

This Preliminary Official Statement and the information contained herein are subject to change without notice and to completion or amendment in a final Official Statement. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the New Series Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, or qualification under the securities laws of any such jurisdiction.

## PRELIMINARY OFFICIAL STATEMENT DATED MAY 25, 2018

### BOOK-ENTRY-ONLY – NEW MONEY ISSUE

In the opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel, under existing law and assuming continued compliance with the various requirements of the Internal Revenue Code of 1986, as amended, interest on the New Series Bonds will not be included in the gross income of the holders of the New Series Bonds for federal income tax purposes, except for interest on any New Series Bonds when held by a person who is a “substantial user” of the facilities financed with the proceeds of the New Series Bonds, or a “related person” within the meaning of section 147(a) of the Internal Revenue Code of 1986, as amended. Interest on the New Series Bonds will not constitute a preference item for the purposes of computation of the alternative minimum tax imposed on certain individuals and, for tax years that began prior to January 1, 2018, corporations. In the opinion of Bond Counsel, under existing law, interest on the New Series Bonds is exempt from Massachusetts personal income taxes, and the New Series Bonds are exempt from Massachusetts personal property taxes. See “TAX EXEMPTION” herein.



**\$53,475,000\***

**Massachusetts Housing Finance Agency**

**\$28,475,000\* Housing Bonds, 2018 Series A (Non-AMT)**

**\$25,000,000\* Housing Bonds, 2018 Series B (Variable Rate) (Non-AMT)†**

**Dated: Date of Delivery**

**Due: As Shown on the Inside Cover**

This Official Statement relates to the issuance by the Massachusetts Housing Finance Agency (“MassHousing”) of its Housing Bonds, 2018 Series A (Non-AMT) (the “Series A Bonds”) and 2018 Series B (Variable Rate) (Non-AMT) (the “Series B Bonds,” and together with the Series A Bonds, the “New Series Bonds”). The New Series Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the New Series Bonds. Purchases of the New Series Bonds will be made in book-entry-only form. See “THE NEW SERIES BONDS – Book-Entry-Only System.” Interest on the Series A Bonds will accrue from their dated date and will be payable on December 1 and June 1 of each year, commencing on December 1, 2018 by check or draft mailed to the registered owner. Interest on the Series B Bonds will bear interest at the rate as described herein. Interest on the Series B Bonds will be payable on the first Business Day of each month, commencing on July 2, 2018 (each, a “Series B Interest Payment Date”). Wells Fargo Bank, N.A. (the “Trustee”), has been designated to serve as Trustee with respect to the New Series Bonds. So long as Cede & Co. is the registered owner of the New Series Bonds, as aforesaid, principal and interest are payable by the Trustee to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest and purchase price to the DTC Participants for subsequent disbursements to the Beneficial Owners. See “The New Series Bonds – Book-Entry-Only System.”

The New Series Bonds are subject to redemption prior to maturity, including special redemption at par under certain circumstances. The Series B Bonds are subject to mandatory tender on June 1, 2028. For a more complete description of the redemption and tender provisions, see “THE NEW SERIES BONDS.”

**The New Series Bonds will constitute special obligations of MassHousing payable solely from and secured solely by a pledge of certain Revenues and Funds established under the Resolution. MassHousing has no taxing power. Neither the Commonwealth nor, except as provided herein, any political subdivision thereof is or shall be obligated to pay the principal or redemption price of and interest on the New Series Bonds and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to such payment.**

The Series A Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice, and the approval of legality by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel. The Series B Bonds are expected to be privately placed with Barclays Capital Inc., as purchaser (the “Purchaser”). Certain legal matters will be passed upon for the Underwriters of the Series A Bonds by their counsel, Nutter, McClennen & Fish, LLP. It is expected that the New Series Bonds in definitive form will be available for delivery to DTC in New York, New York, or its custodial agent, on or about June 19, 2018.

	<b>Barclays</b>	
<b>BofA Merrill Lynch</b>	<b>Morgan Stanley</b>	<b>RBC Capital Markets</b>
<b>Academy Securities</b>	<b>Citigroup</b>	<b>Fidelity Capital Markets</b>
<b>Jefferies</b>	<b>J.P. Morgan</b>	<b>Loop Capital</b>
<b>Ramirez &amp; Co., Inc.</b>	<b>Raymond James</b>	<b>Rice Financial Products Company</b>
<b>Stifel</b>		<b>Wells Fargo Securities</b>

June \_\_, 2018

\* Preliminary, subject to change.

† These Bonds are not underwritten, but are expected to be purchased directly by the Purchaser.

# MATURITY SCHEDULE

## \$28,475,000\* Housing Bonds, 2018 Series A (Non-AMT)

### \$8,270,000\* Serial Bonds

<u>Due*</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>CUSIP Number**</u>	<u>Due*</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>CUSIP Number**</u>
December 1, 2019	\$-	%		December 1, 2025	\$390,000	%	
June 1, 2020	80,000			June 1, 2026	395,000		
December 1, 2020	305,000			December 1, 2026	400,000		
June 1, 2021	345,000			June 1, 2027	405,000		
December 1, 2021	350,000			December 1, 2027	410,000		
June 1, 2022	355,000			June 1, 2028	420,000		
December 1, 2022	360,000			December 1, 2028	425,000		
June 1, 2023	365,000			June 1, 2029	430,000		
December 1, 2023	370,000			December 1, 2029	440,000		
June 1, 2024	370,000			June 1, 2030	445,000		
December 1, 2024	375,000			December 1, 2030	455,000		
June 1, 2025	380,000						

**\$2,895,000\* % Term Bonds Due December 1, 2033\* CUSIP Number\*\*:**

**\$5,630,000\* % Term Bonds Due December 1, 2038\* CUSIP Number\*\*:**

**\$6,875,000\* % Term Bonds Due December 1, 2043\* CUSIP Number\*\*:**

**\$4,805,000\* % Term Bonds Due December 1, 2046\* CUSIP Number\*\*:**

Interest on the Series A Bonds is payable on December 1 and June 1 of each year, commencing December 1, 2018.

Price of Series A Bonds: %

## \$25,000,000\* Housing Bonds, 2018 Series B (Variable Rate) (Non-AMT)†

**\$25,000,000\* % Term Bonds Due June 1, 2058\* CUSIP Number\*\*:**

Interest on the Series B Bonds is payable on each Series B Interest Payment Date, commencing July 2, 2018.

Price of Series B Bonds: %

\* Preliminary, subject to change.

\*\* CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of The American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers are included solely for the convenience of Bondowners and MassHousing is not responsible for the selection or the correctness of the CUSIP numbers printed herein. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors, including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financial products.

† These Bonds are not underwritten, but are expected to be purchased directly by the Purchaser.

No dealer, broker, salesperson or other person has been authorized by MassHousing or by the Underwriters to give any information or to make any representations, other than as contained in this Official Statement, and if given or made such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the New Series Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by MassHousing and by other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of MassHousing since the date hereof.

This Official Statement contains forecasts, projections and estimates that are based on expectations and assumptions which existed at the time such forecasts, projections and estimates were prepared. In light of the important factors that may materially affect economic conditions of MassHousing, the inclusion in this Official Statement of such forecasts, projections and estimates should not be regarded as a representation of MassHousing that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results. The forecasts, projections and estimates have not been examined or compiled by MassHousing’s auditors, nor have its auditors expressed an opinion or any other form of assurance on the information or its achievability. The audited financial statements referred to in this Official Statement relate to MassHousing’s historical financial information and do not extend to any forecasts, projections and estimates.

If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates” and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of MassHousing. These forward-looking statements speak only as of the date of this Official Statement. MassHousing disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in MassHousing’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

In connection with this offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series A Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Series A Bonds to certain dealers and certain dealer banks and banks acting as agents at prices lower than the public offering prices stated on the inside cover page hereof and said public offering prices may be changed from time to time by the Underwriters.

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## MASSACHUSETTS HOUSING FINANCE AGENCY

**\$53,475,000\***

**\$28,475,000\* Housing Bonds, 2018 Series A (Non-AMT)**

**\$25,000,000\* Housing Bonds, 2018 Series B (Variable Rate) (Non-AMT)†**

This Official Statement provides certain information concerning the Massachusetts Housing Finance Agency (“MassHousing”) in connection with the sale of MassHousing’s \$28,475,000\* aggregate principal amount of Housing Bonds, 2018 Series A (Non-AMT) (the “Series A Bonds”) and \$25,000,000\* aggregate principal amount of Housing Bonds, 2018 Series B (Variable Rate) (Non-AMT) (the “Series B Bonds” and together with the Series A Bonds, the “New Series Bonds”). The New Series Bonds are authorized to be issued pursuant to Chapter 708 of the Acts of 1966 of The Commonwealth of Massachusetts, as amended (the “Act”). The New Series Bonds will be issued under the Housing Bond Resolution adopted by MassHousing on December 10, 2002 (the “General Resolution”), the 2018 Series A Housing Bond Series Resolution and the 2018 Series B Housing Bond Series Resolution, each adopted by MassHousing on October 10, 2017 (the “2018 Series A Resolution” and the “2018 Series B Resolution,” respectively, and together, the “Series Resolutions”). The General Resolution and the Series Resolutions are sometimes collectively referred to in this Official Statement as the “Resolution.” The Resolution constitutes a contract between MassHousing and the holders of the bonds issued thereunder. The New Series Bonds, together with any other bonds which heretofore have been or hereafter may be issued on a parity with the New Series Bonds under the General Resolution are referred to herein as the “Parity Bonds.” MassHousing may also issue additional bonds under the General Resolution that are subordinate to the Parity Bonds. The Parity Bonds, together with any such subordinate bonds issued under the General Resolution, are referred to herein as the “Bonds.” The bonds authorized by a series resolution in accordance with the General Resolution, including the Series Resolution, are referred to herein as a “Series of Bonds.” All Parity Bonds are secured equally and ratably with all other Parity Bonds by the assets pledged and covenants made under the General Resolution, provided that pursuant to a series resolution, MassHousing may make additional covenants including the pledge of its full faith and credit for the benefit of the Series of Bonds authorized thereby. Certain terms used in this Official Statement and the Resolution have the meanings set forth in Appendix V.

### INTRODUCTORY STATEMENT

MassHousing is a body politic and corporate, constituting a public instrumentality of The Commonwealth of Massachusetts (the “Commonwealth”). MassHousing was created in 1966 to increase the supply of multi-family residential housing in the Commonwealth for persons of low and moderate income, including the elderly. The Act authorizes MassHousing to issue bonds and notes for the purpose, among other things, of making mortgage loans to supply well-planned and well-designed apartment units in multi-family developments for low and moderate income persons or families, including the elderly, in locations where there is a need for such housing.

The New Series Bonds are being issued by MassHousing to provide permanent financing for certain multi-family residential developments selected by MassHousing. The developments to be financed from the proceeds of the New Series Bonds have received, or expect to receive, approval from MassHousing in amounts sufficient to expend fully the New Series Bond proceeds available for that purpose. See Appendix II – “Rental Development Mortgage Loans.” Costs of issuance of the New Series Bonds and the Debt Service Reserve Fund deposit will be funded from other funds available under the Resolution. See “SOURCES AND USES OF FUNDS.”

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\* Preliminary, subject to change.

† These Bonds are not underwritten, but are expected to be purchased directly by the Purchaser.

Although not required under the Resolution, certain of the Mortgage Loans financed from the proceeds of the Bonds are insured by the Federal Housing Administration (“FHA”), pursuant to a mortgage insurance program (the “Risk-Sharing Program”) established by the Federal Housing and Community Development Act of 1992 and the regulations promulgated thereunder, as more fully described herein. (The Risk-Sharing Program, together with certain other federal mortgage insurance programs, are herein collectively referred to as the “Federal Insurance Programs”.) Monies received from the United States Department of Housing and Urban Development (“HUD”) pursuant to the Federal Insurance Programs with respect to the Mortgage Loans are further pledged as security for the payment of the Parity Bonds. See “SECURITY FOR THE BONDS AND SOURCES OF PAYMENT.” For a description of the Federal Insurance Programs and of subsidy programs applicable to previously financed developments, see “Appendix I – MassHousing Information Statement – Rental Development Mortgage Insurance and Credit Enhancement Programs.”

The Rental Development Mortgage Loans and Home Ownership Loans financed from time to time under the Resolution are referred to herein as “Mortgage Loans.” The Rental Development Mortgage Loans, including certain Mortgage Loans transferred to the Resolution (the “Transferred Mortgage Loans”) are evidenced by mortgage notes (the “Mortgage Notes”) secured by mortgages on multi-family residential developments located in the Commonwealth. See Appendix II – “Rental Development Mortgage Loans.” Under the Resolution, prepayments and scheduled repayments of Mortgage Loans may be recycled under certain circumstances into new Rental Development Mortgage Loans and/or Home Ownership Loans. Home Ownership Loans include Home Ownership Mortgage Loans and Home Ownership Loan Securities. Under the Resolution, additional Bonds or bond anticipation notes may be issued in the future to fund Rental Development Mortgage Loans and Home Ownership Loans.

The Parity Bonds, including the New Series Bonds, are special obligations of MassHousing equally and ratably secured by a pledge of the Mortgage Loans and certain revenues received by MassHousing in connection therewith. The pledged revenues consist primarily of Mortgage Loan repayments. There are further pledged as security for the payment of the Parity Bonds amounts on deposit in certain funds and accounts established pursuant to the Resolution and the earnings thereon, including the Debt Service Reserve Fund. The Debt Service Reserve Fund Requirement for the New Series Bonds is established pursuant to the Series Resolution in an amount equal to one half of the maximum amount of Debt Service for the current calendar year or any future calendar year with respect to the New Series Bonds. Additional deposits to the Debt Service Reserve Fund in connection with the issuance of additional Series of Bonds are permitted, but not required, under the General Resolution. Under the General Resolution, MassHousing may make additional covenants or pledge additional security for a particular Series of Bonds. As noted herein, certain assets allocated to the Reserve Account within the Housing Reserve Fund established under the Resolution may be transferred to MassHousing outside the lien of the Resolution at any time under certain circumstances. See “SECURITY FOR THE BONDS AND SOURCES OF PAYMENT.”

The New Series Bonds are subject to special redemption at the option of MassHousing, in whole or in part, at any time, from (i) Rental Development Prepayments and Rental Development Recovery Payments, including without limitation, amounts recovered in any manner upon Mortgage Loan defaults and insurance and condemnation proceeds, (ii) mortgage insurance proceeds received by the Trustee with respect to the Mortgage Loans (together with certain other funds available in conjunction with such proceeds) and (iii) from excess Revenues available under the Resolution, including Home Ownership Loan Prepayments (to the extent permitted by federal tax law) and amounts held in any reserve fund over and above the applicable reserve fund requirement, in each case at a redemption price equal to 100% of the principal amount of such New Series Bonds or portion thereof to be redeemed, plus accrued interest to the date of redemption. To the extent permitted by federal tax law, the New Series Bonds are subject to redemption from such sources relating to Mortgage Loans financed from the proceeds of, or other moneys allocable to, the New Series Bonds and other Series of Bonds. See “THE NEW SERIES BONDS – Special Redemption.”

If the mortgage loans anticipated to be financed or Eligible Substitutions are not closed by May 1, 2021\* (or such later date as MassHousing may determine) in an amount sufficient to expend fully the New Series Bond proceeds, the portion of the New Series Bonds allocable to any such unexpended amounts will be redeemed no later than June 1, 2021\* at a redemption price equal to 100% of the principal amount of each such Bond or portion thereof to be

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\* Preliminary, subject to change.

redeemed plus accrued interest thereon to such date of redemption. Notwithstanding the foregoing, however, MassHousing reserves the right to extend such outside dates for closing on mortgage loans and for redemption of New Series Bonds to such later dates as it deems appropriate, subject to delivery to the Trustee of: (i) a certification of MassHousing that, notwithstanding the extension of such outside dates for closing on mortgage loans and redemption of New Series Bonds to the dates specified in such certification, the projected Revenues allocable to Permanently Financed Rental Developments will be sufficient in amounts and time of payment to pay when due the principal of and interest and Sinking Fund Installments on the Bonds Outstanding; and (ii) an opinion of bond counsel to the effect that such extension will not adversely affect the exclusion of the interest on the New Series Bonds from the gross income of the recipients thereof for federal income tax purposes and Massachusetts personal income tax purposes. MassHousing covenants in the Resolution to provide moneys sufficient to complete such redemption from any of its available funds to the extent New Series Bond proceeds and interest earnings thereon are insufficient for such purpose. See “THE NEW SERIES BONDS – Special Redemption.”

Rental Development Prepayments and scheduled repayments on the Mortgage Loans attributable to the New Series Bonds, at the option of MassHousing subject to a Cash Flow Certification, may be used to finance new Rental Development Mortgage Loans or Home Ownership Loans. If not so applied, such funds may be used to retire or redeem Bonds. Factors which may affect the demand for new Mortgage Loans and consequently MassHousing’s ability to use all of the scheduled repayments and prepayments on the Mortgage Loans attributable to the Bonds for the financing of new Mortgage Loans include not only general economic conditions but also the relationship between alternative mortgage loan interest rates (including rates on mortgage loans insured or guaranteed by agencies of the federal government, rates on conventional mortgage loans and the rates on other mortgage loans available from MassHousing) and the interest rates being charged on the Mortgage Loans by MassHousing. Accordingly, lower interest rates on such alternate financing sources could necessitate the exercise by MassHousing of its right (or compliance by MassHousing with any requirement under the Code) to apply such scheduled repayments and prepayments on Mortgage Loans attributable to the New Series Bonds to redeem the New Series Bonds or other Bonds, in accordance with the special redemption provisions described in the preceding paragraph.

The Series A Bonds are subject to redemption prior to maturity on or after June 1, 2027\* at the option of MassHousing, in whole or in part at any time at a redemption price equal to 100% of the principal amount of Series A Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption. The Series B Bonds are also subject to redemption prior to maturity on or after June 1, 2027\* at the option of MassHousing, in whole or in part at any time at a redemption price equal to 100% of the principal amount of Series B Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

The Series B Bonds are subject to Mandatory Tender on June 1, 2028.\*

The Series A Bonds maturing on December 1, 2033,\* December 1, 2038,\* December 1, 2043\* and December 1, 2046\* and the Series B Bonds maturing on June 1, 2058\* are subject to mandatory redemption in part, upon notice prior to maturity on December 1 and June 1 in each of the years and in the respective principal amounts as set forth herein (the particular New Series Bonds to be redeemed to be selected as provided in the Resolution), in each case at a Redemption Price equal to 100% of their principal amount, plus accrued interest to the date of redemption, if any. See “THE NEW SERIES BONDS – Mandatory Sinking Fund Redemption.”

MassHousing has no taxing power. Neither the Commonwealth nor, except as provided herein, any political subdivision thereof is or shall be obligated to pay the principal of or interest on the New Series Bonds and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to such payment.

There follows in this Official Statement a description of MassHousing, its financial condition, operations and housing programs, together with other information, including summaries of certain terms of the New Series Bonds, the Resolution and certain provisions of the Act. All references herein to the Act and the Resolution are qualified in their entirety by reference to such laws and the regulations promulgated thereunder and such instruments or documents, copies of which are available from MassHousing or the Underwriters, and all references to the Bonds

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\* Preliminary, subject to change.

are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Resolution.

**MASSHOUSING**

MassHousing is empowered by the Act, among other things, to issue bonds and notes to finance owner-occupied, single-family 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 finance mortgage loans through the acquisition of certain mortgage-backed securities and to enter into agreements and perform other functions in furtherance of its public purposes.

Further information regarding MassHousing, its membership and management personnel, its operations and financial condition and its home-ownership and multi-family, rental development programs is set forth in “Appendix I – Information Statement of MassHousing dated March 30, 2018.”

**SOURCES AND USES OF FUNDS**

The proceeds of the New Series Bonds and other amounts are estimated to be applied as follows:

Sources of Funds:	
Proceeds of Series A Bonds .....	\$
Proceeds of Series B Bonds .....	
Other Funds available under the General Resolution.....	
TOTAL .....	<u>\$</u>
Uses of Funds:	
New Series Bond Proceeds accounts.....	\$
Debt Service Reserve Fund.....	
Underwriters’ Compensation.....	
Placement discount.....	
Costs of Issuance .....	
TOTAL .....	<u>\$</u>

**SECURITY FOR THE BONDS AND SOURCES OF PAYMENT**

**General**

The Bonds are special revenue obligations of MassHousing, payable from and secured solely by a pledge of and lien upon moneys and investments held in all funds and accounts established by the Resolution. The Bonds are also payable from and secured by a pledge of and lien upon all income derived from Mortgage Loans and the mortgages securing such Mortgage Loans. Assets allocated to the Reserve Account within the Housing Reserve Fund, including monies deposited therein and certain Mortgage Loans, are subject to transfer to MassHousing outside the lien of the Resolution at any time if the Debt Service Reserve Fund is fully funded. All Parity Bonds issued under the General Resolution, notwithstanding the series under which issued or their date or dates of issuance, will be secured equally and ratably by the foregoing. Under the General Resolution, MassHousing may make additional covenants or pledge additional security for a particular Series of Bonds.

Bonds may be issued for any lawful corporate purpose of MassHousing achievable by (i) making required or desired deposits in the various funds and accounts established by the Resolution, including without limitation making or funding Rental Development Mortgage Loans and Home Ownership Loans meeting the requirements of the Resolution and paying capitalized interest and costs of issuance, (ii) the funding of Debt Obligations, which may include interest thereon, (iii) the refunding or redemption of Bonds issued under the Resolution, (iv) the provision for

any Bond discount, including underwriters' fees, and other costs of issuance for a Series of Bonds and (v) any combination thereof. The Resolution permits the funding of a Mortgage Loan in whole or in part as a participation by MassHousing under the Resolution with another party or parties or with MassHousing under another resolution, so long as the interest of MassHousing financed under the Resolution shall have at least equal priority as to lien in proportion to the amount of the loan secured, though it need not be equal as to interest rate, time or rate of amortization or otherwise.

*MassHousing has no taxing power. The Bonds issued under the Resolution are not a debt of the Commonwealth. The Commonwealth is not liable on such Bonds and is under no legal obligation to provide moneys to make up any deficiency in any of the funds or accounts established by the Resolution.*

## **Mortgage Loans and Revenues**

The Mortgage Loans are nonrecourse loans. The General Resolution requires, among other things, that the Mortgagor or Borrower pay or cause to be paid to MassHousing, on a monthly basis, the moneys required for principal and interest and any other payments or charges, on a Mortgage Loan, including certain subsidy payments, if any. If applicable, prior to completion of construction of developments financed by Rental Development Mortgage Loans or prior to acquisition of Home Ownership Loans, interest on the applicable Bonds will be paid from proceeds of an allocable Investment Agreement (or other Permitted Investment), other amounts available under the General Resolution and applicable series resolution and amounts paid under any applicable Mortgage Notes.

The scheduled payments of the principal of and interest on the Bonds are based on the assumed receipt of moneys paid to MassHousing (which moneys may include subsidy payments) on account of the Mortgage Loans securing the Bonds, together with certain investment income on certain funds and accounts established by the Resolution, including the Debt Service Reserve Fund. Assumptions as to the receipt of principal and interest payments on the Rental Development Mortgage Loans are based, in part, on projections of net operating income for the developments financed by such Mortgage Loans, which MassHousing believes to be reasonable but which may or may not be realized. To the extent that such Mortgage Loan repayments or any anticipated investment income differs from the amounts expected to be received, the moneys available for the payment of the principal of and interest on Bonds issued under the Resolution may be affected. As described herein, moneys may be available for such purposes from other sources, including the Debt Service Reserve Fund and the Housing Reserve Fund. See "Appendix III – Summary of Certain Provisions of the Resolution."

Under the Resolution, Revenues are defined as all income to MassHousing derived from the Rental Development Mortgage Loans and Home Ownership Loans, including but not limited to Rental Development Mortgage Repayments, all receipts on Home Ownership Loans and investment earnings on funds and accounts established by the Resolution and transferred to the Revenue Fund pursuant to the Resolution, but excluding Rental Development Prepayments and Rental Development Recovery Payments, Escrow Payments, administrative fees received from the United States for servicing Rental Development Mortgage Loans subsidized under the Section 8 Program (as defined in Appendix I hereto) and income attributable to certain Mortgage Loans and investments allocable to the Reserve Account within the Housing Reserve Fund.

All Revenues on deposit in the Revenue Fund are subject to transfer out of such Fund, as described in the General Resolution, to be applied to the payment of principal of and interest and Sinking Fund Installments on the Bonds and for various other purposes, including MassHousing Administrative Expenses. All Revenues available after such payments and transfers, after retention of such amounts as may be required in a Series Resolution, subject to the payment of any MassHousing Fee, and at MassHousing's direction, may be transferred to the Redemption Account for application to the redemption of Bonds, if then permitted, and, if not so transferred, shall be transferred to the Retained Revenue Account within the Housing Reserve Fund. Amounts deposited in the Retained Revenue Account may be transferred at any time, upon filing with the Trustee of a Cash Flow Certification, to the Financing Fund or the Program Fund for recycling, or, upon filing with the Trustee of an Asset Parity Certification and a Cash Flow Certification, to the Reserve Account within the Housing Reserve Fund or, without any such filings, to any other fund or account established under the Resolution. Amounts deposited in the Reserve Account may be transferred to MassHousing outside the lien of the Resolution at any time if the Debt Service Reserve Fund is fully funded.



Bond proceeds and other amounts deposited in the Redemption Account of the Debt Service Fund are subject to transfer at any time to the Debt Service Fund whenever required to meet debt service requirements of the Bonds. At any time, Rental Development Prepayments and Rental Development Recovery Payments and certain amounts remaining in the Financing Fund or the Program Fund may be deposited in the Redemption Account, at the option of MassHousing. The Trustee will have a priority lien on any and all funds held by it under the Resolution to secure payment for its services. See “Appendix III – Summary of Certain Provisions of the Resolution.”

### **Debt Service Reserve Fund**

The Series Resolutions for the New Series Bonds require deposits to the Debt Service Reserve Fund. The amount required to be funded by the Series Resolutions (which may be in the form of cash and/or a Credit Facility which may be a guarantee, surety bond, insurance policy or unconditional, irrevocable letter of credit, provided that such Credit Facility meets certain credit rating requirements) is equal to one half of the maximum amount of Debt Service for the current calendar year or any future calendar year with respect to the New Series Bonds. The aggregate amount necessary to satisfy the Debt Service Reserve Fund Requirement for the issuance of the New Series Bonds is \$\_\_\_\_\_ which will be satisfied by a deposit on the date of issuance of the New Series Bonds.

Additional deposits to the Debt Service Reserve Fund in connection with the issuance of additional Series of Bonds, including Bonds issued on a parity with the New Series Bonds, are not required under the Resolution, but may be provided for under the applicable series resolution. Unlike the case of certain similar reserve funds, designated “Capital Reserve Funds,” established by MassHousing under several of its other bond resolutions, the Resolution does not require the maintenance of the Debt Service Reserve Fund at required levels by appropriation of funds by the Legislature of the Commonwealth.

Monies in the Debt Service Reserve Fund may not be withdrawn at any time in any amount which would cause the balance of funds in the Debt Service Reserve Fund to fall below the sum of the New Series Bonds Debt Service Reserve Fund Requirement and the debt service reserve fund requirement established for all other outstanding Series of Parity Bonds except for the purpose of paying principal and interest on Parity Bonds issued under the Resolution maturing and becoming due and for the payment of which other monies pledged under the Resolution are not available. In connection with the special or optional redemption of the New Series Bonds, amounts in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement calculated after giving offset to such redemption may be withdrawn and applied together with other available moneys to the redemption of the New Series Bonds.

### **Hedging Transactions**

For various purposes, including in connection with the issuance of Bonds, MassHousing may enter into one or more interest rate hedging transactions (the “Hedging Transactions”) in a notional amount equal to the aggregate principal amount of such Bonds or portion thereof. The obligations of MassHousing to make scheduled and other payments under such Hedging Transactions may be secured by a pledge of the Revenues, Mortgage Loans and other moneys and property held under the General Resolution on a parity with all Bonds Outstanding thereunder, and all such payments shall be payable from the Debt Service Fund under the General Resolution equally and ratably with payments of principal and interest on such Bonds. Payments received by MassHousing under such Hedging Transactions may be deposited directly in the Debt Service Fund upon receipt or may be deemed to be Revenues under the General Resolution and deposited in the Revenue Fund. See “APPENDIX III – Summary of Certain Provisions of the Resolution – Hedging Transactions” and “Revenue Fund.” Further information regarding existing hedging transactions under the General Resolution and other MassHousing programs is set forth in “Appendix I – Information Statement of MassHousing dated March 30, 2018.”

MassHousing expects to enter into an interest rate swap agreement with respect to the Series B Bonds (the “2018 Series B Swap Agreement”).

## THE NEW SERIES BONDS

### General Description

The Series A Bonds are issuable only as fully registered bonds in denominations of \$5,000 or any whole multiple thereof. The Series B Bonds are issuable only as fully registered bonds in denominations of \$100,000 and any integral multiple of \$5,000 in excess thereof. When issued, the New Series Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the New Series Bonds. Individual purchases of the New Series Bonds will be made in book-entry-only form, and purchasers of New Series Bonds will not receive certificates representing their interest in such New Series Bonds. So long as Cede & Co. is the sole registered owner of the New Series Bonds, references herein to the registered owners of the New Series Bonds shall mean Cede & Co., as nominee of DTC, and shall not mean the beneficial owners of the New Series Bonds. See “THE NEW SERIES BONDS – Book-Entry-Only System.”

So long as the New Series Bonds are registered in book-entry-only form, principal or redemption price, and interest on the New Series Bonds will be payable to Cede & Co., as aforesaid. If New Series Bonds are issued in certificated form, interest on the New Series Bonds will be thereafter payable by check or draft mailed to the registered owner thereof at such owner’s address as shown on the applicable record date on the registration books of MassHousing kept for that purpose at the principal corporate trust office of Wells Fargo Bank, N.A., as Trustee, or, following appropriate notice to the Trustee, by wire transfer on the interest payment date to any registered owner of New Series Bonds in an aggregate principal amount of \$1 million or more.

### Interest Rate – Series A Bonds

The Series A Bonds mature on the dates and bear interest at the rates set forth on the inside cover page of this Official Statement. Interest on the Series A Bonds accrues from their dated date and is payable on December 1, 2018 and on each June 1 and December 1 thereafter.

Interest on the Series A Bonds will become due and payable on the interest payment dates in each year to and including the maturity date, and on each redemption date. Interest on the Series A Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months. Payment of interest on each Series A Bond will be made on each interest payment date for unpaid interest accrued during the Interest Accrual Period (defined below) to the Holder of record on the applicable Record Date, which is, the fifteenth (15th) day (whether or not a Business Day) of the month preceding the month in which interest is to be paid.

### Interest Rate – Series B Bonds\*

The Series B Bonds mature on the dates set forth on the inside cover page of this Official Statement. The Series B Bonds will initially accrue interest at a variable rate recalculated monthly. The “Series B Interest Rate” prior to June 1, 2028\* (the “Mandatory Tender Date”) is equal to 70% of LIBOR (with a one month maturity) as determined on the first day of the applicable Interest Accrual Period (defined below), plus (ii) the Applicable Spread (defined below), but in no event shall the Series B Interest Rate for each Interest Accrual Period exceed the Maximum Rate. The Series B Interest Rate shall be rounded, if necessary, to the nearest one-hundredth of one percent.

In the event there is a Determination of Taxability, the Series B Interest Rate commencing on the Taxable Date (defined below) would be equal to the product of (i) the Series B Interest Rate on the Series B Bonds that would otherwise be applicable during the Interest Accrual Period, and (ii) 1.2658 (the “Taxable Rate”). If the Taxable Date occurred prior to the immediately preceding Series B Interest Payment Date, MassHousing shall pay to the bondholders on the next succeeding Series B Interest Payment Date, in addition to the interest amount due on such Series B Interest Payment Date (calculated on the basis of the Taxable Rate), an amount equal to the difference between (A) the amount of interest that would have been paid at the Taxable Rate during such taxable period, and (B) the amount of interest actually paid to the bondholders during such taxable period, but in no event shall any such payments exceed the Maximum Rate.

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\* Preliminary, subject to change.

“Interest Accrual Period” means, with respect to the Series B Bonds, the Initial Interest Accrual Period set forth below, and subsequent to such Initial Interest Accrual Period, the period commencing on the applicable Series B Interest Payment Date to and including the day immediately preceding the next Series B Interest Payment Date. The Initial Interest Accrual Period will commence on the date of delivery of such Series B Bonds and end on, and include, the day immediately preceding the first Series B Interest Payment Date. The Series B Interest Rate for the Initial Interest Accrual Period will be set prior to the date of delivery. Calculations of interest on the Series B Bonds will be based on a 360-day year for the actual number of days elapsed.

Following the Mandatory Tender Date, if the Series B Bonds have not otherwise been converted to bear interest at a Weekly Interest Rate or Flexible Interest Rate and successfully remarketed, the Series B Bonds shall accrue interest at the Base Rate for the first six calendar months, and for any period thereafter, at the Base Rate plus two percent (2.0%). Notwithstanding the foregoing, in no event shall the interest rate applicable to the Series B Bonds exceed the Maximum Rate.

Until such time as the Series B Bonds have been converted to bear interest at a Weekly Interest Rate or Flexible Interest Rate, upon the occurrence of an event of default under the General Resolution, the Series B Bonds shall bear interest at a rate equal to the sum of (i) the interest rate on the Series B Bonds that would otherwise be applicable plus (ii) three percent (3.00%).

EXCEPT AS EXPRESSLY SET FORTH HEREIN, OWNERS OF THE SERIES B BONDS WILL NOT HAVE ANY RIGHT TO TENDER THE SERIES B BONDS AND NEITHER MASSHOUSING, THE TRUSTEE NOR ANY OTHER PERSON WILL BE OBLIGATED TO PURCHASE THE SERIES B BONDS AT ANY TIME OTHER THAN THE MANDATORY TENDER DATE OR AN ACCELERATED TENDER DATE, AS DESCRIBED HEREIN.

“Applicable Spread” shall mean one hundred and five basis points, except that in the event of a change in the long term unenhanced rating of the Series B Bonds assigned by S&P Global Ratings, Inc. (“S&P”) or Moody’s Investors Service (“Moody’s”), the Applicable Spread on the Series B Bonds shall be the spread associated with such new rating as set forth in the following matrix:

<b>Level</b>	<b>S&amp;P Rating</b>	<b>Moody’s Rating</b>	<b>Applicable Spread</b>
Level 1	AA- or above	Aa3 or above	Applicable Spread + 0 basis points
Level 2	A+	A1	Applicable Spread + 20 basis points
Level 3	A	A2	Applicable Spread + 40 basis points
Level 4	A-	A3	Applicable Spread + 60 basis points
Level 5	BBB+	Baa1	Applicable Spread + 80 basis points
Level 6	BBB	Baa2	Applicable Spread + 100 basis points
Level 7	BBB-	Baa3	Applicable Spread + 120 basis points
Level 8	BB+ or below	Ba1 or below	Applicable Spread + 140 basis points

In the event of a split rating (i.e., one of the foregoing rating agencies’ rating is at a different level than the rating of the other relevant rating agency), the Applicable Spread shall be based upon the level in which the lower such rating appears. If the Series B Bonds do not have a rating assigned by S&P or do not have a rating assigned by Moody’s and provided that S&P and Moody’s regularly assign ratings to obligations such as the Series B Bonds, the Applicable Spread on the Series B Bonds shall be based upon the Level 8 above. Any change in the Applicable Spread resulting from a change in a rating shall be and become effective as of and on the date of the announcement of the change in such rating.

References to ratings above are references to rating categories as presently determined by S&P and Moody’s and in the event of adoption of any new or changed rating system by any such rating agency, the rating from the rating agency in question referred to above shall be deemed to refer to the rating category under the then new rating system that most closely approximates the applicable rating category as currently in effect.

“Base Rate” means, for each day, the highest of (i) eight percent (8.00%) per annum, (ii) the Prime Rate plus two and one-half percent (2.50%) per annum, (iii) the Federal Funds Rate plus two and one-half percent (2.50%) per annum, and (iv) one hundred fifty percent (150%) of the per annum Yield on the 30-year U.S. Treasury Bond.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when MassHousing files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when a bondholder or any former bondholder notifies MassHousing that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within two hundred seventy (270) days after receipt by MassHousing of such notification from such bondholder or such former bondholder, MassHousing shall deliver to such bondholder or such former bondholder, as applicable, a ruling or determination letter issued to or on behalf of MassHousing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when MassHousing shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of MassHousing, or upon any review or audit of MassHousing or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when MassHousing shall receive notice from a bondholder or any former bondholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such bondholder or such former bondholder the interest on the Series B Bonds due to the occurrence of an Event of Taxability; provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless MassHousing has been afforded the reasonable opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined.

“Event of Taxability” means a (i) change in law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by MassHousing, or the failure to take any action by MassHousing) which has the effect of causing interest paid or payable on the Series B Bonds to become includable, in whole or in part, in the gross income of a bondholder or any former bondholder for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Series B Bonds to become includable, in whole or in part, in the gross income of such holder or such former bondholder for federal income tax purposes with respect to the Series B Bonds.

“Federal Funds Rate” means, for any day, a fluctuating interest rate per annum equal to the weighted average (rounded to the next higher 1/100 of 1%) of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average (rounded to the next higher 1/100 of 1%) of the quotations for such day on such transactions received by the Rate Determination Agent from three federal funds brokers of recognized standing selected by the Rate Determination Agent. Each determination of the Federal Funds Rate by the Rate Determination Agent shall be conclusive and binding on MassHousing.

“LIBOR” means the per annum rate for deposits in United States dollars for a period of one month, three months or six months, as applicable, which rate appears on the Reuters Screen LIBOR01 Page (or such other page as may replace LIBOR01 on that service or such other service as may be nominated by the ICE Benchmark Administration (“ICE”)) (or a successor indexing agent designated by the International Swaps and Derivatives

Association, Inc. (“ISDA”)) as an information vendor for the purpose of displaying such rate for U.S. Dollar deposits) as of 11:00 a.m., London, England time, on the applicable LIBOR Index Rate Determination Date.

If at any time the LIBOR rate is no longer available, or MassHousing or the LIBOR Discontinuation Agent determines that LIBOR has been permanently discontinued, then for each LIBOR Index Rate Determination Date thereafter, the reference rate that is determined by MassHousing, upon consultation with the LIBOR Discontinuation Agent, to be consistent with accepted market practice regarding the selection and use of a substitute for LIBOR (the “Alternative Rate”), giving consideration to any rate or methodology selected as an alternative to LIBOR by ISDA (including any committee or working group thereof), shall be used as a substitute for LIBOR. If, however, the LIBOR rate is no longer available or MassHousing or the LIBOR Discontinuation Agent determines that LIBOR has been permanently discontinued, but for any reason an Alternative Rate has not been determined as described in the preceding sentence, the Alternative Rate will be equal to the LIBOR Substitute Rate. As part of such substitution, MassHousing shall be authorized and permitted under the terms of the 2018 Series B Resolution to make amendments to the 2018 Series B Resolution without consent of Holders of the Series B Bonds, as it may determine to be necessary to implement the Alternative Rate, as well as the business day convention, interest determination dates and related provisions and definitions, in each case as MassHousing determines in its judgment to be consistent with accepted market practice for the use of such Alternative Rate for the Series B Bonds.

“LIBOR Discontinuation Agent” means Barclays Capital Inc. or such other agent selected by an Authorized Officer and consented to by a majority of the bondholders.

“LIBOR Index Rate Determination Date” means a date that is two London Banking Days preceding the first day of each Interest Accrual Period.

“LIBOR Substitute Rate” means the rate equal to the 1-month commercial paper nonfinancial rate as published by the Board of Governors of the Federal Reserve of the United States Department of Treasury (in Statistical Release H.15 or any successor publication), or, in the event no such rates are published by either of the above, then as quoted or published by any Federal Reserve Bank or any department or agency of the United States of America.

“London Banking Day” means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, England.

“Prime Rate” means, for any day, the rate established by the Rate Determination Agent, from time to time as its prime rate, with each change in the Prime Rate being effective from and including the date such change is publicly announced as being effective; provided, however, the Rate Determination Agent may lend to its customers at rates that are at, above or below the Prime Rate.

“Rate Determination Agent” means Barclays Bank PLC or such other bank selected by an Authorized Officer and consented to by a majority of the bondholders.

“Taxable Date” means the date on which interest on the Series B Bonds is first includable in gross income of a holder or former holder as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

“Yield on the 30-year U.S. Treasury Bond” means, for any day, the yield on actively traded 30-year U.S. Treasury Bonds, as determined by the Rate Determination Agent.

