 2.4500     | 4.5500     | Underwritten      | 56,395                  | -           | 23,010           | 33,385            | -                | 33,385            |
| 2017 Series B                                  | 12/01/2028 | 12/01/2023        | 3.1000     | 3.8500     | Underwritten      | 1,240                   | -           | 160              | 1,080             | -                | 1,080             |
| 2017 Series C                                  | 12/01/2052 | 12/01/2023        | 1.8000     | 4.0500     | Underwritten      | 41,080                  | -           | 770              | 40,310            | -                | 40,310            |
| 2017 Series D                                  | 06/01/2059 | 12/01/2023        | 2.0000     | 4.0000     | Underwritten      | 103,780                 | -           | 1,105            | 102,675           | -                | 102,675           |
| 2018 Series A                                  | 06/01/2046 | 12/01/2023        | 2.1500     | 3.8500     | Underwritten      | 26,060                  | -           | 735              | 25,325            | -                | 25,325            |
| 2018 Series B (var)                            | 06/01/2058 | 06/01/2046        | 2.2500     | 4.6700     | Private Placement | 25,000                  | -           | -                | 25,000            | -                | 25,000            |
| 2018 Series C                                  | 06/01/2040 | 12/01/2023        | 3.4060     | 4.7210     | Underwritten      | 38,000                  | -           | 1,250            | 36,750            | -                | 36,750            |
| 2018 Series D                                  | 12/01/2058 | 12/01/2023        | 2.2500     | 4.4500     | Underwritten      | 50,315                  | -           | 675              | 49,640            | -                | 49,640            |
| 2019 Series A                                  | 06/01/2061 | 12/01/2023        | 1.5500     | 3.6250     | Underwritten      | 70,110                  | -           | 735              | 69,375            | -                | 69,375            |
| 2019 Series B, Subseries 1                     | 12/01/2056 | 12/01/2023        | 1.4500     | 3.3000     | Underwritten      | 68,065                  | -           | 4,650            | 63,415            | -                | 63,415            |
| 2019 Series B, Subseries 2                     | 06/01/2023 |                   | 1.6000     | 1.6000     | Underwritten      | 9,765                   | -           | 9,765            | -                 | -                | -                 |
| 2019 Series B, Subseries 3                     | 12/01/2059 | 12/01/2056        | 3.3000     | 3.3000     | Private Placement | 8,340                   | -           | -                | 8,340             | -                | 8,340             |
| 2019 Series B, Subseries 4                     | 12/01/2022 |                   | 1.5000     | 1.5000     | Private Placement | 8,750                   | -           | 8,750            | -                 | -                | -                 |
| 2019 Series C, Subseries 1                     | 06/01/2062 | 12/01/2023        | 1.2500     | 3.3500     | Underwritten      | 92,920                  | -           | 1,070            | 91,850            | -                | 91,850            |
| 2019 Series C, Subseries 2                     | 06/01/2023 | 06/01/2023        | 1.4500     | 1.4500     | Underwritten      | 1,280                   | -           | 1,280            | -                 | -                | -                 |
| 2019 Series D                                  | 06/01/2061 | 12/01/2023        | 2.0500     | 3.8400     | Underwritten      | 13,725                  | -           | 150              | 13,575            | (38)             | 13,537            |
| 2020 Series A, Subseries 1                     | 06/01/2060 | 12/01/2023        | 0.8000     | 3.1000     | Underwritten      | 94,710                  | -           | 1,020            | 93,690            | 231              | 93,921            |
| 2020 Series A, Subseries 2                     | 12/01/2052 | 12/01/2023        | 0.8000     | 3.0000     | Underwritten      | 10,990                  | -           | 270              | 10,720            | 39               | 10,759            |
| 2020 Series A, Subseries 3                     | 12/01/2023 | 12/01/2023        | 0.8750     | 0.8750     | Underwritten      | 27,000                  | -           | 10,500           | 16,500            | -                | 16,500            |
| 2020 Series B                                  | 12/01/2040 | 12/01/2023        | 1.1500     | 3.3500     | Underwritten      | 4,710                   | -           | 210              | 4,500             | -                | 4,500             |
| 2020 Series C, Subseries 1                     | 12/01/2062 | 12/01/2023        | 0.3500     | 2.9000     | Underwritten      | 29,615                  | -           | 275              | 29,340            | -                | 29,340            |
| 2020 Series C, Subseries 2                     | 06/01/2023 |                   | 0.4000     | 0.5000     | Underwritten      | 28,015                  | -           | 28,015           | -                 | -                | -                 |
| 2020 Series C, Subseries 3                     | 06/01/2063 | 12/01/2023        | 2.6000     | 2.6000     | Private Placement | 26,410                  | -           | 35               | 26,375            | -                | 26,375            |
| 2020 Series C, Subseries 4                     | 12/01/2023 | 12/01/2023        | 0.5000     | 0.5000     | Private Placement | 10,020                  | -           | 6,210            | 3,810             | -                | 3,810             |
| 2020 Series D, Subseries 1                     | 06/01/2063 | 06/01/2024        | 0.5500     | 2.8000     | Underwritten      | 63,210                  | -           | -                | 63,210            | -                | 63,210            |