### **Special Redemption**

The New Series Bonds are subject to redemption, in whole or in part at any time, by lot within a maturity, among maturities selected by MassHousing, at a redemption price equal to 100% of the principal amount of each such New Series Bond or portion thereof to be redeemed, plus accrued interest thereon to the date of redemption, as a result of any of the following: (i) the sale or other disposition of a Rental Development as to which MassHousing has taken title to or possession of under the Mortgage with respect thereto, (ii) condemnation of a Rental Development or part thereof, (iii) a default by a Mortgagor and initiation of any proceeding by MassHousing with respect to such default, including a refinancing by MassHousing, (iv) the sale or other disposition of a Mortgage Loan in default for the purpose of realizing on MassHousing’s interest therein, (v) receipt of proceeds under mortgage insurance, including

under the Federal Insurance Programs, or guaranty or hazard insurance proceeds, (vi) sale or prepayment of Mortgage Loans (see “SECURITY FOR THE BONDS AND SOURCES OF PAYMENT – Mortgage Loans and Revenues”), (vii) any excess Revenues available under the Resolution, and (viii) amounts held in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement (see “SECURITY FOR THE BONDS AND SOURCES OF PAYMENT – Mortgage Loans and Revenues”). The New Series Bonds are subject to redemption from such sources relating to Mortgage Loans financed from the proceeds of, or other moneys associated with, the New Series Bonds and other Series of Bonds.

The Resolution requires that the New Series Bonds be redeemed in whole or in part on or before June 1, 2021\* (subject to the extension of such date as set forth in the last sentence of this paragraph) from maturities selected by MassHousing, at a redemption price equal to 100% of the principal amount of each such Bond or portion thereof to be redeemed, plus accrued interest thereon to such date of redemption, from (i) any funds available therefor from the proceeds, including interest earnings thereon, of New Series Bonds issued to provide funds to finance mortgage loans which were not financed due to the inability of MassHousing, on or before May 1, 2021\* (subject to the extension of such date as set forth in the last sentence of this paragraph) to enter into mortgage loans requiring mortgagors to make certain mortgage payments and (ii) otherwise available moneys in an amount equal to the proportionate amount of New Series Bonds issued to pay costs of issuance (including underwriters’ discount and original issue discount, if any) and capitalized interest. However, if the unused New Series Bond proceeds and the investment income thereon are not sufficient to purchase or redeem such amount of the New Series Bonds, MassHousing has also covenanted to deposit into the Redemption Account from any unrestricted funds available to it an amount sufficient, together with the unused New Series Bond proceeds and investment income thereon, to purchase, or redeem at par plus accrued interest, on or before June 1, 2021\* or such later date as established by MassHousing for such redemption) an amount of New Series Bonds such that immediately following such purchase or redemption the projected Revenues allocable to Permanently Financed Rental Developments will be sufficient to pay when due the principal of and interest and Sinking Fund Installments on the remaining outstanding Bonds issued for any purpose allocable to all Permanently Financed Rental Developments (as such terms are defined in Appendix V). MassHousing may extend such outside dates for closing on mortgage loans and redemption of New Series Bonds to such later dates as it deems appropriate, subject to delivery to the Trustee of: (i) a certification of MassHousing that notwithstanding the extension of such outside dates for closing on mortgage loans and for redemption of New Series Bonds to the dates specified in such certification, the projected Revenues allocable to Permanently Financed Rental Developments will be sufficient in amounts and time of payment to pay when due the principal of and interest and Sinking Fund Installments on the Bonds Outstanding; and (ii) an opinion of Bond Counsel to the effect that such extension will not adversely affect the exclusion of interest on the New Series Bonds from the gross income of the recipients thereof for federal income tax purposes and Massachusetts personal income tax purposes.

#### **Optional Redemption\***

**Series A Bonds.** The Series A Bonds will be subject to redemption prior to maturity on or after June 1, 2027\* at the option of MassHousing, in whole or in part, at any time, among maturities selected by MassHousing. All such Series A Bonds so redeemed shall be redeemed at a redemption price equal to 100% of the principal amount of Series A Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

**Series B Bonds.** The Series B Bonds will be subject to redemption prior to maturity on or after June 1, 2027\* at the option of MassHousing, in whole or in part, at any time, among maturities selected by MassHousing. All such Series B Bonds so redeemed shall be redeemed at a redemption price equal to 100% of the principal amount of Series B Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

#### **Tender of the Series B Bonds\***

**Mandatory Tender.** Except as otherwise described in this section, holders of the Series B Bonds shall have no right to Tender their Series B Bonds for purchase. All Series B Bonds shall be subject to mandatory tender on June 1, 2028\* at a purchase price equal to the principal amount thereof, plus accrued interest, if any. At least fifteen (15) days prior to the date of such purchase, the Trustee shall send notice, by first class mail, to the Holder of each Series B Bond that the Series B Bonds are to be tendered for purchase. The Bondholders shall have no right to elect to retain their Series B Bonds. As of May 15, 2028\*, the Trustee will prepare and send a notice to all Bondholders and

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\* Preliminary, subject to change.

MassHousing, by first class mail, postage prepaid, that (i) the purchase of all of the Series B Bonds will occur on June 1, 2028\* (the “Purchase Date”), and (ii) the Bondholders shall have no right to retain their Series B Bonds after such date. On the Purchase Date, all Series B Bonds shall be tendered or deemed tendered by the Bondholders to the Trustee for purchase at a purchase price equal to the principal amount thereof plus accrued interest, if any.

**Accelerated Tender.** The Series B Bonds may be tendered for purchase by the holders thereof, at a purchase price equal to 100% of the principal amount thereof, plus accrued interest, if any, to the date of purchase, on the Series B Interest Payment Date (of if any such day is not a Business Day, the next succeeding Business Day) next succeeding the occurrence of (i) an event of default under the General Resolution, or (ii) MassHousing or any governmental authority with jurisdiction over MassHousing initiating legal proceedings seeking to declare the General Resolution or the Series B Resolution as invalid and not binding on MassHousing. The Series B Bonds may also be tendered for purchase by the holders thereof, at a purchase price equal to 100% of the principal amount thereof, plus accrued interest, if any, to the date of purchase, on the second Series B Interest Payment Date (or if any such day is not a Business Day, the next succeeding Business Day) next succeeding the occurrence of (i) entry of a final judgment in an amount greater than \$10,000,000 against MassHousing that is not paid or stayed within 60 days of such entry or (ii) any representation or warranty made by MassHousing under or in connection with the Series B Bonds shall be found to be materially false as of the date on which made or deemed made. Any tender date described in this paragraph shall constitute an “Accelerated Tender Date” and any holder tendering their Series B Bonds for purchase on an Accelerated Tender Date must give written notice to the Trustee not less than seven (7) days prior to such Accelerated Tender Date.

Delivery to the Trustee of Series B Bonds for any tender for purchase is required to be made by 10:00 a.m., New York time, on the Business Day which is the purchase date in order for tendering registered owners of the Series B Bonds to be paid in immediately available funds by 3:00 p.m., New York Time, on such day. If the Series B Bonds are delivered after 10:00 a.m., New York time, payment will be made by 12:00 noon, New York Time, on the next Business Day without any additional accrued interest. Bonds which are required to be tendered for purchase, upon both optional tender and mandatory tender, shall cease bearing interest from and after the date tender is required regardless of whether such Series B Bonds are presented for payment and registered owners of the Series B Bonds shall have no further rights with respect to such Series B Bonds other than the right to receive payment of the purchase price upon surrender of the Series B Bonds, provided that sufficient funds are available for the purchase of all Series B Bonds tendered or deemed tendered.

If sufficient funds are not available for the purchase of all Series B Bonds tendered or deemed tendered and required to be purchased on the Mandatory Tender Date or an Accelerated Tender Date, all Series B Bonds shall automatically convert to bear interest at the Base Rate for the first six calendar months, and for any period thereafter, at the Base Rate plus two percent (2.0%) (the “Stepped Rate”), and all tendered Series B Bonds shall be returned to their respective Bondholders. Notwithstanding anything to the contrary in the Resolution, such Series B Bonds bearing interest at the Stepped Rate shall not be subject to optional tender by the Bondholders thereof. No Opinion of Bond Counsel is required in connection with this automatic adjustment to the Stepped Rate. Such failed purchase and return will not constitute an Event of Default under the Resolution. In addition, such Series B Bonds bearing interest at the Stepped Rate shall remain subject to mandatory redemption as provided in the Resolution.

#### **Mandatory Sinking Fund Redemption\***

**Series A Bonds.** The Series A Bonds maturing on December 1, 2033,\* December 1, 2038,\* December 1, 2043\* and December 1, 2046\* will be subject to mandatory redemption in part, upon notice prior to maturity on December 1 and June 1 in each of the years and in the respective principal amounts set forth in the following table (the particular Series A Bonds to be redeemed to be selected as provided in the Resolution), in each case at a Redemption Price equal to 100% of their principal amount, plus accrued interest to the date of redemption, if any.

The Sinking Fund Installments set forth in the following tables shall be reduced as directed by MassHousing as a result of a special redemption or optional redemption of the applicable term Series A Bonds as described under “THE NEW SERIES BONDS – Special Redemption” and “Optional Redemption.”

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\* Preliminary, subject to change.

\$2,895,000\* % Term Bonds Due December 1, 2033\*

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
June 1, 2031	\$460,000	December 1, 2032	\$485,000
December 1, 2031	470,000	June 1, 2033	495,000
June 1, 2032	480,000	December 1, 2033 <sup>†</sup>	505,000

\* Preliminary, subject to change.

<sup>†</sup> Stated Maturity.

\$5,630,000\* % Term Bonds Due December 1 2038\*

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
June 1, 2034	\$515,000	December 1, 2036	\$490,000
December 1, 2034	525,000	June 1, 2037	580,000
June 1, 2035	535,000	December 1, 2037	590,000
December 1, 2035	545,000	June 1, 2038	600,000
June 1, 2036	555,000	December 1, 2038 <sup>†</sup>	615,000
December 1, 2036	570,000		

\* Preliminary, subject to change.

<sup>†</sup> Stated Maturity.

\$6,875,000\* % Term Bonds Due December 1, 2043\*

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
June 1, 2039	\$625,000	December 1, 2041	\$695,000
December 1, 2039	640,000	June 1, 2042	710,000
June 1, 2040	655,000	December 1, 2042	720,000
December 1, 2040	665,000	June 1, 2043	735,000
June 1, 2041	680,000	December 1, 2043 <sup>†</sup>	750,000

\* Preliminary, subject to change.

<sup>†</sup> Stated Maturity.

\$4,805,000\* % Term Bonds Due December 1, 2046\*

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
June 1, 2044	\$770,000	December 1, 2045	\$815,000
December 1, 2044	785,000	June 1, 2046	835,000
June 1, 2045	800,000	December 1, 2046 <sup>†</sup>	800,000

\* Preliminary, subject to change.

<sup>†</sup> Stated Maturity.

**Series B Bonds.** The Series B Bonds maturing on June 1, 2058\* will be subject to mandatory redemption in part, upon notice prior to maturity on June 1 and December 1 in each of the years and in the respective principal amounts set forth in the following table (the particular Series B Bonds to be redeemed to be selected as provided in the Resolution), in each case at a Redemption Price equal to 100% of their principal amount, plus accrued interest to the date of redemption, if any.

The Sinking Fund Installments set forth in the following tables shall be reduced as directed by MassHousing as a result of a special redemption or optional redemption of the applicable term Series B Bonds as described under “THE NEW SERIES BONDS – Special Redemption” and “Optional Redemption.”



\$25,000,000\* % Term Bonds Due June 1, 2058\*

<u>Date</u> *	<u>Amount</u> *	<u>Date</u> *	<u>Amount</u> *
December 1, 2046	\$50,000	December 1, 2052	\$1,075,000
June 1, 2047	875,000	June 1, 2053	1,095,000
December 1, 2047	890,000	December 1, 2053	1,120,000
June 1, 2048	910,000	June 1, 2054	1,140,000
December 1, 2048	925,000	December 1, 2054	1,160,000
June 1, 2049	945,000	June 1, 2055	1,185,000
December 1, 2049	960,000	December 1, 2055	1,205,000
June 1, 2050	980,000	June 1, 2056	1,230,000
December 1, 2050	1,000,000	December 1, 2056	1,250,000
June 1, 2051	1,015,000	June 1, 2057	1,275,000
December 1, 2051	1,035,000	December 1, 2057	1,300,000
June 1, 2052	1,055,000	June 1, 2058 <sup>†</sup>	1,325,000

\* Preliminary, subject to change.

<sup>†</sup> Stated Maturity.

### **Selection of New Series Bonds to be Redeemed**

In the event that less than all of the New Series Bonds of a particular maturity and series are to be redeemed, and so long as the book-entry-only system remains in effect for the New Series Bonds, the particular New Series Bonds of a series or portions thereof of the maturity to be redeemed will be selected by DTC in such manner as DTC shall determine. If the book-entry-only system no longer remains in effect for the New Series Bonds, selection for redemption of less than all of the New Series Bonds of a particular series and maturity will be made by the Trustee by lot as provided in the Resolution. If any of the New Series Bonds to be redeemed are New Series Bonds for which Sinking Fund Installments have been established, MassHousing shall select the dates and amounts by which such Sinking Fund Installments are to be reduced.

### **Notice of Redemption**

Notice of redemption of the New Series Bonds will be given by mailing a copy of such notice not more than 60 and not less than 20 days prior to the redemption date to the registered owner of any New Series Bonds or portions thereof to be redeemed (provided that failure to mail such notice with respect to a particular New Series Bond or any defect therein shall not affect the redemption of any other New Series Bond). Failure to mail notice of redemption to any registered owner of any New Series Bond or any defect in such notice will not affect the validity of the redemption of any other New Series Bonds for which the required notice was given. Any failure on the part of DTC or failure on the part of a nominee of a beneficial owner of New Series Bonds to notify the beneficial owner of the redemption of such New Series Bonds shall not affect the validity of the redemption. If notice of redemption shall have been given as aforesaid, and if on the redemption date moneys for the redemption of all New Series Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payments, then from and after the redemption date interest on such New Series Bonds issued under the Resolution or portions thereof shall cease to accrue and become payable.

### **Additional Bonds**

Additional Bonds may be issued under the Resolution for any lawful corporate purpose of MassHousing achievable by (i) making required or desired deposits in the various funds and accounts established by the Resolution, including, but not limited to, making or funding Rental Development Mortgage Loans and Home Ownership Loans meeting the requirements of the Resolution and paying capitalized interest and costs of issuance, (ii) the funding of Debt Obligations, which may include interest thereon, (iii) the refunding or redemption of Bonds issued under the

Resolution, (iv) the provision for any Bond discount, including underwriters' fees, and costs of issuance for a Series of Bonds and (v) any combination thereof. In addition to Parity Bonds secured equally and ratably by the assets pledged and covenants made under the General Resolution, the General Resolution provides that MassHousing may issue Series of Bonds that are subordinate to the Parity Bonds. Additional Bonds under the General Resolution may be issued only upon confirmation of the ratings of the Bonds Outstanding prior to such issuance.

For additional covenants with respect to the issuance of Additional Bonds under the Resolution, see "SECURITY FOR THE BONDS AND SOURCES OF PAYMENT – General" and "Appendix III – Summary of Certain Provisions of the Resolution."

### **Book-Entry-Only System**

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the New Series Bonds. The New Series Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered New Series Bond certificate will be issued for each maturity of each series of New Series Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC, or its custodial agent.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the New Series Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the New Series Bonds on DTC's records. The ownership interest of each actual purchaser of each New Series Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the New Series Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in New Series Bonds, except in the event that use of the book-entry system for the New Series Bonds is discontinued.

To facilitate subsequent transfers, all New Series Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of New Series Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the New Series Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such New Series Bonds are credited, which may or may not be the Beneficial Owners.

The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the New Series Bonds within a single maturity of a series of New Series Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the New Series Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to MassHousing as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the New Series Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal (including Sinking Fund Installments), redemption premium, if any, and interest payments on the New Series Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from MassHousing or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Trustee or MassHousing, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of MassHousing or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the New Series Bonds at any time by giving reasonable notice to MassHousing or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, New Series Bond certificates are required to be printed and delivered.

MassHousing may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, New Series Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been furnished by DTC. Such information is believed to be reliable, but neither MassHousing nor the Underwriters take any responsibility for the accuracy thereof.

NEITHER THE TRUSTEE NOR MASSHOUSING SHALL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY PARTICIPANT, ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE NEW SERIES BONDS UNDER OR THROUGH DTC OR ANY PARTICIPANT, OR ANY OTHER PERSON WHO IS NOT SHOWN IN THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A REGISTERED OWNER OF NEW SERIES BONDS WITH RESPECT TO: THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OF OR REDEMPTION PRICE, IF ANY, OR INTEREST ON THE NEW SERIES BONDS; ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO REGISTERED OWNERS OF THE NEW SERIES BONDS UNDER THE RESOLUTION; THE SELECTION BY DTC OR ANY PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE NEW SERIES BONDS; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER OF THE NEW SERIES BONDS.

If the Book-Entry-Only System is discontinued and New Series Bond certificates have been delivered as described in the Resolution, the Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the registered owner of such New Series Bonds. Thereafter, New Series Bonds may be exchanged

for an equal aggregate principal amount of New Series Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the principal corporate trust office of the Trustee. The transfer of any New Series Bond may be registered on the books maintained by the Trustee for such purpose only upon the surrender thereof to the Trustee with a duly executed assignment in form satisfactory to the Trustee. For every exchange or registration of transfer of New Series Bonds, the Trustee may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the owner for any exchange or registration of transfer of the New Series Bonds.

### **RATINGS**

The New Series Bonds have been assigned ratings of “ ” and “ ”, respectively, by Moody’s Investors Service, Inc. and S&P Global Ratings.

Such ratings reflect only the respective views of such organizations, and an explanation of the significance of such ratings may be obtained from the rating agency furnishing the same. There is no assurance that a rating will continue for any given period of time or that a rating will not be revised or withdrawn entirely by any or all of such rating agencies, if, in its or their judgment, circumstances so warrant. Any downward revision or withdrawal of a rating could have an adverse effect on the market prices of the Bonds.

### **LEGALITY OF BONDS FOR INVESTMENT**

Under the provisions of Section 13 of the Act, bonds and notes of MassHousing are made securities in which all public officers and bodies of the Commonwealth and all its political subdivisions, all insurance companies, trust companies in their commercial departments and, within the limits set by Chapter 167E of the Massachusetts General Laws, savings banks, cooperative banks, banking associations, investment companies, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of the Commonwealth may properly and legally invest funds, including capital in their control or belonging to them.

### **BONDS AS SECURITY FOR DEPOSIT**

Under Section 13 of the Act, bonds and notes of MassHousing are made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or other obligations of the Commonwealth is now or may hereafter be authorized by law.

### **LITIGATION**

At the time of delivery of and payment for the New Series Bonds, MassHousing’s general counsel will deliver an opinion to the effect that there is no litigation, inquiry or investigation before or by any court, public board or body, other than as disclosed in this Official Statement, known to be pending or, to the best of such counsel’s knowledge, threatened against MassHousing affecting the creation, organization or corporate existence of MassHousing or the title of its present members or officers to their respective offices; seeking to prohibit, restrain or enjoin the issuance or delivery of the New Series Bonds, or the collection of Revenues of MassHousing or the pledge of assets and Revenues under the Resolution; in any way contesting or affecting the validity or enforceability of the New Series Bonds, the Resolution, the Mortgage Loans, the Continuing Disclosure Agreement or the contract of purchase with respect to the New Series Bonds; or contesting in any material respect the completeness or accuracy of this Official Statement.

For a further discussion of litigation affecting MassHousing, see “Appendix I – Information Statement of MassHousing dated March 30, 2018.”

### **TAX EXEMPTION**

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel to MassHousing, is of the opinion that, under existing law, interest on the New Series Bonds will not be included in the gross income of the holders thereof for federal income tax purposes, except for interest on any New Series Bond when held by a “substantial user” of the

facilities financed by the New Series Bonds or a “related person” within the meaning of section 147(a) of the Internal Revenue Code of 1986, as amended (the “Code”). This opinion is expressly conditioned upon continued compliance with certain requirements of the Code, which requirements must be satisfied subsequent to the date of issuance of the New Series Bonds in order to ensure that interest on such Bonds is and continues to be excludable from the gross income of the holders thereof. Failure to comply with certain of such requirements could cause interest on the New Series Bonds to be included in the gross income of the holders thereof retroactive to the date of issuance of such Bonds. In particular, and without limitation, these requirements include restrictions on the use, expenditure and investment of proceeds and payment of rebate, or penalties in lieu of rebates to the United States, subject to certain exceptions. MassHousing has covenanted, and will require the developers to provide covenants and certificates, as to continued compliance with such requirements.

In the opinion of Bond Counsel, under existing law, interest on the New Series Bonds will not constitute a preference item under section 57(a)(5) of the Code for purposes of computation of the alternative minimum tax imposed on certain individuals and, for tax years that began prior to January 1, 2018, corporations under section 55 of the Code. Bond Counsel has not opined as to any other matters of federal tax law relating to the New Series Bonds. However, prospective purchasers should be aware that certain collateral consequences may result under federal tax law for certain holders of the New Series Bonds, including but not limited to the requirement that recipients of certain Social Security and railroad retirement benefits take into account receipts or accruals of interest on the New Series Bonds in determining gross income. The nature and extent of these other tax consequences depends on the particular tax status of the holder and the holder’s other items of income or deduction. Holders should consult their own tax advisors with respect to such matters.

Interest paid on tax-exempt obligations such as the New Series Bonds is generally required to be reported by payors to the Internal Revenue Service (“IRS”) and to recipients in the same manner as interest on taxable obligations. In addition, such interest may be subject to “backup withholding” if the bond holder fails to provide the information required on IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the bond owner as being subject to backup withholding because of prior underreporting. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the New Series Bonds from gross income for federal tax purposes.

In the opinion of Bond Counsel, interest on the New Series Bonds is exempt from Massachusetts personal income taxes, and the New Series Bonds are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to other Massachusetts tax consequences arising with respect to the New Series Bonds. Prospective purchasers should be aware, however, that the New Series Bonds are included in the measure of Massachusetts estate and inheritance taxes, and the New Series Bonds and the interest thereon are included in the measure of Massachusetts corporate excise and franchise taxes. Bond Counsel has not opined as to the taxability of the New Series Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, under the laws of any state other than Massachusetts.

For federal and Massachusetts income tax purposes, interest includes original issue discount, which with respect to a New Series Bond is equal to the excess, if any, of the stated redemption price at maturity of a New Series Bond over the initial offering price at which price a substantial amount of all New Series Bonds with the same maturity were sold (other than to underwriters and other intermediaries). Original issue discount accrues based on a constant yield method over the term of a New Series Bond and results in a corresponding increase in the holder’s tax basis in such New Series Bond. Holders should consult their own tax advisors with respect to the computation of original issue discount during the period in which any such New Series Bond is held.

An amount equal to the excess, if any, of the purchase price of a New Series Bond over the principal amount payable at maturity generally constitutes amortizable bond premium for federal and Massachusetts tax purposes. The required amortization of such premium during the term of a New Series Bond will result in reduction of the holder’s tax basis in such New Series Bond. Such amortization also will result in reduction of the amount of the stated interest on the New Series Bond taken into account as interest for tax purposes. Holders of New Series Bonds purchased at a premium should consult their own tax advisors with respect to the determination and treatment of such premium for federal income tax purposes and with respect to the state or local tax consequences of owning such Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the New Series Bonds, including legislation, court decisions, or administrative actions, whether at the federal or state level, may affect the tax-exempt status of interest on the New Series Bonds or the tax consequences of ownership of the New Series Bonds. No assurance can be given that future legislation, if enacted into law, will not contain provisions which could directly or indirectly reduce or eliminate the benefit of the exclusion of the interest on the New Series Bonds from gross income for federal income tax purposes or any state tax benefit of the New Series Bonds. Tax reform proposals and deficit reduction measures, including but not limited to proposals to reduce the benefit of the interest exclusion from income for certain holders of tax-exempt bonds, including bonds issued prior to the proposed effective date of the applicable legislation, and other proposals to limit federal tax expenditures, have been and are expected to be under ongoing consideration by the United States Congress. These proposed changes could affect the market value or marketability of the New Series Bonds, and, if enacted into law, could also affect the tax treatment of all or a portion of the interest on the New Series Bonds for some or all holders. Holders should consult their own tax advisors with respect to any of the foregoing tax consequences.

### **CERTAIN LEGAL MATTERS**

All legal matters related to the authorization, issuance, sale and delivery of the New Series Bonds are subject to the approval of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel to MassHousing with respect to the New Series Bonds. The approving opinions of Bond Counsel substantially in the forms set forth as Appendix IV hereto, will be delivered with the New Series Bonds. Certain legal matters will be passed upon for the Underwriters by their counsel, Nutter, McClennen & Fish, LLP.

### **FINANCIAL ADVISOR**

CSG Advisors Incorporated (“CSG”) was retained by MassHousing to act as financial advisor in connection with the New Series Bonds and has assisted in the preparation of certain information in this Official Statement. CSG will receive compensation for its services as financial advisor. CSG is not a public accounting firm and has not been engaged by MassHousing to compile, review, examine or audit any information in this Official Statement in accordance with accounting standards. CSG is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board, is an independent advisory firm, and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the New Series Bonds.

### **SWAP ADVISOR**

Swap Financial Group, LLC, is serving as MassHousing’s Qualified Independent Representative (“QIR”) with respect to the planned interest rate swap associated with the Series B Bonds.

### **UNDERWRITING**

The Series A Bonds are being purchased by the underwriters named on the cover page of this Official Statement (the “Underwriters”) who have jointly and severally agreed, subject to certain conditions, to purchase all but not less than all of such Series of Bonds at par. The Underwriters will receive compensation in connection therewith in the aggregate amount of \$\_\_\_\_\_. The initial public reoffering prices may be changed, from time to time, by the Underwriters. The Series B Bonds are not underwritten, but are expected to be purchased directly by the Purchaser. A placement discount of \$\_\_\_\_\_ will be paid to the Purchaser.

*The following language has been provided by the Underwriters. MassHousing takes no responsibility as to the accuracy or completeness thereof.*

Certain of the Underwriters have entered into distribution agreements with other broker-dealers (that have not been designated by MassHousing as Underwriters) for the distribution of the Series A Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the underwriters and their affiliates may have certain creditor and/or other rights against MassHousing and its affiliates in connection with such activities. In the course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of MassHousing (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with MassHousing. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934. Wells Fargo Bank, National Association is serving as both underwriter and Trustee for the Series A Bonds and will be compensated separately for serving in each capacity.

#### **CONTINUING DISCLOSURE AND OTHER AVAILABLE INFORMATION**

MassHousing prepares an Annual Report with respect to each fiscal year ending June 30 which becomes available in September of the following fiscal year. The Annual Report includes information relating to MassHousing members, staff, legal and financial services, distribution of housing, operations and audited financial statements for the fiscal year ending June 30.

The Annual Report with audited financial statements for the year ended June 30, 2017 is available. None of the assets or net assets reflected in the statements of net position included in such financial statements other than those relating to the Resolution is or will be pledged for the payment of debt service on the New Series Bonds. The Annual Report for the year ended June 30, 2017 is incorporated herein by reference and has been posted on MassHousing's internet site at [www.masshousing.com](http://www.masshousing.com) and filed with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") repository.

In addition, MassHousing, on its own behalf and on behalf of certain developers, has undertaken for the benefit of the Bondholders to provide certain continuing disclosure. This undertaking has been made pursuant to the provisions of Rule 15c2-12(b)(5) under the Securities Exchange Act of 1934 (as amended, the "Rule").

More specifically, MassHousing will agree for the benefit of the Bondholders in a Continuing Disclosure Agreement between MassHousing and the Trustee to provide certain financial information and operating data relating to MassHousing by no later than 180 days after the end of each fiscal year commencing with the fiscal year ending June 30, 2018 (the "MassHousing Annual Information"), and to provide notices of the occurrence of certain enumerated events. MassHousing Annual Information will be filed by MassHousing with the MSRB through its EMMA system. Notices of enumerated events will be filed by MassHousing with the MSRB through EMMA. The form of the Continuing Disclosure Agreement is set forth under the caption "Appendix VI – Proposed Form of Continuing Disclosure Agreement."

MassHousing also will agree, for the benefit of the Bondholders, to provide certain annual financial information and operating data concerning certain Rental Developments to be provided to it by the Mortgagors of such Developments (the "Developer Annual Information"). The Developer Annual Information will be filed in the same manner as MassHousing Annual Information. The nature of the Developer Annual Information and the criteria for

determining which Mortgagors are required to provide annual financial information is also set forth under “Appendix VI – Proposed Form of Continuing Disclosure Agreement.”

Under MassHousing’s Continuing Disclosure Agreement, the sole remedy for any Bondholder upon an event of default is a suit in equity for specific performance in a court of competent jurisdiction.

MassHousing Annual Information and Developer Annual Information, which includes MassHousing’s Annual Financial Report with respect to the fiscal year ended June 30, 2017 was filed in accordance with existing continuing disclosure agreements on December 21, 2017, is incorporated herein by reference and is available through EMMA and is also posted at MassHousing’s internet site at [www.masshousing.com](http://www.masshousing.com).

During the last five years, certain notices with respect to rating changes resulting from (i) downgrades to Assured Guaranty Municipal Corp. (f/k/a Financial Security Assurance Inc.) and (ii) rating changes to certain banks providing letters of credit that secure MassHousing variable rate bonds, were not filed on a timely basis or were filed and not properly linked with every affected CUSIP number on the databases of nationally recognized municipal securities information repositories or EMMA. At this time, such information has been filed, refiled and/or linked on EMMA.

#### **MISCELLANEOUS**

Bonds of MassHousing may be sold by it at public or private sale and at such price or prices as MassHousing shall determine, provided that the written approval of the Treasurer and Receiver-General of the Commonwealth as to such sale and the terms thereof is required for any private sale of bonds.

#### **MASSACHUSETTS HOUSING FINANCE AGENCY**

By: \_\_\_\_\_  
*Chrystal Kornegay*  
*Executive Director*

Dated: June \_\_, 2018



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**MASSACHUSETTS HOUSING FINANCE AGENCY**



**INFORMATION STATEMENT**

**March 30, 2018**

This Information Statement contains certain general and financial information concerning the Massachusetts Housing Finance Agency (“MassHousing” or the “Agency”). The information is authorized by MassHousing to be distributed to prospective purchasers in connection with bonds or notes offered for sale by MassHousing, and to the Electronic Municipal Market Access repository currently recognized by the Securities and Exchange Commission for purposes of its Rule 15c2-12. The Information Statement may not be reproduced or used in whole or in part for any other purpose without the express written consent of the Financial Director of MassHousing, One Beacon Street, Boston, Massachusetts 02108.

MassHousing also prepares an annual report with respect to each fiscal year ending June 30 which becomes available in September of the following fiscal year. Specific reference is made to MassHousing’s Annual Report for the fiscal year ended June 30, 2017, which is available from MassHousing and is also posted at MassHousing’s internet site at [www.masshousing.com](http://www.masshousing.com). A copy of the Annual Report has been filed with the Electronic Municipal Market Access repository.

Questions regarding this Information Statement and requests for additional financial information concerning MassHousing should be directed to the Office of the Financial Director.

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Any statements in this Information Statement involving matters of opinion, whether or not expressly so stated are intended merely as opinion and not as representations of fact. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Information Statement nor any sale made pursuant to any official statement or offering memorandum to which it is appended, in which it is included by reference or with which it is distributed shall, under any circumstances, create any implication that there has been no change in the affairs of MassHousing since the date hereof.

This Information Statement contains forecasts, projections and estimates that are based on expectations and assumptions which existed at the time such forecasts, projections and estimates were prepared. In light of the important factors that may materially affect economic conditions of MassHousing, the inclusion in this Information Statement of such forecasts, projections and estimates should not be regarded as a representation of MassHousing that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results.

If and when included in this Information Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates” and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of MassHousing. These forward-looking statements speak only as of the date of this Information Statement. MassHousing disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in MassHousing’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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## MASSHOUSING

### General

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 finance mortgage loans through the acquisition of certain Mortgage-Backed Securities (MBS) and to enter into agreements and perform other functions in furtherance of its public purposes.

### Membership

MassHousing is governed by nine members including the Secretary for Administration and Finance and the Director of the Department of Housing and Community Development of the Commonwealth, *ex officio*, and seven other members appointed by the Governor. Three of the seven appointees are required to have expertise in mortgage banking, architecture or city or regional planning and real estate transactions, and two appointees are required to have experience in single-family residential development. Another appointee is required to be a representative of organized labor appointed from a list of at least five names submitted by the Massachusetts State Labor Council, AFL-CIO. Each appointive member serves for a term of seven years and until his or her successor is appointed and duly qualified.

The chairman of MassHousing is designated by the Governor and serves as chairman during his or her term of office as a member. The members annually elect a vice chair, who shall be a member, and a secretary, a treasurer and such other officers as the members may determine to be desirable, none of whom need be a member. The members also appoint the Executive Director of MassHousing. The members serve without compensation and meet once a month or more frequently, if necessary. Action by the membership requires the affirmative vote of five members. There is currently one vacancy among the members.

As of the date of the publication of this Information Statement, the members of MassHousing are:

<b><u>Name</u></b>	<b><u>Term Expires</u></b>	<b><u>Background</u></b>
Michael J. Dirrane Chair	2023	Senior Managing Director and Chief Sales Director, National Mortgage Insurance Corporation
Ping Yin Chai Vice-Chair	2022	President and CEO, Salem Five Bancorp
Andris J. Silins Treasurer	2020	General Secretary-Treasurer, United Brotherhood of Carpenters and Joiners of America
Janelle Chan	<i>ex-officio</i>	Undersecretary of the Department of Housing and Community Development
Michael J. Heffernan	<i>ex-officio</i>	Secretary of the Executive Office for Administration and Finance
Carolina Avellaneda	2024	Director of Governance and Compliance and Special Counsel, University of Massachusetts
Lisa Serafin Sheehan	2024	Principal, Redgate Real Estate Advisors
Patricia A. McArdle	2024	Partner, Law Office of Patricia A. McArdle & Associates, PC

## **Advisory Committees**

The Act establishes two Advisory Committees to assist MassHousing in formulating policies and procedures relevant to the development of its rental and home ownership housing programs. Each Advisory Committee is composed of up to 15 members who are appointed by the Governor and serve without compensation, including persons with experience or training in urban renewal, building, social work, mortgage financing, the municipal bond market, architecture, land use planning or municipal government.

## **Organization and Management Personnel**

As of December 31, 2017, the staff of MassHousing consisted of 340 persons, including employees with professional qualifications in the fields of finance, law, architecture, cost estimating, housing management, construction inspection, mortgage underwriting, business administration, accounting, information technology and economic and community development. MassHousing is comprised of six primary business lines – Rental Business Development, Rental Underwriting, Rental Management, Home Ownership Lending Operations, Home Ownership Production, to which the MassHousing Mortgage Insurance Fund (the “Mortgage Insurance Fund” or “MIF”) reports, and Home Ownership Servicing and Operations – as well as a corporate office led by the Executive Director, which includes the offices of the General Counsel and the Financial Director.

Senior members of the corporate offices of MassHousing are:

**CHRystal D. KorneGAY**– Executive Director – On January 9, 2018 was appointed Executive Director. Prior to joining MassHousing, Ms. Kornegay was Undersecretary of the Department of Housing and Community Development for the Commonwealth; President and Chief Executive Officer of Urban Edge, a community development corporation; and Project Manager for The Community Builders, Inc., a nationally-recognized non-profit housing developer and manager. She received a B.A. from Hunter College, and a Master’s Degree in City Planning from the Massachusetts Institute of Technology. Ms. Kornegay is also a graduate of the Achieving Excellence Program at Harvard University’s Kennedy School of Government.

**BETH M. ELLIOTT** – General Counsel – Joined MassHousing in June 2008 as a Staff Attorney; on January 12, 2016 was appointed Acting General Counsel; and on July 5, 2016 was appointed General Counsel. Prior to joining MassHousing, Ms. Elliott was a lawyer in private practice at Ropes & Gray LLP in Boston. She received a B.A. from the University of Michigan, a J.D. from Harvard Law School, and a Master’s Degree in Public Policy from Harvard University’s Kennedy School of Government.

**CHARLES C. KARIMBAKAS** – Financial Director – Joined MassHousing as Manager of Capital Planning in 2003; assumed responsibilities of Manager of Financial and Capital Planning in December 2006; was appointed Deputy Financial Director in December 2015; and on July 5, 2016 was appointed Financial Director. Prior to joining MassHousing, he was Director of Finance, Massachusetts Turnpike Authority; Fiscal Policy Manager, Central Artery Tunnel Project and Senior Financial Analyst, Central Artery Tunnel Project. He received a B.A. from the University of Vermont and a M.B.A. from Northeastern University.

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## **FINANCIAL OPERATIONS**

The financial analysis presented below, based on the combined programs of MassHousing for the fiscal years ended June 30, 2017 (FY 2017) and June 30, 2016 (FY 2016), with select comparative information from June 30, 2015 (FY 2015), and for the six-month periods ended December 31, 2017 and December 31, 2016, with select comparative information for December 31, 2015, should be read in conjunction with the combined financial statements which appear below under the caption “Financial Operations—Combined Financial Statements” and MassHousing’s audited financial statements for the fiscal year ended June 30, 2017 (the “Fiscal 2017 Financial Statements”) included in MassHousing’s annual report for the fiscal year (the “Annual Report”). The amounts discussed below have been rounded or are approximations to facilitate easier reading of this analysis.

### **Combined Financial Statements**

Included on the following pages are tables reflecting the financial results of MassHousing for the fiscal years ended June 30, 2017 and June 30, 2016 and for the six-month periods ended December 31, 2017 and December 31, 2016, respectively. The financial results are presented on a combined basis. In addition to MassHousing’s combined financial statements, detailed financial statements for each of the separate bond resolutions and the Working Capital Fund (WCF) and affiliates are presented in accordance with the financial reporting requirements of the various bond resolutions. The tables have been derived by MassHousing from audited financial statements for the fiscal years ended June 30, 2017 and June 30, 2016 and unaudited financial statements for the six-month periods ended December 31, 2017 and December 31, 2016.

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Massachusetts Housing Finance Agency and Affiliates

STATEMENTS OF NET POSITION

June 30, 2017 and 2016

In thousands

	June 30, 2017	June 30, 2016
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 974,251	\$ 989,819
Investments	46,161	33,528
Interest and fees receivable on construction and mortgage loans, net	11,481	12,510
Current portion of loans receivable, net	183,551	242,302
Other assets	11,356	14,925
<b>Total current assets</b>	<b>1,226,800</b>	<b>1,293,084</b>
<b>Non-current assets</b>		
Investments	789,618	728,231
Non-current portion of loans receivable, net	2,735,107	2,753,705
Escrowed funds	506,859	547,710
Investment derivative instruments	135	102
Other assets	65,447	66,060
<b>Total non-current assets</b>	<b>4,097,166</b>	<b>4,095,808</b>
<b>Total assets</b>	<b>5,323,966</b>	<b>5,388,892</b>
<b>Deferred outflow of resources</b>		
Pensions	14,237	18,743
Hedging derivative instruments	13,925	24,220
<b>Total deferred outflow of resources</b>	<b>28,162</b>	<b>42,963</b>
<b>Total assets and deferred outflow of resources</b>	<b>\$ 5,352,128</b>	<b>\$ 5,431,855</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Current portion of long term debt, net	\$ 155,122	\$ 220,456
Obligation line of credit	75,000	75,000
Accrued interest payable	12,595	12,381
Other liabilities	13,376	18,824
Hedging derivative instruments	6	2,334
<b>Total current liabilities</b>	<b>256,099</b>	<b>328,995</b>
<b>Non-current liabilities</b>		
Non-current portion of long term debt, net	3,258,201	3,258,278
Long term loan	9,180	-
Net pension liability	30,224	35,427
Other liabilities	32,599	29,480
Escrowed funds payable	506,859	547,710
Hedging derivative instruments	13,919	21,886
<b>Total non-current liabilities</b>	<b>3,850,982</b>	<b>3,892,781</b>
<b>Total liabilities</b>	<b>4,107,081</b>	<b>4,221,776</b>
<b>Deferred inflow of resources</b>		
Pensions	1,872	224
<b>Total deferred inflow of resources</b>	<b>1,872</b>	<b>224</b>
<b>Total liabilities and deferred inflow of resources</b>	<b>4,108,953</b>	<b>4,222,000</b>
Commitments and contingencies		
Net position		
Restricted by bond resolutions	524,393	545,198
Restricted by contractual or statutory agreements	218,260	206,225
Unrestricted	500,522	458,432
<b>Total net position</b>	<b>\$ 1,243,175</b>	<b>\$ 1,209,855</b>

Massachusetts Housing Finance Agency and Affiliates

STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION

For the fiscal years ended: June 30, 2017 and 2016

<b>In thousands</b>	<b>Fiscal 2017</b>	<b>Fiscal 2016</b>
<b>Operating revenues</b>		
Interest on loans	\$ 148,250	\$ 163,808
Investment earnings:		
Interest income	30,607	26,984
Net increase (decrease) in fair value of investments	(21,550)	13,351
Fee income	75,465	75,802
Miscellaneous income	4,152	10,528
<b>Total operating revenues</b>	<b>236,924</b>	<b>290,473</b>
<b>Operating expenses</b>		
Interest on bonds and notes, net of discount/premium	128,742	133,079
Financing costs	9,859	9,656
Administrative expenses	84,390	82,350
Asset protection and support services expenses (recoveries)	(113)	353
Miscellaneous expenses	2,383	4,236
<b>Total operating expenses</b>	<b>225,261</b>	<b>229,674</b>
Operating income before reduction to loan losses and other items	11,663	60,799
Reduction to loan losses	(20,570)	(6,411)
Other items, net	(1,087)	(148)
<b>Total reduction to loan losses and other items</b>	<b>(21,657)</b>	<b>(6,559)</b>
<b>Operating income after reduction to loan losses and other items</b>	<b>33,320</b>	<b>67,358</b>
<b>Change in net position</b>	<b>33,320</b>	<b>67,358</b>
Net position at the beginning of the fiscal year	1,209,855	1,142,497
<b>Net position at the end of the fiscal year</b>	<b>\$ 1,243,175</b>	<b>\$ 1,209,855</b>

COMBINING STATEMENTS OF NET POSITION  
June 30, 2017

In thousands	Working Capital Fund and Affiliates	Rental Housing Mortgage Revenue Bond Program	Multi-Family Development Revenue Bond Program	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, 2017
<b>Assets</b>										
<b>Current assets</b>										
Cash and cash equivalents	\$ 498,840	\$ 14,896		\$ 7,645	\$ 25,010	\$ 295,944	\$ 131,843	\$ 73		\$ 974,251
Investments	33,262						11,487	1,412		46,161
Interest and fees receivable on construction and mortgage loans, net	785	451		678	1,219	7,036	1,312			11,481
Current portion of loans receivable, net	124,071	3,287		2,380	3,431	39,669	10,713			183,551
Interfund accounts receivable (payable)	213	(16)		(10)			(187)			
Other assets	8,597	394		5	11	427	1,794	201	\$ (73)	11,356
<b>Total current assets</b>	<b>665,768</b>	<b>19,012</b>		<b>10,698</b>	<b>29,671</b>	<b>343,076</b>	<b>156,962</b>	<b>1,686</b>	<b>(73)</b>	<b>1,226,800</b>
<b>Non-current assets</b>										
Investments	92,940	2,627		431		43,375	579,145	71,100		789,618
Non-current portion of loans receivable, net	230,742	73,780		184,124	299,679	1,600,888	345,894			2,735,107
Escrowed funds	506,779					80				506,859
Investment derivative instruments						135				135
Other assets	54,451	8,042				1,249	1,705			65,447
<b>Total non-current assets</b>	<b>884,912</b>	<b>84,449</b>		<b>184,555</b>	<b>299,679</b>	<b>1,645,727</b>	<b>926,744</b>	<b>71,100</b>		<b>4,097,166</b>
<b>Total assets</b>	<b>1,550,680</b>	<b>103,461</b>		<b>195,253</b>	<b>329,350</b>	<b>1,988,803</b>	<b>1,083,706</b>	<b>72,786</b>	<b>(73)</b>	<b>5,323,966</b>
<b>Deferred outflow of resources</b>										
Pensions	14,237									14,237
Hedging derivative instruments	6	11,831				2,088				13,925
<b>Total deferred outflow of resources</b>	<b>14,243</b>	<b>11,831</b>				<b>2,088</b>				<b>28,162</b>
<b>Total assets and deferred outflow of resources</b>	<b>\$ 1,564,923</b>	<b>\$ 115,292</b>		<b>\$ 195,253</b>	<b>\$ 329,350</b>	<b>\$ 1,990,891</b>	<b>\$ 1,083,706</b>	<b>\$ 72,786</b>	<b>\$ (73)</b>	<b>\$ 5,352,128</b>
<b>Liabilities</b>										
<b>Current liabilities</b>										
Current portion of long term debt, net	\$ 47,850	\$ 2,710		\$ 1,215	\$ 3,400	\$ 66,515	\$ 32,020	\$ 1,412		\$ 155,122
Obligation line of credit	75,000									75,000
Accrued interest payable	530	987		494	896	7,035	2,488	165		12,595
Other liabilities	12,492			852		32		73	\$ (73)	13,376
Hedging derivative instruments	6									6
<b>Total current liabilities</b>	<b>135,878</b>	<b>3,697</b>		<b>2,561</b>	<b>4,296</b>	<b>73,582</b>	<b>34,508</b>	<b>1,650</b>	<b>(73)</b>	<b>256,099</b>
<b>Non-current liabilities</b>										
Non-current portion of long term debt, net	130,971	81,440		186,164	295,925	1,603,188	888,051	72,462		3,258,201
Long term- loan	9,180									9,180
Net pension liability	30,224									30,224
Other liabilities	31,237	460				902				32,599
Escrowed funds payable	506,779					80				506,859
Hedging derivative instruments		11,831				2,088				13,919
<b>Total non-current liabilities</b>	<b>708,391</b>	<b>93,731</b>		<b>186,164</b>	<b>295,925</b>	<b>1,606,258</b>	<b>888,051</b>	<b>72,462</b>		<b>3,850,982</b>
<b>Total liabilities</b>	<b>844,269</b>	<b>97,428</b>		<b>188,725</b>	<b>300,221</b>	<b>1,679,840</b>	<b>922,559</b>	<b>74,112</b>	<b>(73)</b>	<b>4,107,081</b>
<b>Deferred inflow of resources</b>										
Pensions	1,872									1,872
<b>Total deferred inflow of resources</b>	<b>1,872</b>									<b>1,872</b>
<b>Total liabilities and deferred inflow of resources</b>	<b>846,141</b>	<b>97,428</b>		<b>188,725</b>	<b>300,221</b>	<b>1,679,840</b>	<b>922,559</b>	<b>74,112</b>	<b>(73)</b>	<b>4,108,953</b>
<b>Commitments and contingencies</b>										
<b>Net position</b>										
Restricted by bond resolutions		17,864		6,528	29,129	311,051	161,147	(1,326)		524,393
Restricted by contractual or statutory agreements	218,260									218,260
Unrestricted	500,522									500,522
<b>Total net position</b>	<b>\$ 718,782</b>	<b>\$ 17,864</b>		<b>\$ 6,528</b>	<b>\$ 29,129</b>	<b>\$ 311,051</b>	<b>\$ 161,147</b>	<b>\$ (1,326)</b>		<b>\$ 1,243,175</b>

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

For the fiscal year ended:

June 30, 2017

In thousands	Working Capital Fund and Affiliates	Rental Housing Mortgage Revenue Bond Program	Multi-Family Development Revenue Bond Program	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	Fiscal 2017
<b>Operating revenues</b>										
Interest on loans	\$ 12,968	\$ 5,523	\$ 21	\$ 9,103	\$ 14,210	\$ 85,714	\$ 20,711			\$ 148,250
Investment earnings:										
Interest income	5,851	184		32	52	1,729	20,319	\$ 2,440		30,607
Net (decrease) in fair value of investments	(1,366)					(65)	(17,212)	(2,907)		(21,550)
Fee income	72,320				499	2,646				75,465
Miscellaneous income	3,895					348	1,599		\$ (1,690)	4,152
<b>Total operating revenues</b>	<b>93,668</b>	<b>5,707</b>	<b>21</b>	<b>9,135</b>	<b>14,761</b>	<b>90,372</b>	<b>25,417</b>	<b>(467)</b>	<b>(1,690)</b>	<b>236,924</b>
<b>Operating expenses</b>										
Interest on bonds and notes, net of discount/premium	4,679	5,242	21	7,282	10,807	69,361	29,794	1,556		128,742
Financing costs	788			4		7,513	1,554			9,859
Administrative expenses	79,995	40		14	2	741	3,582	16		84,390
Asset protection and support services expenses (recoveries)	18						(131)			(113)
Miscellaneous expenses	3,522						551		(1,690)	2,383
<b>Total operating expenses</b>	<b>89,002</b>	<b>5,282</b>	<b>21</b>	<b>7,300</b>	<b>10,809</b>	<b>77,615</b>	<b>35,350</b>	<b>1,572</b>	<b>(1,690)</b>	<b>225,261</b>
Operating income (loss) before reduction to loan losses and other items	4,666	425		1,835	3,952	12,757	(9,933)	(2,039)		11,663
Reduction to loan losses	(16,579)			(519)	(743)	(2,330)	(399)			(20,570)
Other items, net	(1,087)									(1,087)
<b>Total Reduction to loan losses</b>	<b>(17,666)</b>			<b>(519)</b>	<b>(743)</b>	<b>(2,330)</b>	<b>(399)</b>			<b>(21,657)</b>
Operating income (loss) after reduction to loan losses and other items	<b>22,332</b>	<b>425</b>		<b>2,354</b>	<b>4,695</b>	<b>15,087</b>	<b>(9,534)</b>	<b>(2,039)</b>		<b>33,320</b>
Change in net position	<b>22,332</b>	<b>425</b>		<b>2,354</b>	<b>4,695</b>	<b>15,087</b>	<b>(9,534)</b>	<b>(2,039)</b>		<b>33,320</b>
Interfund transfers	31,793			(1,700)	(3,082)	(29,572)	2,866	(305)		
Net position at the beginning of the fiscal year	664,657	17,439		5,874	27,516	325,536	167,815	1,018		1,209,855
<b>Net position at the end of the fiscal year</b>	<b>\$ 718,782</b>	<b>\$ 17,864</b>		<b>\$ 6,528</b>	<b>\$ 29,129</b>	<b>\$ 311,051</b>	<b>\$ 161,147</b>	<b>\$ (1,326)</b>		<b>\$ 1,243,175</b>

Massachusetts Housing Finance Agency and Affiliates

COMBINED STATEMENTS OF NET POSITION

December 31, 2017 and 2016

In thousands

	December 31, 2017	December 31, 2016
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 934,283	\$ 1,177,284
Investments	93,904	40,213
Interest and fees receivable on construction and mortgage loans, net	11,267	11,825
Current portion of loans receivable, net	279,483	215,260
Hedging derivative instruments-current	-	1,728
Other assets	17,461	14,676
<b>Total current assets</b>	<b>1,336,398</b>	<b>1,460,986</b>
<b>Non-current assets</b>		
Investments	925,124	706,779
Non-current portion of loans receivable, net	2,664,837	2,735,449
Escrowed funds	555,641	533,134
Investment derivative instruments	45	405
Other assets	57,043	66,441
<b>Total non-current assets</b>	<b>4,202,690</b>	<b>4,042,208</b>
<b>Total assets</b>	<b>5,539,088</b>	<b>5,503,194</b>
<b>Deferred outflow of resources</b>		
Pensions	11,986	19,536
Hedging derivative instruments	12,243	15,163
<b>Total deferred outflow of resources</b>	<b>24,229</b>	<b>34,699</b>
<b>Total assets and deferred outflow of resources</b>	<b>\$ 5,563,317</b>	<b>\$ 5,537,893</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Current portion of long term debt, net	\$ 211,435	\$ 282,559
Obligation line of credit	75,000	75,000
Accrued interest payable	11,157	12,532
Other liabilities	17,606	15,804
Hedging derivative instruments	11	-
<b>Total current liabilities</b>	<b>315,209</b>	<b>385,895</b>
<b>Non-current liabilities</b>		
Non-current portion of long term debt, net	3,354,509	3,321,541
Long term loan	9,180	9,180
Net pension liability	26,978	35,427
Other liabilities	29,658	33,347
Escrowed funds payable	555,641	533,134
Hedging derivative instruments	12,232	15,163
Investment derivative instruments	113	-
<b>Total non-current liabilities</b>	<b>3,988,311</b>	<b>3,947,792</b>
<b>Total liabilities</b>	<b>4,303,520</b>	<b>4,333,687</b>
<b>Deferred inflow of resources</b>		
Pensions	1,640	203
Hedging instruments	-	1,728
<b>Total deferred inflow of resources</b>	<b>1,640</b>	<b>1,931</b>
<b>Total liabilities and deferred inflow of resources</b>	<b>4,305,160</b>	<b>4,335,618</b>
<b>Commitments and contingencies</b>		
<b>Net position</b>		
Restricted by bond resolutions	520,757	526,389
Restricted by contractual or statutory agreements	219,829	215,864
Unrestricted	517,571	460,022
<b>Total net position</b>	<b>\$ 1,258,157</b>	<b>\$ 1,202,275</b>

Massachusetts Housing Finance Agency and Affiliates

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

For the six and three months ended: December 31, 2017 and 2016

In thousands	Six Months Ended		Three Months Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
<b>Operating revenues</b>				
Interest on loans	\$ 70,990	\$ 72,918	\$ 34,403	\$ 36,304
Investment earnings:				
Interest income	17,567	14,409	8,684	7,452
Net (decrease) in fair value of investments	(2,579)	(22,782)	(3,940)	(22,318)
Fee income	42,315	40,203	21,249	21,587
Miscellaneous income	1,893	1,887	953	621
<b>Total operating revenues</b>	<b>130,186</b>	<b>106,635</b>	<b>61,349</b>	<b>43,646</b>
<b>Operating expenses</b>				
Interest on bonds and notes, net of discount/premium	61,109	64,354	30,150	32,454
Financing costs	6,165	5,631	2,614	2,785
Administrative expenses	39,448	39,610	19,045	20,572
Asset protection and support services expenses (recoveries)	(68)	43	(127)	(2)
Miscellaneous expenses	1,963	1,496	1,114	859
<b>Total operating expenses</b>	<b>108,617</b>	<b>111,134</b>	<b>52,796</b>	<b>56,668</b>
Operating income (loss) before provision for loan losses and other items	<b>21,569</b>	<b>(4,499)</b>	<b>8,553</b>	<b>(13,022)</b>
Provision for loan losses	401	4,168	73	4,062
Other items, net		(1,087)		
<b>Total provision for loan losses and other items</b>	<b>401</b>	<b>3,081</b>	<b>73</b>	<b>4,062</b>
Operating income (loss) after provision for loan losses and other items	<b>21,168</b>	<b>(7,580)</b>	<b>8,480</b>	<b>(17,084)</b>
<b>Special Items</b>	(6,186)	-	(6,186)	-
<b>Change in net position</b>	<b>14,982</b>	<b>(7,580)</b>	<b>2,294</b>	<b>(17,084)</b>
Net position at the beginning of the period	1,243,175	1,209,855	1,255,863	1,219,359
<b>Net position at the end of the period</b>	<b>\$ 1,258,157</b>	<b>\$ 1,202,275</b>	<b>\$ 1,258,157</b>	<b>\$ 1,202,275</b>

COMBINING STATEMENTS OF NET POSITION

December 31, 2017

In thousands	Working Capital Fund and Affiliates	Rental Housing Mortgage Revenue Bond Program	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	December 31, 2017
<b>Assets</b>									
<b>Current assets</b>									
Cash and cash equivalents	\$ 412,263	\$ 7,032	\$ 7,272	\$ 25,731	\$ 266,542	\$ 215,384	\$ 59		\$ 934,283
Investments	52,734				12,326	27,579	1,265		93,904
Interest and fees receivable on construction and mortgage loans, net	834	419	672	1,094	6,968	1,280			11,267
Current portion of loans receivable, net	227,722	3,391	2,441	3,487	32,870	9,572			279,483
Interfund accounts receivable (payable)	462	(16)	(10)		(66)	(370)			
Other assets	14,595	173	6	18	599	1,949	180	\$ (59)	17,461
<b>Total current assets</b>	<b>708,610</b>	<b>10,999</b>	<b>10,381</b>	<b>30,330</b>	<b>319,239</b>	<b>255,394</b>	<b>1,504</b>	<b>(59)</b>	<b>1,336,398</b>
<b>Non-current assets</b>									
Investments	137,911	3,193	432		111,116	608,712	63,760		925,124
Non-current portion of loans receivable, net	211,148	72,054	182,755	297,821	1,584,257	316,802			2,664,837
Escrowed funds	555,561				80				555,641
Investment derivative instruments					45				45
Other assets	53,071	1,748			858	1,366			57,043
<b>Total non-current assets</b>	<b>957,691</b>	<b>76,995</b>	<b>183,187</b>	<b>297,821</b>	<b>1,696,356</b>	<b>926,880</b>	<b>63,760</b>		<b>4,202,690</b>
<b>Total assets</b>	<b>1,666,301</b>	<b>87,994</b>	<b>193,568</b>	<b>328,151</b>	<b>2,015,595</b>	<b>1,182,274</b>	<b>65,264</b>	<b>(59)</b>	<b>5,539,088</b>
<b>Deferred outflow of resources</b>									
Pensions	11,986								11,986
Hedging derivative instruments	11	10,590			1,642				12,243
<b>Total deferred outflow of resources</b>	<b>11,997</b>	<b>10,590</b>			<b>1,642</b>				<b>24,229</b>
<b>Total assets and deferred outflow of resources</b>	<b>\$ 1,678,298</b>	<b>\$ 98,584</b>	<b>\$ 193,568</b>	<b>\$ 328,151</b>	<b>\$ 2,017,237</b>	<b>\$ 1,182,274</b>	<b>\$ 65,264</b>	<b>\$ (59)</b>	<b>\$ 5,563,317</b>
<b>Liabilities</b>									
<b>Current liabilities</b>									
Current portion of long term debt, net	\$ 44,595	\$ 2,495	\$ 1,240	\$ 3,480	\$ 56,550	\$ 101,810	\$ 1,265		\$ 211,435
Obligation line of credit	75,000								75,000
Accrued interest payable	705	408	503	893	5,955	2,546	147		11,157
Other liabilities	16,713		869		24		59	\$ (59)	17,606
Hedging derivative instruments	11								11
<b>Total current liabilities</b>	<b>137,024</b>	<b>2,903</b>	<b>2,612</b>	<b>4,373</b>	<b>62,529</b>	<b>104,356</b>	<b>1,471</b>	<b>(59)</b>	<b>315,209</b>
<b>Non-current liabilities</b>									
Non-current portion of long term debt, net	181,716	72,980	184,393	294,160	1,640,671	915,625	64,964		3,354,509
Long term- loan	9,180								9,180
Net pension liability	26,978								26,978
Other liabilities	28,799				859				29,658
Escrowed funds payable	555,561				80				555,641
Hedging derivative instruments		10,590			1,642				12,232
Investment derivative instruments		113							113
<b>Total non-current liabilities</b>	<b>802,234</b>	<b>83,683</b>	<b>184,393</b>	<b>294,160</b>	<b>1,643,252</b>	<b>915,625</b>	<b>64,964</b>		<b>3,988,311</b>
<b>Total liabilities</b>	<b>939,258</b>	<b>86,586</b>	<b>187,005</b>	<b>298,533</b>	<b>1,705,781</b>	<b>1,019,981</b>	<b>66,435</b>	<b>(59)</b>	<b>4,303,520</b>
<b>Deferred inflow of resources</b>									
Pensions	1,640								1,640
<b>Total deferred inflow of resources</b>	<b>1,640</b>								<b>1,640</b>
<b>Total liabilities and deferred inflow of resources</b>	<b>940,898</b>	<b>86,586</b>	<b>187,005</b>	<b>298,533</b>	<b>1,705,781</b>	<b>1,019,981</b>	<b>66,435</b>	<b>(59)</b>	<b>4,305,160</b>
<b>Commitments and contingencies</b>									
<b>Net position</b>									
Restricted by bond resolutions		11,998	6,563	29,618	311,456	162,293	(1,171)		520,757
Restricted by contractual or statutory agreements	219,829								219,829
Unrestricted	517,571								517,571
<b>Total net position</b>	<b>\$ 737,400</b>	<b>\$ 11,998</b>	<b>\$ 6,563</b>	<b>\$ 29,618</b>	<b>\$ 311,456</b>	<b>\$ 162,293</b>	<b>\$ (1,171)</b>		<b>\$ 1,258,157</b>

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

For the six months ended:  
December 31, 2017

In thousands	Working Capital Fund and Affiliates	Rental Housing Mortgage Revenue Bond Program	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	Six Months Ended December 31, 2017
<b>Operating revenues</b>									
Interest on loans	\$ 6,643	\$ 2,675	\$ 4,256	\$ 7,046	\$ 41,318	\$ 9,052			70,990
Investment earnings:									
Interest income	4,158	(5)	32	100	1,261	10,961	\$ 1,060		17,567
Net (decrease) in fair value of investments	(771)				(258)	(1,417)	(133)		(2,579)
Fee income	40,432			245	1,638				42,315
Miscellaneous income	2,474				6	459		\$ (1,046)	1,893
<b>Total operating revenues</b>	<b>52,936</b>	<b>2,670</b>	<b>4,288</b>	<b>7,391</b>	<b>43,965</b>	<b>19,055</b>	<b>927</b>	<b>(1,046)</b>	<b>130,186</b>
<b>Operating expenses</b>									
Interest on bonds and notes, net of discount/premium	2,924	2,332	3,420	5,374	32,397	14,028	634		61,109
Financing costs	612				3,826	1,727			6,165
Administrative expenses	37,574	18	4		335	1,509	8		39,448
Asset protection and support services expenses (recoveries)	(76)						8		(68)
Miscellaneous expenses	2,664					345		(1,046)	1,963
<b>Total operating expenses</b>	<b>43,698</b>	<b>2,350</b>	<b>3,424</b>	<b>5,374</b>	<b>36,558</b>	<b>17,617</b>	<b>642</b>	<b>(1,046)</b>	<b>108,617</b>
Operating income before provision for loan losses and other items	9,238	320	864	2,017	7,407	1,438	285		21,569
Provision for loan losses	109					292			401
<b>Total Provision for loan losses and other items</b>	<b>109</b>					<b>292</b>			<b>401</b>
Operating income after provision for loan losses and other items	9,129	320	864	2,017	7,407	1,146	285		21,168
<b>Special Items</b>		(6,186)							(6,186)
<b>Change in net position</b>	<b>9,129</b>	<b>(5,866)</b>	<b>864</b>	<b>2,017</b>	<b>7,407</b>	<b>1,146</b>	<b>285</b>		<b>14,982</b>
Interfund transfers	9,489		(829)	(1,528)	(7,002)		(130)		
Net position at the beginning of the six months	718,782	17,864	6,528	29,129	311,051	161,147	(1,326)		1,243,175
<b>Net position at the end of the six months</b>	<b>\$ 737,400</b>	<b>\$ 11,998</b>	<b>\$ 6,563</b>	<b>\$ 29,618</b>	<b>\$ 311,456</b>	<b>\$ 162,293</b>	<b>\$ (1,171)</b>		<b>\$ 1,258,157</b>



## Annual Summarized Financial Information

### Statements of Net Position

The table below presents summarized comparative statements of net position at June 30 (in millions):

	Change from FY 2016			Change from FY 2015			Jun. 30, 2015
	Jun. 30, 2017	\$	%	Jun. 30, 2016	\$	%	
<b>Assets - Working Capital Fund and Affiliates (WCF)</b>							
Cash, cash equivalents, investments	\$ 625	\$ 150	31.6%	\$ 475	\$ 41	9.4%	\$ 434
Loans receivable (net)	355	(10)	-2.7%	365	(9)	-2.4%	374
Hedging derivative instruments	-	-		-	(1)	-100.0%	1
Other assets	571	(44)	-7.2%	615	73	13.5%	542
<b>Total Assets – WCF and Affiliates</b>	<b>\$ 1,551</b>	<b>\$ 96</b>	<b>6.6%</b>	<b>\$ 1,455</b>	<b>\$ 104</b>	<b>7.7%</b>	<b>\$ 1,351</b>
<b>Total Deferred Outflow of Resources - WCF and Affiliates</b>	<b>14</b>	<b>\$ (7)</b>	<b>-33.3%</b>	<b>21</b>	<b>\$ 17</b>	<b>425.0%</b>	<b>4</b>
<b>Total Assets and Deferred Outflow of Resources – WCF and Affiliates</b>	<b>\$ 1,565</b>	<b>\$ 89</b>	<b>6.0%</b>	<b>\$ 1,476</b>	<b>\$ 121</b>	<b>8.9%</b>	<b>\$ 1,355</b>
<b>Assets – Bond Programs</b>							
Cash, cash equivalents, investments	\$ 1,185	\$ (92)	-7.2%	\$ 1,277	\$ 172	15.6%	\$ 1,105
Loans receivable (net)	2,564	(67)	-2.5%	2,631	(159)	-5.7%	2,790
Other assets	24	(2)	-7.7%	26	(3)	-10.3%	29
<b>Total Assets – Bond Programs</b>	<b>\$ 3,773</b>	<b>\$ (161)</b>	<b>-4.1%</b>	<b>\$ 3,934</b>	<b>\$ 10</b>	<b>0.3%</b>	<b>\$ 3,924</b>
<b>Total Deferred Outflow of Resources - Bond Programs</b>	<b>14</b>	<b>\$ (8)</b>	<b>-36.4%</b>	<b>22</b>	<b>\$ -</b>	<b>0.0%</b>	<b>22</b>
<b>Total Assets and Deferred Outflow of Resources – Bond Programs</b>	<b>\$ 3,787</b>	<b>\$ (169)</b>	<b>-4.3%</b>	<b>\$ 3,956</b>	<b>\$ 10</b>	<b>0.3%</b>	<b>\$ 3,946</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>\$ 5,352</b>	<b>\$ (80)</b>	<b>-1.5%</b>	<b>\$ 5,432</b>	<b>\$ 131</b>	<b>2.5%</b>	<b>\$ 5,301</b>
<b>Liabilities - WCF and Affiliates</b>							
Long term debt (net)	\$ 263	\$ 78	42.2%	\$ 185	\$ (30)	-14.0%	\$ 215
Hedging derivative instruments	-	(2)	-100.0%	2	2		-
Other liabilities	582	(42)	-6.7%	624	87	16.2%	537
<b>Total Liabilities – WCF and Affiliates</b>	<b>\$ 845</b>	<b>\$ 34</b>	<b>4.2%</b>	<b>\$ 811</b>	<b>\$ 59</b>	<b>7.8%</b>	<b>\$ 752</b>
<b>Total Deferred Inflow of Resources - WCF and Affiliates</b>	<b>2</b>	<b>\$ 2</b>		<b>-</b>	<b>\$ (1)</b>	<b>-100.0%</b>	<b>1</b>
<b>Total Liabilities and Deferred Inflow of Resources – WCF and Affiliates</b>	<b>\$ 847</b>	<b>\$ 36</b>	<b>4.4%</b>	<b>\$ 811</b>	<b>\$ 58</b>	<b>7.7%</b>	<b>\$ 753</b>
<b>Liabilities – Bond Programs</b>							
Long term debt (net)	\$ 3,235	\$ (134)	-4.0%	\$ 3,369	\$ 6	0.2%	\$ 3,363
Hedging derivative instruments	14	(8)	-36.4%	22	(1)	-4.3%	23
Other liabilities	13	(7)	-35.0%	20	-	0.0%	20
<b>Total Liabilities – Bond Programs</b>	<b>\$ 3,262</b>	<b>\$ (149)</b>	<b>-4.4%</b>	<b>\$ 3,411</b>	<b>\$ 5</b>	<b>0.1%</b>	<b>\$ 3,406</b>
<b>Total Deferred Inflow of Resources - Bond Programs</b>	<b>-</b>	<b>\$ -</b>		<b>-</b>	<b>\$ -</b>		<b>-</b>
<b>Total Liabilities and Deferred Inflow of Resources – Bond Programs</b>	<b>\$ 3,262</b>	<b>\$ (149)</b>	<b>-4.4%</b>	<b>\$ 3,411</b>	<b>\$ 5</b>	<b>0.1%</b>	<b>\$ 3,406</b>
<b>Total Liabilities and Deferred Inflow of Resources</b>	<b>\$ 4,109</b>	<b>\$ (113)</b>	<b>-2.7%</b>	<b>\$ 4,222</b>	<b>\$ 63</b>	<b>1.5%</b>	<b>\$ 4,159</b>
<b>Net Position – WCF and Affiliates</b>							
Restricted by contractual or statutory agreements	\$ 218	\$ 12	5.8%	\$ 206	\$ 7	3.5%	\$ 199
Unrestricted	501	43	9.4%	458	55	13.6%	403
<b>Total Net Position – WCF and Affiliates</b>	<b>\$ 719</b>	<b>\$ 55</b>	<b>8.3%</b>	<b>\$ 664</b>	<b>\$ 62</b>	<b>10.3%</b>	<b>\$ 602</b>
<b>Net Position – Bond Programs</b>							
Restricted by bond resolutions	\$ 524	\$ (21)	-3.9%	\$ 545	\$ 4	0.7%	\$ 541
<b>Total Net Position – Bond Programs</b>	<b>\$ 524</b>	<b>\$ (21)</b>	<b>-3.9%</b>	<b>\$ 545</b>	<b>\$ 4</b>	<b>0.7%</b>	<b>\$ 541</b>
<b>Total Net Position</b>							
Restricted by bond resolutions	\$ 524	\$ (21)	-3.9%	\$ 545	\$ 4	0.7%	\$ 541
Restricted by contractual or statutory agreements	218	12	5.8%	206	7	3.5%	199
Unrestricted	501	43	9.4%	458	55	13.6%	403
<b>Total Net Position</b>	<b>\$ 1,243</b>	<b>\$ 34</b>	<b>2.8%</b>	<b>\$ 1,209</b>	<b>\$ 66</b>	<b>5.8%</b>	<b>\$ 1,143</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, 2017, 2016 and 2015 and the year-to-year increases and decreases presented on the prior page and the combined and combining Statements of Net Position.

### Assets

*Cash and Cash Equivalents.* Cash and cash equivalents decreased to \$974 million at June 30, 2017 from \$990 million at June 30, 2016, a decrease of approximately \$16 million or 2% for the year. This can be compared with an increase to \$990 million at June 30, 2016 from \$833 million at June 30, 2015, an increase of approximately \$157 million or 19% for the year. There were no significant changes to Cash and cash equivalents in the current period. The increase in Cash and cash equivalents in the prior period was primarily the result of the prepayment of multifamily and single-family loans and unspent proceeds from recent bond issuance.

*Investments.* MassHousing's investments increased by approximately \$74 million, or 10%, to \$836 million at June 30, 2017 from \$762 million at June 30, 2016. This can be compared with an increase of approximately \$56 million, or 8%, to \$762 million at June 30, 2016 from \$706 million at June 30, 2015. The increases in both periods were largely the result of the purchase of Fannie Mae MBS, which are recorded as investments, as described below.

At June 30, 2017, 2016 and 2015, Fannie Mae MBS totaling approximately \$657 million, \$617 million and \$557 million, respectively, were held as investments in the Working Capital Fund (WCF), Single-Family Housing Revenue Bond (SFHRB) Program and the Residential Mortgage Revenue Bond (RMRB) Program. For the fiscal years ended June 30, 2017, 2016, and 2015, the fair value of such investments increased by \$18 million, \$38 million and \$24 million, respectively, and were recorded to reflect the current value that is the result of a changing interest rate environment. Fannie Mae MBS held in the WCF are recorded as investments, pledged as security for the Federal Home Loan Bank of Boston's "Helping to House New England" program loan and are not expected to be sold prior to maturity. Fannie Mae MBS held under the SFHRB and RMRB Resolutions are recorded as investments, pledged as security for bonds issued under the SFHRB and RMRB Programs, respectively, and are not expected to be sold prior to maturity.

*Loan Portfolios.* Total multifamily and single-family mortgage loans, after adjustment for allowances for uncollectible amounts, decreased to \$2.9 billion at June 30, 2017 from \$3 billion at June 30, 2016, a decrease of approximately \$77 million or 3% for the year. This can be compared with a decrease to \$3 billion at June 30, 2016 from \$3.16 billion at June 30, 2015, a decrease of approximately \$168 million or 5%. The decrease in the mortgage loan portfolios in both periods was the result of a combination of the prepayment of multifamily and single-family loans partially offset by new lending activity, primarily in multifamily lending, and in FY 2017, decreases in the multifamily and single-family loss reserves. The following are key highlights of comparative loan related activities for the years ended June 30, 2017, 2016 and 2015.

*Multifamily Loans.* MassHousing originated \$729 million, \$783 million and \$322 million of multifamily loans in FY 2017, FY 2016 and FY 2015, respectively, as detailed in the table below:

### Multifamily Loan Originations (in millions)

Year ended June 30	2017	2016	2015
Loans retained in Bond Resolutions or WCF	\$ 375.6	\$ 372.3	\$ 192.9
Loans sold to Federal Financing Bank	173.3	227.8	-
Loans securitized with GNMA and sold to Investors	144.3	183.2	62.8
Loan advances financed by conduit debt	35.8	-	66.0
	<u>\$ 729.0</u>	<u>\$ 783.3</u>	<u>\$ 321.7</u>

The total multifamily portfolio, net of allowances for uncollectible loans, increased to \$2.51 billion at June 30, 2017 from \$2.47 billion at June 30, 2016, an increase of approximately \$32 million or 1% for the year. This can be compared with a decrease to \$2.47 billion at June 30, 2016 from \$2.59 billion at June 30, 2015, a decrease of approximately \$103 million or 4%. The increase in the mortgage loan portfolio in FY 2017 was the result of a combination of a decrease in the allowance for uncollectible accounts and new lending activity, partially offset by the prepayment of multifamily loans. The decrease in the mortgage loan portfolio in FY 2016 was the result of a combination of the prepayment of multifamily loans, partially offset by new lending activity.

Certain 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 which 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. At June 30, 2017, the total multifamily allowance for uncollectible amounts decreased to approximately \$225 million from approximately \$245 million at June 30, 2016. The decrease in the allowance for FY 2017 was mainly the result of improved financial and/or operating performance, specifically Net Operating Income of many of the projects subject to subordinated B Notes, which is utilized by management in their impairment assessment model. There were no significant changes in the allowance for uncollectible amounts in FY 2016 or FY 2015 in aggregate.

*Single-Family Loans.* The total single-family loan portfolio including SFHRB and MassHousing's Home Ownership Division ("Home Ownership") loan funding program loans, net of adjustments for the allowances for uncollectible amounts, decreased to \$412 million at June 30, 2017 from \$521 million at June 30, 2016, a decrease of approximately \$109 million or 21% for the year. This can be compared with a decrease to \$521 million at June 30, 2016 from \$586 million at June 30, 2015, a decrease of approximately \$65 million, or 11% for the year after adjustments for the allowances for uncollectible amounts. Both the FY 2017 and FY 2016 decreases were the result of (1) reduced new single-family whole loan lending activity due to the conversion of the Agency's Home Ownership loan funding program from a whole loan purchase program to a program primarily financed through the purchase of MBS, which are recorded as investments, and (2) prepayments of single-family loans. Single-family borrowers prepaid approximately \$141.9 million, \$132.7 million and \$134.5 million of loans in the SFHRB Program in FY 2017, FY 2016 and FY 2015, respectively, as borrowers took advantage of lower interest rates in the conventional mortgage marketplace.

All loans are serviced by MassHousing's Mortgage Service Center ("MSC"), which was established in 1996 within MassHousing's Home Ownership Division. As of June 30, 2017, 2016 and 2015, the MSC serviced a portfolio with a principal balance of approximately \$3.8 billion, \$3.8 billion and \$3.7 billion, respectively, as detailed more fully for FY 2017 in the table below:

<b>MassHousing HomeOwnership Servicing Portfolio</b>	<b>FY 2017 Activity</b>
Beginning Balance as of 7/1/16	\$ 3,803,834,928
New loans	664,955,493
Loans Paid in Full	(578,558,412)
Writeoffs and Adjustments	(11,090,943)
Amortization and Curtailments	(87,026,354)
<b>Ending Balance as of 6/30/17</b>	<b><u>\$ 3,792,114,712</u></b>
<b>Net Activity \$ (11,720,216)</b>	

During each of the last three fiscal years, Home Ownership purchased single-family loans from participating lenders. These purchases were 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 activity for the fiscal years ended June 30, 2017, 2016 and 2015, including the purchases of loans and the sales of the loans, or loans wrapped by MBS, to: Fannie Mae, JPMorgan Chase & Co. (JPMorgan), the SFHRB Program, the WCF, and other loan sales. MassHousing has retained the servicing rights for all loans sold to Fannie Mae, JPMorgan, the SFHRB and RMRB Programs, and Freddie Mac.

## WCF Loan Activity

(in millions)

Year ended June 30

	2017	2016	2015
Loan beginning balance	\$ 89.3	\$ 71.1	\$ 64.4
Loan purchases	662.1	646.3	712.7
Loans sold to JPMorgan/Fannie Mae (including MBS)	(549.5)	(489.4)	(531.9)
Loans sold to SFHRB Program (including MBS)	(141.2)	(137.7)	(171.1)
Loans sold to Freddie Mac	(13.2)	-	-
Buy back of loans by WCF	(1.8)	-	(0.8)
Other loan sales and principal receipts	(0.8)	(1.0)	(2.2)
<b>Ending balance</b>	<b>\$ 44.9</b>	<b>\$ 89.3</b>	<b>\$ 71.1</b>

MassHousing offers predominately 30-year fixed rate mortgage loans and uses prudent lending standards to ensure the creditworthiness of borrowers and to minimize the risk to MassHousing and its bondholders. The Agency's Home Ownership Servicing and Operations Division actively manages the loan portfolio in an effort to minimize losses. Non-performing SFHRB loans delinquent greater than 90 days totaled \$4.9 million, \$7 million and \$8.3 million at June 30, 2017, June 30, 2016 and June 30, 2015, respectively. The delinquency rates at June 30, 2017, 2016 and 2015 were 6.05%, 7.82% and 7.80%, respectively.

Certain single-family mortgage loans are reported net of allowances for uncollectible amounts. At June 30, 2017, the total single-family allowance for uncollectible amounts decreased to approximately \$3.45 million from \$4.08 million at June 30, 2016, a decrease of approximately \$628 thousand, or 15% for the year. Improvement in unemployment rates and the Massachusetts economy led to an improvement in the more serious loan delinquency categories which, along with increases in home values, resulted in a reduction in the allowance for FY 2017. The model employed by the independent consultant overseen by the Agency assigns higher frequencies to the more serious delinquencies as it evaluates the collectability of single-family loans. Based on these estimates, the Agency evaluates and approves adjustments to the allowance for uncollectible amounts to reflect these changes. This can be compared with a decrease to \$4.08 million at June 30, 2016 from \$4.63 million at June 30, 2015, a decrease of approximately \$554 thousand, or 12% for the year.

*Total Assets.* MassHousing's combined total assets, consisting primarily of mortgage loans, decreased to \$5.32 billion at June 30, 2017 from \$5.39 billion at June 30, 2016, a decrease of approximately \$65 million or 1% for the twelve-month period. This can be compared with an increase to \$5.39 billion at June 30, 2016 from \$5.27 billion at June 30, 2015, an increase of approximately \$114 million or 2% for the twelve-month period. There were no significant changes to Total Assets in either comparative period.

### Liabilities

*Debt Payable.* MassHousing's total debt payable, which includes bonds, notes and other debt obligations, comprised approximately 85%, 84% and 86% of total liabilities at June 30, 2017, 2016 and 2015, 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 mortgage-backed securities. 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 payable decreased to approximately \$3.50 billion at June 30, 2017 from \$3.55 billion at June 30, 2016, a decrease of approximately \$56 million or 2% for the twelve-month period. This can be compared with a decrease to approximately \$3.55 billion at June 30, 2016 from \$3.58 billion at June 30, 2015, a decrease of approximately \$24 million or 1% for the twelve-month period. The decrease in total debt payable for both periods was primarily the result of the prepayment and payoff of single-family and multifamily mortgages, which are in turn used to refund debt.

*Bond and Note Activity.* MassHousing issued approximately \$668 million, \$495 million and \$564 million of new debt in FY 2017, FY 2016 and FY 2015, respectively, to fund multifamily and single-family loans, as detailed more fully in the table below:

<b><u>New Debt Issues (in millions)</u></b>						
<b><u>Year ended June 30</u></b>	<b><u>2017</u></b>		<b><u>2016</u></b>		<b><u>2015</u></b>	
<b><u>Program</u></b>	<b><u>Total</u></b>	<b><u>Number of Series</u></b>	<b><u>Total</u></b>	<b><u>Number of Series</u></b>	<b><u>Total</u></b>	<b><u>Number of Series</u></b>
WCF Construction Loan Notes ("CLN")	\$ 63.1	3	-	-	\$ 73.4	5
WCF Direct Purchase CLN	66.3	5	\$ 72.7	7	-	-
General Rental Development Bonds	-	-	33.3	1	45.2	1
Housing Bonds and Notes	383.2	10	209.6	9	212.7	6
Single-Family Housing Revenue Bonds	155.1	4	178.9	5	232.3	7
<b>Total New Debt Issues</b>	<b>\$ 667.7</b>	<b>22</b>	<b>\$ 494.5</b>	<b>22</b>	<b>\$ 563.6</b>	<b>19</b>

MassHousing had unscheduled bond redemptions or defeasance of approximately \$590 million, \$414 million and \$533 million in FY 2017, FY 2016 and FY 2015, respectively, resulting in no gain or loss, as detailed more fully in the table below:

<b><u>Unscheduled Debt Redemptions/Defeasance at Par (in millions)</u></b>			
<b><u>Fiscal Year ended June 30</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b><u>Program</u></b>	<b><u>Total</u></b>	<b><u>Total</u></b>	<b><u>Total</u></b>
WCF Construction Loan Notes	\$ 41.6	\$ 49.6	\$ 111.0
WCF Direct Purchase CLN	9.3	21.1	-
Rental Housing Bonds	-	-	84.7
Rental Housing Mortgage Revenue Bonds	-	4.3	-
Multi-Family Development Bond Program	20.3	-	-
General Rental Development Bonds	11.7	29.2	1.0
Housing Bonds	326.7	110.0	169.8
Single-Family Housing Revenue Bonds	180.1	200.0	166.5
<b>Total Unscheduled Debt Redemptions/Defeasance</b>	<b>\$ 589.7</b>	<b>\$ 414.2</b>	<b>\$ 533.0</b>

*Total Liabilities.* MassHousing's combined total liabilities, consisting primarily of bonds and notes, decreased to \$4.11 billion at June 30, 2017 from \$4.22 billion at June 30, 2016, a decrease of approximately \$115 million or 3% for the twelve-month period. This can be compared with an increase to \$4.22 billion at June 30, 2016 from \$4.16 billion at June 30, 2015, an increase of approximately \$64 million or 2% for the twelve-month period. The decrease in total liabilities in the current period was primarily the result of a decrease in total debt payable and escrow liability. The increase in total liabilities in the prior period was primarily the result of an increase in pension liability, due to changes in actuarial assumptions and lower fund earnings, and escrow liability partially offset by decreased debt payable.