|                                                   |            |                   |            |            |                   | In thousands of dollars |                   |                   |                     |                  |                     |
|---------------------------------------------------|------------|-------------------|------------|------------|-------------------|-------------------------|-------------------|-------------------|---------------------|------------------|---------------------|
|                                                   | Final      | Next Scheduled    | Interest % | Rate Range | Debt              | Outstanding             | Issued and        | Retired or        | Outstanding         | Unamortized      |                     |
|                                                   | Maturity   | Principal Payment |            |            |                   |                         |                   |                   |                     | Bond/Note        | Adjusted            |
|                                                   | Date       | Date              |            |            |                   | June 30, 2022           | Compounded        | Exchanged         | June 30, 2023       | Discount/Premium | Totals              |
| 2020 Series D, Subseries 2                        | 12/01/2023 | 12/01/2023        | 0.4500     | 0.4500     | Underwritten      | \$ 2,205                | \$ -              | \$ -              | \$ 2,205            | \$ -             | \$ 2,205            |
| 2020 Series E                                     | 12/01/2050 | 12/01/2023        | 0.6030     | 3.2650     | Underwritten      | 41,765                  | -                 | 1,015             | 40,750              | -                | 40,750              |
| 2021 Series A, Subseries 1                        | 12/01/2063 | 06/01/2024        | 0.3500     | 2.7000     | Underwritten      | 50,655                  | -                 | -                 | 50,655              | -                | 50,655              |
| 2021 Series A, Subseries 2                        | 12/01/2024 | 12/01/2023        | 0.3000     | 0.4500     | Underwritten      | 42,595                  | -                 | -                 | 42,595              | -                | 42,595              |
| 2021 Series B, Subseries 1                        | 12/01/2063 | 12/01/2024        | 0.5500     | 3.1000     | Underwritten      | 77,820                  | -                 | -                 | 77,820              | -                | 77,820              |
| 2021 Series B, Subseries 2                        | 06/01/2026 | 06/01/2025        | 0.7500     | 0.9000     | Underwritten      | 61,500                  | -                 | -                 | 61,500              | -                | 61,500              |
| 2021 Series C                                     | 12/01/2023 | 12/01/2023        | 0.5000     | 0.5000     | Underwritten      | 8,805                   | -                 | -                 | 8,805               | -                | 8,805               |
| 2022 Series A, Subseries 1                        | 12/01/2064 | 06/01/2024        | 2.0500     | 4.4000     | Underwritten      | 23,850                  | -                 | -                 | 23,850              | -                | 23,850              |
| 2022 Series A, Subseries 2                        | 12/01/2026 | 06/01/2024        | 2.1500     | 2.8000     | Underwritten      | 49,115                  | -                 | -                 | 49,115              | -                | 49,115              |
| 2022 Series B                                     | 12/01/2034 | 06/01/2025        | 2.3000     | 3.7500     | Underwritten      | 1,990                   | -                 | -                 | 1,990               | -                | 1,990               |
| 2022 Series C, Subseries 1                        | 06/01/2066 | 06/01/2026        | 3.3500     | 5.2500     | Underwritten      | -                       | 65,465            | -                 | 65,465              | (234)            | 65,231              |
| 2022 Series C, Subseries 2                        | 06/01/2066 | 12/01/2026        | 5.1110     | 5.1110     | Underwritten      | -                       | 53,425            | -                 | 53,425              | -                | 53,425              |
| 2022 Series C, Subseries 3                        | 06/01/2026 | 12/01/2025        | 4.0000     | 4.0000     | Underwritten      | -                       | 73,610            | -                 | 73,610              | 635              | 74,245              |
| 2022 Series D, Subseries 1                        | 06/01/2065 | 06/01/2026        | 3.0500     | 5.1000     | Underwritten      | -                       | 21,055            | -                 | 21,055              | -                | 21,055              |
| 2022 Series D, Subseries 2                        | 06/01/2066 | 06/01/2026        | 4.9000     | 4.9000     | Underwritten      | -                       | 26,645            | -                 | 26,645              | -                | 26,645              |
| 2022 Series D, Subseries 3                        | 06/01/2027 | 12/01/2026        | 3.3000     | 3.3500     | Underwritten      | -                       | 51,070            | -                 | 51,070              | -                | 51,070              |
| 2023 Series A, Subseries 1                        | 12/01/2065 | 06/01/2025        | 2.7500     | 4.8500     | Underwritten      | -                       | 46,870            | -                 | 46,870              | -                | 46,870              |
| 2023 Series A, Subseries 2                        | 12/01/2065 | 06/01/2026        | 4.5000     | 4.5000     | Underwritten      | -                       | 30,060            | -                 | 30,060              | -                | 30,060              |
| 2023 Series A, Subseries 3                        | 12/01/2027 | 12/01/2024        | 2.8000     | 3.0500     | Underwritten      | -                       | 86,090            | -                 | 86,090              | -                | 86,090              |
| 2023 Series B                                     | 12/01/2025 | 12/01/2025        | 4.6100     | 4.6100     | Underwritten      | -                       | 22,940            | -                 | 22,940              | -                | 22,940              |
| <b>Sub-total</b>                                  |            |                   |            |            |                   | <b>\$ 2,183,633</b>     | <b>\$ 477,230</b> | <b>\$ 182,280</b> | <b>\$ 2,478,583</b> | <b>\$ 624</b>    | <b>\$ 2,479,207</b> |
| <b>Single Family Housing Revenue Bond Program</b> |            |                   |            |            |                   |                         |                   |                   |                     |                  |                     |
| Series 160                                        | 12/01/2027 |                   | 3.2000     | 3.7000     | Underwritten      | \$ 3,425                | \$ -              | \$ 3,425          | \$ -                | \$ -             | -                   |
| Series 161                                        | 12/01/2027 |                   | 2.6000     | 3.1500     | Underwritten      | 270                     | -                 | 270               | -                   | -                | -                   |
| Series 162                                        | 12/01/2037 | 12/01/2023        | 2.4000     | 3.5000     | Underwritten      | 18,040                  | -                 | 5,550             | 12,490              | -                | 12,490              |
| Series 163                                        | 12/01/2033 | 12/01/2023        | 3.0000     | 4.0000     | Underwritten      | 17,650                  | -                 | 3,980             | 13,670              | -                | 13,670              |
| Series 165                                        | 12/01/2043 | 12/01/2023        | 2.5500     | 4.0000     | Underwritten      | 7,065                   | -                 | 1,960             | 5,105               | -                | 5,105               |
| Series 166                                        | 12/01/2026 | 12/01/2023        | 3.1410     | 3.7910     | Underwritten      | 13,165                  | -                 | 2,150             | 11,015              | -                | 11,015              |
| Series 167                                        | 12/01/2043 |                   | 4.0000     | 4.0000     | Underwritten      | 1,400                   | -                 | 1,400             | -                   | -                | -                   |
| Series 168                                        | 12/01/2026 | 12/01/2023        | 2.9500     | 3.7500     | Underwritten      | 11,330                  | -                 | 1,660             | 9,670               | -                | 9,670               |
| Series 169                                        | 12/01/2044 |                   | 2.9500     | 4.0000     | Underwritten      | 1,765                   | -                 | 1,765             | -                   | -                | -                   |
| Series 171                                        | 12/01/2023 | 12/01/2023        | 2.6500     | 4.0000     | Underwritten      | 3,655                   | -                 | 2,910             | 745                 | 208              | 953                 |
| Series 172                                        | 06/01/2045 | 12/01/2035        | 4.0000     | 4.0000     | Underwritten      | 4,620                   | -                 | 2,890             | 1,730               | 491              | 2,221               |
| Series 173                                        | 12/01/2026 | 12/01/2025        | 3.0000     | 3.1000     | Underwritten      | 1,590                   | -                 | -                 | 1,590               | -                | 1,590               |
| Series 174                                        | 12/01/2025 | 12/01/2023        | 3.0500     | 3.4000     | Underwritten      | 9,005                   | -                 | 2,635             | 6,370               | -                | 6,370               |
| Series 175                                        | 12/01/2040 | 06/01/2039        | 4.0000     | 4.1000     | Underwritten      | 4,615                   | -                 | 400               | 4,215               | -                | 4,215               |
| Series 176                                        | 12/01/2025 | 12/01/2024        | 2.9500     | 3.0000     | Underwritten      | 3,120                   | -                 | -                 | 3,120               | -                | 3,120               |
| Series 177                                        | 06/01/2039 | 12/01/2023        | 3.0000     | 4.0000     | Underwritten      | 12,780                  | -                 | 5,610             | 7,170               | 468              | 7,638               |
| Series 178                                        | 06/01/2042 | 06/01/2031        | 3.5000     | 3.7000     | Underwritten      | 13,505                  | -                 | 3,930             | 9,575               | 674              | 10,249              |
| Series 179                                        | 12/01/2025 | 12/01/2023        | 2.3000     | 2.9000     | Underwritten      | 12,800                  | -                 | 3,485             | 9,315               | -                | 9,315               |
| Series 181                                        | 12/01/2044 | 12/01/2036        | 4.0000     | 4.0000     | Underwritten      | 4,805                   | -                 | 2,100             | 2,705               | 528              | 3,233               |
| Series 182                                        | 12/01/2028 | 12/01/2023        | 2.3500     | 3.3000     | Underwritten      | 12,790                  | -                 | 1,795             | 10,995              | -                | 10,995              |
| Series 183                                        | 12/01/2046 | 06/01/2031        | 2.8000     | 3.5000     | Underwritten      | 10,935                  | -                 | 1,815             | 9,120               | 688              | 9,808               |
| Series 184                                        | 06/01/2027 | 12/01/2023        | 1.9000     | 2.6250     | Underwritten      | 5,680                   | -                 | 1,125             | 4,555               | -                | 4,555               |
| Series 185                                        | 12/01/2026 | 12/01/2023        | 2.4500     | 3.1500     | Underwritten      | 9,460                   | -                 | 2,340             | 7,120               | -                | 7,120               |
| Series 186                                        | 06/01/2039 | 12/01/2030        | 4.0000     | 4.0000     | Underwritten      | 11,300                  | -                 | 3,980             | 7,320               | 796              | 8,116               |
| Series 187                                        | 12/01/2037 | 06/01/2033        | 3.5500     | 3.5500     | Underwritten      | 10,140                  | -                 | 3,385             | 6,755               | -                | 6,755               |
| Series 188                                        | 06/01/2043 | 12/01/2023        | 2.1000     | 4.0000     | Underwritten      | 18,565                  | -                 | 5,710             | 12,855              | 1,233            | 14,088              |
| Series 190                                        | 12/01/2048 | 06/01/2041        | 3.6500     | 4.0000     | Underwritten      | 15,050                  | -                 | 3,785             | 11,265              | 941              | 12,206              |
| Series 191                                        | 12/01/2028 | 12/01/2023        | 2.4000     | 3.1500     | Underwritten      | 10,890                  | -                 | 1,575             | 9,315               | -                | 9,315               |
| Series 192                                        | 12/01/2022 |                   | 0.0000     | 0.0000     | Private Placement | 14,800                  | -                 | 14,800            | -                   | -                | -                   |
| Series 193                                        | 12/01/2029 | 12/01/2023        | 3.2500     | 3.9500     | Underwritten      | 5,840                   | -                 | 890               | 4,950               | -                | 4,950               |
| Series 195                                        | 12/01/2048 | 12/01/2023        | 2.2500     | 4.0000     | Underwritten      | 9,605                   | -                 | 2,255             | 7,350               | 438              | 7,788               |
| Series 196 (var)                                  | 12/01/2048 | 06/01/2030        | 0.6500     | 4.4600     | Underwritten      | 15,000                  | -                 | -                 | 15,000              | -                | 15,000              |
| Series 197                                        | 06/01/2030 | 12/01/2023        | 3.3500     | 4.0500     | Underwritten      | 6,085                   | -                 | 525               | 5,560               | -                | 5,560               |
| Series 198                                        | 12/01/2034 | 12/01/2023        | 2.6000     | 3.8500     | Underwritten      | 6,690                   | -                 | 390               | 6,300               | -                | 6,300               |
| Series 199                                        | 12/01/2048 | 12/01/2037        | 4.0000     | 4.0000     | Underwritten      | 9,210                   | -                 | 2,310             | 6,900               | 460              | 7,360               |
| Series 200 (var)                                  | 12/01/2048 | 12/01/2034        | 0.6500     | 4.4600     | Underwritten      | 15,000                  | -                 | -                 | 15,000              | -                | 15,000              |
| Series 201                                        | 12/01/2030 | 12/01/2023        | 3.4000     | 4.3000     | Underwritten      | 3,765                   | -                 | 695               | 3,070               | -                | 3,070               |
| Series 202                                        | 06/01/2034 | 06/01/2031        | 4.0500     | 4.0500     | Underwritten      | 2,615                   | -                 | -                 | 2,615               | -                | 2,615               |
| Series 203                                        | 12/01/2048 | 06/01/2024        | 4.5000     | 4.5000     | Underwritten      | 8,185                   | -                 | 1,805             | 6,380               | 499              | 6,879               |
| Series 204 (var)                                  | 12/01/2048 | 06/01/2038        | 0.6500     | 4.4600     | Underwritten      | 10,000                  | -                 | -                 | 10,000              | -                | 10,000              |
| Series 205                                        | 06/01/2035 | 12/01/2023        | 2.7000     | 3.8000     | Underwritten      | 10,120                  | -                 | 910               | 9,210               | -                | 9,210               |
| Series 206                                        | 12/01/2036 | 12/01/2023        | 2.2000     | 3.4500     | Underwritten      | 5,650                   | -                 | 230               | 5,420               | -                | 5,420               |
| Series 207                                        | 06/01/2049 | 06/01/2037        | 4.0000     | 4.0000     | Underwritten      | 13,720                  | -                 | 2,995             | 10,725              | 896              | 11,621              |
| Series 208 (var)                                  | 06/01/2049 | 06/01/2037        | 0.6600     | 4.3000     | Underwritten      | 15,000                  | -                 | -                 | 15,000              | -                | 15,000              |
| Series 209                                        | 06/01/2034 | 12/01/2023        | 1.9500     | 3.0000     | Underwritten      | 12,935                  | -                 | 315               | 12,620              | -                | 12,620              |
| Series 210                                        | 12/01/2036 | 12/01/2023        | 1.6000     | 3.0000     | Underwritten      | 7,545                   | -                 | 780               | 6,765               | -                | 6,765               |
| Series 211                                        | 12/01/2049 | 12/01/2036        | 2.6000     | 3.5000     | Underwritten      | 16,410                  | -                 | 2,980             | 13,430              | 1,017            | 14,447              |
| Series 212 (var)                                  | 12/01/2049 | 12/01/2037        | 3.9500     | 3.9500     | Underwritten      | 15,000                  | 15,000            | 15,000            | 15,000              | -                | 15,000              |
| Series 213                                        | 12/01/2023 | 12/01/2023        | 1.6250     | 1.7000     | Underwritten      | 1,715                   | -                 | 1,505             | 210                 | -                | 210                 |
| Series 214                                        | 12/01/2049 | 12/01/2023        | 1.3500     | 5.0000     | Underwritten      | 61,190                  | -                 | 3,865             | 57,325              | 2,855            | 60,180              |
| Series 215                                        | 12/01/2050 | 12/01/2023        | 0.9500     | 4.0000     | Underwritten      | 36,565                  | -                 | 4,490             | 32,075              | 1,464            | 33,539              |
| Series 216 (var)                                  | 12/01/2050 | 06/01/2033        | 1.8500     | 1.8500     | Underwritten      | 25,000                  | -                 | -                 | 25,000              | -                | 25,000              |
| Series 217                                        | 12/01/2022 |                   | 5.0000     | 5.0000     | Underwritten      | 750                     | -                 | 750               | -                   | -                | -                   |
| Series 218                                        | 12/01/2050 | 12/01/2023        | 1.6000     | 5.0000     | Underwritten      | 62,980                  | -                 | 3,575             | 59,405              | 3,083            | 62,488              |
| Series 219                                        | 12/01/2022 |                   | 5.0000     | 5.0000     | Underwritten      | 150                     | -                 | 150               | -                   | -                | -                   |
| Series 220                                        | 12/01/2050 | 12/01/2023        | 1.3500     | 5.0000     | Underwritten      | 100,970                 | -                 | 6,045             | 94,925              | 5,592            | 100,517             |
| Series 221                                        | 12/01/2050 | 12/01/2023        | 1.4000     | 5.0000     | Underwritten      | 70,180                  | -                 | 3,775             | 66,405              | 3,904            | 70,309              |
| Series 222                                        | 06/01/2051 | 12/01/2023        | 1.4500     | 5.0000     | Underwritten      | 89,060                  | -                 | 3,985             | 85,075              | 5,423            | 90,498              |