#### ***Total Net Position***

*Changes in Net Position.* Total net position increased to approximately \$1.24 billion at June 30, 2017 from \$1.21 billion at June 30, 2016, an increase of approximately \$33 million, or 3%. This can be compared with an increase to \$1.21 billion at June 30, 2016 from \$1.14 billion at June 30, 2015, an increase of approximately \$67 million, or 6%.

Restricted net position is that 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. The members of MassHousing may also choose to remove or modify such designations at any time.

*WCF and Affiliates.* Net position of the WCF and Affiliates increased by approximately \$54 million or 8%, to approximately \$719 million at June 30, 2017 from approximately \$665 million at June 30, 2016. This can be compared with an increase to \$665 million at June 30, 2016 from \$602 million at June 30, 2015, an increase of approximately \$63 million, or 10%. The increase in total net position of the WCF and Affiliates in FY 2017 was primarily the result of the following factors: operating income of approximately \$5 million before provision for loan losses, a reduction to the provision for loan losses and other items of approximately \$17 million and net transfer of net position from bond programs of approximately \$32 million.

The restricted portion of net position increased to \$218 million at June 30, 2017 from \$206 million at June 30, 2016, an increase of approximately \$12 million, or 6%. This can be compared with an increase in the restricted portion to \$206 million at June 30, 2016 from \$199 million at June 30, 2015, an increase of approximately \$7 million, or 4%. The increase in the restricted net position in FY 2017 was primarily the result of the \$11.9 million Federal Home Loan Bank of Boston collateral requirement for Helping to House New England loans. The increase in the restricted net position in FY 2016 was primarily the result of an increase in Mortgage Insurance Fund Net Position.

The unrestricted portion of net position that may be used to finance day-to-day operations increased to \$501 million at June 30, 2017 from \$458 million at June 30, 2016, an increase of approximately \$42 million, or 9%. This can be compared with an increase in the unrestricted portion to \$458 million at June 30, 2016 from \$403 million at June 30, 2015, an increase of approximately \$55 million, or 14%.

*Bond-Funded Programs.* The net position of all bond-funded programs (all of which is restricted), decreased by approximately \$21 million on a combined basis, or 4%, to \$524 million at June 30, 2017 from \$545 million at June 30, 2016. This can be compared with an increase to \$545 million at June 30, 2016 from \$541 million at June 30, 2015, an increase of \$4 million on a combined basis, or 1%. The decrease in net position of the bond-funded programs in FY 2017 was primarily the result of the following factors: net transfers to the WCF of \$32 million, net operating income of \$7 million before provision for loan losses, and a \$4 million reduction to the provision for loan losses.

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## Statement of Revenues, Expenses, and Changes in Net Position

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

	Fiscal 2017	Change from 2016		Fiscal 2016	Change from 2015		Fiscal 2015
		\$	%		\$	%	
<b>Operating Revenues – Working Capital Fund and Affiliates (WCF)</b>							
Interest on loans	\$ 13	\$ (2)	-13.3%	\$ 15	\$ -	0.0%	\$ 15
Investment earnings	4	(1)	-20.0%	5	3	150.0%	2
Fee income	72	-	0.0%	72	10	16.1%	62
Miscellaneous income	3	(5)	-62.5%	8	-	0.0%	8
<b>Total Revenues - WCF and Affiliates</b>	<b>\$ 92</b>	<b>\$ (8)</b>	<b>-8.0%</b>	<b>\$ 100</b>	<b>\$ 13</b>	<b>14.9%</b>	<b>\$ 87</b>
<b>Operating Revenues – Bond Programs</b>							
Interest on loans	\$ 135	\$ (14)	-9.4%	\$ 149	\$ (18)	-10.8%	\$ 167
Investment earnings	5	(35)	-87.5%	40	15	60.0%	25
Fee income	3	(1)	-25.0%	4	8	-200.0%	(4)
Miscellaneous income	1	4	-133.3%	(3)	(10)	-142.9%	7
<b>Total Revenues - Bond Programs</b>	<b>\$ 144</b>	<b>\$ (46)</b>	<b>-24.2%</b>	<b>\$ 190</b>	<b>\$ (5)</b>	<b>-2.6%</b>	<b>\$ 195</b>
<b>Total Revenues</b>	<b>\$ 236</b>	<b>\$ (54)</b>	<b>-18.6%</b>	<b>\$ 290</b>	<b>\$ 8</b>	<b>2.8%</b>	<b>\$ 282</b>
<b>Operating Expenses – WCF and Affiliates</b>							
Interest on bonds and notes, net of discount/premium	\$ 5	\$ -	0.0%	\$ 5	\$ -	0.0%	\$ 5
Administrative expenses	80	4	5.3%	76	9	13.4%	67
Miscellaneous expenses	2	(1)	-33.3%	3	(7)	-70.0%	10
<b>Total Expenses - WCF and Affiliates</b>	<b>\$ 87</b>	<b>\$ 3</b>	<b>3.6%</b>	<b>\$ 84</b>	<b>\$ 2</b>	<b>2.4%</b>	<b>\$ 82</b>
<b>Operating Expenses – Bond Programs</b>							
Interest on bonds and notes, net of discount/premium	\$ 124	\$ (4)	-3.1%	\$ 128	\$ (5)	-3.8%	\$ 133
Administrative expenses	4	(2)	-33.3%	6	(3)	-33.3%	9
Miscellaneous expenses	10	(2)	-16.7%	12	2	20.0%	10
<b>Total Expenses - Bond Programs</b>	<b>\$ 138</b>	<b>\$ (8)</b>	<b>-5.5%</b>	<b>\$ 146</b>	<b>\$ (6)</b>	<b>-3.9%</b>	<b>\$ 152</b>
<b>Total Expenses</b>	<b>\$ 225</b>	<b>\$ (5)</b>	<b>-2.2%</b>	<b>\$ 230</b>	<b>\$ (4)</b>	<b>-1.7%</b>	<b>\$ 234</b>
Operating income before provision for loan losses and other items - WCF and Affiliates	\$ 5	\$ (11)	-68.8%	\$ 16	\$ 11	220.0%	\$ 5
Operating income before provision for loan losses and other items - Bond Programs	\$ 6	\$ (38)	-86.4%	\$ 44	\$ 1	2.3%	\$ 43
Total operating income before provision for loan losses and other items	\$ 11	\$ (49)	-81.7%	\$ 60	\$ 12	25.0%	\$ 48
Provision for (reduction to) loan losses	\$ (21)	\$ (15)	250.0%	\$ (6)	\$ 13	-68.4%	\$ (19)
Other items	(1)	(1)	-	-	(16)	-100.0%	16
Total provision for (reduction to) loan losses and other items	\$ (22)	\$ (16)	266.7%	\$ (6)	\$ (3)	100.0%	\$ (3)
<b>Total operating income</b>	<b>\$ 33</b>	<b>\$ (34)</b>	<b>-50.7%</b>	<b>\$ 67</b>	<b>\$ 15</b>	<b>28.8%</b>	<b>\$ 52</b>
AHTF - Consideration for Participation Rights	\$ -	\$ -	-	\$ -	\$ 3	-100.0%	\$ (3)
Changes in net position	\$ 33	\$ (34)	-50.7%	\$ 67	\$ 18	36.7%	\$ 49
Net position at beginning of the fiscal year	\$ 1,210	\$ 68	6.0%	\$ 1,142	\$ 29	2.6%	\$ 1,113
Cumulative effect of GASB 68 Adjustment of beginning Net Pension Liability	\$ -	\$ -	-	\$ -	\$ 19	-100.0%	\$ (19)
<b>Total net position at end of the fiscal year</b>	<b>\$ 1,243</b>	<b>\$ 34</b>	<b>2.8%</b>	<b>\$ 1,209</b>	<b>\$ 66</b>	<b>5.8%</b>	<b>\$ 1,143</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, 2017, 2016 and 2015, and the year-to-year increases and decreases presented on the prior page. Changes in Operating Income before Special Items 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 represents the primary source of funding for interest payments due on MassHousing's bond and note obligations. The decreases in FY 2017 and FY 2016 were due to the prepayment of several multifamily loans, fewer single-family loans due to the conversion of MassHousing's Home Ownership Program to a MBS program, and a lower interest rate environment on newer loans.

*Investment Earnings.* Investment Earnings consist of interest income and increases or decreases in fair value of investments. Investment Earnings for the year ended June 30, 2017 decreased as compared with the corresponding period in FY 2016 due to a decrease in the total fair value adjustment of securities in the current period partially offset by higher interest income. Investment Earnings for the year ended June 30, 2016 increased as compared with the corresponding period in FY 2015 due to an increase in the total fair value of securities in the current period and higher interest income.

*Fee Income.* Fee Income includes fees received from loan originations, securitization premiums, loan servicing fees, insurance premiums, and Section 8 administrative fees received from the U.S. Department of Housing and Urban Development ("HUD"), including administrative fees that are paid by HUD to MassHousing under the Performance-Based Contract Administration ("PBCA") contract for certain Section 8 projects throughout Massachusetts. Fee Income for the year ended June 30, 2017, as compared with the corresponding period in FY 2016, was flat.

Fee Income for the year ended June 30, 2016 as compared with the corresponding period in FY 2015 increased primarily as a result of higher Section 8 recap fees, financing fees and receipt of \$3 million in retroactive Traditional Contract Assistance ("TCA") fees offset by lower prepayment fees.

*Miscellaneous Income.* Miscellaneous income primarily includes insurance claim receipts on foreclosed properties, reinsurance receipts received by MIF on insurance claims paid, miscellaneous recoveries on multifamily loans and various unusual income items. Miscellaneous income for FY 2017 and FY 2016 as compared to the corresponding periods decreased primarily due to lower insurance claims and fewer miscellaneous recoveries on multifamily loans.

### ***Operating Expenses***

*Interest on Bonds and Notes net of premium/discount.* The decreases in interest on bonds and notes, net of premium/discount, for FY 2017 and FY 2016 as compared with the corresponding prior periods were both primarily due to savings from bond refundings and lower debt balances in both years.

*Financing Costs.* The costs of issuing bonds (other than bond discount and premium) are recognized as an expense in the period incurred as financing costs. Financing Costs for the year ended June 30, 2017 as compared with the corresponding period in FY 2016 were flat. Financing Costs for FY 2016 as compared to the corresponding period increased primarily due to higher fees.

*Administrative Expenses.* Administrative Expenses increased for both comparative periods due to higher payroll, pension and Other Post-Employment Benefits (OPEB) costs.

*Miscellaneous Expense.* Miscellaneous expense primarily includes MIF insurance claims paid, losses on property dispositions and various other expense items. Miscellaneous expenses for FY 2017 as compared to FY 2016 decreased primarily due to fewer expenses on multifamily and single family loans and fewer MIF claims. Miscellaneous expenses for FY 2016 as compared to FY 2015 decreased primarily due to fewer expenses on multifamily loans and fewer MIF claims.

### ***Operating Income***

Operating Income after provision for (reduction to) loan losses and other items decreased by approximately \$14 million, or 30%, to \$33 million at June 30, 2017 from \$47 million at June 30, 2016. This can be compared with an increase to \$47 million at June 30, 2016 from \$46 million at June 30, 2015, an increase of \$1 million, or 2%. Adjusted Operating Income (adjusted to exclude investment fair value, reduction to loan loss and other items) for the year ended June 30, 2017 decreased as



the result of lower Net Interest Spread and decreased Miscellaneous Income. Adjusted Operating Income (adjusted to exclude investment fair value, reduction to loan loss and other items) for the year ended June 30, 2016 increased as the result of higher Fee Income and Interest Income, partially offset by lower Net Interest Spread and increased Administrative Expenses.

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## Interim Summarized Financial Information

### Statements of Net Position

The table below presents summarized comparative statements of net position at December 31 (in millions):

	Dec. 31, 2017	Change from FY 2017		Dec. 31, 2016	Change from FY 2016		Dec. 31, 2015
		\$	%		\$	%	
<b>Assets - Working Capital Fund and Affiliates (WCF)</b>							
Cash, cash equivalents, investments	\$ 603	\$ 49	8.8%	\$ 554	\$ 131	31.0%	\$ 423
Loans receivable (net)	439	95	27.6%	344	(64)	-15.7%	408
Hedging derivative instruments	-	(2)	-100.0%	2	2		-
Other assets	624	20	3.3%	604	52	9.4%	552
<b>Total Assets - WCF and Affiliates</b>	<b>\$ 1,666</b>	<b>\$ 162</b>	<b>10.8%</b>	<b>\$ 1,504</b>	<b>\$ 121</b>	<b>8.7%</b>	<b>\$ 1,383</b>
<b>Total Deferred Outflow of Resources - WCF and Affiliates</b>	<b>12</b>	<b>(8)</b>	<b>-40.0%</b>	<b>20</b>	<b>\$ 14</b>	<b>233.3%</b>	<b>6</b>
<b>Total Assets and Deferred Outflow of Resources - WCF and Affiliates</b>	<b>\$ 1,678</b>	<b>\$ 154</b>	<b>10.1%</b>	<b>\$ 1,524</b>	<b>\$ 135</b>	<b>9.7%</b>	<b>\$ 1,389</b>
<b>Assets - Bond Programs</b>							
Cash, cash equivalents, investments	\$ 1,350	\$ (20)	-1.5%	\$ 1,370	\$ 240	21.2%	\$ 1,130
Loans receivable (net)	2,505	(102)	-3.9%	2,607	(218)	-7.7%	2,825
Other assets	19	(3)	-13.6%	22	(7)	-24.1%	29
<b>Total Assets - Bond Programs</b>	<b>\$ 3,874</b>	<b>\$ (125)</b>	<b>-3.1%</b>	<b>\$ 3,999</b>	<b>\$ 15</b>	<b>0.4%</b>	<b>\$ 3,984</b>
<b>Total Deferred Outflow of Resources - Bond Programs</b>	<b>12</b>	<b>(3)</b>	<b>-20.0%</b>	<b>15</b>	<b>\$ (6)</b>	<b>-28.6%</b>	<b>21</b>
<b>Total Assets and Deferred Outflow of Resources - Bond Programs</b>	<b>\$ 3,886</b>	<b>\$ (128)</b>	<b>-3.2%</b>	<b>\$ 4,014</b>	<b>\$ 9</b>	<b>0.2%</b>	<b>\$ 4,005</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>\$ 5,564</b>	<b>\$ 27</b>	<b>0.5%</b>	<b>\$ 5,538</b>	<b>\$ 144</b>	<b>2.7%</b>	<b>\$ 5,394</b>
<b>Liabilities - WCF and Affiliates</b>							
Long term debt (net)	\$ 310	\$ 79	34.2%	\$ 231	\$ 10	4.5%	\$ 221
Other liabilities	629	15	2.4%	614	73	13.5%	541
<b>Total Liabilities - WCF and Affiliates</b>	<b>\$ 939</b>	<b>\$ 94</b>	<b>11.1%</b>	<b>\$ 845</b>	<b>\$ 83</b>	<b>10.9%</b>	<b>\$ 762</b>
<b>Total Deferred Inflow of Resources - WCF and Affiliates</b>	<b>2</b>	<b>-</b>	<b>0.0%</b>	<b>2</b>	<b>\$ 2</b>		<b>-</b>
<b>Total Liabilities and Deferred Inflow of Resources - WCF and Affiliates</b>	<b>\$ 941</b>	<b>\$ 94</b>	<b>11.1%</b>	<b>\$ 847</b>	<b>\$ 85</b>	<b>11.2%</b>	<b>\$ 762</b>
<b>Liabilities - Bond Programs</b>							
Long term debt (net)	\$ 3,340	\$ (117)	-3.4%	\$ 3,457	\$ 41	1.2%	\$ 3,416
Hedging derivative instruments	12	(3)	-20.0%	15	(6)	-28.6%	21
Other liabilities	13	(4)	-23.5%	17	(5)	-22.7%	22
<b>Total Liabilities - Bond Programs</b>	<b>\$ 3,365</b>	<b>\$ (124)</b>	<b>-3.6%</b>	<b>\$ 3,489</b>	<b>\$ 30</b>	<b>0.9%</b>	<b>\$ 3,459</b>
<b>Total Deferred Inflow of Resources - Bond Programs</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>\$ -</b>		<b>-</b>
<b>Total Liabilities and Deferred Inflow of Resources - Bond Programs</b>	<b>\$ 3,365</b>	<b>\$ (124)</b>	<b>-3.6%</b>	<b>\$ 3,489</b>	<b>\$ 30</b>	<b>0.9%</b>	<b>\$ 3,459</b>
<b>Total Liabilities and Deferred Inflow of Resources</b>	<b>\$ 4,306</b>	<b>\$ (30)</b>	<b>-0.7%</b>	<b>\$ 4,336</b>	<b>\$ 115</b>	<b>2.7%</b>	<b>\$ 4,221</b>
<b>Net Position - WCF and Affiliates</b>							
Restricted by contractual or statutory agreements	\$ 220	\$ 4	1.9%	\$ 216	\$ 15	7.5%	\$ 201
Unrestricted	518	58	12.6%	460	34	8.0%	426
<b>Total Net Position - WCF and Affiliates</b>	<b>\$ 738</b>	<b>\$ 62</b>	<b>9.2%</b>	<b>\$ 676</b>	<b>\$ 49</b>	<b>7.8%</b>	<b>\$ 627</b>
<b>Net Position - Bond Programs</b>							
Restricted by bond resolutions	\$ 521	\$ (5)	-1.0%	\$ 526	\$ (20)	-3.7%	\$ 546
<b>Total Net Position - Bond Programs</b>	<b>\$ 521</b>	<b>\$ (5)</b>	<b>-1.0%</b>	<b>\$ 526</b>	<b>\$ (20)</b>	<b>-3.7%</b>	<b>\$ 546</b>
<b>Total Net Position</b>							
Restricted by bond resolutions	\$ 521	\$ (5)	-1.0%	\$ 526	\$ (20)	-3.7%	\$ 546
Restricted by contractual or statutory agreements	219	3	1.4%	216	15	7.5%	201
Unrestricted	518	58	12.6%	460	34	8.0%	426
<b>Total Net Position</b>	<b>\$ 1,258</b>	<b>\$ 56</b>	<b>4.7%</b>	<b>\$ 1,202</b>	<b>\$ 29</b>	<b>2.5%</b>	<b>\$ 1,173</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 December 31, 2017, 2016 and 2015 and the year-to-year increases and decreases presented on the prior page and the combined and combining Statements of Net Position.

### Assets

*Cash and Cash Equivalents.* Cash and Cash Equivalents decreased to \$934 million at December 31, 2017 from \$1.2 billion at December 31, 2016, a decrease of approximately \$243 million or 21% for the twelve-month period. This can be compared with an increase to \$1.2 billion at December 31, 2016 from \$877 million at December 31, 2015, an increase of approximately \$301 million or 34% for the twelve-month period. The decrease in the current period was primarily the result of investment purchases. The increase in the prior period was primarily the result of prepayment activity and cash received as the result of the issuance of bonds and notes.

*Investments.* MassHousing's investments increased by approximately \$272 million, or 36%, to \$1.0 billion at December 31, 2017 from \$747 million at December 31, 2016. This can be compared with an increase of approximately \$70 million, or 10%, to \$747 million at December 31, 2016 from \$677 million at December 31, 2015. The increase in the current period was largely the result of the purchase of U.S Treasury Notes and mortgage-backed securities ("MBS"), which are recorded as investments, as described below. The increase in the prior period was largely the result of MBS.

At December 31, 2017, 2016 and 2015, Fannie Mae MBS totaling approximately \$664 million, \$622 million and \$542 million, respectively, were held as investments in the WCF, Single-Family Housing Revenue Bond ("SFHRB") Program and the Residential Mortgage Revenue Bond ("RMRB") Program. At December 31, 2017, 2016 and 2015, increases of approximately \$17 million, \$17 million and \$23 million, respectively, in the fair value of such investments were recorded as the result of a changing interest rate environment. Fannie Mae MBS held in the WCF are recorded as investments, pledged as security for the Federal Home Loan Bank of Boston's "Helping to House New England" program loan and are not expected to be sold prior to maturity. Fannie Mae MBS held under the SFHRB and RMRB Resolutions are recorded as investments, pledged as security for bonds issued under the SFHRB and RMRB Programs, respectively, and are not expected to be sold prior to maturity.

*Loan Portfolios.* Total multifamily and single-family mortgage loans, after adjustment for allowances for uncollectible amounts, decreased to \$2.94 billion at December 31, 2017 from \$2.95 billion at December 31, 2016, a decrease of approximately \$6 million or less than 1% for the twelve-month period. This can be compared with a decrease to \$2.95 billion at December 31, 2016 from \$3.23 billion at December 31, 2015, a decrease of approximately \$282 million or 9%. The net decrease in the mortgage loan portfolios in both periods was the result of the prepayment of single-family and multifamily loans partially offset by new lending activity primarily in the multifamily programs. The following are key highlights of comparative loan related activities for the periods ended December 31, 2017, 2016 and 2015:

*Multifamily Loans.* MassHousing originated approximately \$558 million, \$538 million and \$410 million of multifamily loans in the first six months of FY 2018, FY 2017 and FY 2016, respectively, as detailed in the table below:

### Multifamily Loan Originations

(in millions)

#### Six months ended December 31

	2017	2016	2015
Loans retained in Bond Resolutions or Working Capital Fund (WCF)	\$ 126.1	\$ 285.8	\$ 344.3
Loans sold to Federal Financing Bank	185.4	98.2	13.3
Loans securitized with GNMA and sold to Investors	221.7	118.4	52.5
Conduit Loans	24.8	35.8	
	<u>\$ 558.0</u>	<u>\$ 538.2</u>	<u>\$ 410.1</u>

The total multifamily portfolio, net of allowances for uncollectible loans, increased to \$2.57 billion at December 31, 2017 from \$2.49 billion at December 31, 2016, an increase of approximately \$78 million or 3% for the year. This can be compared with a decrease to \$2.49 billion at December 31, 2016 from \$2.71 billion at December 31, 2015, a decrease of approximately \$223 million or 8%. The increase in the mortgage loan portfolio in FY 2018 was the result of a combination of a decrease in the allowance for uncollectible accounts and new lending activity, partially offset by the prepayment of multifamily loans. The decrease in the mortgage loan portfolio in FY 2017 was the result of a combination of the prepayment of multifamily loans, partially offset by new lending activity.

*Single-Family Loans.* The total retained single-family loan portfolio, net of adjustments for the allowances for uncollectible amounts, decreased to \$378 million at December 31, 2017 from \$462 million at December 31, 2016, a decrease of

approximately \$84 million or 18% for the year. This can be compared with a decrease to \$462 million at December 31, 2016 from \$521 million at December 31, 2015, a decrease of approximately \$59 million, or 11% for the year after adjustments for the allowances for uncollectible amounts. Both the FY 2018 and FY 2017 decreases were the result of (1) the conversion of the Agency's Home Ownership program from a whole loan purchase program to a program primarily financed through the purchase of MBS, which are recorded as investments, and (2) prepayments of single-family loans.

During each of the last three fiscal years, Home Ownership purchased single-family loans from participating lenders. These purchases were 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 activity for each of the three latest six-month periods ended December 31, 2017, 2016 and 2015, including the purchases of loans and the sales of the loans, or loans wrapped by MBS, to: Fannie Mae; JPMorgan Chase & Co ("JPMorgan"), the SFHRB Program; the WCF; Federal Home Loan Mortgage Corporation ("Freddie Mac"), and other loan sales. There have been no sales of loans wrapped by MBS to the RMRB Program during the last three years. MassHousing has retained the servicing rights for all loans sold or loans wrapped by MBS to Fannie Mae, JPMorgan, the SFHRB Program, the RMRB Program, and Freddie Mac.

**WCF Loan Activity**

(in millions)

Six months ended December 31	2017	2016	2015
Loan beginning balance	\$ 44.9	\$ 89.3	\$ 71.1
Loan purchases	304.0	432.7	309.8
Loans sold to JPMorgan/Fannie Mae (including MBS)	(228.9)	(387.5)	(302.5)
Loans sold to SFHRB Program (including MBS)	(46.1)	(65.4)	(24.6)
Loans sold to Freddie Mac	(31.9)	(2.2)	-
Other loan sales and principal receipts	(0.4)	(0.5)	(0.1)
<b>Ending balance</b>	<b>\$ 41.6</b>	<b>\$ 66.4</b>	<b>\$ 53.7</b>

MassHousing's Mortgage Service Center (MSC), which was established in 1996 within MassHousing's Home Ownership Division, services the Home Ownership loan portfolio. As of December 31, 2017, 2016 and 2015, the MSC serviced a portfolio with a principal balance of approximately \$3.8 billion for all three years, as detailed more fully for FY 2018 and FY 2017 in the table below:

**Home Ownership Servicing Portfolio**

(in millions)

Six months ended December 31	2017	2016
Beginning Balance	\$ 3,792.1	\$ 3,803.8
New loans	305.4	434.0
Loans Paid in Full	(240.2)	(398.8)
Foreclosures, Writeoffs and Adjustments	(3.2)	(5.3)
Amortization and Curtailments	(43.8)	(42.8)
<b>Ending Balance</b>	<b>\$ 3,810.3</b>	<b>\$ 3,790.9</b>

MassHousing offers predominately 30-year fixed rate mortgage loans and uses prudent lending standards to ensure the creditworthiness of borrowers and to minimize the risk to MassHousing and its bondholders. The Agency's Home Ownership Asset Management Group actively manages the loan portfolio in an effort to minimize losses. Non-performing SFHRB loans delinquent greater than 90 days totaled \$5.2 million, \$6 million and \$8.3 million at December 31, 2017, 2016 and 2015, respectively. The delinquency rates at December 31, 2017, 2016 and 2015 were 8.26%, 8.80% and 8.22%, respectively.

Certain single-family mortgage loans are reported net of allowances for uncollectible amounts. At December 31, 2017, the total single-family allowance for uncollectible amounts decreased to approximately \$3.62 million from \$4 million at December 31, 2016, a decrease of approximately \$381 thousand, or 10% for the twelve-month period. This can be compared with a decrease to \$4 million at December 31, 2016 from \$4.52 million at December 31, 2015, a decrease of approximately \$512 thousand, or 11% for the twelve-month period. Lower unemployment rates and improvement in the Massachusetts economy led

to a reduction in the more serious loan delinquency categories, along with increases in home values and a reduction of the loan portfolio due to loan prepayments, which resulted in a reduction in the allowance for FY 2018 and FY 2017.

*Total Assets.* MassHousing's combined Total Assets, consisting primarily of mortgage loans, increased to \$5.54 billion at December 31, 2017 from \$5.50 billion at December 31, 2016, an increase of approximately \$36 million or 1% for the twelve-month period. This can be compared with an increase to \$5.50 billion at December 31, 2016 from \$5.37 billion at December 31, 2015, an increase of approximately \$135 million or 3% for the twelve-month period. There was no significant change to Total Assets in the current period. The increase in Total Assets for the prior period was primarily the result of increases in cash, investments, and escrow funds, net of a decrease in loans receivable.

### ***Liabilities***

*Debt Payable.* MassHousing's total debt payable, which includes bonds, notes and other debt obligations, comprised approximately 85%, 85% and 86% of total liabilities at December 31, 2017, 2016 and 2015, 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 Fannie Mae MBS are used to fund the debt service (principal and interest payments) due on MassHousing's bonds and notes. Total debt payable decreased to approximately \$3.65 billion at December 31, 2017 from \$3.69 billion at December 31, 2016, a decrease of approximately \$38 million or 1% for the twelve-month period. This can be compared with an increase to approximately \$3.69 billion at December 31, 2016 from \$3.64 billion at December 31, 2015, an increase of approximately \$51 million or 1% for the twelve-month period. There were no significant changes to debt payable in either comparative period.

*Bond and Note Activity.* MassHousing issued approximately \$407 million, \$481 million and \$327 million of new bond and note debt in the first six months of FY 2018, FY 2017 and FY 2016, respectively, to fund multifamily and single-family loans, as detailed more fully in the table below:

### **New Debt Issues (in millions)**

<b>Six Months ended December 31</b>	<b>2017</b>		<b>2016</b>		<b>2015</b>	
	<b><u>Total</u></b>	<b><u>Number of Series</u></b>	<b><u>Total</u></b>	<b><u>Number of Series</u></b>	<b><u>Total</u></b>	<b><u>Number of Series</u></b>
WCF Construction Loan Notes	\$ 75.9	2	\$ 40.5	2	\$ -	-
WCF Direct Purchase CLN	10.0	3	33.6	2	54.9	6
General Rental Development Bonds	-	-	-	-	33.3	1
Housing Bonds and Notes	106.5	1	251.8	6	126.2	4
Single-Family Housing Revenue Bonds	214.7	6	155.1	4	113.0	3
<b>Total New Debt Issues</b>	<b>\$ 407.1</b>	<b>12</b>	<b>\$ 481.0</b>	<b>14</b>	<b>\$ 327.4</b>	<b>14</b>

*Total Liabilities.* MassHousing's combined total liabilities, consisting primarily of bonds and notes, decreased to \$4.30 billion at December 31, 2017 from \$4.33 billion at December 31, 2016, a decrease of approximately \$30 million, or 1% for the twelve-month period. This can be compared with an increase to \$4.33 billion at December 31, 2016 from \$4.22 billion at December 31, 2015, an increase of approximately \$112 million or 3% for the twelve-month period. There was no significant change to Total Liabilities in FY 2018. The increase in Total Liabilities in the prior period was primarily the result of an increase in pension liability due to changes in actuarial assumptions and lower fund earnings and escrow liability partially offset by decreased debt payable.

### ***Total Net Position***

*Changes in Net Position.* Total net position increased to approximately \$1.26 billion at December 31, 2017 from \$1.20 billion at December 31, 2016, an increase of approximately \$56 million, or 5%. This can be compared with an increase to \$1.20 billion at December 31, 2016 from \$1.17 billion at December 31, 2015, an increase of approximately \$29 million, or 2%. Restricted net position is that 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 members may also choose to remove or modify such designations at any time.

*WCF and Affiliates.* Net position of the WCF and Affiliates increased by approximately \$62 million or 9%, to approximately \$737 million at December 31, 2017 from approximately \$676 million at December 31, 2016. This can be compared with an increase to \$676 million at December 31, 2016 from \$627 million at December 31, 2015, an increase of approximately \$49 million, or 8%. The unrestricted portion of net position that may be used to finance day-to-day operations increased by approximately \$58 million or 13%, to approximately \$518 million at December 31, 2017 from approximately \$460 million at December 31, 2016. This can be compared with an increase in the unrestricted portion to \$460 million at December 31, 2016 from \$426 million at December 31, 2015, an increase of approximately \$34 million, or 8%. The increase in total net position of the WCF and Affiliates for the twelve-month period ended December 31, 2017 was primarily the result of three factors: operating income of \$11 million before provision for loan losses and other items, a reduction to the provision for loan losses and other items of \$20 million and net transfer of net position from bond programs of \$31 million. The increase in total net position of the WCF and Affiliates for the twelve-month period ended December 31, 2016 was primarily the result of three factors: operating income of \$8 million before provision for loan losses and other items, a reduction to the provision for loan losses and other items of \$21 million and net transfer of net position from bond programs of \$20 million.

*Bond-Funded Programs.* The net position of all bond-funded programs (all of which is restricted) decreased by approximately \$5 million on a combined basis, or 1%, to \$521 million at December 31, 2017 from \$526 million at December 31, 2016. This can be compared with a decrease to \$526 million at December 31, 2016 from \$546 million at December 31, 2015, a decrease of approximately \$20 million on a combined basis, or 4%. The decrease in net position of the bond-funded programs for the twelve-month period ended December 31, 2017 was primarily the result of four factors: net transfer of net position from bond programs of \$31 million and Special Items of \$6 million, which were partially offset by operating income before provision for loan losses and other items of \$28 million, and a reduction to the provision for loan losses and other items of \$4 million. The decrease in net position of the bond-funded programs for the twelve-month period ended December 31, 2016 was primarily the result of three factors: an increase to the provision for loan losses and other items of \$20 million, and net transfers to the WCF of \$20 million, including the transfer of the remaining net position from the Rental Housing Bond program, partially offset by operating income of \$20 million before provision for loan losses.

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## Statements of Revenues, Expenses, and Changes in Net Position

The table below represents summarized comparative statements of revenues, expenses, and changes in net position for the six-month periods ended December 31 (in millions):

	Change from 2017			Change from 2016			Fiscal 2016
	Fiscal 2018	\$	%	Fiscal 2017	\$	%	
<b>Operating Revenues – Working Capital Fund and Affiliates (WCF)</b>							
Interest on loans	\$ 7	\$ 1	16.7%	\$ 6	\$ (2)	-25.0%	\$ 8
Investment earnings	3	2	200.0%	1	-	0.0%	1
Fee income	40	1	2.6%	39	2	5.4%	37
Miscellaneous income	2	2		-	(4)	-100.0%	4
<b>Total Revenues - WCF and Affiliates</b>	<b>\$ 52</b>	<b>\$ 6</b>	<b>13.0%</b>	<b>\$ 46</b>	<b>\$ (4)</b>	<b>-8.0%</b>	<b>\$ 50</b>
<b>Operating Revenues – Bond Programs</b>							
Interest on loans	\$ 64	\$ (3)	-4.5%	\$ 67	\$ (9)	-11.8%	\$ 76
Investment earnings	12	20	-250.0%	(8)	(19)	-172.7%	11
Fee income	2	1	100.0%	1	(1)	-50.0%	2
Miscellaneous income	-	(1)	-100.0%	1	1		-
<b>Total Revenues - Bond Programs</b>	<b>\$ 78</b>	<b>\$ 17</b>	<b>27.9%</b>	<b>\$ 61</b>	<b>\$ (28)</b>	<b>-31.5%</b>	<b>\$ 89</b>
<b>Total Revenues</b>	<b>\$ 130</b>	<b>\$ 23</b>	<b>21.5%</b>	<b>\$ 107</b>	<b>\$ (32)</b>	<b>-23.0%</b>	<b>\$ 139</b>
<b>Operating Expenses – WCF and Affiliates</b>							
Interest on bonds and notes, net of discount/premium	\$ 3	\$ 1	50.0%	\$ 2	\$ (1)	-33.3%	\$ 3
Administrative expenses	38	-	0.0%	38	4	11.8%	34
Miscellaneous expenses	2	1	100.0%	1	(1)	-50.0%	2
<b>Total Expenses - WCF and Affiliates</b>	<b>\$ 43</b>	<b>\$ 2</b>	<b>4.9%</b>	<b>\$ 41</b>	<b>\$ 2</b>	<b>5.1%</b>	<b>\$ 39</b>
<b>Operating Expenses – Bond Programs</b>							
Interest on bonds and notes, net of discount/premium	\$ 58	\$ (4)	-6.5%	\$ 62	\$ (2)	-3.1%	\$ 64
Administrative expenses	1	(1)	-50.0%	2	-	0.0%	2
Miscellaneous expenses	7	1	16.7%	6	-	0.0%	6
<b>Total Expenses - Bond Programs</b>	<b>\$ 66</b>	<b>\$ (4)</b>	<b>-5.7%</b>	<b>\$ 70</b>	<b>\$ (2)</b>	<b>-2.8%</b>	<b>\$ 72</b>
<b>Total Expenses</b>	<b>\$ 109</b>	<b>\$ (2)</b>	<b>-1.8%</b>	<b>\$ 111</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ 111</b>
Operating income before provision for loan losses and other items - WCF and Affiliates	\$ 9	\$ 4	80.0%	\$ 5	\$ (6)	-54.5%	\$ 11
Operating income (loss) before provision for loan losses and other items - Bond Programs	\$ 12	\$ 21	-233.3%	\$ (9)	\$ (26)	-152.9%	\$ 17
Total operating income (loss) before provision for loan losses and other items	\$ 21	\$ 25	-625.0%	\$ (4)	\$ (32)	-114.3%	\$ 28
Provision for (reduction to) loan losses	\$ -	\$ (4)	-100.0%	\$ 4	\$ 4		\$ -
Other items	-	1	-100.0%	(1)	2	-66.7%	(3)
Total provision for (reduction to) loan losses and other items	\$ -	\$ (3)	-100.0%	\$ 3	\$ 6	-200.0%	\$ (3)
<b>Total operating income (loss)</b>	<b>\$ 21</b>	<b>\$ 29</b>	<b>-362.5%</b>	<b>\$ (8)</b>	<b>\$ (39)</b>	<b>-125.8%</b>	<b>\$ 31</b>
Special Items	\$ (6)	\$ (6)		\$ -	\$ -		\$ -
Changes in net position	\$ 15	\$ 23	-287.5%	\$ (8)	\$ (39)	-125.8%	\$ 31
Net position at beginning of the fiscal year	\$ 1,243	\$ 33	2.7%	\$ 1,210	\$ 68	6.0%	\$ 1,142
<b>Total net position at end of the six months</b>	<b>\$ 1,258</b>	<b>\$ 56</b>	<b>4.7%</b>	<b>\$ 1,202</b>	<b>\$ 29</b>	<b>2.5%</b>	<b>\$ 1,173</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 six-month periods ended December 31, 2017, 2016 and 2015, and the year-to-year increases and decreases presented on the prior page. Changes in Operating Income before Special items 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 represents the primary source of funding for interest payments due on MassHousing's bond and note obligations. Interest on loans for the six-month periods ended December 31, 2017 and December 31, 2016, decreased as compared with their corresponding periods. The decrease for the six-month period ended December 31, 2017 was due to the prepayment of several multifamily loans and fewer single-family loans due to the conversion of MassHousing's Home Ownership Program to an MBS program. The decrease for the six-month period ended December 31, 2016 was due to the prepayment of several multifamily loans, fewer single-family loans due to the conversion of MassHousing's Home Ownership Program to an MBS program, and a lower interest rate environment on newer loans.

*Investment Earnings.* Investment Earnings consist of interest income and increases or decreases in fair value of investments. Investment Earnings for the six-month period ended December 31, 2017 increased, as compared with the corresponding period in FY 2017, due to increased balances, increasing interest rates, and lower fair value reductions. Investment Earnings for the six-month period ended December 31, 2016 decreased, as compared with the corresponding period in FY 2016, due to a decrease in the total fair value of securities in the prior period.

*Fee Income.* Fee Income includes fees received from loan originations, securitization premiums, loan servicing fees, insurance premiums, and Section 8 administrative fees received from the U.S. Department of Housing and Urban Development ("HUD"), including administrative fees that are paid by HUD to MassHousing under the Performance-Based Contract Administration ("PBCA") contract for certain Section 8 projects throughout Massachusetts. Fee Income for the six-month period ended December 31, 2017, as compared with the corresponding period in FY 2017, increased due to higher servicing fees. Fee Income for the six-month period ended December 31, 2016, as compared with the corresponding period in FY 2016, increased primarily as a result of higher financing fees and servicing fees, partially offset by lower Section 8 recap fees and receipt of retroactive Traditional Contract Administration ("TCA") fees in the prior year.

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 TCA and the PBCA 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. MassHousing is currently acting as PBCA administrator under a contract extended through December 31, 2018, but which may be terminated by HUD upon 120 days' written notice. HUD recently cancelled its latest solicitation for PBCA-related services and stated that future requirements will be initiated through a new solicitation, which is expected to take several months to develop.

*Miscellaneous Income.* Miscellaneous income primarily includes insurance claim receipts on foreclosed properties, reinsurance receipts received by the MassHousing Mortgage Insurance Fund ("MIF") on insurance claims paid, miscellaneous recoveries on multifamily loans and various unusual income items. Miscellaneous income for the six-month period ended December 31, 2017, as compared with the corresponding prior period, was flat. Miscellaneous income for the six-month period ended December 31, 2016, as compared with the corresponding prior period, decreased due to fees recognized in FY 2016 from multifamily refinancings.

### *Operating Expenses*

*Interest on Bonds and Notes, net of premium/discount.* Interest on bonds and notes, net of premium/discount, for both six-month periods ended December 31, 2017 and December 31, 2016, as compared with the corresponding prior periods, decreased primarily due to savings from bond refundings.

*Financing Costs.* The costs of issuing bonds (other than bond discount or premium) are recognized as expense in the period incurred as financing costs. Financing costs for the six-month periods ended December 31, 2017 and December 31, 2016, as compared with the corresponding prior periods, were flat.

*Administrative Expenses.* Administrative expenses for the six-month period ended December 31, 2017, as compared with the corresponding prior period, were flat. Administrative expenses for the six-month period ended December 31, 2016, as compared with the corresponding prior period, increased due to higher payroll, pension and Other Post-Employment Benefits ("OPEB") costs.



*Miscellaneous Expenses.* Miscellaneous expenses primarily include grant expenditures, MIF insurance claims paid, losses on property dispositions, and various other items. Miscellaneous expenses for the six-month period ended December 31, 2017, as compared with the corresponding prior period, increased due to increased grant expenditures. Miscellaneous expenses for the six-month period ended December 31, 2016 as compared with the corresponding prior period, decreased due to a reduction in MIF insurance claims paid.

### ***Operating Income***

Operating income before adjusting for the provision for loan losses and other items, special items, and net increases (decreases) in the fair value of investments, increased by approximately \$6 million, or 32%, to \$24 million for the six-month period ended December 31, 2017. This can be compared with a decrease to \$18 million for the six-month period ended December 31, 2016 from \$30 million for the corresponding prior period, a decrease of \$12 million or 39%. Adjusted Operating Income for the six-month period ended December 31, 2017 increased as a result of higher Interest Income on Investments and Fee Income. Adjusted Operating Income for the six-month period ended December 31, 2016 decreased as a result of lower Interest on Loans and Interest Income on Investments, and higher Administrative Expenses.

*Special Items.* The Agency recorded a \$6.2 million Special Item related to the termination of an existing interest rate swap agreement.

### **Postemployment Benefits**

#### ***OPEB***

Governmental Accounting Standards Board (GASB) Pronouncements establish standards for the measurement, recognition, and display of other post-employment benefits (OPEB) expenses/expenditures and related assets and liabilities, note disclosures, and required supplementary information in the financial reports for state and local government employers. This statement (a) requires systematic, accrual-based measurement and recognition of OPEB costs over a period that approximates covered employees' years of service and (b) provides information about actuarial accrued liabilities associated with OPEB and whether, and to what extent, progress is being made in funding the plan.

A committee comprised of key staff members of MassHousing, one member designated by MassHousing's members and one member designated by MassHousing's Executive Director, administers the Massachusetts Housing Finance Agency OPEB Trust (Trust). Benefits vest after 10 years of service either at MassHousing alone or in combination with certain other Massachusetts public employers.

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 those employees who retired prior to July 2, 1994; the remaining cost is withheld from the retiree's or beneficiary's monthly pension benefit.

*Annual OPEB Cost and Net OPEB Obligation* – MassHousing's OPEB cost (expense) is calculated based on its Annual Required Contribution (ARC), an amount actuarially determined in accordance with the parameters specified by GASB. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover service costs each year and amortize any unfunded actuarial liability (or excess) over a period not to exceed 30 years. The remaining amortization period at January 1, 2017 was twenty years.

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The following tables show the components of MassHousing’s annual OPEB cost for fiscal years 2017 and 2016, the amount actually contributed to the substantive plan, and changes in the net OPEB obligation (in thousands).

	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>
Service Cost and Expense adjustment with interest to 7/1	\$ 1,846	\$ 1,720
Amortization of unfunded accrued liability	<u>1,208</u>	<u>1,170</u>
Annual OPEB Cost (Expense)	3,054	2,890
Contributions made	<u>(3,054)</u>	<u>(2,890)</u>
Increase (decrease) in net OPEB obligation	<u>-</u>	<u>-</u>
Net OPEB obligation - beginning of fiscal year	-	-
Net OPEB obligation - end of fiscal year	<u>\$ -</u>	<u>\$ -</u>

*Funded Status and Funding Progress.* As of January 1, 2017, the most recent actuarial valuation date, the plan was partially funded. The actuarial accrued liability for benefits was \$44.7 million as of that date, based upon the assumptions outlined below, and the actuarial value of assets was \$26 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$18.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$34 million, and the ratio of the UAAL to the covered payroll was 55 percent.

The annual funding of the ARC and the provision for healthcare benefits to retirees are provided through MassHousing’s annual budgeting process as approved by MassHousing Members. On June 26, 2008, MassHousing established the Trust, an irrevocable trust dedicated solely to administering the investments and providing the benefits under the terms of the substantive plan (the plan understood by the employer and the plan participants). The investment return assumption (discount rate) currently adopted is based upon the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. The OPEB funding schedule is adopted by vote of the members of MassHousing on a year-to-year basis and may be changed or eliminated by future votes of MassHousing Members. At the time of the next actuarial valuation if it is determined that a different investment return assumption must be used, the actuarial accrued liability may be higher or lower and the difference may be significant. A change in the nature and mix of current and expected investments may also lead to a change in the investment return assumption.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of future events. Examples include assumptions about future employment levels, employment turnover, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and revised estimates are made about the future. The next actuarial report is required using information as of January 1, 2019.

### ***Pension Benefits***

*GASB 68 Implementation.* In June 2012, GASB approved Statement No. 68, “Accounting and Financial Reporting for Pension Plans” (GASB 68), which revised and established new financial reporting requirements for most governments and governmental agencies that provide pension benefits to their employees. It applied to MassHousing’s Financial Statements and became effective for FY 2015 (which began on July 1, 2014). GASB 68 replaced the requirements of Statement No. 27, “Accounting for Pensions by State and Local Governmental Employers” and Statement No. 50, “Pension Disclosures.” GASB 68 required the Agency to recognize its unfunded long-term obligation for pension benefits as a liability. The offset was to a deferred outflow of resources. GASB 68 also revised the methods by which annual pension expense is calculated and required new note disclosures and newly required supplementary information. The Agency implemented this standard in FY 2015. The application of GASB 68 resulted in a cumulative adjustment to the opening balance of net position as of July 1, 2014 (the beginning of FY 2015). In November 2013, GASB approved Statement No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” This Statement amended paragraph 137 of GASB 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

At June 30, 2017, the Agency reported a liability of \$30,223,735 for its net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined based on an actuarial valuation dated as of January 1, 2015. 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. For additional information regarding MassHousing’s Defined Benefit Pension Plan including assumptions, see Note M to the FY 2017 Financial Statements in the Annual Report. See the table immediately below.

### Changes in the Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Beginning Balance at 1/1/16</b>	\$149,708,708	\$ 114,281,243	\$ 35,427,465
<b>Changes for the year:</b>			
Service Cost	3,246,525		3,246,525
Interest	11,623,155		11,623,155
Contributions - employer		6,092,564	(6,092,564)
Contributions - employee		3,273,800	(3,273,800)
Net Investment Income		11,086,715	(11,086,715)
Benefit payments, including refunds of employee contributions	(5,958,074)	(5,958,074)	-
Administrative expenses		(379,669)	379,669
Net Changes	8,911,606	14,115,336	(5,203,730)
<b>Balance at 12/31/16</b>	<u>\$158,620,314</u>	<u>\$ 128,396,579</u>	<u>\$30,223,735</u>

### Debt Limit

As of December 31, 2017 MassHousing had bonds and notes outstanding under various general programs to provide permanent financing for rental housing and owner occupied housing. Each such program is established under one or more separate resolutions, and the bonds and notes under each program are separately secured. See the subsections entitled "Rental Programs – Rental Bond Programs – *Outstanding Bonds and Notes*", "Home Ownership Programs – Single Family Housing Revenue Bond Program – *Outstanding Bonds*" and "Home Ownership Programs – Fannie Mae MBS Portfolio" below for further descriptions of the outstanding indebtedness of MassHousing. The Act limits the indebtedness of MassHousing outstanding from time to time for both rental housing and owner-occupied housing to \$4.9 billion of bonds and notes in the aggregate. As of December 31, 2017, MassHousing had approximately \$3.5 billion of bonds and notes outstanding.

### Investment Policy

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

Under MassHousing's Investment Policy, investments of MassHousing may include direct obligations of, or obligations guaranteed by, the United States and certain of its agencies; obligations issued by states and political subdivisions thereof; prime commercial paper of certain United States corporations; deposits and guaranteed contracts with banks or other financial institutions; repurchase agreements; and money market mutual funds, including the Massachusetts Municipal Depository Trust, a combined investment pool for governmental funds created by the Commonwealth. Investment of amounts held under MassHousing's bond resolutions and other security instruments are further limited by the provisions of such resolutions and instruments.

Specific information regarding MassHousing's investments is included in Note C to the FY 2017 Financial Statements in the Annual Report.

### Derivative Instruments

GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" (Statement No. 53) addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments and others to manage specific risks or to make investments. By entering into these arrangements, governments and others receive and make payments based on market prices without actually entering into the related financial or commodity transactions. Derivative instruments associated with changing financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools.

The fair values of the hedging derivatives and investment derivatives are presented on the Statement of Net Position, either as a liability (negative fair value) or as an asset (positive fair value). The change in fair value of derivatives is recorded as deferred inflow or outflow if determined to be an effective hedge and presented on MassHousing's statement of net position. If

determined ineffective, the change in fair value is presented as part of investment earnings on the statements of revenues, expenses and changes in net position.

**Master Swap Policy (MS Policy).** MassHousing's MS Policy, adopted by MassHousing in January 2006, and last re-adopted September 12, 2017, establishes 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 (collectively referred to as "derivative products"). MassHousing reviews the MS Policy periodically. The MS Policy governs: the appropriate usage of derivative products; acceptable derivative product strategies; the procedure for entering into derivative products; standards for selection of derivative product counterparties (including credit standards, diversification of exposure and collateral requirements); internal management of obligations and exposure; and the selection and procurement of derivative products.

The MS Policy permits MassHousing to enter into derivative products 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 management of MassHousing's assets. The MS Policy states that no derivative product may be entered into prior to notification to 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.

### Accounting and Financial Reporting for Derivative Instruments

**Interest Rate Swap Agreements.** In connection with the issuance of certain bonds that were issued as variable rate bonds, MassHousing entered into several separate pay-fixed, receive-variable interest rate hedging transactions (or "swap" agreements) in notional amounts equal to the aggregate principal amount of the related bonds. The swap counterparties are obligated to pay MassHousing an amount equal to the specified variable interest rate times the notional amount and MassHousing is obligated to pay the counterparties a stipulated fixed interest rate times the notional amount. MassHousing is responsible for making the interest payments to the variable rate bondholders. The objective of the swap agreements is to effectively fix MassHousing's interest payment obligations with respect to the variable rate bonds. MassHousing will be exposed to a variable rate if the counterparties default, if the swap agreements are terminated or if London Interbank Offered Rate (LIBOR) exceeds a specified percentage rate. Termination of a swap agreement prior to maturity may also result in MassHousing making or receiving a termination payment. At December 31, 2017, 9 such interest rate swaps were outstanding.

The terms, including the fair values and counter-party credit ratings of the outstanding swaps as of December 31, 2017, are provided below. The credit ratings were issued by Standard & Poor's and Moody's Investors Service, respectively. The maturity dates of these swap agreements and their related bonds are coterminous, maturing according to the dates shown below. Both the notional value of the interest rate swap and the principal amount of the associated debt decline each fiscal year. The fair values presented below as of December 31, 2017 were obtained from a pricing service using acceptable methods and assumptions in compliance with GASB disclosure requirements.

December 31, 2017								Change in Fair Values from			
Swap - Derivative Instruments (in thousands)		Notional	Swap	Fixed	Variable		Fair Values	06/30/17	Name of		
Associated Bond Series	Derivative Type	Amount 12/31/17	Effective Date	Termination Date	Rate Paid	Rate Received	12/31/17	(increase/ decrease)	Counterparty		
Rental Housing Mortgage Revenue Bonds ("RHMRB") Series 2002B (Neptune)	Investment	\$ 7,735	10/3/2017	7/1/2032	3.020%	LIBOR (a)	\$ (4)	n/a	5		
RHMRB Series 2002B (Mt. Pleasant)	Investment	4,950	10/3/2017	1/1/2044	3.520%	LIBOR (a)	(15)	n/a	5		
RHMRB Series 2002D	Investment	32,170	11/8/2017	1/1/2045	3.645%	LIBOR + .25% (a)	(94)	n/a	5		
RHMRB Series 2002G	Hedge	13,930	12/19/2002	1/1/2046	5.360%	LIBOR + .25% (a)	(236)	315	1		
RHMRB Series 2003A	Hedge	18,405	9/3/2003	7/1/2043	6.729%	LIBOR (a)	(10,354)	506	2		
Housing Bonds ("HB") Series 2008A -Block III (Briston Arms)	Hedge	3,545	9/1/2009	5/1/2048	5.563%	LIBOR + .65% (a)	(149)	56	3		
HB Series 2008A -Block III (Lebanese)	Hedge	2,602	11/1/2009	5/1/2048	5.178%	LIBOR + .65% (a)	(312)	18	3		
HB Series 2009B	Hedge	11,708	1/1/2004	1/1/2044	7.080%	LIBOR (a)	(606)	357	2		
HB Series 2016I	Hedge	25,000	12/15/2016	12/1/2041	3.655%	(70% * 3 mo. LIBOR) + 1.20% (b)	(575)	9	4		
		<b>\$120,045</b>					<b>\$(12,345)</b>	<b>\$ 1,261</b>			

(a) LIBOR 1 month USD (1.56% at December 31, 2017)

(b) LIBOR 3 month USD (1.69% at December 31, 2017)

Counterparty	Credit Rating
1 Deutsche Bank AG	A-/Baa2
2 JP Morgan Chase & Co	A-/A3
3 Bank of America Corp	A-/A3
4 Barclays Bank PLC	BBB/Baa2
5 Citibank N.A.	A+/A1

The swap agreements contain varying collateral agreements with the counterparties in order to mitigate the potential for credit risk. These requirements were met as of December 31, 2017.



**TBA Mortgage-Backed Security Contracts - Hedging Derivative Instruments**  
**December 31, 2017**

<b>Forward Contracts to sell TBA Mortgage Backed Securities</b>	<b>Notional Amount December 31, 2017</b>	<b>Trade Date</b>	<b>Delivery Date</b>	<b>Coupon Rate</b>	<b>Fair Value at December 31, 2017</b>	<b>Counterparty Credit Rating</b>
FN TBA JAN 2018	\$ 4,000,000	11/17/2017	1/11/2018	3.50%	\$ -	NA/Aaa
FN TBA JAN 2018	4,000,000	10/11/2017	1/11/2018	3.50%	(1,875)	NA/Aaa
FN TBA JAN 2018	4,000,000	11/30/2017	1/11/2018	3.50%	(7,500)	NA/Aaa
FN TBA JAN 2018	4,000,000	10/23/2017	1/11/2018	3.50%	(4,375)	NA/Aaa
FN TBA JAN 2018	2,000,000	10/23/2017	1/11/2018	4.00%	3,125	NA/Aaa
FN TBA JAN 2018	2,000,000	10/11/2017	1/11/2018	4.00%	4,375	NA/Aaa
FN TBA JAN 2018	2,485,050	12/7/2017	1/11/2018	4.00%	3,495	NA/Aaa
FN TBA FEB 2018	6,000,000	12/6/2017	2/13/2018	3.50%	9,375	NA/Aaa
FN TBA FEB 2018	5,000,000	11/22/2017	2/13/2018	3.50%	(781)	NA/Aaa
FN TBA FEB 2018	5,000,000	11/14/2017	2/13/2018	3.50%	(14,844)	NA/Aaa
FN TBA MAR 2018	3,000,000	12/19/2017	3/13/2018	3.50%	(1,875)	NA/Aaa
FN TBA MAR 2018	5,000,000	12/29/2017	3/13/2018	3.50%	4,883	NA/Aaa
FN TBA MAR 2018	6,000,000	12/13/2017	3/13/2018	3.50%	(5,625)	NA/Aaa
FN TBA MAR 2018	<u>3,000,000</u>	12/19/2017	3/13/2018	4.00%	<u>469</u>	NA/Aaa
Total	<u>\$ 55,485,050</u>				<u>\$ (11,153)</u>	

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## Legislative Developments

From time to time, bills may be introduced into the Commonwealth legislature affecting government operations generally or that could seek to impose financial and other obligations on MassHousing, including requiring the transfer of funds or assets from MassHousing to the Commonwealth or other State agencies. Furthermore, measures and legislation may be considered by the Federal government, or the Commonwealth legislature, which measures may 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 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 is 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.

## 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.

## RENTAL PROGRAMS

### Rental Bond Programs

Under MassHousing's bond-financed rental bond programs, mortgage loans may be made by MassHousing in an amount not to exceed 90% of the cost of the project in the case of a for-profit mortgagor and in an amount not to exceed 100% of the cost of the project in the case of a not-for-profit mortgagor. Pursuant to the Act, MassHousing requires that 20%, and in some cases 25%, of the units in each development be occupied by persons or families of low income.

*Outstanding Bonds and Notes.* The following table provides certain data relating to the general programs through which MassHousing is currently providing permanent financing for rental developments in the Commonwealth.

<u>Program</u>	<u>Original Principal Amount of Outstanding Bond Issues</u>	<u>Bonds Outstanding 12/31/2017</u>	<u>90-Day Delinquencies December 31, 2017</u>	
			<u>Principal Amount of Mortgage Loans</u>	<u>Related Mortgages Arrearages</u>
Rental Housing Mortgage Revenue Bond	\$ 110,310,000	\$ 75,475,000	\$ N/A	\$ N/A
General Rental Development Bond	231,312,000	185,633,000	N/A	N/A
Multi-Family Housing Bonds	312,795,000	297,640,000	N/A	N/A
Housing Bond and Notes	2,742,008,000	1,697,008,000	986,000	1,734,000

Construction Loan Notes - In addition to the bonds described in the foregoing table, MassHousing has issued \$176,534,000 of Construction Loan Notes, 2015A, 2016A, 2016B, 2016C, 2017A, 2017B and 2017C. Of the total issued, \$148,450,000 were funded and outstanding as of December 31, 2017. Masshousing has also issued \$77,861,000 of Direct Purchase Construction Loan Notes Issue One, Block V, VIII, IX, Issue two and Three. Of the total issued, \$77,861,000 were funded and outstanding as of December 31, 2017.

Masshousing has also issued \$29,990,000 of Housing Bond Anticipation Notes Issue One, Block I and III.

Of the total issued, \$250,000 were funded and outstanding as of December 31, 2017.

Between December 31, 2017 and the date of this Information Statement, MassHousing did not issue any additional bonds to finance multifamily housing.

Between December 31, 2017 and the date of this Information Statement, MassHousing did not issue any additional Construction Loan Notes.

Between December 31, 2017 and the date of this Information Statement, MassHousing did not issue any additional Direct Purchase Construction Loan Notes.

*Conduit Bonds Issued under the General Rental Development Bond Resolution.* MassHousing issues bonds, from time to time, under its General Rental Development Bond Resolution, to finance certain mortgage loans for which, due to the conduit nature of the obligations, neither the bonds nor the mortgage loans securing those bonds are included in MassHousing's financial statements. Each such bond issue is secured separately from any other obligations issued by MassHousing. The issues of such conduit bonds, outstanding as of December 31, 2017, are listed in the table below:

<u>Issue Name</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Principal Amount</u>
Conduit Revenue Bonds (Kenmore Abbey Development), 2012 Series B	6/21/2012	6/1/2030	\$ 42,700,000
Multi-Family Mort Rev Note (Orient Heights Phase One), 2016 Series A	11/23/2016	12/1/2019	26,500,000
Multifamily Conduit Rev Bonds (Binnall House Project), Series A	12/23/2016	8/1/2018	9,250,000
Multifamily Conduit Rev Bonds (Highland Glen Project), Series A	8/17/2017	8/1/2019	35,800,000
Multifamily Conduit Rev Bonds (BH EHT 2 Issue), Series 2017	11/21/2017	11/1/2019	10,800,000
Multifamily Conduit Rev Bonds (Symphony Plaza Project), 2017 Series A	12/20/2017	2/1/2020	61,000,000
Multifamily Conduit Rev Bonds (Russell Apartments Project), 2017 Series A	12/22/2017	2/1/2021	13,950,000
Multifamily Conduit Rev Bonds (Van Brodie Mill Issue), 2017 Series A	12/28/2017	7/1/2020	14,000,000

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

### **Rental Bond Programs – Policies and Procedures**

*General.* The ability of mortgagors to make required mortgage payments is affected by a variety of factors, including satisfactory completion of construction within cost constraints, the achievement and maintenance of a sufficient level of occupancy, sound management of the developments, timely and adequate increases in rents to cover increases in operating expenses, including taxes, utility rates and maintenance costs, changes in applicable laws and governmental regulations and social and economic trends and the continuing availability of federal and Commonwealth subsidies. In recognition of these factors, MassHousing has adopted policies and review procedures for evaluation of the developments that it expects to finance and has established certain reserve and escrow requirements and procedures for regulating and monitoring operations with respect to such developments.

*The policies, procedures and requirements discussed in the following sections represent current policies, procedures and requirements generally observed by MassHousing in processing loans for construction and/or permanent financing of rental housing developments and do not necessarily reflect those policies, procedures and requirements which were in effect at the time any particular Rental Development Mortgage Loan was originated. These policies, procedures and requirements may be modified from time to time as experience or changed conditions necessitate.*

*Selection and Approval of Rental Developments.* The focus of MassHousing's rental bond programs is to finance well-planned and well-designed dwelling units for low and moderate income persons in locations where there is need for such housing. Under its housing programs, MassHousing may make loans for the construction, acquisition, rehabilitation and/or permanent financing of such housing. Such loans as a general rule are secured by a first mortgage lien on real property or on a leasehold estate, but may be secured with such other security as MassHousing may determine.

In selecting developments, MassHousing considers, among other factors, the extent of the demand for the proposed housing in the market area, the quality and location of the proposed site, the design and manner of construction of the proposed development, the marketability of the proposed units, the experience and stability of the development team, the quality and experience of property management and the sufficiency of projected revenues to pay anticipated debt service and operating expenses. In some instances, MassHousing's design standards exceed federal minimum property standards in an attempt to foster better housing design and energy conservation, to contain construction and operational costs and to meet the special needs of residents of the Commonwealth.

*The Feasibility Review Process.* Loans for rental developments are originated by the Rental Business Development Division and underwritten by the Rental Underwriting Division. The Rental Business Development Division is responsible in general for evaluating the initial feasibility and desirability of proposed developments and receiving and screening applications for mortgage loans in accordance with established criteria. Loan proposals originated by Rental Business Development Division are underwritten for commitment by the Rental Underwriting Division and processed for conformance with MassHousing's threshold criteria, including compliance with statutory and regulatory requirements and MassHousing's underwriting standards.



*Closing Requirements.* In order to close on loans for developments that have successfully completed the feasibility review process and received mortgage loan commitments from MassHousing, mortgagors must enter into various traditional financing arrangements and may be required to provide additional security for such loans.

In order to reduce the risk of the imposition of liability under existing federal and Commonwealth environmental regulations, MassHousing undertakes certain procedures to determine whether the proposed site of a development may be the site of a release of oil or hazardous waste. Although MassHousing is undertaking such procedures, no assurance can be given that liability will not be imposed under existing federal and Commonwealth environmental regulations affecting developments financed or to be financed under MassHousing's rental bond programs.

The closing is the process by which the required mortgage and other legal documents evidencing MassHousing's interest in the real and personal property constituting the development and setting forth the obligations of MassHousing and the mortgagor during and after loan documents are executed, delivered and as applicable, recorded. Only following the closing will MassHousing disburse any MassHousing loan proceeds to the mortgagor, whether for construction or permanent financing.

*Construction Monitoring and Completion Provisions.* MassHousing's experience in financing developments thus far indicates that financial difficulties are most likely to occur during construction or in the initial four years of operation. Accordingly, MassHousing has established various requirements and procedures intended to assure timely completion of construction and to provide reserves in the event difficulties are encountered during construction or the early years of development operation.

*Assurance of Completion (For Developments Involving a MassHousing Construction Loan).* MassHousing requires the mortgagor and general contractor for each development to execute a construction contract acceptable to MassHousing. Under this contract, the general contractor agrees to complete construction in conformity with the plans and specifications approved by MassHousing. In order to assure completion of construction, the general contractor provides bonds and/or escrow arrangements in such amounts as determined and approved by MassHousing. Certain different requirements pertain to those developments insured by the Federal Housing Administration (FHA) of the United States Department of Housing and Urban Development (HUD).

*Monitoring During Construction (For Developments Involving a MassHousing Construction Loan).* After the mortgage loan closing, a pre-construction meeting is held by MassHousing's staff with the mortgagor's supervising architect and representatives of the general contractor and mortgagor in order to outline MassHousing's requirements during construction. MassHousing requires weekly inspections by the mortgagor's supervising architect to insure adherence to the construction schedule and conformity with the plans and specifications, and, where applicable, requires periodic payroll submissions to permit monitoring of the payment of prevailing wages. MassHousing's Field Representative generally visits each development at least once a week. Job conferences conducted by the mortgagor's supervising architect with MassHousing's Field Representative, the contractor and sometimes subcontractors and owner representatives are usually held weekly. MassHousing's staff review and approve all payment requisitions, which are submitted monthly by the contractors and the owner and generally represents the value of work in place. MassHousing also recommends approval or disapproval of construction change orders. These change orders are approved by the mortgagor, the mortgagor's supervising architect, the contractor, and, if necessary, by the bonding company or other surety. It is the present policy of MassHousing that all costs associated with a construction change order are secured in advance by the mortgagor if no contingency funds or other reserves are available to fund such change orders.

*Monitoring During Construction (For Developments Involving a MassHousing Permanent Loan Only).* In instances where MassHousing is providing a permanent loan as a take-out to another lender's construction period financing, MassHousing's construction period monitoring is less extensive than described above. Closing of MassHousing's permanent loan is conditioned upon satisfactory completion of the proposed development in accordance with MassHousing-approved plans and specifications and other conditions, and, as such, risks associated with construction difficulties and cost overruns are largely mitigated. In such instances, MassHousing's monitoring during construction entails periodic inspections by MassHousing's Field Representative to ensure that the project is being built in accordance with MassHousing-approved plans and specifications. MassHousing also has the right, with certain limitations, to reject any change order which it determines will adversely affect the quality or the scope of construction, the use and occupancy of the Development or the terms of the Permanent Loan Commitment.

## **Delinquency Report**

MassHousing maintains a Delinquency Report with respect to all the developments in its rental bond programs. The Delinquency Report includes any development that is not in compliance with its loan documents on account of, among other things, a debt service, tax, insurance or other escrow or replacement reserve arrearage of thirty days, or greater, and in excess of \$1,000. Additional notice is given for owners that have not submitted annual audited financial statements as required by their

loan documents. The following chart illustrates the performance of MassHousing's developments in excess of 90 days for the past three years, as measured by the factors included in the Delinquency Report.

<b>Delinquencies</b>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Number of Developments	1	1	1
Total unpaid principal arrearages	\$ 1,734,000	1,817,000	1,726,000

An analysis of the details summarized in the chart above indicates that as of December 31, 2017, one development was in arrears more than 90 days on payments due under their mortgages for an aggregate amount of approximately \$1,734,000.

### Risk Analysis

Each year, MassHousing conducts an analysis of the developments in its rental bond programs. The goal of the risk analysis is to flag potential operating and management problems, to prevent them entirely or fix them in their early stages. It is a tool MassHousing continues to refine as part of its commitment to limit any compromise to the health of the rental bond programs. The analysis uses key indicators common to all developments and establishes grades in each category. This allows the Rental Management Division to establish an order of priorities and identify properties that require the most attention.

Each development is evaluated in terms of three risk categories: financial, capital and managerial operations. The financial rating looks at the debt-service coverage. Previously the financial rating had also taken into consideration debt-service trends and current ratio but MassHousing has determined that current debt-service coverage by itself is a more appropriate indicator of financial risk. The capital rating evaluates the capital improvements that will be needed over time and the reserves available to pay for them. The managerial rating evaluates the ability of the management company to make repairs, maintain proper records, and perform other required operations. The data used in these ratings are derived from the annual audited financial statements with respect to each development and MassHousing's annual Asset Management Review (AMR). The AMR is a comprehensive on-site visit by an asset manager, who evaluates indoor and outdoor physical conditions, inspects a percentage of apartments, reviews office procedures and evaluates capital needs. After the AMR, a report is written by the asset manager and sent to the owner and management company, detailing items that are acceptable and items that need improvement. Asset managers follow up during the year on outstanding issues.

Using the audit and AMR information, potential risk is evaluated by assigning a grade of A through F in each category, based on risk points. An "A" grade indicates an area needing the least managerial review and monitoring; an "F" grade indicates an area needing closest monitoring. MassHousing has developed a wide array of remedial strategies for developments whose ratings indicate one or more deficiencies. Strategies include action plans, rent increases, preservation recapitalizations, financial workouts, programs to improve security, and tenant relations programs offered by the MassHousing Community Services Department. Foreclosure is an extreme option, and one that the other measures are intended to avert.

Risk Analysis Ratings

Rating	Financial Risk				Capital Risk				Management Risk			
	# of Developments		Percentage		# of Developments		Percentage		# of Developments		Percentage	
	CY 2016	CY 2015	CY 2016	CY 2015	CY 2016	CY 2015	CY 2016	CY 2015	CY 2016	CY 2015	CY 2016	CY 2015
A	286	270	74%	68%	234	249	61%	62%	337	372	88%	93%
B	22	16	6	4	57	72	15	18	10	10	3	3
C	25	49	6	12	37	47	10	12	4	6	1	2
D	24	33	6	8	4	4	1	1	0	4	0	1
F	27	29	7	7	19	20	5	5	0	0	0	0
N/A	1	2	1	1	34	7	8	2	34	7	8	1

Financial risk ratings were determined using annual audited financial statements dated December 31, 2016 and December 31, 2015. Capital and Management risk ratings were determined using AMR information from calendar year 2016 and calendar year 2015. Previously the Capital and Management risk ratings were determined using fiscal year AMR information. MassHousing determined that it would align the timing of these ratings and use calendar year information.

In order to provide a comprehensive long-range analysis of possible capital needs shortfalls, MassHousing periodically requires owners to perform a capital needs study. The study defines the level of shortfall by comparing the costs of replacing

major components/building systems in the developments to the current funding levels in the replacement reserve. The capital needs study is an important component of the capital risk calculation.

MassHousing will work with owners as part of the operating budget review process to determine reasonable, workable levels of deposits to reserves. In cases where capital needs cannot be absorbed by project revenues, MassHousing and the owner/manager will do a case-by-case analysis of possible solutions: these include reasonable increases in replacement reserve funding levels, equity resyndications, rent increases and/or cost savings in development expenses. MassHousing will also target these developments for federal and state subsidy programs that will best address their needs and other MassHousing objectives, such as retention of low-income units subject to mortgage prepayment.

### **Section 13A Interest Subsidy Program**

A number of rental housing developments funded by MassHousing's rental bond programs have received financial assistance under the Commonwealth's Section 13A interest subsidy program, which is similar and complementary to the federal program under Section 236 of the United States Housing Act of 1937, as amended (the "National Housing Act"). Under this program, authorized by Section 13A of the Act, the subsidy provided to a development shall not exceed the difference between that portion of the rental of such units which is attributable to the mortgagor's interest payments and the amount which would have been attributable if the interest rate for the financing of the project were one percent per annum. Administration of the program is similar to that of the Section 236 interest subsidy program described below under "Federal Rental Development Assistance Programs - Section 236 Interest Subsidies," except that the subsidy funds are provided on an annual basis subject to appropriation by the Commonwealth. Payments are made directly from the DHCD to MassHousing on a monthly basis, subject to availability of funds. From time to time, since the mid-1980s, the Commonwealth's budget has not provided for the full amount of the Commonwealth's then-existing commitments under the Section 13A Program. All the loans funded under the Section 13A Program are in the Housing Bond Resolution. Between now and mid-2020, all of the remaining mortgage loans assisted under the Section 13A Program mature and the existing subsidy commitments under Section 13A and the related affordability requirements will terminate. Attempts to maximize the preservation of affordable units in these rental housing developments may require substantial additional investments.

### **Rental Development Mortgage Insurance and Credit Enhancement Programs**

Certain housing developments funded by bonds issued under MassHousing's rental bond programs have been insured, or payments on mortgage loans on or secured by such developments have been guaranteed, under several federal mortgage insurance and guarantee programs. Set forth below is a summary description of the principal programs utilized by MassHousing in financing these developments.

*Federal Risk Sharing Program.* Section 542(c) of the Federal Housing and Community Development Act of 1992, and the regulations promulgated thereunder (the "Federal Act"), direct the Secretary of HUD to carry out a risk-sharing program with qualified state and local housing finance agencies ("HFAs") including MassHousing. Under the program, MassHousing is authorized to underwrite mortgage loans on qualifying rental housing projects and HUD is authorized to provide full mortgage insurance ("Federal Insurance") for such mortgage loans provided that MassHousing agrees to share in the risk of loss due to default on the loans.

*MAP/Ginnie Mae.* Under the MAP/Ginnie Mae program, existing MassHousing borrowers submit a loan application to one of MassHousing's joint venture partners or directly to MassHousing, who in turn underwrites a new FHA-insured mortgage loan (typically insured under Section 223(f) or Section 221(d)(4)). MassHousing issues a Ginnie Mae I multifamily MBS in order to fund each new loan and to service each new loan as the mortgagee of record. MassHousing is an approved issuer of Ginnie Mae I multifamily MBS. Currently none of the loans originated under the MAP/Ginnie Mae program are part of the rental bond programs.

### **Federal Rental Development Assistance Programs**

*Interest Subsidies.* Historically, a number of MassHousing projects received interest subsidy reduction payments on behalf of project sponsors for those portions of each project rented to persons and families whose income levels qualify them for assistance under Section 236 of the National Housing Act. The agreements for interest reduction payments are three-party agreements among HUD, MassHousing and the mortgagor. Under the agreements, commencing when the projects are complete, HUD makes monthly payments directly to MassHousing as mortgage lender on behalf of the mortgagor. In general, the amount of the monthly HUD payment is calculated as the difference between (i) the monthly payment that will be required for principal, if any, interest (not in excess of the maximum rate approved by HUD for MassHousing projects) and fees and charges (not in excess of one-half of 1% per annum of the principal amount of the original mortgage loan) which the mortgagor is obligated to pay with respect to the subsidized dwelling units and (ii) the monthly payment that would be required for principal, if any, and

interest which the mortgagor would be required to pay with respect to the subsidized dwelling units if the mortgage were to bear interest at the rate of 1% per annum.

Section 236 of the National Housing Act also provides authorization for HUD to make additional monthly assistance payments directly to project owners to offset increases since initial occupancy in utility costs and local property taxes, subject to availability of funds.

*Rent Supplements.* Some of the dwelling units financed by MassHousing that receive Section 236 interest subsidies may be further subsidized pursuant to a rent supplement program under Section 101 of the Housing and Urban Development Act of 1965 and Section 236 of the National Housing Act. A rent supplement contract, which is a two-party agreement between HUD and the mortgagor, permits federal payments directly to the mortgagor of qualified rental housing projects on behalf of qualified low-income tenants. The result of rent supplement payments is to reduce the rents to a level that can be afforded by families eligible for public housing. MassHousing utilizes the rent supplement program with respect to many projects in order that they may meet MassHousing's requirement that at least 25% of the units in a project be made available to low-income families and persons.

Between now and 2020, all of the remaining Section 236 mortgage loans that are further subsidized under the Section 101 rent supplements may be prepaid and the existing subsidy commitments under Section 236 and the related affordability requirements will terminate. However, HUD created the Rental Assistance Demonstration program, which gives owners of Section 236 developments with rent supplement assistance the opportunity to enter into long-term Section 8 project based contracts. No adverse effects to MassHousing are expected from such a conversion.

## **Section 8 Housing Assistance**

Many of the rental housing developments funded by MassHousing's rental housing programs are receiving Section 8 housing assistance under the federal Housing Assistance Payments ("HAP") Program authorized by Section 8. MassHousing is currently HUD's administrator for most of its Section 8 assisted developments in Massachusetts. Under the HAP Program, the administrator makes monthly Housing Assistance Payments to owners of eligible developments from funds received quarterly from HUD pursuant to an Annual Contributions Contract ("ACC") covering the difference between the rents ("Contract Rents") for units in the particular project and the amount required to be paid by "Eligible Tenants" (generally not more than 30% of their income). Eligible Tenants are defined generally as those households whose income does not exceed 80% (on a scale weighted to reflect family size) of the median income for an area as determined by HUD.

## **Commonwealth Rental Development Assistance Programs**

In addition to the Section 13A housing assistance program described above under the "Section 13A Interest Subsidy Program," the Commonwealth has provided a number of other housing assistance programs for certain rental housing developments financed by MassHousing.

*Medicaid Group Adult Foster Care Program.* The Commonwealth's Medicaid Group Adult Foster Care ("GAFC") Program is designed to allow elderly and/or disabled Medicaid recipients who are at risk of institutional placement to live in a residential setting. Providers, who must be certified by the Massachusetts Division of Medical Assistance ("MDMA"), receive Medicaid reimbursement for providing a service package to eligible Medicaid recipients. Providers must furnish housing that meets the Health Care Financing Administration's definition of "home" or "domicile" in which no more than three unrelated individuals reside and the housing must comply with all state and local fire and safety codes and not be subject to licensing requirements such as rest home licensing.

*Options For Independence Program.* The Options for Independence Program was initiated by MassHousing to carry out the recommendations of the Special Commission on Consolidation of Health and Human Services Institutional Facilities established in 1991. Under the program, MassHousing, working with various state agencies, developed community-based housing and support systems for inappropriately institutionalized individuals, homeless mentally ill individuals and other underserved persons. MassHousing provided loans that were combined with private or public equity (including an equity loan fund administered by DHCD funded with savings realized through state hospital closings.) The facilities financed are owned by qualifying non-profit or limited-dividend entities designated by the Commonwealth. Such facilities are leased to the Commonwealth pursuant to long-term leases commensurate in term with the term of MassHousing's loan. Under such leases, the Commonwealth agrees to pay specified monthly rent in an amount sufficient to fully cover debt service on the loan and property maintenance and repair costs. Such lease payments are subject to annual legislative appropriation. In the event of non-appropriation or insufficient appropriation, the Commonwealth may terminate the lease. The Commonwealth also has an option to purchase the financed facilities after the term of MassHousing's loan. The group homes financed under the program are serviced by private service providers or, in some cases, a state operator, who provide the necessary residential programs.

*Massachusetts Rental Voucher Program.* DHCD, pursuant to Chapter 133 of the Acts of the Commonwealth of 1992 and through annual appropriations from the Commonwealth, provides funds to local housing authorities for rental assistance payments on behalf of low-income tenants in order to pay a portion of the contract rent. This program, known as the Massachusetts Rental Voucher Program (MRVP), replaced the Chapter 707 Rental Assistance program established pursuant to Chapter 707 of the Acts of 1966 of the Commonwealth.

## HOME OWNERSHIP PROGRAMS

### General

MassHousing's Single Family Housing Revenue Bond (SFHRB) Resolution and Trust Indenture for Residential Mortgage Revenue Bonds (MBS) (the "Residential Mortgage Bond Indenture") authorize the issuance of bonds and notes for the purchase of home ownership mortgage loans and/or MBS. As of December 31, 2017, MassHousing had issued approximately \$7.2 billion of bonds and notes under its SFHRB Resolution, of which approximately \$996.5 million were outstanding. Also, as of that date, MassHousing had issued approximately \$119 million of bonds under its Residential Mortgage Bond Indenture, of which approximately \$63 million were outstanding. MassHousing's Housing Bond Resolution also authorizes the issuance of bonds and notes for the purchase of home ownership mortgage loans, however, no bonds have been issued nor does MassHousing currently expect to issue any bonds for such purposes under the Housing Bond Resolution.

Historically, proceeds of bonds and notes issued by MassHousing under the SFHRB Resolution were applied solely to the purchase of fixed rate mortgage loans. In October 2009, however, in order to continue to provide affordable mortgage loans to low and moderate income borrowers (in light of capital constraints and rating downgrades causing mortgage insurance rates to increase), conserve capacity within the Mortgage Insurance Fund (MIF) described below and obtain better execution with Fannie Mae, MassHousing converted its Home Ownership Program from a whole loan purchase program to a program primarily collateralized with Fannie Mae MBS.