|                                                  |            |                   |                       |        |              | In thousands of dollars |                   |                   |                     |                  |                     |
|--------------------------------------------------|------------|-------------------|-----------------------|--------|--------------|-------------------------|-------------------|-------------------|---------------------|------------------|---------------------|
|                                                  | Final      | Next Scheduled    | Interest % Rate Range |        | Debt         | Outstanding             |                   | Issued and        | Retired or          | Outstanding      | Unamortized         |
|                                                  | Maturity   | Principal Payment | From                  | To     | Type         | June 30, 2022           | June 30, 2022     | Compounded        | Exchanged           | June 30, 2023    | Bond/Note           |
|                                                  | Date       | Date              |                       |        |              |                         |                   |                   |                     |                  | Discount/Premium    |
|                                                  |            |                   |                       |        |              |                         |                   |                   |                     |                  | Adjusted            |
|                                                  |            |                   |                       |        |              |                         |                   |                   |                     |                  | Totals              |
| Series 223                                       | 06/01/2047 | 12/01/2023        | 1.3750                | 5.0000 | Underwritten | \$ 70,860               | \$ -              | \$ 4,465          | \$ 66,395           | \$ 3,578         | \$ 69,973           |
| Series 224                                       | 06/01/2050 | 12/01/2023        | 2.0000                | 5.0000 | Underwritten | 59,395                  | -                 | 1,070             | 58,325              | 1,158            | 59,483              |
| Series 225                                       | 12/01/2052 | 12/01/2023        | 3.1000                | 5.5000 | Underwritten | -                       | 78,860            | 350               | 78,510              | 1,088            | 79,598              |
| Series 226                                       | 12/01/2052 | 12/01/2023        | 4.5920                | 5.9160 | Underwritten | -                       | 200,000           | 430               | 199,570             | -                | 199,570             |
| Series 227                                       | 12/01/2053 | 12/01/2023        | 3.1000                | 4.9500 | Underwritten | -                       | 95,000            | -                 | 95,000              | -                | 95,000              |
| Series 228                                       | 06/01/2042 | 12/01/2023        | 4.7800                | 5.6230 | Underwritten | -                       | 61,355            | -                 | 61,355              | -                | 61,355              |
| Series 229 (var)                                 | 06/01/2052 | 06/01/2042        | 4.6600                | 5.2000 | Underwritten | -                       | 63,645            | -                 | 63,645              | -                | 63,645              |
| <b>Sub-total</b>                                 |            |                   |                       |        |              | <b>\$ 1,031,405</b>     | <b>\$ 513,860</b> | <b>\$ 152,965</b> | <b>\$ 1,392,300</b> | <b>\$ 37,482</b> | <b>\$ 1,429,782</b> |
|                                                  |            |                   |                       |        |              |                         |                   |                   |                     |                  |                     |
| <b>Residential Mortgage Revenue Bond Program</b> |            |                   |                       |        |              |                         |                   |                   |                     |                  |                     |
| 2012 Series A                                    | 10/01/2042 | 10/01/2042        | 3.0270                | 3.0270 | Underwritten | \$ 9,321                | \$ -              | \$ 491            | \$ 8,830            | \$ -             | \$ 8,830            |
| 2012 Series B                                    | 12/01/2042 | 12/01/2042        | 2.5270                | 2.5270 | Underwritten | 8,791                   | -                 | 1,022             | 7,769               | -                | 7,769               |
| <b>Sub-total</b>                                 |            |                   |                       |        |              | <b>\$ 18,112</b>        | <b>\$ -</b>       | <b>\$ 1,513</b>   | <b>\$ 16,599</b>    | <b>\$ -</b>      | <b>\$ 16,599</b>    |
|                                                  |            |                   |                       |        |              |                         |                   |                   |                     |                  |                     |
| <b>Grand Total</b>                               |            |                   |                       |        |              | <b>\$ 3,562,785</b>     | <b>\$ 991,090</b> | <b>\$ 363,433</b> | <b>\$ 4,190,442</b> | <b>\$ 38,106</b> | <b>\$ 4,228,548</b> |

**SCHEDULE 3: NOTES AND OTHER INDEBTEDNESS**

| In thousands of dollars                      |                       |        |              |                              |                          |           |                              |                          |                  |                    |
|----------------------------------------------|-----------------------|--------|--------------|------------------------------|--------------------------|-----------|------------------------------|--------------------------|------------------|--------------------|
| Scheduled<br>Redemption                      | Interest % Rate Range |        | Debt<br>Type | Outstanding<br>June 30, 2022 | Issued and<br>Compounded | Retired   | Outstanding<br>June 30, 2023 | Unamortized<br>Bond/Note |                  | Adjusted<br>Totals |
|                                              | Date                  | From   |              |                              |                          |           |                              | To                       | Discount/Premium |                    |
| Direct Purchase (DP) Construction Loan Notes |                       |        |              |                              |                          |           |                              |                          |                  |                    |
| DP NOTE IS 4, BLK 2018C                      |                       | 4.1700 | 4.1700       | Direct Purchase              | \$ 30,990                | \$ -      | \$ 30,990                    | \$ -                     | \$ -             | \$ -               |
| DP NOTE IS 4, BLK 2020A                      | 08/07/2024            | 1.7200 | 1.7200       | Direct Purchase              | 40,000                   | -         | -                            | 40,000                   | -                | 40,000             |
| DP NOTE IS 4, BLK 2022A                      | 05/23/2025            | 3.5000 | 3.5000       | Direct Purchase              | 41,200                   | -         | -                            | 41,200                   | -                | 41,200             |
| DP NOTE IS 4, BLK 2022B                      |                       | 4.3000 | 4.3000       | Direct Purchase              | -                        | 5,600     | 5,600                        | -                        | -                | -                  |
| DP NOTE IS 5, BLK 2021A                      |                       | 1.0000 | 1.0000       | Direct Purchase              | 2,000                    | -         | 2,000                        | -                        | -                | -                  |
| DP NOTE IS 5, BLK 2021B                      |                       | 1.0600 | 1.0600       | Direct Purchase              | 2,906                    | -         | 2,906                        | -                        | -                | -                  |
| DP NOTE IS 5, BLK 2022A                      | 12/05/2025            | 5.7800 | 5.7800       | Direct Purchase              | -                        | 13,500    | -                            | 13,500                   | -                | 13,500             |
| DP NOTE IS 5, BLK 2023A                      | 02/28/2024            | 6.0100 | 6.0100       | Direct Purchase              | -                        | 16,090    | -                            | 16,090                   | -                | 16,090             |
| DP NOTE IS 6, BLK 2019A                      |                       | 3.5500 | 3.5500       | Direct Purchase              | 13,570                   | -         | 13,570                       | -                        | -                | -                  |
| DP NOTE IS 7, BLK 2020A                      | 09/01/2023            | 2.1500 | 2.1500       | Direct Purchase              | 32,282                   | -         | -                            | 32,282                   | -                | 32,282             |
| DP NOTE IS 7, BLK 2020B                      | 09/01/2023            | 2.1500 | 2.1500       | Direct Purchase              | 4,465                    | -         | -                            | 4,465                    | -                | 4,465              |
| Sub-total                                    |                       |        |              |                              | \$ 167,413               | \$ 35,190 | \$ 55,066                    | \$ 147,537               | \$ -             | \$ 147,537         |
| Single Family Housing Revenue Bond Program   |                       |        |              |                              |                          |           |                              |                          |                  |                    |
| Single Family Housing Notes, Series 2021     |                       | 0.2500 | 0.2500       | Underwritten                 | \$ 100,000               | \$ -      | \$ 100,000                   | \$ -                     | \$ -             | \$ -               |
| Single Family Housing Notes, Series 2022     |                       | 2.8000 | 2.8000       | Underwritten                 | -                        | 31,155    | 31,155                       | -                        | -                | -                  |
| Sub-total                                    |                       |        |              |                              | \$ 100,000               | \$ 31,155 | \$ 131,155                   | \$ -                     | \$ -             | \$ -               |
| Grand Total                                  |                       |        |              |                              | \$ 267,413               | \$ 66,345 | \$ 186,221                   | \$ 147,537               | \$ -             | \$ 147,537         |