As of December 31, 2017, whole mortgage loans represent 38% of the mortgage loan portfolio under the SFHRB Resolution and Fannie Mae MBS represent the remaining 62%. To date, proceeds of bonds issued by MassHousing under the Residential Mortgage Bond Indenture have been used exclusively to purchase Fannie Mae MBS. MassHousing is also an approved Freddie Mac Seller/Servicer, and may choose to collateralize with Freddie Mac's Participation Certificates (PCs).

Each Fannie Mae MBS or Freddie Mac PC is a single pool, pass-through mortgage-backed security, bearing interest at a "pass through rate" approximately equivalent to the composite interest rate on the underlying pool of home ownership mortgage loans, less servicing fees payable to MassHousing and the guarantee fees payable to Fannie Mae or Freddie Mac. Each mortgage loan underlying a Fannie Mae MBS or Freddie Mac PC must meet the requirements set forth in the Program Documents (as defined under "Home Ownership Programs – Home Ownership Programs – Policies and Procedures" below), the SFHRB Resolution and the Residential Mortgage Bond Indenture, as applicable, as well as all other conditions set forth in Fannie Mae's or Freddie Mac's Selling and Servicing Guides, as amended from time to time (the "Guides"), and the applicable Pool Purchase Contracts between MassHousing and Fannie Mae or Freddie Mac relating to the sale of mortgage loans to Fannie Mae or Freddie Mac. Fannie Mae MBS or Freddie Mac PC purchased with amounts allocable to bonds issued under the SFHRB Resolution and the Residential Mortgage Bond Indenture are not required to be secured by mortgage pool insurance, as Fannie Mae or Freddie Mac guarantees the timely payment of principal and interest to the MBS or PC investor, respectively.

*Other Programs.* From time to time, MassHousing may pursue other alternative funding programs for the provision of home ownership mortgage loans in order to increase production and conserve tax-exempt bond volume for its Home Ownership Programs. MassHousing believes there is sufficient housing demand for funds to support these alternative programs. However, depending upon the level of conventional mortgage rates, any alternative funding programs may cause the origination of loans with the proceeds of bonds issued under the SFHRB Program to be slower than would otherwise be the case without such programs.

### Single Family Housing Revenue Bond Program

*General.* As of December 31, 2017, MassHousing had raised approximately \$5.1 billion in lendable bond and note proceeds (not including recycled loan prepayments) under the SFHRB Resolution from the issuance of bonds. As of December 31, 2017, MassHousing held a total of 2,948 mortgage loans, including one home improvement loan, and including loans in the process of foreclosure, under the SFHRB Resolution (excluding loans underlying Fannie Mae MBS), with an aggregate balance of approximately \$325 million.

*Outstanding Bonds.* As of December 31, 2017, there were approximately \$996.5 million aggregate principal amount of Single Family Housing Revenue Bonds (SFHRBs) outstanding under MassHousing's SFHRB Resolution. Attached as Schedule A is a table presenting certain information regarding MassHousing's SFHRBs outstanding at such date, including the

original principal amount issued and the range of interest rates for the outstanding bonds. Between December 31, 2017 and the date of this Information Statement, MassHousing has not issued any additional bonds under the SFHRB Resolution.

*Unexpended Proceeds and Loan Prepayments.* As of December 31, 2017, there were approximately \$134.5 million of bond proceeds available under the SFHRB Resolution for the purchase of loans and Fannie Mae MBS. While bonds issued by MassHousing under its SFHRB Resolution are subject to redemption or mandatory purchase and remarketing from unexpended original proceeds of such bonds, MassHousing has not redeemed or repurchased any bonds from unexpended original proceeds since 1993. As of December 31, 2017, approximately \$52.1 million of loan prepayments were held under the SFHRB Resolution (excluding loan prepayments allocable to bonds called for redemption). In general, loan prepayments held under the SFHRB Resolution are either applied to the purchase of new mortgage loans or Fannie Mae MBS or to the redemption of bonds (either directly or through the issuance of refunding bonds) within six months of receipt. See “Mortgage Loan Portfolio – Prepayment Experience” below.

*Certain Information Regarding Bond Interest Rates.* Attached hereto as Schedule B is a table presenting the principal amounts and maturity dates of MassHousing’s SFHRBs outstanding as of March 30, 2018, by series and cumulative, listed by interest rate in order of highest to lowest.

*Debt Service Reserve Fund.* The SFHRB Resolution establishes a Debt Service Reserve Fund and provides for its funding and maintenance in an amount at least equal to two percent (2%) of the sum of (i) the outstanding principal balance of all loans (provided that “loans” does not include Fannie Mae MBS or Freddie Mac PC) then held under the SFHRB Resolution plus (ii) the aggregate amount, if any, then held in all purchase accounts which may be applied to the purchase of loans (the “Debt Service Reserve Fund Requirement”). As of December 31, 2017 the Debt Service Reserve Fund Requirement for all outstanding SFHRBs was approximately \$9.2 million. At December 31, 2017 the balance in the Debt Service Reserve Fund was approximately \$10.2 million, including moneys and investment obligations in the amount of approximately \$9.8 million, and a debt service reserve fund insurance policy in a stated amount of \$400 thousand.

### **Mortgage Loan Portfolio**

*General.* As of December 31, 2017, the mortgage loan portfolio under the SFHRB Resolution included 2,948 whole mortgage loans with an aggregate loan amount of approximately \$325 million. This represents 38% of the total mortgage loan portfolio under the SFHRB Resolution, with the remaining 62% consisting of Fannie Mae MBS. See “—Fannie Mae MBS Portfolio” below.

The following tables set forth certain information regarding the mortgage loans held in the mortgage loan portfolio under the SFHRB Resolution at December 31, 2017. The information in the tables, as well as the information set forth below under the subheadings “*Mortgage Distribution*,” “*Prepayment Experience*,” “*Mortgage Loan Delinquencies*” and “*Mortgage Insurance and Loan Losses*,” pertains only to the mortgage loan portfolio held under the SFHRB Resolution at December 31, 2017 and does not include information pertaining to the pools of mortgage loans underlying Fannie Mae MBS held under the SFHRB Resolution at that date. See “—Fannie Mae MBS Portfolio” below.

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**Single Family Housing Revenue Bond Mortgage Loan Portfolio**

As of December 31, 2017

<b>Range of Mortgage Interest Rates</b>	<b>Principal Amount at Origination</b>	<b>Outstanding Principal Amount at December 31, 2017 *</b>	<b>Weighted Average Term to Stated Maturity (in years)</b>
Under 5.00%	\$ 64,791,861	\$ 55,088,362	24.59
5.00-5.49%	95,857,513	67,299,511	18.90
5.50-5.99%	135,021,734	103,108,398	20.37
6.00-6.49%	90,345,799	68,860,082	20.42
6.50-6.99%	33,808,381	22,702,233	18.70
7.00-7.49%	4,679,806	2,324,389	10.18
7.50-7.99%	7,868,231	3,541,329	10.37
8.00-8.49%	8,397,663	2,041,362	4.74
8.50-8.99%	227,000	91,213	5.43

\* Excludes Home Improvement Loans, Arrearage Notes and Promissory Notes. Includes workout loans.

Set forth below is a summary of the mortgaged properties in the mortgage loan portfolio under the Single Family Housing Revenue Bond Resolution as of the date shown.

<b>Dwelling Type</b>	<b><u>Mortgage Properties</u></b>	
	<b>December 31, 2017</b>	
	<b>Number of Loans (1)</b>	<b>Percent of Total</b>
One Family	1,620	55.1%
Two Family	303	10.3%
Three Family	124	4.2%
Four Family	15	0.5%
Condominium	879	29.9%
Total	2,941	100%

The average outstanding unpaid principal amount of all such loans was: \$110,506

1 Excludes Home Improvement Loans, Arrearage and Promissory Notes

As of the date shown, the mortgaged properties in the mortgage loan portfolio under the Single Family Housing Revenue Bond Resolution had the following original loan to value ratios.

<b><u>Loan-to-Value Ratios</u></b>	<b><u>December 31, 2017</u></b>
<b><u>Loan to Value Ratios</u></b>	<b><u>Percentage of Properties in Mortgage Loan Portfolio</u></b>
95.1% or above	36.6%
90.1 - 95.0	28.7%
80.0 - 90.0	11.3%
79.9% or below	23.4%
Total	100.0%

*Mortgage Distribution.* As of December 31, 2017, mortgaged properties in the mortgage loan portfolio under the SFHRB Resolution were widely distributed with properties in 13 of the Commonwealth's 14 counties and in 335 of the Commonwealth's 351 cities and towns. The greatest concentration of mortgaged properties were located in the following six cities:

**Geographic Distribution of Mortgage Loan Portfolio**

**December 31, 2017**

<u>City</u>	<u>Number of Mortgage Loans</u>	<u>Total Mortgage Loans in Portfolio %</u>
Springfield	213	7.24%
Boston	207	7.04%
Worcester	119	4.05%
Pittsfield	107	3.64%
Lynn	104	3.54%
Fall River	102	3.47%

*Prepayment Experience.* As of December 31, 2017, MassHousing estimates that since inception of the SFHRB Program it has received approximately 46,202 loan prepayments in an aggregate amount of approximately \$3.5 billion on mortgage loans financed or otherwise held under the SFHRB Resolution.

The table attached hereto as Schedule C sets forth the aggregate amount of loan prepayments received by MassHousing on mortgage loans financed or otherwise held under the SFHRB Resolution during each quarterly or other period starting January 1, 2007 and ending February 28, 2018, the series of SFHRBs to which such loan prepayments are attributable and the outstanding mortgage portfolio balance at the end of each such quarterly or other period. Total loan prepayments in the period starting January 1, 2007 and ending February 28, 2018 aggregated approximately \$1.41 billion.

Currently, under the Internal Revenue Code of 1986, as amended (the "Code"), subject to a \$250,000 per issue *de minimis* exception, repayments and prepayments of principal received more than ten years after the date of issuance of certain qualified mortgage bonds (or, to the extent bonds are treated as refunding bonds, directly or through a series of refundings, the respective dates of issuance of the original bonds) may not be used to make additional mortgage loans but must be used to retire or redeem bonds (the "Ten-Year Rule"). Portions of the loan principal payments and loan prepayments received with respect to each issue of SFHRBs will be subject to the limitations of the Ten-Year Rule. The portions of the loan principal payments and loan prepayments subject to the Ten-Year Rule increase in percentage over time until they reach 100%. The dates as of which portions or all of the loan principal payments and loan prepayments received with respect to each series of SFHRBs previously issued under the SFHRB Resolution and outstanding as of March 30, 2018 (expressed in percentages of the total of loan principal payments and loan prepayments received as of each date) become subject to the Ten-Year Rule are listed in Schedule D attached hereto. The dates are for general reference only and may be modified upon review by MassHousing and to the extent permitted or required by the Code.

*Mortgage Loan Delinquencies.* The following table presents a comparison of the delinquency ratios of the mortgage loan portfolio under the SFHRB Resolution with the ratios of conventional and FHA-insured portfolios as reported by the Mortgage Bankers Association of America. As previously noted, this information pertains only to the mortgage loan portfolio held under the SFHRB Resolution at December 31, 2017 and does not include information pertaining to the pools of mortgage loans underlying Fannie Mae MBS held under the SFHRB Resolution at that date.

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**Comparative Delinquency Statistics**

**December 31, 2017**

<b>Portfolio</b>	<b>Delinquency Rate %</b>	<b>In Foreclosure Process %</b>
<b><u>Conventional</u></b>		
National	4.36%	1.09%
New England	4.38%	1.53%
Massachusetts	4.13%	1.38%
<b><u>MassHousing</u></b>	8.23%	1.50%
<b><u>FHA</u></b>		
National	10.88%	1.76%
New England	10.24%	2.21%
Massachusetts	11.10%	1.89%

As of December 31, 2017, there were 242 delinquent loans in the mortgage loan portfolio. Additionally, 44 loans with an aggregate loan amount of approximately \$4.4 million were in the process of foreclosure. MassHousing was also then in the process of disposing of 10 properties (all properties owned by MassHousing as a result of foreclosure or default is hereinafter referred to as “Real Estate Owned”) with an aggregate loan amount of approximately \$1.6 million at the time of the foreclosure, which is not included in these figures or the following table.

**Mortgage Loan Delinquencies**

**December 31, 2017**

<b>Delinquency Status</b>	<b>Number of Loans</b>		<b>Total Number of Loans</b>		<b>Loan \$ Amount</b>		<b>Total Loan Amount</b>	
	<b>2017</b>	<b>2016</b>	<b>%</b>	<b>%</b>	<b>2017</b>	<b>2016</b>	<b>%</b>	<b>%</b>
			<b>2017</b>	<b>2016</b>			<b>2017</b>	<b>2016</b>
30-59 Days	153	189	5.20%	5.66%	\$17,776,844	\$23,345,278	5.47%	6.08%
60-89 Days	50	53	1.70%	1.59%	5,562,014	6,287,916	1.71%	1.64%
90 Days and Over	39	50	1.33%	1.50%	5,154,182	6,061,729	1.59%	1.57%
Total	242	292	8.23%	8.75%	\$ 28,493,040	\$35,694,923	8.77%	9.29%

*Mortgage Insurance and Loan Losses.* As of December 31, 2017, primary mortgage insurance was in effect on approximately 44% of the mortgaged properties in the mortgage loan portfolio under the SFHRB Resolution and the balance of such mortgaged properties did not require mortgage insurance. Primary mortgage insurance was provided by private mortgage insurance companies (4.2%), the MIF (37.8%) and the United States Veterans Administration (now known as the Department of Veterans’ Affairs but referred to herein as the “VA”), the FHA and the Rural Housing and Community Development Service (“RHCD”) of the United States Department of Agriculture (collectively, 2.0%). See “Home Ownership Programs—Primary Mortgage Insurance” below. From the date of the inception of the SFHRB Program in 1985 to December 31, 2017, 1,599 mortgage loans had been foreclosed. Primary Insurers, including MIF, have paid 1,314 claims in the amount of approximately \$56.1 million.

As required by the SFHRB Resolution, MassHousing either has obtained mortgage pool insurance policies from qualified insurers or has established a Loan Reserve Fund under the SFHRB Resolution to insure MassHousing against loan losses that are not covered by primary mortgage insurance or guaranteed by Fannie Mae. See “Home Ownership Programs—Mortgage Pool Insurance Policies” and “—Loan Reserve Fund” below. As of December 31, 2017, 665 claims in the amount of approximately \$25 million had been filed against the applicable pool insurance policies. As of December 31, 2017, the aggregate balance held in the Loan Reserve Fund established under the SFHRB Resolution was approximately \$9.5 million. As of December 31, 2017, MassHousing has funded approximately \$11.3 million of losses in the SFHRB Resolution from the Loan Reserve Fund (or its predecessor individual loan insurance funds).

After application of insurance claim recoveries and realized property sale proceeds, MassHousing has written off a cumulative total of approximately \$31.1 million in loans purchased under the SFHRB Resolution through December 31, 2017.

Additionally, MassHousing has made cumulative expenditures from the Revenue Fund established under the SFHRB Resolution of approximately \$7.1 million to maintain and protect its interest in delinquent loans both before and after initiation of foreclosure proceedings.

MassHousing performs a loan loss analysis of its homeownership mortgage loan portfolio on a quarterly basis and continually reviews the provision for potentially uncollectible amounts in its financial statements. As of December 31, 2017, MassHousing included an allowance for loan losses for the SFHRB Program in the amount of approximately \$1.6 million in its financial statements.

The following table sets forth certain information for delinquent mortgage loans under the SFHRB Resolution, real estate owned by MassHousing and the principal amount of loans written off for the fiscal years ending as identified. The column labeled “% of Total Loan Amount” refers only to the total principal amount of loans held under the SFHRB Resolution and accordingly, “Real Estate Owned” and “Principal Amount of Loans Written Off” are not included in this calculation.

<b>Delinquent Loan Analysis</b>										
<b>As of June 30</b>										
	<b>2017</b>		<b>2016</b>		<b>2015</b>		<b>2014</b>		<b>2013</b>	
	<b>Loan Amount (\$000)</b>	<b>Total Loan Amount %</b>	<b>Loan Amount (\$000)</b>	<b>Total Loan Amount %</b>	<b>Loan Amount (\$000)</b>	<b>Total Loan Amount %</b>	<b>Loan Amount (\$000)</b>	<b>Total Loan Amount %</b>	<b>Loan Amount (\$000)</b>	<b>Total Loan Amount %</b>
Delinquency										
30 - 59 Days	14,024	3.95%	20,499	4.89%	25,980	5.18%	22,213	3.75%	37,493	5.45%
60 - 89 Days	3,870	1.09%	4,985	1.19%	7,515	1.50%	5,504	0.93%	7,010	1.02%
90 Days and Over	4,844	1.37%	7,036	1.67%	8,316	1.65%	11,907	2.01%	13,296	1.93%
Total	<u>\$ 22,738</u>	<u>6.41%</u>	<u>\$ 32,520</u>	<u>7.75%</u>	<u>\$ 41,811</u>	<u>8.33%</u>	<u>\$ 39,624</u>	<u>6.69%</u>	<u>\$ 57,799</u>	<u>8.40%</u>
Real Estate Owned	\$ 1,706	N/A	\$ 3,451	N/A	\$ 3,394	N/A	\$ 3,231	N/A	\$ 4,400	N/A
Principal Amount of Loans Written Off	\$ 1,745	N/A	\$ 1,723	N/A	\$ 2,147	N/A	\$ 2,307	N/A	\$ 6,125	N/A

### **Fannie Mae MBS Portfolio**

As of December 31, 2017, the Fannie Mae MBS portfolio under the SFHRB Resolution included 306 Fannie Mae MBS with a book value of approximately \$582.7 million.

As of December 31, 2017, MassHousing had issued approximately \$119 million of bonds under the Residential Mortgage Bond Indenture and expended a total of approximately \$119 million of the proceeds thereof on the purchase of Fannie Mae MBS that are now held thereunder. As of December 31, 2017, the Fannie Mae MBS portfolio under the Residential Mortgage Bond Indenture included eight Fannie Mae MBS with a book value of approximately \$63 million.

The table in Schedule E sets forth certain information regarding the Fannie Mae MBS held under the SFHRB Resolution and the Residential Mortgage Bond Indenture as of December 31, 2017.

### **Home Ownership Programs – Policies and Procedures**

*General.* MassHousing has implemented its Home Ownership Programs in accordance with the provisions of a Master Loan Purchase Agreement, which incorporates by reference the guidelines specified in MassHousing’s Program (collectively, the “Program Documents”). The eligibility criteria and procedures set forth in the Program Documents have been established by MassHousing after consideration of standards and requirements of Fannie Mae, Freddie Mac and other major secondary mortgage market institutions.

*Those provisions of the Program Documents described herein that are required by the SFHRB Resolution, the Residential Mortgage Bond Indenture, the Act or the Code are so identified and may only be modified by amendment of the SFHRB Resolution, the Residential Mortgage Bond Indenture, the Act or the Code, as the case may be. Otherwise, all of the provisions of the Program Documents may be modified by MassHousing from time to time or waived on a case-by-case basis.*

*Eligible Mortgage Lenders.* Each mortgage lender participating in MassHousing’s Home Ownership Programs must meet the eligibility requirements of the Program Documents. In particular, it must be authorized to engage in business in the Commonwealth and shall be an approved seller/servicer of conventional or VA-guaranteed or FHA-insured mortgage loans or mortgage loans purchased by FHLMC or Fannie Mae, or be a member of the Federal Home Loan Bank system or have previously sold mortgage loans for MassHousing under its home ownership housing programs. Each mortgage lender must maintain in effect at all times, and at its expense, a fidelity bond (or direct surety bond) and certain errors and omissions

insurance (including mortgage impairment coverage) covering all officers, employees and other persons duly authorized by it to act on its behalf for MassHousing.

*Eligible Borrowers.* In order to qualify for a loan made under MassHousing's Home Ownership Programs, a borrower must satisfy the applicable income limits established by MassHousing for the geographic area in which the residence is located. Income limits under the Home Ownership Programs currently range from \$89,910 to \$139,590 for a household, depending on location and size of household. The income limits may be revised from time to time by MassHousing, subject to the requirements of the Code. Income limits are used by MassHousing solely to establish the borrower's eligibility for a loan and are not required to be used for purposes of credit evaluation. Additional credit evaluation is done on a case-by-case basis in accordance with the requirement of the federal Equal Credit Opportunity Act and guidelines set forth in the Program Documents.

*Eligible Loans.* Any loan for the acquisition and/or rehabilitation or improvement of a one- to four-family, owner-occupied residence located in the Commonwealth may be purchased with the proceeds of bonds and other amounts available for such purpose under MassHousing's bond resolutions. As of the date of this Information Statement, loans eligible for purchase under MassHousing's Home Ownership Programs include 30-year, fixed rate direct-reduction first mortgage loans. The interest rates for loans purchased under MassHousing's Home Ownership Programs are established by MassHousing, subject to the requirements of the Code, after consideration of program objectives, prevailing rates in the conventional mortgage market and the cash flow requirements of the SFHRB Resolution or the Residential Mortgage Revenue Bond Indenture, as applicable.

Residences that are eligible to be financed under the Home Ownership Programs must be located in the Commonwealth, be structurally sound and functionally adequate and meet all applicable zoning requirements, housing codes and similar requirements. Except in the case of loans made under the Housing Bond Resolution, two, three and four-family structures must have been first occupied as a residence at least five years prior to the closing date on the loan (although in some circumstances new two-family structures are allowable), and all residences must be, or within a reasonable time after loan closing become, the principal residence of the mortgagor. In addition, in certain targeted areas defined by the Code and, subsequent to December 20, 2006, to veterans of United States military service, and with respect to home improvement loans, the mortgagor must not have had a present ownership interest in another principal residence within the preceding three years.

Not more than 25% of the units in any condominium or newly-constructed housing development, where such development consists of 25 or more units, may be financed with loans purchased by MassHousing. In addition, the amount of bond proceeds that MassHousing may apply to the purchase of cooperative housing loans and home improvement loans, or the terms of, or rates of interest on, loans purchased with such proceeds, is limited by the applicable bond resolution.

In accordance with the requirements of the Code, MassHousing has established purchase price limits for assisted residential dwellings financed under the SFHRB Program. Purchase price limits vary depending on the number and location of dwelling units. Maximum purchase price for communities in the Commonwealth range up to \$424,100 for a one-family residence, up to \$543,000 for a two-family residence and up to \$815,650 for three- and four-family residences depending on location. For new construction, only one- and two-family residences may be financed. Purchase price limits established for MassHousing's Home Ownership Programs may be revised from time to time by MassHousing, subject to the requirements of the Code.

MassHousing has an e-business platform that enables participating mortgage lenders to register loans on-line via [emasshousing.com](http://emasshousing.com) based on the information submitted by lenders. Loans are electronically reviewed for compliance and underwriting purposes and once approved, mortgage insurance certificates are electronically issued. Lenders are able to monitor their respective loan reservation pipelines on-line and request funding via the site when ready to close.

Originating Mortgage Lenders are responsible for reviewing documents relating to loan applications and related submissions to determine compliance with MassHousing's standards and requirements for qualification of loans and borrowers set forth in the Program Documents. Each originating mortgage lender warrants and represents as of the date a loan is purchased by MassHousing that, among other things, such loan is lawful under and in conformance with all applicable laws, rules and regulations which govern the affairs of the mortgage lender and the borrower, and is eligible for purchase under the applicable Home Ownership Program, qualified for purchase by MassHousing under the Act and made to a borrower meeting the requirements of the applicable Home Ownership Program.

If a loan fails to meet the qualification requirements set forth in the Program Documents, including a failure of such loan to comply with the Code or a failure which otherwise impairs the value of the security for a loan, the mortgage lender from whom such loan was purchased shall, within 90 days of notification by MassHousing and at the option of MassHousing, either (i) cause the loan to be corrected to the satisfaction of MassHousing; (ii) repurchase the loan; or (iii) substitute for such loan another loan of principal amount, term, interest rate and other terms and conditions satisfactory to MassHousing.

Under most circumstances mortgage loans originated under MassHousing's Home Ownership Programs are initially purchased by MassHousing's WCF. To provide funds for such purchases for the Agency's warehouse of single-family loans in the WCF, MassHousing has a Second Amended and Restated Revolving Loan Agreement, dated November 9, 2017 (the "Revolving Loan Agreement"), with Bank of America, N.A. (the "Bank"), for a revolving line-of-credit in an aggregate principal amount not exceeding \$100 million. The balance from time to time outstanding under the line-of-credit bears interest, at the option of MassHousing, at LIBOR or the higher of a) the daily federal funds rate plus a spread, b) the Bank's "prime rate," or c) LIBOR plus a spread as set forth in the Revolving Loan Agreement.

Mortgage loans held in the WCF may be purchased by the SFHRB Resolution or get pooled into a Fannie Mae MBS or Freddie Mac PC and sold to various investors including the SFHRB Resolution, the Residential Mortgage Bond Indenture, investment banks, Fannie Mae, or Freddie Mac if the offered purchase price is advantageous to MassHousing.

Under MassHousing's Master Agreement with Fannie Mae for the purchase of whole mortgage loans by Fannie Mae or the pooling of mortgage loans into Fannie Mae MBS, MassHousing is obligated to repurchase any mortgage loan that has a loan to value ratio of 80% or higher and is sold with no mortgage insurance (an "Uninsured Mortgage Loan") for its own account that is or becomes four full months delinquent within the first 12 months after purchase by Fannie Mae or that is delinquent on the first day of the 13<sup>th</sup> month after such purchase and thereafter becomes four full months delinquent. Under certain circumstances MassHousing is required to post collateral to secure its repurchase obligations. As of the date of this Information Statement, MassHousing has repurchased nine Uninsured Mortgage Loans but has not been required to post collateral.

*Servicing Procedures.* All loans are serviced by MassHousing's Mortgage Service Center ("MSC"), which was established in 1996 within MassHousing's Home Ownership Division. MassHousing recently implemented a conversion to Fiserv's LoanServ Servicing System. This new system enhances the servicing functions of the MSC which, as of December 31, 2017, was servicing a portfolio of approximately 22,000 loans with a principal balance of approximately \$3.8 billion (which includes approximately \$325 million serviced for the SFHRB Resolution).

MSC is responsible for loan accounting, remitting the principal and interest payments on the loans to the proper investor, and accounting for and managing escrows for payment of property taxes, primary mortgage insurance premiums and other applicable assessments. MSC receives a monthly servicing fee ranging from one-twelfth of three-eighths of one percent to one-twelfth of one-quarter of one percent of the outstanding principal balance of the loans. Servicing fees are deducted from loan interest payments.

MSC must take such appropriate action with respect to delinquencies as is required by FHA, VA, RHCDS, any applicable private mortgage insurer or the MIF in order to keep any mortgage insurance or guarantee in full force and to collect the same or such action as it would take with respect to conventional mortgage loans serviced for others or held for its own account. To the extent permitted by law, MSC may grant appropriate relief in the form of liquidation plans, special forbearance relief and modifications. A liquidation agreement may be entered into which gives the borrower a definite period in which to bring the loan current by immediately commencing payment in excess of the regular monthly installments. A special forbearance agreement may be entered into which reduces or suspends the regular monthly installments for a specified period of time. A modification agreement may be formulated which effects modifications of the loan repayment provisions, including an extension of the original maturity date. In addition, under the Servicemembers Civil Relief Act, loans entered into by persons in military service prior to their period of active duty may bear interest at no more than 6% per year for the period of such person's active duty. Furthermore, under such Act, military personnel on active duty are also granted certain protections from foreclosure. MSC reduced the interest rate on loans to persons on active duty to 4%.

Mortgage loans funded by MassHousing's Home Ownership Programs (other than home improvement loans) are secured by a first mortgage lien on the mortgaged property. Upon a default by the mortgagor under any of its obligations, the mortgagee may elect, subject to the provisions of applicable mortgage insurance policies, to foreclose on the mortgage by one of the methods available under Massachusetts law. A mortgagee can foreclose by (i) exercising the power of sale contained in the mortgage, (ii) entering to take possession of the mortgaged premises or (iii) taking judicial action seeking payment or sale pursuant to statute. The majority of foreclosures in the Commonwealth are carried out under the power of sale. Alternatively, with the agreement of the mortgagor and provided there are no junior lienholders, the mortgagee may take a deed of the mortgagor's equity of redemption in the mortgaged premises in lieu of foreclosure.

### **Primary Mortgage Insurance**

*General.* The supplemental resolutions for all bonds currently outstanding under the SFHRB Resolution prohibit MassHousing from using amounts allocable to bonds issued under the SFHRB Resolution to purchase any loan with an original principal balance that exceeds 100% of the value of the property securing such loan. Such supplemental resolutions further require that each loan financed by MassHousing from amounts allocable to such bonds that has a principal amount in excess of 80% of the value of the property securing such loan be (i) insured or guaranteed by the FHA, the VA or the RHCDS; (ii) insured

by a qualified mortgage insurance company; (iii) insured by the MIF; or (v) insured, guaranteed or otherwise secured by another program of self-insurance established by or on behalf of MassHousing, in such amounts and otherwise on such terms and conditions as shall not adversely affect the ratings then assigned to any outstanding bonds.

In addition, the supplemental resolutions for bonds issued under the SFHRB Resolution prior to December 15, 2009 provide that MassHousing may not use amounts allocable to such bonds to purchase any loan that has an original principal balance that exceeds 95% of the value of the property securing such loan unless (i) the loan is insured or guaranteed by the FHA, the VA, the RHCDS or the MIF and (ii) the purchase of such loan will not adversely affect the ratings then assigned to any outstanding bonds. Further, with respect to bonds issued under the SFHRB Resolution after December 15, 2009, the supplemental resolutions for such bonds require that each loan financed by MassHousing from amounts allocable to such bonds that has a principal amount in excess of 80% of the value of the property securing such loan and is insured by the MIF or by a private mortgage insurer shall be insured to a level such that the outstanding principal amount of such loan, less the amount of insurance proceeds available therefor, does not exceed 80% of the value of the property securing such loan.

Notwithstanding the foregoing, certain mortgage loans with a principal amount in excess of 80% of the value of the property securing such loan that are financed through the purchase of Fannie Mae MBS may not be required to be insured under Fannie Mae's guidelines.

As of December 31, 2017, 60 loans held under the SFHRB Resolution, with an outstanding principal balance of \$5.9 million, were insured by primary mortgage insurance provided by FHA or RHCDS, representing 2.0% of the mortgage loan portfolio under the resolution; 123 loans, with an outstanding principal balance of approximately \$6 million, were insured by primary mortgage insurance provided by private mortgage insurers, representing 4.2% of such mortgage loan portfolio; and 1,111 loans, with an outstanding principal balance of approximately \$159 million, were insured by primary mortgage insurance provided by the MIF, representing 37.8% of such mortgage loan portfolio. At such date, the remaining 1,647 loans, or 56% of the mortgage loans in the mortgage loan portfolio under the SFHRB Resolution, were uninsured because the outstanding principal balance of such loans as a percent of the value of the property securing the loans was less than the primary mortgage insurance threshold provided in the applicable supplemental resolution.

*Federal Housing Administration Mortgage Insurance Programs.* The National Housing Act authorizes the FHA to insure mortgage loans for the purchase of one- to four-family dwelling units, including condominium units. Mortgage loans under the FHA programs must bear interest at a rate not exceeding the maximum rate established by HUD from time to time, and such mortgage loans must be in conformance with the maximum loan amount limitations and minimum down payment requirements specified in the National Housing Act and regulations promulgated thereunder.

Insurance benefits are paid either on foreclosure and conveyance of title or on assignment of the mortgage loan to the Secretary of HUD. Under certain programs, the National Housing Act gives authority to the Secretary of HUD to settle claims for insurance benefits either in cash or debentures, which, in certain circumstances, may have an interest rate less than that of the insured mortgage. The amount of benefits paid by FHA on foreclosed properties after conveyance is equal to the unpaid principal amount of the mortgage loans plus certain tax, insurance and other payments made, and a portion of any foreclosure expenses incurred by the mortgagee, as well as interest from date of default at a rate equivalent to the debenture interest rate, less certain amounts received or retained in respect of the mortgaged property. The benefits payment made on assigned mortgages is equal to the unpaid principal amount of the loan plus any accrued and unpaid mortgage interest, as well as certain advances and costs approved by the Secretary, less certain amounts retained by the mortgagee.

*Department of Veterans Affairs Guaranty Program.* The VA is authorized by Chapter 37 of Title 38 of the United States Code to guaranty mortgage loans for the purchase by veterans of one to four-family dwelling units at interest rates not exceeding the maximum interest rate set by the VA from time to time. The maximum guaranty that may be issued by the VA is 40% of the original principal amount of the mortgage loan for loans of amounts from \$56,251 to \$144,000. For loans larger than \$144,000 the maximum guaranty amount is 25% of the Freddie Mac conforming loan limit, which is currently \$424,100. Guarantees issued by the VA under the program constitute a general obligation of the United States of America.

*Rural Housing and Community Development Service Guaranty Program.* The RHCDS is authorized by Title V of the National Housing Act of 1949 to guaranty mortgage loans for the purchase by income eligible first time homebuyers of single-family and condominium dwelling units located in designated rural areas. Loans guaranteed by the RHCDS can only be made to borrowers with incomes that fall within limits established by RHCDS. The maximum guaranty that may be issued by RHCDS under the program is 90% of the original principal amount of the mortgage loan. Guarantees issued by RHCDS under the program constitute a general obligation of the United States of America.

*Private Mortgage Insurance.* In general, private mortgage insurance contracts provide for the payment of insurance benefits to a mortgage lender, such as MassHousing, upon the failure of a mortgagor to make any payment or to perform any obligation under the insured mortgage loan and the continuance of such failure for a stated period. In order to receive payment of

insurance benefits, MassHousing must have suffered a loss upon sale of the property after having acquired title to the property, either through foreclosure or conveyance in lieu of foreclosure, or must convey title to the property to the insurer if requested by the insurer. The private mortgage insurance policies insuring MassHousing against loss resulting from defaults on loans also contain advance claims insurance riders, which provide that monthly claims advances will be made in amounts equal to delinquent regular monthly payments of principal and interest on each loan that is delinquent in six or more monthly payments. Premiums on the private mortgage insurance policies are paid by the borrower.

As of December 31, 2017, private mortgage insurance on loans held in the mortgage loan portfolio under the SFHRB Resolution was provided by the following private mortgage insurers: Genworth Mortgage Insurance Corporation (“Genworth”) was the insurer of 18 loans or 0.61% of the mortgage loan portfolio, with an outstanding principal balance of approximately \$326 thousand; PMI Mortgage Insurance Company (“PMI”) was the insurer of 55 loans or 1.87% of the mortgage loan portfolio, with an outstanding principal balance of approximately \$1.9 million; Mortgage Guaranty Insurance Corporation (“MGIC”) was the insurer of 18 loans or 0.61% of the mortgage loan portfolio, with an outstanding principal balance of approximately \$2.3 million; Republic Mortgage Insurance Company (“RMIC”) was the insurer of 6 loans or 0.20% of the mortgage loan portfolio, with an outstanding principal balance of approximately \$416 thousand; and Radian Guaranty Inc. (“Radian”) was the insurer of 26 loans or 0.88% of the mortgage loan portfolio, with an outstanding principal balance of approximately \$1.1 million.

In addition to primary mortgage insurance policies issued by private mortgage insurers, MassHousing has entered into three risk-sharing agreements with Genworth and two risk-sharing agreements with PMI to make private mortgage insurance available to borrowers at lower premiums and with more lenient underwriting criteria than would otherwise be the case. In exchange for their agreements to issue their policies (which are limited to approximately \$610 million principal amount of loans in the aggregate) under these more favorable terms, MassHousing has agreed to reimburse Genworth and PMI for a portion of the actual losses suffered by them in an aggregate amount not to exceed \$9 million. As of December 31, 2017, MassHousing has reimbursed Genworth and PMI for approximately \$5.3 million of losses. MassHousing’s reimbursement obligations are general obligations of MassHousing and, as such, are not payable from any revenues or other moneys pledged under the SFHRB Resolution. Genworth and PMI will have the sole obligation to make payments under each private mortgage insurance policy, and, in the event of a default in payment by either of them, no beneficiary of a policy will have any right to seek payment from MassHousing.

*Mortgage Insurance Fund.* MassHousing may satisfy the primary mortgage insurance requirements for any home ownership loan purchased under the SFHRB Resolution if such loan is insured, guaranteed or otherwise secured by a program of self insurance established by or on behalf of MassHousing, provided that the use of such self insurance program does not adversely affect the ratings then assigned to the bonds outstanding under that resolution. MassHousing has established the MIF to provide primary mortgage insurance coverage for loans purchased by MassHousing under its Home Ownership Programs. The MIF also provides primary mortgage insurance coverage for conventional mortgage loans financed by lenders other than MassHousing on housing for persons and families of low and moderate income as defined by the Act. The MIF provides mortgage insurance coverage against losses with essentially the same terms of coverage as provided by insurance issued by nationally recognized private mortgage insurance companies consistent with the terms of the applicable bond resolution and MassHousing’s underwriting guidelines. The insurance program provided by the MIF has been reviewed by each rating agency maintaining a rating on MassHousing bonds.

The MIF is maintained under the Escrow Agreement dated as of October 23, 2003, as amended (the “Escrow Agreement”), between MassHousing and U.S. Bank National Association, as escrow agent. Since the inception of the MIF through December 31, 2017, MassHousing has deposited \$30.549 million in the MIF from MassHousing’s WCF and additionally deposits in the MIF all fees, charges and premiums collected from borrowers and all income on amounts under investment in the MIF. As of December 31, 2017, the aggregate cash and investment balance of the MIF was approximately \$115.6 million and MIF mortgage insurance coverage was outstanding on approximately 10,939 loans with an outstanding principal balance of approximately \$2.27 billion. Excluding reinsured loans as described below, at December 31, 2017, MIF mortgage insurance coverage was outstanding on approximately 2,322 loans, with an outstanding principal balance of approximately \$376 million. At December 31, 2017, the MIF’s risk exposure for non-reinsured loans was approximately \$64.7 million, and reserves for these loans were approximately \$23.2 million.

Under the terms of the Escrow Agreement, MIF may not issue any mortgage insurance policy for a loan, or any commitment for a policy, if it is determined that the balance held in the MIF is not sufficient to satisfy the capital adequacy requirements of S&P and Moody’s necessary to maintain MassHousing’s credit rating and the credit ratings on MassHousing’s outstanding SFHRBs and Housing Bonds based on reserve models provided by such rating agencies. Based on the December 31, 2017 balance of the MIF, adjusted for current and projected reinsurance reserves and commitments then in effect, MassHousing estimates that the MIF is authorized to extend mortgage insurance coverage up to an additional \$1.99 billion of loans without reinsurance or \$19.88 billion with reinsurance originated under the Program or any combination which arrives at the same additional exposure. The liability of MassHousing for losses on loans to which the MIF has extended mortgage insurance coverage is solely limited to the balance on deposit in the MIF from time to time. Mortgage insurance coverage does not

constitute a general obligation of MassHousing and losses are not payable from any funds or accounts of MassHousing, under the SFHRB Resolution, or otherwise, other than the MIF.

In addition to traditional mortgage insurance coverage, with respect to loans insured on or after July 1, 2004, the MIF provides borrowers with mortgage payment protection coverage that pays up to six months of monthly mortgage principal and interest in the event that a borrower becomes an “enrolled unemployed” under the Commonwealth’s unemployment compensation program. Payments are made directly to the borrower’s mortgage servicer and are designed to keep the mortgage current, avoiding foreclosure, loan loss and mortgage insurance claims. At December 31, 2017, 9,883 loans were insured by the MIF with mortgage payment protection coverage. The MIF’s mortgage payment risk exposure for loans with mortgage payment protection was approximately \$65.9 million.

MassHousing, on behalf of the MIF, has entered into reinsurance agreements with MGIC, United Guaranty Residential Insurance Corporation (UG) and Genworth, and Willis Re, acting as a broker for Everest Reinsurance Company and Partner Reinsurance Europe SE (Zurich Branch). The agreements permit reinsurance of MassHousing’s Homeownership loans, and, in certain cases, conventional mortgage loans, to persons and families of low and moderate income that are originated by mortgage lenders on Massachusetts one-to-four-unit, owner-occupied residential dwellings, purchased by MassHousing and other bank portfolio loans held by Massachusetts banks. At December 31, 2017, approximately \$66.1 million were reinsured by MGIC, approximately \$18.9 million were reinsured by UG, approximately \$162.7 million were reinsured by Genworth and approximately \$1.648 billion were reinsured with Willis Re as a broker for Everest Reinsurance Company and Partner Reinsurance Europe SE (Zurich Branch), respectively. Under each agreement, the MIF retains a 10% share of the insurance coverage written on any reinsured loan and the reinsurer reinsures the remaining 90% of the coverage. In addition to MIF’s 10% quota share, MIF receives a ceding commission ranging from 20% to 37% of the reinsurance premiums paid under the MGIC, UG, Genworth and Willis Re agreements. The net benefits to MIF under the agreements are likely to range from 26.3% to 43.3% of the premiums for the assumption of 10% of the mortgage risk. The first contract with Genworth includes an excess of loss coverage which costs 1.7% of gross premiums written.