**SCHEDULE 4: Mortgage Backed Securities (MBS) Forward Contracts -  
Hedging Derivative Instruments**

| <b>Forward Contracts<br/>to sell To Be Announced (TBA) MBS</b> | <b>Notional<br/>Amount</b> | <b>Trade<br/>Date</b> | <b>Delivery<br/>Date</b> | <b>Coupon<br/>Rate</b> | <b>Fair Value</b>   | <b>Counterparty<br/>Credit Rating</b> |
|----------------------------------------------------------------|----------------------------|-----------------------|--------------------------|------------------------|---------------------|---------------------------------------|
| <b>June 30, 2023</b>                                           |                            |                       |                          |                        |                     |                                       |
| FNMA TBA AUG 2023                                              | \$ 500,000                 | 5/15/2023             | 8/14/2023                | 5.50%                  | \$ 4,766            | Aaa                                   |
| FNMA TBA AUG 2023                                              | 500,000                    | 5/17/2023             | 8/14/2023                | 5.50%                  | 3,906               | Aaa                                   |
| FNMA TBA AUG 2023                                              | 1,000,000                  | 6/1/2023              | 8/14/2023                | 5.00%                  | 7,578               | Aaa                                   |
| FNMA TBA AUG 2023                                              | 1,000,000                  | 6/1/2023              | 8/14/2023                | 5.50%                  | 5,781               | Aaa                                   |
| FNMA TBA AUG 2023                                              | 1,000,000                  | 6/1/2023              | 8/14/2023                | 6.00%                  | 4,219               | Aaa                                   |
| FNMA TBA AUG 2023                                              | 2,000,000                  | 6/23/2023             | 8/14/2023                | 4.50%                  | 8,125               | Aaa                                   |
| FNMA TBA AUG 2023                                              | 3,000,000                  | 6/23/2023             | 8/14/2023                | 5.00%                  | 11,250              | Aaa                                   |
| FNMA TBA AUG 2023                                              | 6,000,000                  | 6/23/2023             | 8/14/2023                | 5.50%                  | 17,344              | Aaa                                   |
| FNMA TBA AUG 2023                                              | 4,000,000                  | 6/23/2023             | 8/14/2023                | 6.00%                  | 4,063               | Aaa                                   |
| FNMA TBA SEPT 2023                                             | 1,000,000                  | 6/23/2023             | 9/14/2023                | 5.50%                  | 2,109               | Aaa                                   |
| FNMA TBA SEPT 2023                                             | 1,500,000                  | 6/23/2023             | 9/14/2023                | 6.00%                  | 2,812               | Aaa                                   |
| Total June 30, 2022                                            | <u>\$ 21,500,000</u>       |                       |                          |                        | <u>\$ 71,953</u>    |                                       |
| <b>June 30, 2022</b>                                           |                            |                       |                          |                        |                     |                                       |
| FNMA TBA AUG 2022                                              | \$ 5,000,000               | 6/15/2022             | 8/11/2022                | 5.00%                  | \$ (41,406)         | Aaa                                   |
| FHLMC TBA AUG 2022                                             | 5,000,000                  | 6/28/2022             | 8/11/2022                | 4.50%                  | (55,469)            | Aaa                                   |
| FNMA TBA AUG 2022                                              | 5,000,000                  | 6/28/2022             | 9/14/2022                | 5.00%                  | (41,406)            | Aaa                                   |
| FHLMC TBA AUG 2022                                             | 5,000,000                  | 6/28/2022             | 9/14/2022                | 5.50%                  | (44,531)            | Aaa                                   |
| Total June 30, 2022                                            | <u>\$ 20,000,000</u>       |                       |                          |                        | <u>\$ (182,812)</u> |                                       |

**COMBINING STATEMENTS OF NET POSITION**  
June 30, 2023

| In thousands                                                         | Working Capital Fund and Affiliates | General Rental Development Bond Program | Multi-Family Housing Bond Program | Housing Bond Program | Single Family Housing Revenue Bond Program | Residential Mortgage Revenue Bond Program | Eliminations       | June 30, 2023       |
|----------------------------------------------------------------------|-------------------------------------|-----------------------------------------|-----------------------------------|----------------------|--------------------------------------------|-------------------------------------------|--------------------|---------------------|
| <b>Assets</b>                                                        |                                     |                                         |                                   |                      |                                            |                                           |                    |                     |
| <b>Current assets</b>                                                |                                     |                                         |                                   |                      |                                            |                                           |                    |                     |
| Cash and cash equivalents                                            | \$ 335,944                          | \$ 4,967                                | \$ 17,678                         | \$ 332,097           | \$ 145,672                                 | \$ 16                                     |                    | \$ 836,374          |
| Investments                                                          | 89,417                              |                                         |                                   | 566,301              | 46,193                                     | 648                                       |                    | 702,559             |
| Interest and fees receivable on construction and mortgage loans, net | 1,345                               | 452                                     | 620                               | 7,603                | 3,117                                      |                                           |                    | 13,137              |
| Current portion of loans receivable, net                             | 81,305                              | 2,583                                   | 2,494                             | 98,032               | 24,780                                     |                                           |                    | 209,194             |
| Hedging derivative instruments                                       | 72                                  |                                         |                                   |                      |                                            |                                           |                    | 72                  |
| Interfund accounts receivable (payable)                              | 242                                 | (20)                                    | (6)                               | (1)                  | (204)                                      | (11)                                      |                    |                     |
| Other assets                                                         | 24,595                              | 20                                      | 68                                | 2,103                | 2,163                                      | 48                                        | \$ (8)             | 28,989              |
| Total current assets                                                 | <b>532,920</b>                      | <b>8,002</b>                            | <b>20,854</b>                     | <b>1,006,135</b>     | <b>221,721</b>                             | <b>701</b>                                | <b>(8)</b>         | <b>1,790,325</b>    |
| <b>Non-current assets</b>                                            |                                     |                                         |                                   |                      |                                            |                                           |                    |                     |
| Investments                                                          | 205,988                             | 63                                      |                                   |                      | 354,146                                    | 14,742                                    |                    | 574,939             |
| Non-current portion of loans receivable, net                         | 532,044                             | 156,532                                 | 155,213                           | 1,792,809            | 1,018,708                                  |                                           |                    | 3,655,306           |
| Escrowed funds                                                       | 737,984                             | 281                                     |                                   | 68                   |                                            |                                           | (11,997)           | 726,336             |
| Hedging derivative instruments                                       |                                     |                                         |                                   | 3,155                |                                            |                                           |                    | 3,155               |
| Investment derivative instruments                                    |                                     |                                         |                                   | 106                  | 1,960                                      |                                           |                    | 2,066               |
| Other assets                                                         | 92,902                              | 6                                       |                                   |                      | 860                                        |                                           |                    | 93,768              |
| Total non-current assets                                             | <b>1,568,918</b>                    | <b>156,882</b>                          | <b>155,213</b>                    | <b>1,796,138</b>     | <b>1,375,674</b>                           | <b>14,742</b>                             | <b>(11,997)</b>    | <b>5,055,570</b>    |
| Total assets                                                         | <b>2,101,838</b>                    | <b>164,884</b>                          | <b>176,067</b>                    | <b>2,802,273</b>     | <b>1,597,395</b>                           | <b>15,443</b>                             | <b>(12,005)</b>    | <b>6,845,895</b>    |
| <b>Deferred outflow of resources</b>                                 |                                     |                                         |                                   |                      |                                            |                                           |                    |                     |
| Pension and OPEB                                                     | 24,856                              |                                         |                                   |                      |                                            |                                           |                    | 24,856              |
| Total deferred outflow of resources                                  | <b>24,856</b>                       |                                         |                                   |                      |                                            |                                           |                    | <b>24,856</b>       |
| Total assets and deferred outflow of resource                        | <b>\$ 2,126,694</b>                 | <b>\$ 164,884</b>                       | <b>\$ 176,067</b>                 | <b>\$ 2,802,273</b>  | <b>\$ 1,597,395</b>                        | <b>\$ 15,443</b>                          | <b>\$ (12,005)</b> | <b>\$ 6,870,751</b> |
| <b>Liabilities</b>                                                   |                                     |                                         |                                   |                      |                                            |                                           |                    |                     |
| <b>Current liabilities</b>                                           |                                     |                                         |                                   |                      |                                            |                                           |                    |                     |
| Current portion of long term debt, net                               | \$ 52,837                           | \$ 1,450                                | \$ 2,235                          | \$ 105,230           | \$ 56,440                                  | \$ 648                                    |                    | \$ 218,840          |
| Obligation line of credit                                            | 50,000                              |                                         |                                   |                      |                                            |                                           |                    | 50,000              |
| Accrued interest payable                                             | 1,231                               | 476                                     | 407                               | 7,548                | 4,845                                      | 39                                        |                    | 14,546              |
| Other liabilities                                                    | 21,691                              | 203                                     |                                   | 28                   |                                            | 8                                         | \$ (8)             | 21,922              |
| Total current liabilities                                            | <b>125,759</b>                      | <b>2,129</b>                            | <b>2,642</b>                      | <b>112,806</b>       | <b>61,285</b>                              | <b>695</b>                                | <b>(8)</b>         | <b>305,308</b>      |
| <b>Non-current liabilities</b>                                       |                                     |                                         |                                   |                      |                                            |                                           |                    |                     |
| Non-current portion of long term debt, net                           | 94,700                              | 158,010                                 | 141,265                           | 2,373,977            | 1,373,342                                  | 15,951                                    |                    | 4,157,245           |
| Long term-loan                                                       | 16,363                              |                                         |                                   |                      |                                            |                                           |                    | 16,363              |
| Net pension and OPEB liability                                       | 10,658                              |                                         |                                   |                      |                                            |                                           |                    | 10,658              |
| Other liabilities                                                    | 47,576                              |                                         |                                   | 1,017                |                                            |                                           |                    | 48,593              |
| Escrowed funds payable                                               | 737,984                             | 281                                     |                                   | 68                   |                                            |                                           | (11,997)           | 726,336             |
| Investment derivative instruments                                    | 4,828                               |                                         |                                   |                      |                                            |                                           |                    | 4,828               |
| Total non-current liabilities                                        | <b>912,109</b>                      | <b>158,291</b>                          | <b>141,265</b>                    | <b>2,375,062</b>     | <b>1,373,342</b>                           | <b>15,951</b>                             | <b>(11,997)</b>    | <b>4,964,023</b>    |
| Total liabilities                                                    | <b>1,037,868</b>                    | <b>160,420</b>                          | <b>143,907</b>                    | <b>2,487,868</b>     | <b>1,434,627</b>                           | <b>16,646</b>                             | <b>(12,005)</b>    | <b>5,269,331</b>    |
| <b>Deferred inflow of resources</b>                                  |                                     |                                         |                                   |                      |                                            |                                           |                    |                     |
| Pension and OPEB                                                     | 20,543                              |                                         |                                   |                      |                                            |                                           |                    | 20,543              |
| Hedging derivative instruments                                       | 72                                  |                                         |                                   | 3,155                |                                            |                                           |                    | 3,227               |
| Sublease                                                             | 4,039                               |                                         |                                   |                      |                                            |                                           |                    | 4,039               |
| Total deferred inflow of resources                                   | <b>24,654</b>                       |                                         |                                   | <b>3,155</b>         |                                            |                                           |                    | <b>27,809</b>       |
| Total liabilities and deferred inflow of resources                   | <b>1,062,522</b>                    | <b>160,420</b>                          | <b>143,907</b>                    | <b>2,491,023</b>     | <b>1,434,627</b>                           | <b>16,646</b>                             | <b>(12,005)</b>    | <b>5,297,140</b>    |
| <b>Commitments and contingencies</b>                                 |                                     |                                         |                                   |                      |                                            |                                           |                    |                     |
| <b>Net position</b>                                                  |                                     |                                         |                                   |                      |                                            |                                           |                    |                     |
| Restricted by bond resolutions                                       |                                     | 4,464                                   | 32,160                            | 311,250              | 162,768                                    | (1,203)                                   |                    | 509,439             |
| Restricted by contractual or statutory agreements                    | 417,056                             |                                         |                                   |                      |                                            |                                           |                    | 417,056             |
| Unrestricted                                                         | 647,116                             |                                         |                                   |                      |                                            |                                           |                    | 647,116             |
| Total net position                                                   | <b>\$ 1,064,172</b>                 | <b>\$ 4,464</b>                         | <b>\$ 32,160</b>                  | <b>\$ 311,250</b>    | <b>\$ 162,768</b>                          | <b>\$ (1,203)</b>                         | <b>\$ -</b>        | <b>\$ 1,573,611</b> |

COMBINING STATEMENTS OF REVENUES,  
EXPENSES, AND CHANGES IN NET POSITION

For the fiscal year ended:  
June 30, 2023

| In thousands                                                                                 | Working<br>Capital<br>Fund<br>and<br>Affiliates | General<br>Rental<br>Development<br>Bond<br>Program | Multi-Family<br>Housing<br>Bond<br>Program | Housing<br>Bond<br>Program | Single<br>Family<br>Housing<br>Revenue<br>Bond<br>Program | Residential<br>Mortgage<br>Revenue<br>Bond<br>Program | Eliminations | For the fiscal year<br>ended<br>June 30, 2023 |
|----------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|--------------------------------------------|----------------------------|-----------------------------------------------------------|-------------------------------------------------------|--------------|-----------------------------------------------|
| <b>Operating revenues</b>                                                                    |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Interest on loans                                                                            | \$ 19,154                                       | \$ 6,898                                            | \$ 7,131                                   | \$ 80,781                  | \$ 29,348                                                 |                                                       |              | \$ 143,312                                    |
| Investment earnings:                                                                         |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Interest income                                                                              | 15,486                                          | 201                                                 | 646                                        | 27,542                     | 23,223                                                    | \$ 545                                                |              | 67,643                                        |
| Net increase (decrease) in fair value of investments                                         | 89                                              |                                                     |                                            | 1,834                      | (16,120)                                                  | (779)                                                 |              | (14,976)                                      |
| Fee income                                                                                   | 81,672                                          | 135                                                 | 361                                        | 1,683                      |                                                           |                                                       |              | 83,851                                        |
| Grant income                                                                                 | 121,589                                         |                                                     |                                            |                            |                                                           |                                                       |              | 121,589                                       |
| Other income                                                                                 | 10,541                                          |                                                     |                                            | 206                        | 683                                                       |                                                       | \$ (795)     | 10,635                                        |
| <b>Total operating revenues</b>                                                              | <b>248,531</b>                                  | <b>7,234</b>                                        | <b>8,138</b>                               | <b>112,046</b>             | <b>37,134</b>                                             | <b>(234)</b>                                          | <b>(795)</b> | <b>412,054</b>                                |
| <b>Operating expenses</b>                                                                    |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Interest on bonds and notes, net of discount/premium                                         | 6,979                                           | 6,006                                               | 4,933                                      | 79,118                     | 35,482                                                    | 265                                                   |              | 132,783                                       |
| Financing costs                                                                              | 63                                              |                                                     |                                            | 4,976                      | 4,729                                                     |                                                       |              | 9,768                                         |
| Administrative expenses                                                                      | 81,736                                          | 10                                                  | 7                                          | 997                        | 2,864                                                     | 19                                                    |              | 85,633                                        |
| Grant expenses                                                                               | 67,583                                          |                                                     |                                            |                            |                                                           |                                                       | (700)        | 66,883                                        |
| Other expenses (other expense recoveries)                                                    | 584                                             |                                                     |                                            |                            | (342)                                                     |                                                       | (95)         | 147                                           |
| <b>Total operating expenses</b>                                                              | <b>156,945</b>                                  | <b>6,016</b>                                        | <b>4,940</b>                               | <b>85,091</b>              | <b>42,733</b>                                             | <b>284</b>                                            | <b>(795)</b> | <b>295,214</b>                                |
| Operating income (loss) before provision for (reduction to provision for) loan loss reserves | <b>91,586</b>                                   | <b>1,218</b>                                        | <b>3,198</b>                               | <b>26,955</b>              | <b>(5,599)</b>                                            | <b>(518)</b>                                          |              | <b>116,840</b>                                |
| Provision for (reduction to provision for) loan loss reserves                                | 45,660                                          | (84)                                                |                                            | 10,903                     | 371                                                       |                                                       |              | 56,850                                        |
| <b>Total Provision for (reduction to provision for) loan loss reserves</b>                   | <b>45,660</b>                                   | <b>(84)</b>                                         |                                            | <b>10,903</b>              | <b>371</b>                                                |                                                       |              | <b>56,850</b>                                 |
| Operating income (loss) after provision for (reduction to provision for) loan loss reserves  | <b>45,926</b>                                   | <b>1,302</b>                                        | <b>3,198</b>                               | <b>16,052</b>              | <b>(5,970)</b>                                            | <b>(518)</b>                                          |              | <b>59,990</b>                                 |
| <b>Change in net position</b>                                                                | <b>45,926</b>                                   | <b>1,302</b>                                        | <b>3,198</b>                               | <b>16,052</b>              | <b>(5,970)</b>                                            | <b>(518)</b>                                          |              | <b>59,990</b>                                 |
| Interfund transfers                                                                          | 17,885                                          | (1,027)                                             | (2,307)                                    | (14,500)                   |                                                           | (51)                                                  |              |                                               |
| Net position at the beginning of the year                                                    | 1,000,361                                       | 4,189                                               | 31,269                                     | 309,698                    | 168,738                                                   | (634)                                                 |              | 1,513,621                                     |
| <b>Net position at the end of the year</b>                                                   | <b>\$ 1,064,172</b>                             | <b>\$ 4,464</b>                                     | <b>\$ 32,160</b>                           | <b>\$ 311,250</b>          | <b>\$ 162,768</b>                                         | <b>\$ (1,203)</b>                                     | <b>\$ -</b>  | <b>\$ 1,573,611</b>                           |

COMBINING STATEMENTS OF CASH FLOWS

For the fiscal year ended:  
June 30, 2023

| In thousands                                                               | Working<br>Capital<br>Fund<br>and<br>Affiliates | General<br>Rental<br>Development<br>Bond<br>Program | Multi-Family<br>Housing<br>Bond<br>Program | Housing<br>Bond<br>Program | Single<br>Family<br>Housing<br>Revenue<br>Bond<br>Program | Residential<br>Mortgage<br>Revenue<br>Bond<br>Program | Eliminations | For the fiscal year<br>ended<br>June 30, 2023 |
|----------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|--------------------------------------------|----------------------------|-----------------------------------------------------------|-------------------------------------------------------|--------------|-----------------------------------------------|
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                    |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| <b>Cash flows from operating activities:</b>                               |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Collections on mortgage loans, construction loan repayments and loan sales | \$ 1,080,335                                    | \$ 9,363                                            | \$ 9,603                                   | \$ 240,790                 | \$ 78,736                                                 |                                                       |              | \$ 1,418,827                                  |
| Loan advances to borrowers                                                 | (1,041,608)                                     |                                                     |                                            | (269,692)                  | (503,594)                                                 |                                                       |              | (1,814,894)                                   |
| Interest collections on construction loans                                 | 2,283                                           |                                                     |                                            | 8,001                      |                                                           |                                                       |              | 10,284                                        |
| Fees collected                                                             | 82,534                                          | 136                                                 | 361                                        | 1,688                      |                                                           |                                                       |              | 84,719                                        |
| Cash payments to employees for services                                    | (41,029)                                        |                                                     |                                            |                            |                                                           |                                                       |              | (41,029)                                      |
| Cash payments to other suppliers of goods and services                     | (31,079)                                        | (76)                                                | (7)                                        | (1,115)                    | (4,204)                                                   | \$ (11)                                               |              | (36,492)                                      |
| Grants received                                                            | 121,589                                         |                                                     |                                            |                            |                                                           |                                                       |              | 121,589                                       |
| Grants disbursed                                                           | (67,583)                                        |                                                     |                                            |                            |                                                           |                                                       | \$ 700       | (66,883)                                      |
| Other receipts (disbursements)                                             | (11,582)                                        | 72                                                  |                                            | 142                        |                                                           |                                                       | (700)        | (12,068)                                      |
| Net cash provided by (used for) operating activities                       | <b>93,860</b>                                   | <b>9,495</b>                                        | <b>9,957</b>                               | <b>(20,186)</b>            | <b>(429,062)</b>                                          | <b>(11)</b>                                           |              | <b>(335,947)</b>                              |
| <b>Cash flows from non-capital financing activities:</b>                   |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Sale of bonds and notes and draw down on line of credit                    | 130,190                                         |                                                     |                                            | 477,720                    | 546,155                                                   |                                                       |              | 1,154,065                                     |
| Bond issuance / redemption costs                                           | (63)                                            |                                                     |                                            | (4,976)                    | (4,865)                                                   |                                                       |              | (9,904)                                       |
| Retirement of bonds and notes and pay down on line of credit               | (125,066)                                       | (2,540)                                             | (24,135)                                   | (182,280)                  | (284,120)                                                 | (1,513)                                               |              | (619,654)                                     |
| Interest on bonds and notes                                                | (6,683)                                         | (5,898)                                             | (4,999)                                    | (77,525)                   | (39,845)                                                  | (482)                                                 |              | (135,432)                                     |
| Fund transfers                                                             | 7,278                                           | (1,027)                                             | (2,307)                                    | (3,886)                    |                                                           | (58)                                                  |              |                                               |
| Net cash provided by (used for) non-capital financing activities           | <b>5,656</b>                                    | <b>(9,465)</b>                                      | <b>(31,441)</b>                            | <b>209,053</b>             | <b>217,325</b>                                            | <b>(2,053)</b>                                        |              | <b>389,075</b>                                |
| <b>Cash flows from capital financing activities:</b>                       |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Lease Payments                                                             | (4,811)                                         |                                                     |                                            |                            |                                                           |                                                       |              | (4,811)                                       |
| Sub-Lease Receipts                                                         | 569                                             |                                                     |                                            |                            |                                                           |                                                       |              | 569                                           |
| Net cash (used for) capital financing activities                           | <b>(4,242)</b>                                  |                                                     |                                            |                            |                                                           |                                                       |              | <b>(4,242)</b>                                |
| <b>Cash flows from investing activities:</b>                               |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Purchase of investments                                                    | (113,241)                                       |                                                     |                                            | (946,546)                  | (36,507)                                                  |                                                       |              | (1,096,294)                                   |
| Proceeds from sales of investments                                         | 121,127                                         |                                                     |                                            | 749,140                    | 186,946                                                   | 1,513                                                 |              | 1,058,726                                     |
| Investment earnings                                                        | 14,904                                          | 186                                                 | 604                                        | 17,117                     | 22,966                                                    | 549                                                   |              | 56,326                                        |
| Net cash provided by (used for) investing activities                       | <b>22,790</b>                                   | <b>186</b>                                          | <b>604</b>                                 | <b>(180,289)</b>           | <b>173,405</b>                                            | <b>2,062</b>                                          |              | <b>18,758</b>                                 |
| Net increase (decrease) in cash and cash equivalents                       | 118,064                                         | 216                                                 | (20,880)                                   | 8,578                      | (38,332)                                                  | (2)                                                   |              | 67,644                                        |
| Cash and cash equivalents at the beginning of the year                     | 217,880                                         | 4,751                                               | 38,558                                     | 323,519                    | 184,004                                                   | 18                                                    |              | 768,730                                       |
| Cash and cash equivalents at end of the year                               | <b>\$ 335,944</b>                               | <b>\$ 4,967</b>                                     | <b>\$ 17,678</b>                           | <b>\$ 332,097</b>          | <b>\$ 145,672</b>                                         | <b>\$ 16</b>                                          | <b>\$ -</b>  | <b>\$ 836,374</b>                             |