For additional information about the MIF, specific reference is made to the audited financial statements of the MIF for the year ended June 30, 2017, which may be obtained from MassHousing.

*Cancellation or Termination of Private Mortgage Insurance.* Under the program documents for all outstanding home ownership loans funded under MassHousing’s Home Ownership Programs that are insured by private mortgage insurance, including insurance provided by the MIF, the private mortgage insurance coverage is cancelable at the option of the borrower when the unpaid principal balance of the loan is reduced to less than the threshold percentage of the value of the property above which private mortgage insurance was required by the applicable supplemental resolution (i.e., 70% to 80% of the value of the property calculated at the date of origination of such loan). The Federal Homeowners Protection Act of 1998 also grants borrowers a right of cancellation of private mortgage insurance coverage on mortgage loans for one-unit properties originated on and after July 29, 1999, when the unpaid principal balance of the loan is equal to or less than 80% of the value of the property securing the loan (based on the sales price or appraised value of the property at origination, whichever is less). The Act also mandates the automatic termination of private mortgage insurance coverage on any such loan when the unpaid principal balance is equal to or less than 77% of the original value of the property. Cancellation or termination of private mortgage insurance coverage is postponed for any loan that is not in good standing. The termination and cancellation provisions of the act also do not apply to certain “high risk” loans as determined in accordance with regulations published by Fannie Mae and FHLMC.

### **Standard Hazard Insurance**

The borrower on each mortgage loan funded under MassHousing’s Home Ownership Programs is required to maintain a standard hazard insurance policy for the mortgaged property in an amount equal to no more than the replacement cost of the buildings and appurtenances on the mortgaged premises, unless the borrower chooses to exceed this limit and submits a signed acknowledgement which states that the coverage is in excess of this limit and which coverage, subject to this limitation, shall be for the greater of an amount equal to the unpaid balance of the mortgage loan or such amount that would not result in the application of a coinsurance clause. Each borrower is also required to maintain flood insurance in compliance with the provisions of the Flood Disaster Protection Act of 1973, if applicable, whether or not such property is eligible for coverage under the national flood insurance program, in an amount at least equal to the outstanding balance of the mortgage loan or the maximum insurance available on any one structure under the National Flood Insurance Program, and otherwise meeting the standards accepted by prudent practice and custom in the geographic area in which the property is located.

### **Title Insurance**

Each mortgage loan funded by MassHousing’s Home Ownership Programs must be insured by a mortgagee policy of title insurance, the benefits of which run to MassHousing, in an amount at least equal to the outstanding balance of the mortgage loan, including, when applicable, any increases in the amount thereof, in standard American Land Title Association form as then

in effect issued by a title insurance company qualified to do business in the Commonwealth insuring that the mortgage lien is a valid and enforceable first mortgage lien.

### **Mortgage Pool Insurance Policies**

In addition to primary mortgage insurance, a substantial portion of the loans held under the SFHRB Resolution (other than loans pooled into a Fannie Mae MBS) are insured under various mortgage pool insurance policies insuring the SFHRBs against losses arising out of defaults on such loans up to a cumulative loss limit equal to from 4% to 5% of the original aggregate principal amount of all such loans so insured. The issuer of a mortgage pool insurance policy for mortgage loans purchased in connection with a particular series of Bonds is referred to herein as the “Pool Insurer.” The Pool Insurers for mortgage loans currently held under the SFHRB Resolution include MGIC and Genworth. As of June 30, 2017, the RMIC and Radian pool insurance policies were canceled. The reason for these cancellations was that the existing unpaid principal balances under the policies were less than 10% of the initial unpaid principal balances. Canceling these policies is expected to result in premium savings due to the unlikelihood that MassHousing would reach any loss of its deductibles. The loans previously insured under the RMIC and Radian policies will be self-insured by the SFHRB Resolution’s Loan Reserve Fund (LRF). At December 31, 2017, 1,355 loans, or 46.0% of the loans then held under the SFHRB Resolution, with an outstanding principal balance of approximately \$179 million were insured by MGIC; 395 loans, or 13.4% of the loans then held under the SFHRB Resolution, with an outstanding principal balance of approximately \$55 million were insured by Genworth.

None of the mortgage pool insurance policies is a blanket policy against all losses, since claims thereunder may only be made respecting particular defaulted loans and only upon the satisfaction of certain conditions precedent described below. It is a requirement of each mortgage pool insurance policy that the primary mortgage insurance, if any, required by the applicable supplemental resolutions be maintained. None of the mortgage pool insurance policies insures against a loss sustained by reason of a default arising from or involving certain matters including, but not limited to, (a) fraud or negligence in origination or servicing of the loans, including misrepresentation by the mortgage lender, borrower or other persons involved in the origination of a loan; (b) failure to construct a property subject to a loan in accordance with specified plans; (c) physical damage to a property; and (d) a mortgage lender’s not being approved as a servicer by the insurer. The mortgage pool insurance policies do not cover losses due to a failure to pay or denial of a claim under a primary policy, irrespective of the reason therefor.

If a claim is made under a mortgage pool insurance policy, the Pool Insurer has the option to either (i) acquire the property securing the defaulted loan for a payment equal to the unpaid principal balance thereof plus accrued and unpaid interest at the mortgage rate to the date of payment of the claim and certain expenses described above advanced by the mortgage lender (unless the property has been conveyed to the Pool Insurer pursuant to the terms of the applicable primary policy) or (ii) pay the amount by which the sum of the unpaid principal balance of the defaulted loan and accrued and unpaid interest at the mortgage rate to the date of the payment of the claim and the aforesaid expenses exceeds the proceeds received from a sale of the property which the Pool Insurer has approved. In either case, the amount of payment under the mortgage pool insurance policy will be reduced by the amount of such loss paid under the primary policy.

The amount of coverage under the mortgage pool insurance policies will be reduced over the life of the policies by the dollar amount of claims paid less amounts realized by the Pool Insurer upon disposition of mortgaged property. In addition, certain of the outstanding mortgage pool insurance policies provide that MassHousing will retain all risk for claims under the policies until the aggregate claims equal from 0.5% to 1% of the original aggregate principal amount of all loans insured under the applicable policy. The applicable Pool Insurer will assume liability for all claims in excess of MassHousing’s retained risk up to the cumulative loss limit provided in the policy. MassHousing has secured its retained risk for losses on such loans as described under “Loan Reserve Fund” below.

### **Loan Reserve Fund**

All mortgage loans held under the SFHRB Resolution that are not insured under a mortgage pool insurance policy or for the payment of which MassHousing has retained risk under a mortgage pool insurance policy (other than loans pooled into a Fannie Mae MBS), and all home improvement loans held under the SFHRB Resolution, are currently secured on a parity basis by a Loan Reserve Fund in order to insure the SFHRBs against certain losses arising from defaults on such loans. The Loan Reserve Fund is funded and maintained in cash and permitted investments, or an irrevocable letter of credit issued by a qualified bank or an irrevocable insurance policy or guarantee issued by a qualified insurer or bank, as applicable (collectively, a “Reserve Deposit”), in an amount at least equal to (i) one percent (1%) of the aggregate unpaid principal amount of all mortgage loans or portions thereof (other than loans pooled into a Fannie Mae MBS) held under the SFHRB Resolution that are insured under a mortgage pool insurance policy; plus (ii) five percent (5%) of the aggregate unpaid principal amount of all mortgage loans (other than loans pooled into a Fannie Mae MBS) not so insured; less (iii) the aggregate amount of all amounts theretofore withdrawn from the Loan Reserve Fund on account of loan losses on such mortgage loans; or such lesser amount as shall not adversely affect the ratings then assigned to any bonds outstanding under the SFHRB Resolution (the “Loan Reserve Fund Requirement”). MassHousing is prohibited from purchasing a mortgage loan (other than loans pooled into a Fannie Mae MBS) under the SFHRB



Resolution unless the amount on deposit in the Loan Reserve Fund, including any deposit to be made at the time of such purchase, is equal to the Loan Reserve Fund Requirement calculated upon such purchase.

If MassHousing realizes a loan loss on a loan covered by the Loan Reserve Fund, it may direct the trustee to withdraw an amount equal to all or a portion of such loan loss from the Loan Reserve Fund, and to deposit such amount in the revenue fund under the SFHRB Resolution. Such withdrawals shall be made, first, from cash and investment obligations on deposit in the Loan Reserve Fund and, second, from draws or demands on Reserve Deposits, if any, held in the Loan Reserve Fund.

As of December 31, 2017, the amount held in the Loan Reserve Fund maintained under the SFHRB Resolution consists of cash in the amount of approximately \$9.5 million. The obligation of MassHousing to reimburse the insurer for any draw on any outstanding Reserve Deposit is a general obligation of MassHousing for which its full faith and credit are pledged. MassHousing has not pledged any revenues or other property pledged under the SFHRB Resolution to secure its reimbursement obligations on such Reserve Deposits.

**SCHEDULE A**

The following table presents certain information regarding the dated date and original principal amount and the range of interest rates for MassHousing's Single Family Housing Revenue Bonds outstanding as of December 31, 2017.

**SINGLE FAMILY HOUSING REVENUE BONDS OUTSTANDING AS OF DECEMBER 31, 2017**

Series	Dated Date	Original Principal Amount (\$)	Principal Amount		Range of Interest Rates of Outstanding Bonds (%)	
			Outstanding at December 31, 2017 (\$)			
76	March 9, 2000	19,950,000	14,865,000	Libor plus	-	0.60
147	December 15, 2009	38,320,000	1,325,000	4.60	-	4.60
151	October 28, 2010	6,125,000	390,000	4.10	-	4.10
152	October 28, 2010	21,685,000	6,635,000	2.50	-	4.15
153	October 28, 2010	17,965,000	4,905,000	3.80	-	4.40
154	October 28, 2010	16,480,000	1,055,000	4.10	-	4.10
155	May 19, 2011	24,000,000	5,125,000	2.90	-	5.00
156	August 25, 2011	21,940,000	6,170,000	2.25	-	4.50
157	March 28, 2012	38,425,000	13,965,000	2.25	-	3.90
159	March 28, 2012	35,000,000	8,410,000	1.60	-	4.05
160	September 19, 2012	32,120,000	13,370,000	2.05	-	3.75
161	September 19, 2012	5,900,000	2,675,000	1.50	-	3.88
162	December 13, 2012	101,565,000	85,760,000	1.25	-	3.50
163	March 21, 2013	59,740,000	40,130,000	1.55	-	4.00
165	March 21, 2013	61,600,000	35,725,000	1.15	-	4.00
166	March 21, 2013	25,285,000	18,715,000	1.39	-	3.79
167	October 31, 2013	50,000,000	16,730,000	1.80	-	4.00
168	March 18, 2014	27,125,000	18,315,000	0.95	-	3.75
169	March 18, 2014	37,875,000	13,225,000	2.55	-	4.00
170	March 18, 2014	19,020,000	5,345,000	1.51	-	4.05
171	August 20, 2014	50,000,000	33,510,000	0.80	-	4.00
172	November 20, 2014	63,415,000	52,505,000	3.30	-	4.00
173	November 20, 2014	3,080,000	3,080,000	3.00	-	3.10
174	November 20, 2014	25,925,000	19,925,000	1.20	-	3.40
175	March 26, 2015	25,060,000	17,970,000	3.65	-	4.10
176	March 26, 2015	7,205,000	3,120,000	2.95	-	3.00
177	March 26, 2015	57,595,000	41,735,000	1.15	-	4.00
178	December 17, 2015	69,810,000	61,805,000	3.50	-	3.70
179	December 17, 2015	16,610,000	12,800,000	1.00	-	2.90
180	December 17, 2015	26,530,000	21,150,000	1.40	-	3.50
181	March 24, 2016	43,935,000	41,025,000	3.25	-	4.00
182	March 24, 2016	22,000,000	19,900,000	1.00	-	3.30
183	August 31, 2016	40,590,000	37,905,000	2.80	-	3.50
184	August 31, 2016	11,210,000	10,205,000	0.95	-	2.63
185	December 9, 2016	46,995,000	46,995,000	2.10	-	4.20
186	December 9, 2016	56,325,000	45,245,000	1.20	-	4.00
187	August 10, 2017	51,920,000	51,920,000	2.40	-	3.55
188	August 10, 2017	44,355,000	44,355,000	1.05	-	4.00
189	August 10, 2017	25,000,000	25,000,000	1.50	-	1.50
190	December 20, 2017	62,065,000	62,065,000	2.70	-	4.00
191	December 20, 2017	16,605,000	16,605,000	1.30	-	3.15
192	December 20, 2017	14,800,000	14,800,000	0.00	-	0.00
		<b>1,441,150,000</b>	<b>996,455,000</b>			

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**SCHEDULE B**

The following table presents certain information regarding the interest rate, series and maturity of MassHousing's Single Family Housing Revenue Bonds outstanding as of March 30, 2018.

**MASSHOUING  
SINGLE FAMILY HOUSING REVENUE BONDS  
DEBT OUTSTANDING AS OF MARCH 30, 2018**

<b>Coupon (%)</b>	<b>Series</b>	<b>Maturity</b>	<b>Amount (\$)</b>	<b>Cumulative (\$)</b>	<b>Cumulative % of Total</b>	
5.000	SERIES 155 (NON-AMT ACE)	12/1/2018	620,000	620,000	0.067%	
	SERIES 155 (NON-AMT ACE)	12/1/2019	650,000	1,270,000	0.137%	
	SERIES 155 (NON-AMT ACE)	12/1/2020	680,000	1,950,000	0.210%	
	SERIES 155 (NON-AMT ACE)	12/1/2028	985,000	2,935,000	0.316%	
4.600	SERIES 147 (NON-AMT ACE)	12/1/2025	1,325,000	4,260,000	0.458%	
4.500	SERIES 156 (NON-AMT ACE)	6/1/2029	1,020,000	5,280,000	0.568%	
4.400	SERIES 153 (AMT)	12/1/2023	840,000	6,120,000	0.658%	
4.200	SERIES 185 (NON-AMT ACE)	6/1/2046	22,280,000	28,400,000	3.053%	
4.100	SERIES 151 (NON-AMT)	12/1/2027	390,000	28,790,000	3.095%	
	SERIES 154 (NON-AMT)	12/1/2027	1,055,000	29,845,000	3.208%	
	SERIES 175 (NON-AMT ACE)	12/1/2045	8,290,000	38,135,000	4.100%	
4.050	SERIES 159 (NON-AMT ACE)	12/1/2032	3,530,000	41,665,000	4.479%	
4.000	SERIES 153 (AMT)	12/1/2020	970,000	42,635,000	4.583%	
	SERIES 153 (AMT)	6/1/2020	2,075,000	44,710,000	4.806%	
	SERIES 163 (AMT)	12/1/2033	17,610,000	62,320,000	6.699%	
	SERIES 165 (NON-AMT ACE)	12/1/2043	5,905,000	68,225,000	7.334%	
	SERIES 167 (NON-AMT ACE)	12/1/2043	13,315,000	81,540,000	8.766%	
	SERIES 169 (NON-AMT ACE)	12/1/2029	100,000	81,640,000	8.776%	
	SERIES 169 (NON-AMT ACE)	12/1/2044	11,420,000	93,060,000	10.004%	
	SERIES 171 (NON-AMT ACE)	12/1/2037	2,285,000	95,345,000	10.250%	
	SERIES 171 (NON-AMT ACE)	12/1/2044	11,175,000	106,520,000	11.451%	
	SERIES 172 (NON-AMT ACE)	6/1/2045	20,570,000	127,090,000	13.662%	
	SERIES 175 (NON-AMT ACE)	12/1/2040	4,405,000	131,495,000	14.136%	
	SERIES 177 (AMT)	6/1/2039	23,395,000	154,890,000	16.651%	
	SERIES 181 (NON-AMT ACE)	12/1/2044	17,605,000	172,495,000	18.543%	
	SERIES 186 (AMT)	6/1/2039	33,445,000	205,940,000	22.139%	
	SERIES 188 (AMT)	6/1/2043	31,650,000	237,590,000	25.541%	
	SERIES 190 (NON-AMT ACE)	12/1/2048	23,365,000	260,955,000	28.053%	
	3.900	SERIES 157 (AMT)	12/1/2023	2,195,000	263,150,000	28.289%
		SERIES 165 (NON-AMT ACE)	12/1/2038	1,445,000	264,595,000	28.444%
	3.875	SERIES 161 (NON-AMT ACE)	12/1/2042	420,000	265,015,000	28.489%
	3.850	SERIES 171 (NON-AMT ACE)	12/1/2034	3,345,000	268,360,000	28.849%
3.800	SERIES 153 (AMT)	12/1/2019	1,020,000	269,380,000	28.959%	
3.791	SERIES 166 (TAXABLE)	12/1/2026	8,555,000	277,935,000	29.878%	
3.750	SERIES 160 (AMT)	6/1/2034	2,150,000	280,085,000	30.110%	
	SERIES 168 (NON-AMT)	12/1/2026	4,205,000	284,290,000	30.562%	
3.700	SERIES 160 (AMT)	12/1/2027	1,535,000	285,825,000	30.727%	
	SERIES 178 (NON-AMT ACE)	12/1/2033	15,040,000	300,865,000	32.343%	
3.650	SERIES 172 (NON-AMT ACE)	12/1/2035	11,035,000	311,900,000	33.530%	
	SERIES 190 (NON-AMT ACE)	12/1/2042	15,830,000	327,730,000	35.231%	
3.600	SERIES 165 (NON-AMT ACE)	12/1/2033	3,090,000	330,820,000	35.564%	
	SERIES 181 (NON-AMT ACE)	12/1/2036	11,800,000	342,620,000	36.832%	
3.550	SERIES 155 (NON-AMT ACE)	6/1/2020	670,000	343,290,000	36.904%	
	SERIES 171 (NON-AMT ACE)	12/1/2029	1,385,000	344,675,000	37.053%	
	SERIES 178 (NON-AMT ACE)	12/1/2030	10,610,000	355,285,000	38.194%	
	SERIES 187 (NON-AMT ACE)	12/1/2037	19,625,000	374,910,000	40.303%	
3.500	SERIES 156 (NON-AMT ACE)	12/1/2022	685,000	375,595,000	40.377%	
	SERIES 162 (NON-AMT ACE)	12/1/2042	8,280,000	383,875,000	41.267%	
	SERIES 178 (NON-AMT ACE)	6/1/2042	35,145,000	419,020,000	45.045%	
	SERIES 180 (AMT)	12/1/2028	7,645,000	426,665,000	45.867%	
	SERIES 183 (NON-AMT ACE)	12/1/2046	22,300,000	448,965,000	48.264%	
	SERIES 190 (NON-AMT ACE)	12/1/2037	13,390,000	462,355,000	49.704%	

Coupon (%)	Series	Maturity	Amount (\$)	Cumulative (\$)	Cumulative % of Total
3.450	SERIES 161 (NON-AMT ACE)	12/1/2032	1,020,000	463,375,000	49.813%
	SERIES 162 (NON-AMT ACE)	12/1/2037	29,155,000	492,530,000	52.948%
3.400	SERIES 174 (AMT)	12/1/2025	795,000	493,325,000	53.033%
	SERIES 174 (AMT)	6/1/2025	1,435,000	494,760,000	53.187%
3.375	SERIES 156 (NON-AMT ACE)	12/1/2021	655,000	495,415,000	53.258%
3.350	SERIES 165 (NON-AMT ACE)	12/1/2028	855,000	496,270,000	53.350%
	SERIES 168 (NON-AMT)	12/1/2024	2,205,000	498,475,000	53.587%
	SERIES 168 (NON-AMT)	6/1/2024	2,370,000	500,845,000	53.842%
3.300	SERIES 157 (AMT)	6/1/2020	2,325,000	503,170,000	54.092%
	SERIES 160 (AMT)	6/1/2023	750,000	503,920,000	54.172%
	SERIES 160 (AMT)	12/1/2023	765,000	504,685,000	54.254%
	SERIES 172 (NON-AMT ACE)	12/1/2029	6,635,000	511,320,000	54.968%
	SERIES 174 (AMT)	6/1/2024	1,380,000	512,700,000	55.116%
	SERIES 174 (AMT)	12/1/2024	1,405,000	514,105,000	55.267%
	SERIES 177 (AMT)	12/1/2024	1,080,000	515,185,000	55.383%
	SERIES 182 (AMT)	12/1/2028	4,000,000	519,185,000	55.813%
3.250	SERIES 152 (NON-AMT ACE)	6/1/2020	840,000	520,025,000	55.903%
	SERIES 152 (NON-AMT ACE)	12/1/2020	860,000	520,885,000	55.996%
	SERIES 171 (NON-AMT ACE)	6/1/2026	605,000	521,490,000	56.061%
	SERIES 171 (NON-AMT ACE)	12/1/2026	620,000	522,110,000	56.128%
	SERIES 177 (AMT)	6/1/2024	1,340,000	523,450,000	56.272%
	SERIES 181 (NON-AMT ACE)	12/1/2031	8,350,000	531,800,000	57.169%
	SERIES 187 (NON-AMT ACE)	12/1/2032	20,715,000	552,515,000	59.396%
3.241	SERIES 166 (TAXABLE)	12/1/2023	2,460,000	554,975,000	59.661%
3.200	SERIES 155 (NON-AMT ACE)	6/1/2019	635,000	555,610,000	59.729%
	SERIES 156 (NON-AMT ACE)	12/1/2020	620,000	556,230,000	59.796%
	SERIES 160 (AMT)	6/1/2022	715,000	556,945,000	59.872%
	SERIES 160 (AMT)	12/1/2022	730,000	557,675,000	59.951%
	SERIES 163 (AMT)	6/1/2023	1,445,000	559,120,000	60.106%
	SERIES 163 (AMT)	12/1/2023	1,485,000	560,605,000	60.266%
	SERIES 168 (NON-AMT)	6/1/2023	1,175,000	561,780,000	60.392%
	SERIES 168 (NON-AMT)	12/1/2023	1,660,000	563,440,000	60.571%
3.192	SERIES 170 (TAXABLE)	12/1/2020	465,000	563,905,000	60.621%
3.150	SERIES 156 (NON-AMT ACE)	6/1/2020	610,000	564,515,000	60.686%
	SERIES 159 (NON-AMT ACE)	6/1/2023	445,000	564,960,000	60.734%
	SERIES 159 (NON-AMT ACE)	12/1/2023	455,000	565,415,000	60.783%
	SERIES 161 (NON-AMT ACE)	12/1/2027	300,000	565,715,000	60.815%
	SERIES 162 (NON-AMT ACE)	12/1/2032	23,905,000	589,620,000	63.385%
	SERIES 174 (AMT)	6/1/2023	1,330,000	590,950,000	63.528%
	SERIES 174 (AMT)	12/1/2023	1,355,000	592,305,000	63.674%
	SERIES 177 (AMT)	12/1/2023	1,315,000	593,620,000	63.815%
	SERIES 185 (NON-AMT ACE)	6/1/2026	1,405,000	595,025,000	63.966%
	SERIES 185 (NON-AMT ACE)	12/1/2026	1,435,000	596,460,000	64.120%
	SERIES 190 (NON-AMT ACE)	12/1/2032	8,845,000	605,305,000	65.071%
	SERIES 191 (AMT)	12/1/2028	370,000	605,675,000	65.111%
3.141	SERIES 166 (TAXABLE)	6/1/2023	2,150,000	607,825,000	65.342%
3.100	SERIES 171 (NON-AMT ACE)	12/1/2025	730,000	608,555,000	65.421%
	SERIES 171 (NON-AMT ACE)	6/1/2025	785,000	609,340,000	65.505%
	SERIES 173 (NON-AMT)	12/1/2026	2,410,000	611,750,000	65.764%
	SERIES 177 (AMT)	6/1/2023	1,290,000	613,040,000	65.903%
	SERIES 182 (AMT)	12/1/2026	1,065,000	614,105,000	66.017%
	SERIES 191 (AMT)	6/1/2028	980,000	615,085,000	66.123%
3.092	SERIES 170 (TAXABLE)	6/1/2020	745,000	615,830,000	66.203%
3.050	SERIES 152 (NON-AMT ACE)	6/1/2019	795,000	616,625,000	66.288%
	SERIES 152 (NON-AMT ACE)	12/1/2019	820,000	617,445,000	66.376%
	SERIES 159 (NON-AMT ACE)	6/1/2022	425,000	617,870,000	66.422%
	SERIES 159 (NON-AMT ACE)	12/1/2022	440,000	618,310,000	66.469%
	SERIES 160 (AMT)	12/1/2021	695,000	619,005,000	66.544%
	SERIES 174 (AMT)	12/1/2022	1,305,000	620,310,000	66.684%
	SERIES 183 (NON-AMT ACE)	6/1/2036	8,670,000	628,980,000	67.616%
	SERIES 185 (NON-AMT ACE)	12/1/2025	1,365,000	630,345,000	67.763%
	SERIES 191 (AMT)	12/1/2027	965,000	631,310,000	67.867%
3.000	SERIES 156 (NON-AMT ACE)	12/1/2019	595,000	631,905,000	67.931%

Coupon (%)	Series	Maturity	Amount (\$)	Cumulative (\$)	Cumulative % of Total
	SERIES 157 (AMT)	12/1/2019	2,340,000	634,245,000	68.182%
	SERIES 160 (AMT)	6/1/2021	680,000	634,925,000	68.255%
	SERIES 163 (AMT)	6/1/2022	1,370,000	636,295,000	68.403%
	SERIES 163 (AMT)	12/1/2022	1,410,000	637,705,000	68.554%
	SERIES 171 (NON-AMT ACE)	6/1/2024	755,000	638,460,000	68.635%
	SERIES 171 (NON-AMT ACE)	12/1/2024	770,000	639,230,000	68.718%
	SERIES 173 (NON-AMT)	12/1/2025	670,000	639,900,000	68.790%
	SERIES 176 (NON-AMT)	6/1/2025	1,400,000	641,300,000	68.941%
	SERIES 176 (NON-AMT)	12/1/2025	1,430,000	642,730,000	69.094%
	SERIES 177 (AMT)	12/1/2022	1,265,000	643,995,000	69.230%
	SERIES 182 (AMT)	6/1/2026	1,045,000	645,040,000	69.343%
	SERIES 185 (NON-AMT ACE)	6/1/2025	1,260,000	646,300,000	69.478%
	SERIES 191 (AMT)	6/1/2027	940,000	647,240,000	69.579%
2.950	SERIES 168 (NON-AMT)	12/1/2022	485,000	647,725,000	69.631%
	SERIES 168 (NON-AMT)	6/1/2022	505,000	648,230,000	69.686%
	SERIES 169 (NON-AMT ACE)	12/1/2022	500,000	648,730,000	69.739%
	SERIES 174 (AMT)	6/1/2022	1,280,000	650,010,000	69.877%
	SERIES 176 (NON-AMT)	12/1/2024	290,000	650,300,000	69.908%
	SERIES 191 (AMT)	12/1/2026	920,000	651,220,000	70.007%
2.900	SERIES 155 (NON-AMT ACE)	6/1/2018	610,000	651,830,000	70.073%
	SERIES 156 (NON-AMT ACE)	6/1/2019	580,000	652,410,000	70.135%
	SERIES 157 (AMT)	6/1/2019	2,350,000	654,760,000	70.388%
	SERIES 159 (NON-AMT ACE)	12/1/2021	420,000	655,180,000	70.433%
	SERIES 160 (AMT)	12/1/2020	665,000	655,845,000	70.504%
	SERIES 162 (NON-AMT ACE)	12/1/2027	8,355,000	664,200,000	71.402%
	SERIES 171 (NON-AMT ACE)	12/1/2023	745,000	664,945,000	71.483%
	SERIES 177 (AMT)	6/1/2022	1,245,000	666,190,000	71.616%
	SERIES 179 (NON-AMT)	12/1/2025	1,830,000	668,020,000	71.813%
	SERIES 182 (AMT)	12/1/2025	1,020,000	669,040,000	71.923%
	SERIES 191 (AMT)	6/1/2026	905,000	669,945,000	72.020%
2.850	SERIES 159 (NON-AMT ACE)	6/1/2021	410,000	670,355,000	72.064%
	SERIES 160 (AMT)	6/1/2020	645,000	671,000,000	72.133%
	SERIES 171 (NON-AMT ACE)	6/1/2023	730,000	671,730,000	72.212%
	SERIES 179 (NON-AMT)	6/1/2025	1,935,000	673,665,000	72.420%
	SERIES 182 (AMT)	6/1/2025	1,005,000	674,670,000	72.528%
	SERIES 185 (NON-AMT ACE)	12/1/2024	1,235,000	675,905,000	72.661%
2.800	SERIES 152 (NON-AMT ACE)	6/1/2018	755,000	676,660,000	72.742%
	SERIES 152 (NON-AMT ACE)	12/1/2018	780,000	677,440,000	72.826%
	SERIES 163 (AMT)	12/1/2021	1,335,000	678,775,000	72.969%
	SERIES 167 (NON-AMT ACE)	12/1/2020	1,010,000	679,785,000	73.078%
	SERIES 183 (NON-AMT ACE)	6/1/2031	6,350,000	686,135,000	73.761%
	SERIES 185 (NON-AMT ACE)	6/1/2024	1,200,000	687,335,000	73.890%
	SERIES 187 (NON-AMT ACE)	6/1/2028	2,365,000	689,700,000	74.144%
	SERIES 187 (NON-AMT ACE)	12/1/2028	2,405,000	692,105,000	74.402%
	SERIES 191 (AMT)	12/1/2025	885,000	692,990,000	74.497%
2.750	SERIES 162 (NON-AMT ACE)	12/1/2041	5,935,000	698,925,000	75.135%
	SERIES 163 (AMT)	6/1/2021	1,305,000	700,230,000	75.276%
	SERIES 165 (NON-AMT ACE)	6/1/2023	780,000	701,010,000	75.360%
	SERIES 165 (NON-AMT ACE)	12/1/2023	785,000	701,795,000	75.444%
	SERIES 177 (AMT)	12/1/2021	1,225,000	703,020,000	75.576%
	SERIES 182 (AMT)	12/1/2024	975,000	703,995,000	75.680%
	SERIES 191 (AMT)	6/1/2025	865,000	704,860,000	75.773%
2.700	SERIES 161 (NON-AMT ACE)	6/1/2023	65,000	704,925,000	75.780%
	SERIES 161 (NON-AMT ACE)	12/1/2023	65,000	704,990,000	75.787%
	SERIES 167 (NON-AMT ACE)	6/1/2020	535,000	705,525,000	75.845%
	SERIES 174 (AMT)	12/1/2021	1,260,000	706,785,000	75.980%
	SERIES 179 (NON-AMT)	12/1/2024	1,890,000	708,675,000	76.184%
	SERIES 190 (NON-AMT ACE)	12/1/2028	635,000	709,310,000	76.252%
2.650	SERIES 157 (AMT)	12/1/2018	2,375,000	711,685,000	76.507%
	SERIES 159 (NON-AMT ACE)	12/1/2020	400,000	712,085,000	76.550%
	SERIES 165 (NON-AMT ACE)	12/1/2041	9,090,000	721,175,000	77.527%
	SERIES 168 (NON-AMT)	12/1/2021	1,140,000	722,315,000	77.650%
	SERIES 169 (NON-AMT ACE)	12/1/2021	225,000	722,540,000	77.674%

Coupon (%)	Series	Maturity	Amount (\$)	Cumulative (\$)	Cumulative % of Total
	SERIES 171 (NON-AMT ACE)	12/1/2022	720,000	723,260,000	77.751%
	SERIES 177 (AMT)	6/1/2021	1,205,000	724,465,000	77.881%
	SERIES 179 (NON-AMT)	6/1/2024	1,855,000	726,320,000	78.080%
	SERIES 182 (AMT)	6/1/2024	955,000	727,275,000	78.183%
	SERIES 185 (NON-AMT ACE)	12/1/2023	1,170,000	728,445,000	78.309%
	SERIES 187 (NON-AMT ACE)	12/1/2027	2,310,000	730,755,000	78.557%
	SERIES 191 (AMT)	12/1/2024	845,000	731,600,000	78.648%
2.625	SERIES 156 (NON-AMT ACE)	12/1/2018	565,000	732,165,000	78.709%
	SERIES 184 (AMT)	6/1/2027	225,000	732,390,000	78.733%
2.608	SERIES 170 (TAXABLE)	12/1/2019	2,095,000	734,485,000	78.958%
2.600	SERIES 157 (AMT)	6/1/2018	2,380,000	736,865,000	79.214%
	SERIES 159 (NON-AMT ACE)	6/1/2020	390,000	737,255,000	79.256%
	SERIES 161 (NON-AMT ACE)	6/1/2022	60,000	737,315,000	79.262%
	SERIES 161 (NON-AMT ACE)	12/1/2022	65,000	737,380,000	79.269%
	SERIES 171 (NON-AMT ACE)	6/1/2022	710,000	738,090,000	79.346%
	SERIES 174 (AMT)	6/1/2021	1,240,000	739,330,000	79.479%
	SERIES 180 (AMT)	6/1/2022	1,135,000	740,465,000	79.601%
	SERIES 182 (AMT)	12/1/2023	930,000	741,395,000	79.701%
	SERIES 184 (AMT)	12/1/2026	655,000	742,050,000	79.771%
	SERIES 185 (NON-AMT ACE)	6/1/2023	1,145,000	743,195,000	79.895%
	SERIES 187 (NON-AMT ACE)	6/1/2027	2,275,000	745,470,000	80.139%
	SERIES 191 (AMT)	6/1/2024	830,000	746,300,000	80.228%
2.550	SERIES 160 (AMT)	12/1/2019	630,000	746,930,000	80.296%
	SERIES 163 (AMT)	12/1/2020	1,265,000	748,195,000	80.432%
	SERIES 165 (NON-AMT ACE)	6/1/2022	770,000	748,965,000	80.515%
	SERIES 165 (NON-AMT ACE)	12/1/2022	780,000	749,745,000	80.599%
	SERIES 168 (NON-AMT)	6/1/2021	530,000	750,275,000	80.656%
	SERIES 169 (NON-AMT ACE)	6/1/2021	500,000	750,775,000	80.709%
	SERIES 179 (NON-AMT)	12/1/2023	1,805,000	752,580,000	80.903%
	SERIES 184 (AMT)	6/1/2026	645,000	753,225,000	80.973%
2.508	SERIES 170 (TAXABLE)	6/1/2019	420,000	753,645,000	81.018%
2.500	SERIES 156 (NON-AMT ACE)	6/1/2018	555,000	754,200,000	81.078%
	SERIES 160 (AMT)	6/1/2019	615,000	754,815,000	81.144%
	SERIES 162 (NON-AMT ACE)	6/1/2023	1,020,000	755,835,000	81.253%
	SERIES 162 (NON-AMT ACE)	12/1/2023	1,035,000	756,870,000	81.365%
	SERIES 163 (AMT)	6/1/2020	1,235,000	758,105,000	81.497%
	SERIES 179 (NON-AMT)	6/1/2023	1,765,000	759,870,000	81.687%
	SERIES 180 (AMT)	12/1/2021	1,635,000	761,505,000	81.863%
	SERIES 182 (AMT)	6/1/2023	910,000	762,415,000	81.961%
	SERIES 191 (AMT)	12/1/2023	810,000	763,225,000	82.048%
2.450	SERIES 161 (NON-AMT ACE)	12/1/2021	60,000	763,285,000	82.054%
	SERIES 184 (AMT)	12/1/2025	630,000	763,915,000	82.122%
	SERIES 185 (NON-AMT ACE)	12/1/2022	1,115,000	765,030,000	82.242%
	SERIES 191 (AMT)	6/1/2023	795,000	765,825,000	82.327%
2.400	SERIES 161 (NON-AMT ACE)	6/1/2021	60,000	765,885,000	82.334%
	SERIES 162 (NON-AMT ACE)	6/1/2022	1,000,000	766,885,000	82.441%
	SERIES 162 (NON-AMT ACE)	12/1/2022	1,005,000	767,890,000	82.549%
	SERIES 171 (NON-AMT ACE)	12/1/2021	700,000	768,590,000	82.625%
	SERIES 177 (AMT)	12/1/2020	1,185,000	769,775,000	82.752%
	SERIES 180 (AMT)	6/1/2021	1,595,000	771,370,000	82.923%
	SERIES 184 (AMT)	6/1/2025	620,000	771,990,000	82.990%
	SERIES 185 (NON-AMT ACE)	6/1/2022	1,090,000	773,080,000	83.107%
	SERIES 187 (NON-AMT ACE)	12/1/2026	2,225,000	775,305,000	83.346%
	SERIES 191 (AMT)	12/1/2022	780,000	776,085,000	83.430%
2.350	SERIES 159 (NON-AMT ACE)	12/1/2019	385,000	776,470,000	83.472%
	SERIES 165 (NON-AMT ACE)	12/1/2021	775,000	777,245,000	83.555%
	SERIES 174 (AMT)	12/1/2020	1,225,000	778,470,000	83.687%
	SERIES 182 (AMT)	12/1/2022	885,000	779,355,000	83.782%
	SERIES 188 (AMT)	6/1/2024	805,000	780,160,000	83.868%
	SERIES 191 (AMT)	6/1/2022	760,000	780,920,000	83.950%
2.308	SERIES 170 (TAXABLE)	12/1/2018	810,000	781,730,000	84.037%
2.300	SERIES 160 (AMT)	12/1/2018	600,000	782,330,000	84.102%
	SERIES 161 (NON-AMT ACE)	12/1/2020	60,000	782,390,000	84.108%

Coupon (%)	Series	Maturity	Amount (\$)	Cumulative (\$)	Cumulative % of Total
	SERIES 165 (NON-AMT ACE)	6/1/2021	510,000	782,900,000	84.163%
	SERIES 167 (NON-AMT ACE)	12/1/2019	145,000	783,045,000	84.178%
	SERIES 171 (NON-AMT ACE)	6/1/2021	690,000	783,735,000	84.253%
	SERIES 177 (AMT)	6/1/2020	1,165,000	784,900,000	84.378%
	SERIES 179 (NON-AMT)	12/1/2022	1,720,000	786,620,000	84.563%
	SERIES 184 (AMT)	12/1/2024	605,000	787,225,000	84.628%
	SERIES 188 (AMT)	12/1/2023	1,135,000	788,360,000	84.750%
2.250	SERIES 159 (NON-AMT ACE)	6/1/2019	380,000	788,740,000	84.791%
	SERIES 161 (NON-AMT ACE)	6/1/2020	55,000	788,795,000	84.797%
	SERIES 163 (AMT)	12/1/2019	1,205,000	790,000,000	84.926%
	SERIES 174 (AMT)	6/1/2020	1,210,000	791,210,000	85.056%
	SERIES 182 (AMT)	6/1/2022	870,000	792,080,000	85.150%
	SERIES 184 (AMT)	6/1/2024	595,000	792,675,000	85.214%
	SERIES 188 (AMT)	6/1/2023	1,115,000	793,790,000	85.334%
2.208	SERIES 170 (TAXABLE)	6/1/2018	810,000	794,600,000	85.421%
2.200	SERIES 160 (AMT)	6/1/2018	590,000	795,190,000	85.484%
	SERIES 163 (AMT)	6/1/2019	1,175,000	796,365,000	85.610%
	SERIES 167 (NON-AMT ACE)	6/1/2019	655,000	797,020,000	85.681%
	SERIES 168 (NON-AMT)	12/1/2020	1,185,000	798,205,000	85.808%
	SERIES 180 (AMT)	12/1/2020	1,550,000	799,755,000	85.975%
	SERIES 191 (AMT)	12/1/2021	745,000	800,500,000	86.055%
2.150	SERIES 162 (NON-AMT ACE)	6/1/2021	985,000	801,485,000	86.161%
	SERIES 162 (NON-AMT ACE)	12/1/2021	990,000	802,475,000	86.267%
	SERIES 185 (NON-AMT ACE)	12/1/2021	1,060,000	803,535,000	86.381%
	SERIES 186 (AMT)	12/1/2020	1,010,000	804,545,000	86.490%
	SERIES 191 (AMT)	6/1/2021	730,000	805,275,000	86.568%
2.100	SERIES 165 (NON-AMT ACE)	12/1/2020	505,000	805,780,000	86.623%
	SERIES 168 (NON-AMT)	6/1/2020	375,000	806,155,000	86.663%
	SERIES 177 (AMT)	12/1/2019	1,150,000	807,305,000	86.786%
	SERIES 180 (AMT)	6/1/2020	1,520,000	808,825,000	86.950%
	SERIES 184 (AMT)	12/1/2023	580,000	809,405,000	87.012%
	SERIES 185 (NON-AMT ACE)	6/1/2021	1,040,000	810,445,000	87.124%
	SERIES 186 (AMT)	6/1/2020	990,000	811,435,000	87.230%
	SERIES 188 (AMT)	12/1/2022	1,090,000	812,525,000	87.348%
2.060	SERIES 166 (TAXABLE)	12/1/2020	400,000	812,925,000	87.391%
	SERIES 166 (TAXABLE)	6/1/2020	1,015,000	813,940,000	87.500%
2.050	SERIES 161 (NON-AMT ACE)	12/1/2019	55,000	813,995,000	87.506%
	SERIES 165 (NON-AMT ACE)	6/1/2020	505,000	814,500,000	87.560%
	SERIES 184 (AMT)	6/1/2023	570,000	815,070,000	87.621%
	SERIES 188 (AMT)	6/1/2022	1,065,000	816,135,000	87.736%
	SERIES 191 (AMT)	12/1/2020	715,000	816,850,000	87.813%
2.000	SERIES 159 (NON-AMT ACE)	12/1/2018	370,000	817,220,000	87.852%
	SERIES 161 (NON-AMT ACE)	6/1/2019	55,000	817,275,000	87.858%
	SERIES 162 (NON-AMT ACE)	6/1/2020	970,000	818,245,000	87.963%
	SERIES 162 (NON-AMT ACE)	12/1/2020	975,000	819,220,000	88.067%
	SERIES 171 (NON-AMT ACE)	12/1/2020	685,000	819,905,000	88.141%
	SERIES 177 (AMT)	6/1/2019	1,135,000	821,040,000	88.263%
	SERIES 182 (AMT)	12/1/2021	845,000	821,885,000	88.354%
	SERIES 191 (AMT)	6/1/2020	700,000	822,585,000	88.429%
1.950	SERIES 159 (NON-AMT ACE)	6/1/2018	360,000	822,945,000	88.468%
	SERIES 174 (AMT)	12/1/2019	1,195,000	824,140,000	88.596%
1.933	SERIES 76 (TAXABLE)	12/1/2030	14,865,000	839,005,000	90.194%
1.928	SERIES 166 (TAXABLE)	12/1/2019	1,095,000	840,100,000	90.312%
1.900	SERIES 163 (AMT)	12/1/2018	1,140,000	841,240,000	90.435%
	SERIES 171 (NON-AMT ACE)	6/1/2020	675,000	841,915,000	90.507%
	SERIES 182 (AMT)	6/1/2021	825,000	842,740,000	90.596%
	SERIES 184 (AMT)	12/1/2022	555,000	843,295,000	90.655%
	SERIES 188 (AMT)	12/1/2021	1,040,000	844,335,000	90.767%
1.850	SERIES 163 (AMT)	6/1/2018	1,115,000	845,450,000	90.887%
	SERIES 174 (AMT)	6/1/2019	1,180,000	846,630,000	91.014%
	SERIES 180 (AMT)	12/1/2019	1,475,000	848,105,000	91.173%
	SERIES 184 (AMT)	6/1/2022	545,000	848,650,000	91.231%
	SERIES 186 (AMT)	12/1/2019	960,000	849,610,000	91.334%