COMBINING STATEMENTS OF CASH FLOWS  
(continued)

For the fiscal year ended:  
June 30, 2023

| In thousands                                                                                              | Working<br>Capital<br>Fund<br>and<br>Affiliates | General<br>Rental<br>Development<br>Bond<br>Program | Multi-Family<br>Housing<br>Bond<br>Program | Housing<br>Bond<br>Program | Single<br>Family<br>Housing<br>Revenue<br>Bond<br>Program | Residential<br>Mortgage<br>Revenue<br>Bond<br>Program | Eliminations | For the fiscal year<br>ended<br>June 30, 2023 |
|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|--------------------------------------------|----------------------------|-----------------------------------------------------------|-------------------------------------------------------|--------------|-----------------------------------------------|
| <b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>           |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Operating income (loss)                                                                                   | \$ 45,926                                       | \$ 1,302                                            | \$ 3,198                                   | \$ 16,052                  | \$ (5,970)                                                | \$ (518)                                              | \$ -         | \$ 59,990                                     |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Amortization of bond original discount (premium), net                                                     |                                                 |                                                     |                                            | (122)                      | (6,875)                                                   | (214)                                                 |              | (7,211)                                       |
| Depreciation and amortization                                                                             | 12,678                                          |                                                     |                                            |                            |                                                           |                                                       |              | 12,678                                        |
| Provision for (reduction to provision for) loss reserves on loans, net                                    | 45,660                                          | (84)                                                |                                            | 10,903                     | 371                                                       |                                                       |              | 56,850                                        |
| Recognition of fee income                                                                                 | (4,068)                                         |                                                     |                                            | (28)                       |                                                           |                                                       |              | (4,096)                                       |
| Investment earnings                                                                                       | (15,486)                                        | (201)                                               | (646)                                      | (27,542)                   | (23,223)                                                  | (545)                                                 |              | (67,643)                                      |
| Change in fair value of investments                                                                       | (89)                                            |                                                     |                                            | (1,834)                    | 16,120                                                    | 779                                                   |              | 14,976                                        |
| Interest expense on bonds and notes                                                                       | 6,979                                           | 6,006                                               | 4,933                                      | 79,240                     | 41,769                                                    | 479                                                   |              | 139,406                                       |
| Financing expenses                                                                                        | 63                                              |                                                     |                                            | 4,976                      | 4,729                                                     |                                                       |              | 9,768                                         |
| Changes in assets and liabilities:                                                                        |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Decrease (increase) in loans receivable                                                                   | 18,185                                          | 2,552                                               | 2,463                                      | (100,874)                  | (453,867)                                                 |                                                       |              | (531,541)                                     |
| Decrease (increase) in interest and fees receivable on loans                                              | (5)                                             | 6                                                   | 9                                          | (981)                      | (1,780)                                                   |                                                       |              | (2,751)                                       |
| Decrease (increase) in interfund balances                                                                 | (35)                                            | 4                                                   |                                            |                            | 23                                                        | 8                                                     |              |                                               |
| Decrease (increase) in other assets and other receivables                                                 | (18,085)                                        | (239)                                               |                                            | 7                          | (359)                                                     |                                                       |              | (18,676)                                      |
| Increase in accounts payable and other liabilities                                                        | 2,137                                           | 149                                                 |                                            | 17                         |                                                           |                                                       |              | 2,303                                         |
| Total adjustments                                                                                         | 47,934                                          | 8,193                                               | 6,759                                      | (36,238)                   | (423,092)                                                 | 507                                                   | -            | (395,937)                                     |
| Net cash provided by (used for) operating activities                                                      | \$ 93,860                                       | \$ 9,495                                            | \$ 9,957                                   | \$ (20,186)                | \$ (429,062)                                              | \$ (11)                                               | \$ -         | \$ (335,947)                                  |

**Supplemental Schedule 5**
*Massachusetts Housing Finance Agency and Affiliates*
**COMBINING STATEMENTS OF NET POSITION**

June 30, 2022

| In thousands                                                         | Working<br>Capital<br>Fund<br>and<br>Affiliates | General<br>Rental<br>Development<br>Bond<br>Program | Multi-Family<br>Housing<br>Bond<br>Program | Housing<br>Bond<br>Program | Single<br>Family<br>Housing<br>Revenue<br>Bond<br>Program | Residential<br>Mortgage<br>Revenue<br>Bond<br>Program | Eliminations | June 30, 2022 |
|----------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|--------------------------------------------|----------------------------|-----------------------------------------------------------|-------------------------------------------------------|--------------|---------------|
| <b>Assets</b>                                                        |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |               |
| <b>Current assets</b>                                                |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |               |
| Cash and cash equivalents                                            | \$ 217,880                                      | \$ 4,751                                            | \$ 38,558                                  | \$ 323,519                 | \$ 184,004                                                | \$ 18                                                 |              | \$ 768,730    |
| Investments                                                          | 96,046                                          |                                                     |                                            | 298,169                    | 142,642                                                   | 638                                                   |              | 537,495       |
| Interest and fees receivable on construction and mortgage loans, net | 1,340                                           | 458                                                 | 629                                        | 6,623                      | 1,338                                                     |                                                       |              | 10,388        |
| Current portion of loans receivable, net                             | 124,418                                         | 2,548                                               | 2,383                                      | 61,245                     | 18,376                                                    |                                                       |              | 208,970       |
| Interfund accounts receivable (payable)                              | 342                                             | (16)                                                | (6)                                        |                            | (317)                                                     | (3)                                                   |              |               |
| Other assets                                                         | 11,987                                          | 4                                                   | 26                                         | 1,006                      | 1,739                                                     | 51                                                    | \$ (15)      | 14,798        |
| Total current assets                                                 | 452,013                                         | 7,745                                               | 41,590                                     | 690,562                    | 347,782                                                   | 704                                                   | (15)         | 1,540,381     |
| <b>Non-current assets</b>                                            |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |               |
| Investments                                                          | 208,786                                         | 63                                                  |                                            | 59,149                     | 425,335                                                   | 17,045                                                |              | 710,378       |
| Non-current portion of loans receivable, net                         | 535,069                                         | 159,036                                             | 157,787                                    | 1,750,241                  | 571,615                                                   |                                                       |              | 3,173,748     |
| Escrowed funds                                                       | 735,496                                         | 43                                                  |                                            | 61                         |                                                           |                                                       | (34,185)     | 701,415       |
| Hedging derivative instruments                                       |                                                 |                                                     |                                            | 1,127                      |                                                           |                                                       |              | 1,127         |
| Investment derivative instruments                                    |                                                 |                                                     |                                            | 78                         | 757                                                       |                                                       |              | 835           |
| Net Pension Asset                                                    | 26,677                                          |                                                     |                                            |                            |                                                           |                                                       |              | 26,677        |
| Other assets                                                         | 99,327                                          | 6                                                   |                                            |                            | 501                                                       |                                                       |              | 99,834        |
| Total non-current assets                                             | 1,605,355                                       | 159,148                                             | 157,787                                    | 1,810,656                  | 998,208                                                   | 17,045                                                | (34,185)     | 4,714,014     |
| Total assets                                                         | 2,057,368                                       | 166,893                                             | 199,377                                    | 2,501,218                  | 1,345,990                                                 | 17,749                                                | (34,200)     | 6,254,395     |
| <b>Deferred outflow of resources</b>                                 |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |               |
| Pension and OPEB                                                     | 12,174                                          |                                                     |                                            |                            |                                                           |                                                       |              | 12,174        |
| Hedging derivative instruments                                       | 183                                             |                                                     |                                            | 24                         |                                                           |                                                       |              | 207           |
| Total deferred outflow of resources                                  | 12,357                                          |                                                     |                                            | 24                         |                                                           |                                                       |              | 12,381        |
| Total assets and deferred outflow of resources                       | \$ 2,069,725                                    | \$ 166,893                                          | \$ 199,377                                 | \$ 2,501,242               | \$ 1,345,990                                              | \$ 17,749                                             | \$ (34,200)  | \$ 6,266,776  |
| <b>Liabilities</b>                                                   |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |               |
| <b>Current liabilities</b>                                           |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |               |
| Current portion of long term debt, net                               | \$ 49,466                                       | \$ 1,536                                            | \$ 24,135                                  | \$ 86,215                  | \$ 201,090                                                | \$ 638                                                |              | \$ 363,080    |
| Obligation line of credit                                            | 25,000                                          |                                                     |                                            |                            |                                                           |                                                       |              | 25,000        |
| Accrued interest payable                                             | 934                                             | 368                                                 | 473                                        | 5,711                      | 2,565                                                     | 42                                                    |              | 10,093        |
| Other liabilities                                                    | 23,617                                          | 293                                                 |                                            | 29                         |                                                           | 15                                                    | \$ (15)      | 23,939        |
| Hedging derivative instruments                                       | 183                                             |                                                     |                                            |                            |                                                           |                                                       |              | 183           |
| Total current liabilities                                            | 99,200                                          | 2,197                                               | 24,608                                     | 91,955                     | 203,655                                                   | 695                                                   | (15)         | 422,295       |
| <b>Non-current liabilities</b>                                       |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |               |
| Non-current portion of long term debt, net                           | 117,947                                         | 160,464                                             | 143,500                                    | 2,097,673                  | 973,532                                                   | 17,688                                                |              | 3,510,804     |
| Long term-loan                                                       | 16,363                                          |                                                     |                                            |                            |                                                           |                                                       |              | 16,363        |
| Net pension and OPEB liability                                       | 12,001                                          |                                                     |                                            |                            |                                                           |                                                       |              | 12,001        |
| Other liabilities                                                    | 49,348                                          |                                                     |                                            | 704                        |                                                           |                                                       |              | 50,052        |
| Escrowed funds payable                                               | 735,496                                         | 43                                                  |                                            | 61                         |                                                           |                                                       | (34,185)     | 701,415       |
| Hedging derivative instruments                                       |                                                 |                                                     |                                            | 24                         |                                                           |                                                       |              | 24            |
| Investment derivative instruments                                    | 6,678                                           |                                                     |                                            |                            | 65                                                        |                                                       |              | 6,743         |
| Total non-current liabilities                                        | 937,833                                         | 160,507                                             | 143,500                                    | 2,098,462                  | 973,597                                                   | 17,688                                                | (34,185)     | 4,297,402     |
| Total liabilities                                                    | 1,037,033                                       | 162,704                                             | 168,108                                    | 2,190,417                  | 1,177,252                                                 | 18,383                                                | (34,200)     | 4,719,697     |
| <b>Deferred inflow of resources</b>                                  |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |               |
| Pension and OPEB                                                     | 31,100                                          |                                                     |                                            |                            |                                                           |                                                       |              | 31,100        |
| Hedging derivative instruments                                       |                                                 |                                                     |                                            | 1,127                      |                                                           |                                                       |              | 1,127         |
| Sublease                                                             | 1,231                                           |                                                     |                                            |                            |                                                           |                                                       |              | 1,231         |
| Total deferred inflow of resources                                   | 32,331                                          |                                                     |                                            | 1,127                      |                                                           |                                                       |              | 33,458        |
| Total liabilities and deferred inflow of resources                   | 1,069,364                                       | 162,704                                             | 168,108                                    | 2,191,544                  | 1,177,252                                                 | 18,383                                                | (34,200)     | 4,753,155     |
| <b>Commitments and contingencies</b>                                 |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |               |
| <b>Net position</b>                                                  |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |               |
| Restricted by bond resolutions                                       |                                                 | 4,189                                               | 31,269                                     | 309,698                    | 168,738                                                   | (634)                                                 |              | 513,260       |
| Restricted by contractual or statutory agreements                    | 249,065                                         |                                                     |                                            |                            |                                                           |                                                       |              | 249,065       |
| Unrestricted                                                         | 751,296                                         |                                                     |                                            |                            |                                                           |                                                       |              | 751,296       |
| Total net position                                                   | \$ 1,000,361                                    | \$ 4,189                                            | \$ 31,269                                  | \$ 309,698                 | \$ 168,738                                                | \$ (634)                                              |              | \$ 1,513,621  |

**Supplemental Schedule 5**  
*Massachusetts Housing Finance Agency and Affiliates*

**COMBINING STATEMENTS OF REVENUES,  
EXPENSES, AND  
CHANGES IN NET POSITION**

For the fiscal year ended:  
June 30, 2022

| In thousands                                                                                 | Working<br>Capital<br>Fund<br>and<br>Affiliates | General<br>Rental<br>Development<br>Bond<br>Program | Multi-Family<br>Housing<br>Bond<br>Program | Housing<br>Bond<br>Program | Single<br>Family<br>Housing<br>Revenue<br>Bond<br>Program | Residential<br>Mortgage<br>Revenue<br>Bond<br>Program | Eliminations | For the fiscal year<br>ended<br>June 30, 2022 |
|----------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|--------------------------------------------|----------------------------|-----------------------------------------------------------|-------------------------------------------------------|--------------|-----------------------------------------------|
| <b>Operating revenues</b>                                                                    |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Interest on loans                                                                            | \$ 18,665                                       | \$ 5,794                                            | \$ 8,594                                   | \$ 81,664                  | \$ 17,929                                                 |                                                       |              | \$ 132,646                                    |
| Investment earnings:                                                                         |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Interest income                                                                              | 3,983                                           | 9                                                   | 53                                         | 1,622                      | 16,789                                                    | \$ 653                                                |              | 23,109                                        |
| Net (decrease) in fair value of investments                                                  | (11,860)                                        |                                                     |                                            | (2,930)                    | (44,241)                                                  | (2,314)                                               |              | (61,345)                                      |
| Fee income                                                                                   | 81,705                                          | 138                                                 | 361                                        | 2,009                      |                                                           |                                                       |              | 84,213                                        |
| Grant income                                                                                 | 9,345                                           |                                                     |                                            |                            |                                                           |                                                       |              | 9,345                                         |
| Other income                                                                                 | 4,839                                           |                                                     |                                            | 136                        | 316                                                       |                                                       | \$ (886)     | 4,405                                         |
| <b>Total operating revenues</b>                                                              | <b>106,677</b>                                  | <b>5,941</b>                                        | <b>9,008</b>                               | <b>82,501</b>              | <b>(9,207)</b>                                            | <b>(1,661)</b>                                        | <b>(886)</b> | <b>192,373</b>                                |
| <b>Operating expenses</b>                                                                    |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Interest on bonds and notes, net of discount/premium                                         | 7,042                                           | 4,881                                               | 7,351                                      | 66,983                     | 24,664                                                    | (68)                                                  |              | 110,853                                       |
| Financing costs                                                                              | 208                                             |                                                     |                                            | 3,141                      | 2,596                                                     |                                                       |              | 5,945                                         |
| Administrative expenses                                                                      | 67,508                                          | 17                                                  | 8                                          | 1,728                      | 5,575                                                     | 19                                                    |              | 74,855                                        |
| Grant expenses                                                                               | 12,515                                          |                                                     |                                            |                            |                                                           |                                                       | (800)        | 11,715                                        |
| Other expenses (other expense recoveries)                                                    | 336                                             |                                                     |                                            |                            | (9)                                                       |                                                       | (86)         | 241                                           |
| <b>Total operating expenses</b>                                                              | <b>87,609</b>                                   | <b>4,898</b>                                        | <b>7,359</b>                               | <b>71,852</b>              | <b>32,826</b>                                             | <b>(49)</b>                                           | <b>(886)</b> | <b>203,609</b>                                |
| Operating income (loss) before provision for (reduction to provision for) loan loss reserves | <b>19,068</b>                                   | <b>1,043</b>                                        | <b>1,649</b>                               | <b>10,649</b>              | <b>(42,033)</b>                                           | <b>(1,612)</b>                                        |              | <b>(11,236)</b>                               |
| Provision for (reduction to provision for) loan loss reserves                                | 9,410                                           | 196                                                 |                                            | (2,248)                    | 65                                                        |                                                       |              | 7,423                                         |
| reserves                                                                                     | <b>9,410</b>                                    | <b>196</b>                                          |                                            | <b>(2,248)</b>             | <b>65</b>                                                 |                                                       |              | <b>7,423</b>                                  |
| Operating income (loss) after provision for (reduction to provision for) loan loss reserves  | <b>9,658</b>                                    | <b>847</b>                                          | <b>1,649</b>                               | <b>12,897</b>              | <b>(42,098)</b>                                           | <b>(1,612)</b>                                        |              | <b>(18,659)</b>                               |
| Change in net position                                                                       | <b>9,658</b>                                    | <b>847</b>                                          | <b>1,649</b>                               | <b>12,897</b>              | <b>(42,098)</b>                                           | <b>(1,612)</b>                                        |              | <b>(18,659)</b>                               |
| Interfund transfers                                                                          | 37,012                                          | (990)                                               | (2,896)                                    | (33,347)                   | 283                                                       | (62)                                                  |              |                                               |
| Net position at the beginning of the year                                                    | 953,691                                         | 4,332                                               | 32,516                                     | 330,148                    | 210,553                                                   | 1,040                                                 |              | 1,532,280                                     |
| Net position at the end of the year                                                          | <b>\$ 1,000,361</b>                             | <b>\$ 4,189</b>                                     | <b>\$ 31,269</b>                           | <b>\$ 309,698</b>          | <b>\$ 168,738</b>                                         | <b>\$ (634)</b>                                       |              | <b>\$ 1,513,621</b>                           |

COMBINING STATEMENTS OF CASH FLOWS

For the fiscal year ended:  
June 30, 2022

| In thousands                                                                  | Working<br>Capital<br>Fund<br>and<br>Affiliates | General<br>Rental<br>Development<br>Bond<br>Program | Multi-Family<br>Housing<br>Bond<br>Program | Housing<br>Bond<br>Program | Single<br>Family<br>Housing<br>Revenue<br>Bond<br>Program | Residential<br>Mortgage<br>Revenue<br>Bond<br>Program | Eliminations | For the fiscal year<br>ended<br>June 30, 2022 |
|-------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|--------------------------------------------|----------------------------|-----------------------------------------------------------|-------------------------------------------------------|--------------|-----------------------------------------------|
| <b>INCREASE (DECREASE) IN CASH AND CASH<br/>EQUIVALENTS</b>                   |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| <b>Cash flows from operating activities:</b>                                  |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Collections on mortgage loans, construction loan<br>repayments and loan sales | \$ 1,240,821                                    | \$ 8,360                                            | \$ 100,336                                 | \$ 187,559                 | \$ 77,819                                                 |                                                       |              | \$ 1,614,895                                  |
| Loan advances to borrowers                                                    | (1,270,018)                                     |                                                     |                                            | (195,579)                  | (224,510)                                                 |                                                       |              | (1,690,107)                                   |
| Interest collections on construction loans                                    | 4,079                                           |                                                     |                                            | 6,423                      |                                                           |                                                       |              | 10,502                                        |
| Fees collected                                                                | 80,000                                          | 137                                                 | 361                                        | 2,045                      |                                                           |                                                       |              | 82,543                                        |
| Cash payments to employees for services                                       | (35,665)                                        |                                                     |                                            |                            |                                                           |                                                       |              | (35,665)                                      |
| Cash payments to other suppliers of goods and services                        | (18,475)                                        | (95)                                                | (8)                                        | (1,021)                    | (5,788)                                                   | \$ (19)                                               |              | (25,406)                                      |
| Grants received                                                               | 9,345                                           |                                                     |                                            |                            |                                                           |                                                       |              | 9,345                                         |
| Grants disbursed                                                              | (12,518)                                        |                                                     |                                            |                            |                                                           |                                                       | \$ 800       | (11,718)                                      |
| Miscellaneous receipts (disbursements)                                        | (22,668)                                        | (18)                                                |                                            | 278                        |                                                           |                                                       | (800)        | (23,208)                                      |
| <b>Net cash provided by (used for) operating activities</b>                   | <b>(25,099)</b>                                 | <b>8,384</b>                                        | <b>100,689</b>                             | <b>(295)</b>               | <b>(152,479)</b>                                          | <b>(19)</b>                                           |              | <b>(68,819)</b>                               |
| <b>Cash flows from non-capital financing activities:</b>                      |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Sale of bonds and notes and draw down on line of credit                       | 161,174                                         |                                                     |                                            | 223,530                    | 342,014                                                   |                                                       |              | 726,718                                       |
| Bond issuance / redemption costs                                              | (208)                                           |                                                     |                                            | (3,141)                    | (2,727)                                                   |                                                       |              | (6,076)                                       |
| Retirement of bonds and notes and pay down on line of<br>credit               | (226,585)                                       | (2,540)                                             | (80,680)                                   | (113,950)                  | (323,135)                                                 | (6,449)                                               |              | (753,339)                                     |
| Interest on bonds and notes                                                   | (7,429)                                         | (4,858)                                             | (7,615)                                    | (66,881)                   | (30,862)                                                  | (588)                                                 |              | (118,233)                                     |
| Fund transfers                                                                | 38,156                                          | (990)                                               | (2,896)                                    | (34,197)                   |                                                           | (73)                                                  |              |                                               |
| <b>Net cash provided by (used for) non-capital financing<br/>activities</b>   | <b>(34,892)</b>                                 | <b>(8,388)</b>                                      | <b>(91,191)</b>                            | <b>5,361</b>               | <b>(14,710)</b>                                           | <b>(7,110)</b>                                        |              | <b>(150,930)</b>                              |
| <b>Cash flows from capital financing activities:</b>                          |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Acquisition of capital assets                                                 |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Lease Payments                                                                | (4,770)                                         |                                                     |                                            |                            |                                                           |                                                       |              | (4,770)                                       |
| Sub-Lease Receipts                                                            | 175                                             |                                                     |                                            |                            |                                                           |                                                       |              | 175                                           |
| <b>Net cash (used for) capital financing activities</b>                       | <b>(4,595)</b>                                  |                                                     |                                            |                            |                                                           |                                                       |              | <b>(4,595)</b>                                |
| <b>Cash flows from investing activities:</b>                                  |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Purchase of investments                                                       | (201,937)                                       |                                                     |                                            | (432,672)                  | (234,424)                                                 |                                                       |              | (869,033)                                     |
| Proceeds from sales of investments                                            | 175,107                                         | 55                                                  |                                            | 229,735                    | 211,546                                                   | 6,449                                                 |              | 622,892                                       |
| Investment earnings                                                           | 4,689                                           | 6                                                   | 27                                         | 2,285                      | 17,061                                                    | 671                                                   |              | 24,739                                        |
| <b>Net cash provided by (used for) investing activities</b>                   | <b>(22,141)</b>                                 | <b>61</b>                                           | <b>27</b>                                  | <b>(200,652)</b>           | <b>(5,817)</b>                                            | <b>7,120</b>                                          |              | <b>(221,402)</b>                              |
| <b>Net increase (decrease) in cash and cash equivalents</b>                   | <b>(86,727)</b>                                 | <b>57</b>                                           | <b>9,525</b>                               | <b>(195,586)</b>           | <b>(173,006)</b>                                          | <b>(9)</b>                                            |              | <b>(445,746)</b>                              |
| Cash and cash equivalents at the beginning of the year                        | 304,607                                         | 4,694                                               | 29,033                                     | 519,105                    | 357,010                                                   | 27                                                    |              | 1,214,476                                     |
| <b>Cash and cash equivalents at end of the year</b>                           | <b>\$ 217,880</b>                               | <b>\$ 4,751</b>                                     | <b>\$ 38,558</b>                           | <b>\$ 323,519</b>          | <b>\$ 184,004</b>                                         | <b>\$ 18</b>                                          |              | <b>\$ 768,730</b>                             |

COMBINING STATEMENTS OF CASH FLOWS  
(continued)

For the fiscal year ended:  
June 30, 2022

| In thousands                                                                                                     | Working<br>Capital<br>Fund<br>and<br>Affiliates | General<br>Rental<br>Development<br>Bond<br>Program | Multi-Family<br>Housing<br>Bond<br>Program | Housing<br>Bond<br>Program | Single<br>Family<br>Housing<br>Revenue<br>Bond<br>Program | Residential<br>Mortgage<br>Revenue<br>Bond<br>Program | Eliminations | For the fiscal year<br>ended<br>June 30, 2022 |
|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|--------------------------------------------|----------------------------|-----------------------------------------------------------|-------------------------------------------------------|--------------|-----------------------------------------------|
| <b>RECONCILIATION OF OPERATING INCOME<br/>(LOSS) TO NET CASH PROVIDED BY (USED FOR)<br/>OPERATING ACTIVITIES</b> |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Operating income (loss)                                                                                          | \$ 9,658                                        | \$ 847                                              | \$ 1,649                                   | \$ 12,897                  | \$ (42,098)                                               | \$ (1,612)                                            |              | \$ (18,659)                                   |
| Adjustments to reconcile operating income (loss) to net cash<br>provided by (used for) operating activities:     |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Amortization of bond original discount (premium), net                                                            |                                                 |                                                     |                                            | (27)                       | (6,134)                                                   | (641)                                                 |              | (6,802)                                       |
| Depreciation and amortization                                                                                    | 7,567                                           |                                                     |                                            |                            |                                                           |                                                       |              | 7,567                                         |
| loans, net                                                                                                       | 9,410                                           | 196                                                 |                                            | (2,248)                    | 65                                                        |                                                       |              | 7,423                                         |
| Recognition of fee income                                                                                        | (4,355)                                         |                                                     |                                            | (28)                       |                                                           |                                                       |              | (4,383)                                       |
| Investment earnings                                                                                              | (3,983)                                         | (9)                                                 | (53)                                       | (1,622)                    | (16,789)                                                  | (653)                                                 |              | (23,109)                                      |
| Change in fair value of investments                                                                              | 11,860                                          |                                                     |                                            | 2,930                      | 44,241                                                    | 2,314                                                 |              | 61,345                                        |
| Interest expense on bonds and notes                                                                              | 7,042                                           | 4,881                                               | 7,351                                      | 67,010                     | 30,568                                                    | 573                                                   |              | 117,425                                       |
| Financing expenses                                                                                               | 208                                             |                                                     |                                            | 3,141                      | 2,596                                                     |                                                       |              | 5,945                                         |
| Changes in assets and liabilities:                                                                               |                                                 |                                                     |                                            |                            |                                                           |                                                       |              |                                               |
| Decrease (increase) in loans receivable                                                                          | (43,589)                                        | 2,543                                               | 91,376                                     | (83,214)                   | (164,761)                                                 |                                                       |              | (197,645)                                     |
| Decrease (increase) in interest and fees receivable on loans                                                     | (390)                                           | 6                                                   | 366                                        | 17                         | (355)                                                     |                                                       |              | (356)                                         |
| Decrease (increase) in interfund balances                                                                        | (1,234)                                         | 4                                                   |                                            | 849                        | 381                                                       |                                                       |              |                                               |
| Decrease (increase) in other assets and other receivables                                                        | (48,550)                                        | (12)                                                |                                            | (11)                       | (193)                                                     |                                                       | 34,185       | (14,581)                                      |
| Increase (decrease) in accounts payable and other liabilities                                                    | 31,257                                          | (72)                                                |                                            | 11                         |                                                           |                                                       | (34,185)     | (2,989)                                       |
| Total adjustments                                                                                                | (34,757)                                        | 7,537                                               | 99,040                                     | (13,192)                   | (110,381)                                                 | 1,593                                                 |              | (50,160)                                      |
| Net cash provided by (used for) operating activities                                                             | \$ (25,099)                                     | \$ 8,384                                            | \$ 100,689                                 | \$ (295)                   | \$ (152,479)                                              | \$ (19)                                               |              | \$ (68,819)                                   |