Coupon (%)	Series	Maturity	Amount (\$)	Cumulative (\$)	Cumulative % of Total
1.800	SERIES 191 (AMT)	12/1/2019	685,000	850,295,000	91.408%
	SERIES 165 (NON-AMT ACE)	12/1/2019	495,000	850,790,000	91.461%
	SERIES 167 (NON-AMT ACE)	12/1/2018	530,000	851,320,000	91.518%
	SERIES 186 (AMT)	6/1/2019	940,000	852,260,000	91.619%
1.795	SERIES 188 (AMT)	6/1/2021	1,020,000	853,280,000	91.729%
	SERIES 166 (TAXABLE)	6/1/2019	1,270,000	854,550,000	91.865%
1.750	SERIES 161 (NON-AMT ACE)	12/1/2018	55,000	854,605,000	91.871%
	SERIES 165 (NON-AMT ACE)	6/1/2019	485,000	855,090,000	91.923%
	SERIES 180 (AMT)	6/1/2019	1,445,000	856,535,000	92.079%
	SERIES 182 (AMT)	12/1/2020	810,000	857,345,000	92.166%
1.700	SERIES 191 (AMT)	6/1/2019	670,000	858,015,000	92.238%
	SERIES 162 (NON-AMT ACE)	12/1/2019	505,000	858,520,000	92.292%
	SERIES 168 (NON-AMT)	12/1/2019	540,000	859,060,000	92.350%
	SERIES 177 (AMT)	12/1/2018	1,125,000	860,185,000	92.471%
1.663	SERIES 184 (AMT)	12/1/2021	535,000	860,720,000	92.529%
	SERIES 188 (AMT)	12/1/2020	995,000	861,715,000	92.636%
	SERIES 166 (TAXABLE)	12/1/2018	945,000	862,660,000	92.737%
	1.650	SERIES 161 (NON-AMT ACE)	6/1/2018	50,000	862,710,000
SERIES 171 (NON-AMT ACE)		12/1/2019	665,000	863,375,000	92.814%
1.600	SERIES 182 (AMT)	6/1/2020	785,000	864,160,000	92.898%
	SERIES 162 (NON-AMT ACE)	6/1/2019	465,000	864,625,000	92.948%
	SERIES 168 (NON-AMT)	6/1/2019	450,000	865,075,000	92.997%
	SERIES 174 (AMT)	12/1/2018	1,170,000	866,245,000	93.123%
1.550	SERIES 177 (AMT)	6/1/2018	1,110,000	867,355,000	93.242%
	SERIES 184 (AMT)	6/1/2021	525,000	867,880,000	93.298%
	SERIES 188 (AMT)	6/1/2020	970,000	868,850,000	93.403%
	1.530	SERIES 171 (NON-AMT ACE)	6/1/2019	660,000	869,510,000
SERIES 166 (TAXABLE)		6/1/2018	825,000	870,335,000	93.562%
1.500	SERIES 174 (AMT)	6/1/2018	1,160,000	871,495,000	93.687%
	SERIES 180 (AMT)	12/1/2018	1,405,000	872,900,000	93.838%
	SERIES 182 (AMT)	12/1/2019	770,000	873,670,000	93.921%
	SERIES 186 (AMT)	12/1/2018	920,000	874,590,000	94.020%
1.450	SERIES 188 (AMT)	12/1/2019	950,000	875,540,000	94.122%
	SERIES 189 (NON-AMT ACE)	12/1/2047	25,000,000	900,540,000	96.809%
	SERIES 191 (AMT)	12/1/2018	630,000	901,170,000	96.877%
	SERIES 162 (NON-AMT ACE)	12/1/2018	455,000	901,625,000	96.926%
1.400	SERIES 165 (NON-AMT ACE)	12/1/2018	330,000	901,955,000	96.961%
	SERIES 184 (AMT)	12/1/2020	510,000	902,465,000	97.016%
	SERIES 165 (NON-AMT ACE)	6/1/2018	325,000	902,790,000	97.051%
	SERIES 180 (AMT)	6/1/2018	1,370,000	904,160,000	97.199%
1.350	SERIES 182 (AMT)	6/1/2019	755,000	904,915,000	97.280%
	SERIES 184 (AMT)	6/1/2020	505,000	905,420,000	97.334%
	SERIES 186 (AMT)	6/1/2018	895,000	906,315,000	97.430%
	SERIES 188 (AMT)	6/1/2019	930,000	907,245,000	97.530%
1.300	SERIES 162 (NON-AMT ACE)	6/1/2018	355,000	907,600,000	97.568%
	SERIES 168 (NON-AMT)	12/1/2018	770,000	908,370,000	97.651%
1.250	SERIES 191 (AMT)	6/1/2018	80,000	908,450,000	97.660%
1.200	SERIES 168 (NON-AMT)	6/1/2018	720,000	909,170,000	97.737%
	SERIES 182 (AMT)	12/1/2018	735,000	909,905,000	97.816%
1.150	SERIES 184 (AMT)	12/1/2019	490,000	910,395,000	97.869%
	SERIES 188 (AMT)	12/1/2018	910,000	911,305,000	97.967%
1.050	SERIES 171 (NON-AMT ACE)	12/1/2018	655,000	911,960,000	98.037%
	SERIES 182 (AMT)	6/1/2018	715,000	912,675,000	98.114%
	SERIES 184 (AMT)	6/1/2019	480,000	913,155,000	98.165%
1.000	SERIES 171 (NON-AMT ACE)	6/1/2018	650,000	913,805,000	98.235%
	SERIES 188 (AMT)	6/1/2018	680,000	914,485,000	98.308%
0.950	SERIES 184 (AMT)	12/1/2018	475,000	914,960,000	98.360%
0.000	SERIES 184 (AMT)	6/1/2018	460,000	915,420,000	98.409%
0.000	SERIES 192 (TAXABLE)	12/1/2022	14,800,000	930,220,000	100.000%

**SCHEDULE C**

**MassHousing Single Family Housing Revenue Bonds  
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<b>Bond Issue</b>	<b>Prepayments Received 1/01/07-3/31/07</b>	<b>Mortgage Loan Balance 03/31/07</b>	<b>Prepayments Received 4/01/07-6/30/07</b>	<b>Mortgage Loan Balance 06/30/07</b>	<b>Prepayments Received 7/01/07- 9/30/07</b>	<b>Mortgage Loan Balance 9/30/2007</b>	<b>Prepayments Received 10/01/07-12/31/07</b>	<b>Mortgage Loan Balance 12/31/07</b>
SFH RETIRED	\$2,363,474	\$90,804,547	\$3,340,156	\$86,639,934	\$1,643,155	\$84,192,728	\$1,778,353	\$104,224,691
SFH 21-22	284,740	5,298,645	62,826	5,171,532	121,775	4,986,606	13,838	4,909,550
SFH 26-27-28	489,781	20,543,155	487,180	19,788,544	314,188	19,211,667	56,252	-
SFH 29-30	129,900	-	-	-	-	-	-	-
SFH 31	175	-	-	-	-	-	-	-
SFH 32-33	461	-	-	-	-	-	-	-
SFH 34-35	61,209	4,261,212	208,914	4,018,762	103,738	3,882,508	107,603	-
SFH 42-43	20,534	-	-	-	-	-	-	-
SFH 44	213	-	-	-	-	-	-	-
SFH 45-46	46,040	3,715,083	101,802	3,580,111	82,516	3,465,543	79,820	3,353,952
SFH 47	78,942	1,358,987	1,960	1,329,880	35,964	1,269,040	972	1,241,736
SFH 48	1,503	-	-	-	-	-	-	-
SFH 49	106	-	-	-	-	-	-	-
SFH 50	181,250	4,320,890	306,770	3,989,970	11,416	3,954,742	61,870	3,868,170
SFH 51-52	87,918	2,780,998	55,409	2,704,718	3,522	2,681,449	159,847	2,500,847
SFH 57-58	70,977	3,485,885	138,474	3,322,062	15,870	3,279,779	70,587	3,181,914
SFH 59-60	134,824	8,085,446	212,571	7,818,354	161,989	7,601,446	315,407	7,231,631
SFH 61	44,874	2,559,162	4,351	2,466,453	39,248	2,344,829	13,471	2,240,157
SFH 63	134,626	7,352,612	361,494	6,942,177	324,919	6,569,450	253,630	6,267,127
SFH 64	-	-	-	-	-	-	-	-
SFH 65-66	166,880	3,970,244	282,348	3,665,704	10,242	3,633,580	56,849	3,554,032
SFH 67-68	157,396	5,885,333	7,334	5,845,064	350,055	5,462,847	89,133	5,339,745
SFH 69-70	49,339	6,357,787	136,014	6,183,295	95,875	6,047,925	84,305	5,922,390
SFH 71-72	9,515	3,376,435	116,660	3,239,504	333,967	2,886,955	154,298	2,713,352
SFH 76	48,659	739,952	64,219	672,852	7,107	662,873	375	659,751
SFH 77-78	125,701	2,932,519	50,084	2,869,315	152,719	2,704,467	41,646	2,649,139
SFH 79-80	1,172	1,763,734	53,203	1,703,669	92,045	1,604,634	58,026	1,539,454
SFH 81	299	450,315	13,584	434,979	23,501	409,694	14,815	393,052
SFH 82-83-D-E	162,395	5,387,578	454,888	4,906,130	136,393	4,745,095	102,041	4,617,701
SFH 84-85-F-G	290,584	5,953,796	351,285	5,574,695	277,210	5,270,521	7,508	5,234,754
SFH 86-87-H	159,999	6,620,224	566,637	6,026,350	241,592	5,757,226	60,031	5,669,456
SFH 88	211,698	7,394,308	72,078	7,286,014	403,040	6,848,355	6,575	6,805,834
SFH 89-90-I-J	1,319	2,267,102	345,776	1,912,073	709	1,902,995	59,813	1,834,771
SFH 91-92	246,523	11,721,065	296,119	11,373,551	225,889	11,095,620	507,379	10,534,069
SFH 93-94	531,438	11,245,667	527,693	10,668,903	150,706	10,471,976	21,684	10,399,285
SFH 95-96-97	65,056	11,572,179	410,353	11,112,205	277,257	10,785,973	234,885	10,501,784
SFH 98-99	142,653	29,260,287	525,924	28,603,083	671,675	27,802,512	288,292	27,382,187
SFH 100-101	462,316	40,545,040	329,471	40,029,009	367,788	39,479,357	1,001,229	38,284,752
SFH 102-103	402,612	38,500,118	989,202	37,339,021	433,264	36,736,134	523,006	36,033,554
SFH 104-105-106	309,446	40,512,891	323,508	40,011,172	25,727	39,803,135	630,980	38,981,677
SFH 107-108	671,642	40,729,898	338,161	40,221,333	43,503	40,004,832	509,822	39,315,804
SFH 109-110	1,101,269	35,673,551	289,925	35,249,873	478,434	34,635,846	401,366	34,095,235
SFH 111-112	1,242,695	53,033,954	923,697	51,904,931	692,992	51,005,615	195,257	50,593,177

<b>Bond Issue</b>	<b>Prepayments Received 1/01/07-3/31/07</b>	<b>Mortgage Loan Balance 03/31/07</b>	<b>Prepayments Received 4/01/07-6/30/07</b>	<b>Mortgage Loan Balance 06/30/07</b>	<b>Prepayments Received 7/01/07- 9/30/07</b>	<b>Mortgage Loan Balance 9/30/2007</b>	<b>Prepayments Received 10/01/07-12/31/07</b>	<b>Mortgage Loan Balance 12/31/07</b>
SFH 113-114	486,568	22,848,671	168,046	22,593,824	37,805	22,468,634	260,759	22,118,370
SFH 115	98,496	4,625,237	34,017	4,573,649	7,653	4,548,306	52,785	4,477,403
SFH 116-117	467,810	46,237,741	598,438	45,472,672	531,045	44,772,682	179,380	44,418,012
SFH 118-119	21,590	48,258,264	491,188	47,605,599	136,858	47,304,628	18,886	47,114,889
SFH 120-121	737,253	47,635,548	254,728	47,225,667	16,828	47,054,157	201,269	46,690,156
SFH 122-123	556,615	68,217,994	451,801	67,559,740	21,264	67,331,777	435,231	66,677,364
SFH 124-125	430,248	119,714,625	226,937	119,147,439	850,130	117,950,107	736,844	116,856,461
SFH 126-127	5,583	20,861,098	29,224	70,319,208	238,455	69,874,156	121,488	69,530,068
SFH 128-129	-	-	-	50,900,610	100,183	59,499,555	146,115	59,176,820
SFH 130	-	-	-	-	204,963	33,669,823	99,714	48,958,126
SFH 131	-	-	-	-	61,495	10,101,907	29,917	14,688,833
SFH 132-133	-	-	-	-	-	-	2,399	31,074,580
<b>Total</b>	<b>13,496,316</b>	<b>898,859,777</b>	<b>15,004,451</b>	<b>980,003,630</b>	<b>10,556,668</b>	<b>1,017,773,686</b>	<b>10,245,752</b>	<b>1,053,855,812</b>

The figures above are based on information currently available and are not guaranteed. Prepayment amounts include loan payoffs and principal curtailments in excess of the computed scheduled principal amounts. MassHousing reserves the right to transfer loans between bond series subject to limitations under the MassHousing Single Family Housing Revenue Bonds Resolution and applicable federal tax law. Changes in outstanding loan balances from quarter to quarter may result from payments of scheduled principal, new originations or recycling, transfers between series, sales of mortgage loans, write-downs, losses and other miscellaneous adjustments, in addition to loan payoffs and principal installments.

**MassHousing Single Family Housing Revenue Bonds  
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<b>Bond Issue</b>	<b>Prepayments Received 1/01/08-3/31/08</b>	<b>Mortgage Loan Balance 03/31/08</b>	<b>Prepayments Received 4/01/08-6/30/08</b>	<b>Mortgage Loan Balance 06/30/08</b>	<b>Prepayments Received 7/01/08- 9/30/08</b>	<b>Mortgage Loan Balance 9/30/2008</b>	<b>Prepayments Received 10/01/08-12/31/08</b>	<b>Mortgage Loan Balance 12/31/08</b>
SFH RETIRED	\$1,900,346	\$101,227,568	\$2,745,523	\$97,425,101	\$1,912,154	\$95,418,253	\$1,359,217	\$98,075,369
SFH 21-22	75,103	4,770,348	92,525	4,616,384	10,276	4,543,859	58,842	4,424,878
SFH 45-46	116,120	3,205,340	45,918	3,128,035	15,887	3,081,780	26,868	-
SFH 47	2,294	1,213,198	33,682	1,153,733	363	1,127,101	21,723	-
SFH 50	43,019	3,800,207	37,919	3,738,916	113,506	3,600,923	49,294	3,527,342
SFH 51-52	108,576	2,372,219	3,075	2,348,915	3,124	2,324,812	3,348	2,300,001
SFH 57-58	86,534	3,068,014	111,118	2,931,892	37,969	2,868,797	28,172	2,816,186
SFH 59-60	255,413	6,923,663	189,766	6,684,311	257,274	7,923,271	68,630	9,366,511
SFH 61	7,156	2,147,669	63,379	1,998,291	66,618	1,850,303	27,091	1,742,352
SFH 63	19,642	6,197,117	62,576	6,085,359	266,526	5,768,772	94,504	5,626,847
SFH 65-66	39,461	3,491,650	34,631	3,435,541	104,295	3,308,741	45,199	3,241,221
SFH 67-68	5,418	5,300,591	86,498	5,182,232	4,317	5,144,491	4,165	5,104,558
SFH 69-70	83,136	5,798,359	70,213	5,689,875	170,776	5,477,718	50,681	5,386,706
SFH 71-72	4,135	2,689,502	50,931	2,620,606	62,356	2,669,474	5,221	2,775,555
SFH 76	3,755	652,906	2,447	647,784	5,169	639,615	2,578	634,135
SFH 77-78	74,686	2,562,365	49,801	2,499,753	4,583	2,483,389	864	2,470,136
SFH 79-80	53,244	1,479,083	43,976	1,428,471	501	1,421,052	74,539	1,339,844
SFH 81	13,594	377,638	11,228	364,716	128	362,822	19,031	342,088
SFH 82-83-D-E	57,338	4,534,673	272,685	4,237,366	49,187	4,163,527	136,919	4,002,043
SFH 84-85-F-G	142,879	5,062,560	91,087	4,944,109	196,121	4,722,603	96,756	4,600,547
SFH 86-87-H	218,670	5,423,767	210,535	5,186,398	93,623	5,066,853	50,121	4,990,511
SFH 88	220,275	6,549,401	371,258	6,145,339	124,199	5,986,352	7,494	5,945,211
SFH 89-90-I-J	82,234	1,743,795	1,329	1,734,713	2,407	1,723,874	126,845	1,588,947
SFH 91-92	290,242	10,191,879	523,790	9,618,831	95,061	9,475,244	86,692	9,340,404
SFH 93-94	359,731	9,991,659	409,946	9,535,051	338,085	9,154,718	134,221	8,938,143
SFH 95-96-97	9,764	10,441,474	317,287	10,075,234	152,579	9,873,975	7,570	9,817,420
SFH 98-99	206,598	27,042,639	23,929	26,887,799	86,247	26,795,983	20,573	26,768,017
SFH 100-101	213,284	37,882,728	156,251	37,542,108	860,053	36,797,995	429,490	36,490,427
SFH 102-103	315,159	35,544,631	243,593	35,125,467	151,285	34,796,856	326,943	34,285,936
SFH 104-105-106	252,782	38,543,405	374,770	37,987,768	305,965	37,497,718	20,776	37,284,328
SFH 107-108	35,409	39,101,857	538,588	38,386,137	561,391	37,645,610	534,609	36,929,584
SFH 109-110	176,561	33,782,541	290,917	33,358,989	374,968	32,846,797	782,339	31,929,834
SFH 111-112	30,418	50,348,998	413,106	49,721,458	524,933	48,982,056	442,645	48,190,051
SFH 113-114	392,096	21,635,882	156,707	21,390,594	282,411	21,167,176	17,913	21,205,886
SFH 115	79,372	4,379,733	31,722	4,330,080	56,928	4,255,356	3,067	4,233,720
SFH 116-117	197,949	44,048,576	596,927	43,276,992	303,868	42,802,948	241,058	42,383,738
SFH 118-119	255,097	46,688,080	135,212	46,383,814	337,932	45,872,219	28,599	45,667,976
SFH 120-121	208,272	46,322,697	804,576	45,361,675	431,504	44,770,480	387,573	44,223,834
SFH 122-123	1,480,331	64,982,666	714,859	64,060,761	241,155	64,035,079	484,105	63,766,502
SFH 124-125	1,488,111	115,008,401	1,539,429	113,113,884	458,883	112,998,712	328,568	113,017,301
SFH 126-127	732,221	68,575,259	624,788	67,731,121	569,311	66,775,411	30,858	66,514,821
SFH 128-129	85,092	58,908,279	188,309	58,542,566	609,926	58,055,668	33,054	58,143,308
SFH 130	747,391	48,075,393	534,920	47,405,130	158,658	47,227,463	613,526	46,700,812
SFH 131	224,239	14,423,989	160,491	14,222,890	47,047	14,101,471	182,785	13,875,403

<b>Bond Issue</b>	<b>Prepayments Received 1/01/08-3/31/08</b>	<b>Mortgage Loan Balance 03/31/08</b>	<b>Prepayments Received 4/01/08-6/30/08</b>	<b>Mortgage Loan Balance 06/30/08</b>	<b>Prepayments Received 7/01/08- 9/30/08</b>	<b>Mortgage Loan Balance 9/30/2008</b>	<b>Prepayments Received 10/01/08-12/31/08</b>	<b>Mortgage Loan Balance 12/31/08</b>
SFH 132-133	532,044	48,762,339	373,521	81,533,848	27,946	81,270,958	272,456	80,759,264
SFH 134-135	-	-	-	-	197,762	24,274,869	459,929	48,529,133
SFH 136-137-138	-	-	-	-	-	-	-	32,019,872
SFH 139	-	-	-	-	-	109,170,239	749,394	108,063,801
<b>Total</b>	<b>11,925,189</b>	<b>1,055,274,738</b>	<b>13,835,737</b>	<b>1,069,820,039</b>	<b>10,675,256</b>	<b>1,192,323,379</b>	<b>8,976,845</b>	<b>1,239,380,503</b>

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<b>Bond Issue</b>	<b>Prepayments Received 1/01/09-3/31/09</b>	<b>Mortgage Loan Balance 03/31/09</b>	<b>Prepayments Received 4/01/09-6/30/09</b>	<b>Mortgage Loan Balance 06/30/09</b>	<b>Prepayments Received 7/01/09- 9/30/09</b>	<b>Mortgage Loan Balance 9/30/2009</b>	<b>Prepayments Received 10/01/09-12/31/09</b>	<b>Mortgage Loan Balance 12/31/09</b>
SFH RETIRED	\$2,130,380	\$94,834,486	\$4,006,968	\$89,728,698	\$2,732,958	\$92,528,837	\$2,449,478	\$107,594,344
SFH 21-22	59,339	4,306,152	100,057	4,150,610	5,484	-	-	-
SFH 50	68,073	3,435,042	109,301	3,301,311	53,713	3,222,809	63,355	3,136,802
SFH 51-52	3,647	2,274,973	68,539	2,185,484	42,138	2,122,320	2,563	-
SFH 57-58	8,141	2,782,097	63,319	2,693,914	123,392	2,537,593	201,370	-
SFH 59-60	389,673	8,915,589	957,794	9,886,568	308,905	10,205,436	322,428	-
SFH 61	46,100	1,620,995	43,667	1,502,486	2,438	1,421,669	2,096	-
SFH 63	102,593	5,477,263	266,151	5,164,610	349,609	4,775,176	80,929	4,652,113
SFH 65-66	62,389	3,156,568	100,264	3,033,849	49,076	2,961,988	58,159	2,883,008
SFH 67-68	129,571	4,940,612	259,685	4,646,357	195,689	4,415,006	209,333	4,173,342
SFH 69-70	80,485	5,265,436	510,645	4,715,380	417,003	4,265,127	145,718	4,053,166
SFH 71-72	21,637	2,735,807	86,891	2,630,444	92,292	-	-	-
SFH 76	3,809	627,339	27,153	597,016	9,233	584,764	7,041	530,355
SFH 77-78	71,326	2,384,936	249,371	2,124,159	4,742	2,106,928	11,453	-
SFH 79-80	70,839	1,262,373	176,548	1,079,849	2,013	1,071,953	32,290	-
SFH 81	18,086	322,308	45,076	275,706	514	273,690	8,244	263,951
SFH 82-83-D-E	219,117	3,758,828	216,261	3,521,227	186,020	3,313,184	103,856	3,188,211
SFH 84-85-F-G	143,562	4,432,427	256,269	4,150,313	362,435	3,763,695	103,826	3,637,616
SFH 86-87-H	145,840	4,818,170	120,888	4,671,830	236,203	4,408,972	141,714	4,243,827
SFH 88	109,884	5,804,932	335,732	7,786,296	174,050	8,383,007	239,136	8,099,992
SFH 89-90-I-J	938	1,579,436	229,847	1,342,281	25	1,335,147	69,063	1,258,582
SFH 91-92	359,892	8,932,550	909,261	7,980,203	143,594	7,794,396	161,284	7,590,933
SFH 93-94	332,145	8,561,756	849,493	7,671,720	317,888	7,315,585	209,329	7,069,091
SFH 95-96-97	106,619	9,660,848	750,075	8,863,766	115,013	8,698,508	139,721	8,513,234
SFH 98-99	600,134	26,034,426	359,188	25,540,349	846,282	24,564,909	539,043	23,893,747
SFH 100-101	212,935	36,083,178	578,314	35,652,000	679,826	34,900,347	735,462	33,977,893
SFH 102-103	596,274	33,508,652	230,092	33,100,506	186,331	32,728,564	93,125	32,456,166
SFH 104-105-106	418,921	36,677,666	982,834	35,513,082	386,866	34,937,229	343,340	34,408,449
SFH 107-108	754,923	35,993,878	1,027,327	34,793,281	1,280,182	33,342,386	585,677	32,588,386
SFH 109-110	359,303	31,437,093	1,687,678	30,136,773	464,532	29,721,707	450,452	29,140,970
SFH 111-112	29,033	47,945,570	1,504,932	46,230,221	306,510	45,713,625	483,544	45,019,300
SFH 113-114	267,337	20,847,285	142,854	20,615,988	100,716	20,426,925	544,255	19,788,871
SFH 115	49,722	4,165,686	27,013	4,120,920	18,722	4,084,465	107,151	3,958,475
SFH 116-117	404,351	41,634,079	1,069,017	40,391,327	643,662	39,577,651	827,002	38,579,845
SFH 118-119	175,295	45,309,357	917,604	44,426,861	721,226	43,469,250	513,118	42,791,316
SFH 120-121	1,540,886	42,522,245	1,188,882	41,307,781	639,161	40,610,026	921,823	39,541,034
SFH 122-123	3,197,176	60,348,294	2,836,206	59,516,103	1,523,353	58,552,096	597,805	57,796,117
SFH 124-125	3,413,545	109,037,228	4,423,374	104,573,139	3,014,863	101,242,559	3,846,675	97,004,860
SFH 126-127	1,445,115	64,841,070	1,363,106	63,253,297	657,953	62,372,012	2,002,073	60,145,515
SFH 128-129	572,784	57,380,862	1,318,038	56,408,088	948,936	55,457,868	1,223,864	54,055,815
SFH 130	2,086,551	44,476,117	2,387,559	42,529,808	886,558	41,715,968	1,215,928	40,368,957
SFH 131	615,877	13,218,456	711,912	12,467,257	262,066	12,168,429	357,468	11,772,755
SFH 132-133	2,336,817	77,723,221	3,488,300	74,007,261	1,529,208	72,249,785	1,244,674	70,773,428
SFH 134-135	3,616,448	44,778,502	1,567,362	43,427,070	1,371,344	42,047,908	2,488,115	39,436,505

<b>Bond Issue</b>	<b>Prepayments Received 1/01/09-3/31/09</b>	<b>Mortgage Loan Balance 03/31/09</b>	<b>Prepayments Received 4/01/09-6/30/09</b>	<b>Mortgage Loan Balance 06/30/09</b>	<b>Prepayments Received 7/01/09- 9/30/09</b>	<b>Mortgage Loan Balance 9/30/2009</b>	<b>Prepayments Received 10/01/09-12/31/09</b>	<b>Mortgage Loan Balance 12/31/09</b>
SFH 136-137-138	2,186,137	64,382,457	3,220,258	71,974,481	1,904,608	69,848,376	2,570,078	67,055,820
SFH 139	2,069,049	105,631,240	4,750,879	100,535,715	2,215,540	97,979,578	3,074,193	94,560,003
SFH 140	-	-	6,556	44,064,706	20,381	59,141,441	93,715	58,847,700
SFH 141-142-143	-	-	-	-	365	23,666,818	9,374	36,358,858
<b>Total</b>	<b>31,632,700</b>	<b>1,235,867,485</b>	<b>46,528,544</b>	<b>1,248,290,094</b>	<b>26,533,617</b>	<b>1,258,025,711</b>	<b>29,630,340</b>	<b>1,235,209,352</b>

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<b>Bond Issue</b>	<b>Prepayments Received 1/01/10-3/31/10</b>	<b>Mortgage Loan Balance 03/31/10</b>	<b>Prepayments Received 4/01/10-6/30/10</b>	<b>Mortgage Loan Balance 06/30/10</b>	<b>Prepayments Received 7/01/10- 9/30/10</b>	<b>Mortgage Loan Balance 9/30/2010</b>	<b>Prepayments Received 10/01/10-12/31/10</b>	<b>Mortgage Loan Balance 12/31/10</b>
SFH RETIRED	\$2,162,181	\$104,081,470	\$2,370,552	\$100,635,043	\$2,710,295	\$96,597,896	\$3,608,045	\$91,641,386
SFH 50	2,498	3,110,185	47,594	3,037,528	139,113	2,873,974	76,379	2,773,440
SFH 63	108,351	4,502,464	114,854	4,346,512	137,614	4,170,755	3,001	-
SFH 65-66	527	-	-	-	-	-	-	-
SFH 67-68	73,594	4,066,474	51,609	3,984,904	132,962	3,818,955	204,147	-
SFH 69-70	53,757	-	-	-	-	-	-	-
SFH 76	2,226	525,162	4,704	517,318	66,055	448,357	287	445,284
SFH 81	508	261,922	329	-	-	-	-	-
SFH 82-83-D-E	335,760	2,781,995	83,346	2,678,013	145,720	2,512,145	79,899	2,412,888
SFH 84-85-F-G	79,806	3,535,730	178,619	3,335,679	1,688	3,313,377	1,458	-
SFH 86-87-H	88,154	4,134,708	2,600	4,108,733	264,872	3,820,526	105,120	-
SFH 88	16,347	8,040,141	33,383	7,965,671	439,360	7,484,480	300,256	7,133,960
SFH 89-90-I-J	52,058	1,199,883	241	1,193,594	157	1,186,768	5	1,179,863
SFH 91-92	10,997	7,538,866	124,020	7,372,207	89,400	7,235,608	360,626	-
SFH 93-94	232,892	6,797,238	219,648	6,539,077	120,206	6,380,301	214,316	-
SFH 95-96-97	318,362	8,149,333	111,199	7,994,356	171,748	7,775,336	356,025	7,378,263
SFH 98-99	285,233	23,477,883	993,419	22,357,271	733,711	21,488,756	1,098,988	20,264,944
SFH 100-101	502,480	33,291,493	343,322	32,683,615	675,307	31,815,764	1,772,026	29,874,299
SFH 102-103	991,194	31,280,741	219,361	30,884,306	626,746	30,034,488	1,096,999	28,702,510
SFH 104-105-106	28,501	34,194,893	29,952	33,802,294	1,007,163	32,610,397	608,241	31,818,527
SFH 107-108	1,375,070	30,940,839	663,002	30,024,693	131,909	29,492,020	1,665,612	27,662,314
SFH 109-110	526,422	28,481,561	385,472	27,966,628	433,360	27,406,735	1,671,019	25,604,487
SFH 111-112	847,306	43,962,548	313,542	43,368,977	742,998	42,303,858	3,697,030	38,309,128
SFH 113-114	18,446	19,679,329	565,902	19,018,606	497,920	18,427,447	659,519	17,677,189
SFH 115	2,020	3,938,157	113,431	3,805,746	99,244	3,687,764	131,465	3,538,225
SFH 116-117	580,615	37,825,648	1,246,620	36,178,111	948,288	35,059,732	3,291,056	31,425,249
SFH 118-119	414,673	41,957,269	645,037	41,002,949	816,349	40,010,005	2,120,116	37,722,981
SFH 120-121	1,090,429	38,207,011	649,273	37,324,749	795,314	36,318,835	892,146	35,290,960
SFH 122-123	1,120,070	56,475,386	894,896	55,276,696	1,471,026	53,435,278	2,568,911	50,653,758
SFH 124-125	1,401,385	95,257,711	2,373,541	92,386,946	2,706,167	89,236,893	2,927,550	85,970,692
SFH 126-127	1,206,176	58,375,614	927,024	57,116,742	2,016,665	54,824,126	3,631,147	50,622,529
SFH 128-129	1,044,029	52,643,210	1,205,449	51,041,584	2,238,156	48,351,499	2,970,917	45,083,097
SFH 130	1,713,359	38,527,128	1,206,547	47,966,670	2,324,343	45,386,303	2,766,219	42,464,124
SFH 131	509,406	11,225,928	250,906	-	-	-	-	-
SFH 132-133	926,392	69,617,837	2,289,882	66,897,299	2,578,677	64,098,341	3,146,122	60,736,599
SFH 134-135	1,411,507	37,905,355	929,161	36,797,913	1,284,472	35,399,901	1,701,692	33,453,518
SFH 136-137-138	1,481,944	65,355,181	926,917	64,212,314	4,587,916	59,413,559	3,724,336	55,491,704
SFH 139	2,895,431	91,322,417	2,353,806	88,335,052	2,526,843	85,480,326	4,701,883	80,338,972
SFH 140	177,628	58,466,991	531,932	57,729,115	1,216,011	56,307,123	2,864,838	53,061,749
SFH 141-142-143	12,219	39,252,075	580,182	38,543,715	100,450	38,318,389	1,445,821	36,744,322



<b>Bond Issue</b>	<b>Prepayments Received 1/01/10-3/31/10</b>	<b>Mortgage Loan Balance 03/31/10</b>	<b>Prepayments Received 4/01/10-6/30/10</b>	<b>Mortgage Loan Balance 06/30/10</b>	<b>Prepayments Received 7/01/10- 9/30/10</b>	<b>Mortgage Loan Balance 9/30/2010</b>	<b>Prepayments Received 10/01/10-12/31/10</b>	<b>Mortgage Loan Balance 12/31/10</b>
SFH 145-146-147-148	76,620	16,565,092	177,052	77,585,193	443,096	124,449,479	2,563,123	138,869,281
SFH 149A-150-151-152	-	-	-	-	-	-	-	7,316,319
SFH 153-154	-	-	-	-	-	-	601,243	27,008,672
<b>Total</b>	<b>24,176,571</b>	<b>1,216,952,868</b>	<b>24,158,327</b>	<b>1,246,015,822</b>	<b>35,421,318</b>	<b>1,250,975,497</b>	<b>59,627,580</b>	<b>1,208,671,236</b>

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Bond Issue	Prepayments Received 1/01/11-3/31/11	Mortgage Loan Balance 03/31/11	Prepayments Received 4/01/11-6/30/11	Mortgage Loan Balance 06/30/11	Prepayments Received 7/01/11- 9/30/11	Mortgage Loan Balance 9/30/2011	Prepayments Received 10/01/11-12/31/11	Mortgage Loan Balance 12/31/11
SFH RETIRED	\$2,438,172	\$87,867,669	\$1,917,736	\$84,698,847	\$1,834,214	\$81,662,085	\$2,324,036	\$87,011,344
SFH 50	171,840	2,578,764	44,402	2,513,335	31,703	2,459,659	157,947	2,279,802
SFH 76	7,999	412,358	2,434	407,201	646	403,594	12,149	388,687
SFH 82-83-D-E	4,397	2,383,866	29,393	2,336,269	62,841	2,256,818	2,315	-
SFH 88	46,581	7,045,850	117,339	6,889,029	148,705	6,700,433	4,379	-
SFH 89-90-I-J	136,310	1,036,551	70	1,030,062	117	1,023,395	83	1,017,230
SFH 95-96-97	255,097	7,081,091	246,476	6,790,790	46,012	6,701,222	234,614	6,425,419
SFH 98-99	454,952	19,581,001	658,725	18,808,619	357,717	18,334,855	996,192	17,225,561
SFH 100-101	535,766	29,157,093	435,958	28,540,737	377,964	27,919,708	607,336	27,133,212
SFH 102-103	369,499	28,159,016	719,586	27,269,856	857,931	26,269,638	469,591	25,634,000
SFH 104-105-106	28,304	31,603,558	1,186,917	30,236,775	522,598	29,534,791	516,022	28,833,486
SFH 107-108	746,398	26,754,547	657,677	25,945,656	783,880	25,008,005	765,215	24,092,117
SFH 109-110	354,199	25,137,227	972,450	24,041,750	231,443	23,692,587	1,673,013	21,899,182
SFH 111-112	767,544	37,354,342	1,322,914	35,835,311	926,625	34,722,789	943,680	33,583,916
SFH 113-114	440,087	17,144,809	194,534	16,865,465	326,177	16,454,476	406,507	15,964,545
SFH 115	87,031	3,432,641	37,864	3,377,735	65,167	3,295,516	79,161	3,199,586
SFH 116-117	179,259	31,093,573	610,240	30,339,625	607,327	29,429,814	1,070,352	28,222,760
SFH 118-119	1,702,831	35,845,259	494,376	35,181,713	128,693	34,893,287	581,166	34,144,903
SFH 120-121	753,508	34,243,874	935,974	33,165,237	1,614,053	31,410,876	2,026,464	29,244,732
SFH 122-123	3,738,383	46,455,228	623,720	45,645,080	1,986,620	43,471,913	1,982,736	41,301,027
SFH 124-125	3,092,186	82,550,044	2,345,384	79,677,196	950,586	78,375,259	4,220,381	73,699,482
SFH 126-127	2,202,729	48,113,856	819,404	47,106,207	812,127	46,107,263	1,384,073	44,536,731
SFH 128-129	2,021,636	42,901,481	1,312,015	41,297,965	983,807	40,163,594	1,660,733	38,350,854
SFH 130	907,330	41,403,453	872,232	40,384,685	1,246,999	38,997,615	1,379,521	37,476,623
SFH 132-133	2,999,844	57,528,462	1,113,398	56,212,703	1,077,762	54,928,081	2,448,780	52,282,150
SFH 134-135	1,697,627	31,647,332	1,254,226	30,287,523	716,574	29,473,411	2,589,825	26,784,743
SFH 136-137-138	1,704,594	53,591,288	770,630	52,630,435	2,138,505	50,244,386	1,865,044	48,192,933
SFH 139	2,522,574	77,505,486	697,583	76,491,228	1,731,237	74,367,095	3,227,354	70,833,718
SFH 140	760,856	52,098,833	941,616	50,960,093	1,093,504	49,667,727	2,059,643	47,412,394
SFH 141-142-143	838,153	35,775,002	1,499,828	34,152,412	698,730	33,330,926	760,194	32,446,019
SFH 145-146-147-148	1,077,610	137,455,299	1,458,601	135,472,332	1,837,320	133,108,700	5,110,414	127,476,527
SFH 149A-150-151-152	2,030	41,494,474	9,434	66,834,828	16,233	72,628,365	856,578	71,496,127
SFH 153-154	1,292,051	25,419,655	423,237	24,817,375	283,041	24,352,741	943,287	23,233,724
SFH 155-149B	-	-	-	-	431,318	50,259,766	22,496	57,086,729
SFH 156-149CD	-	-	-	-	-	-	885	33,706,270
<b>Total</b>	<b>34,337,376</b>	<b>1,201,852,982</b>	<b>24,726,371</b>	<b>1,196,244,073</b>	<b>24,928,175</b>	<b>1,221,650,392</b>	<b>43,382,169</b>	<b>1,212,616,534</b>

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Bond Issue	Prepayments Received 1/01/12-3/31/12	Mortgage Loan Balance 03/31/12	Prepayments Received 4/01/12-6/30/12	Mortgage Loan Balance 06/30/12	Prepayments Received 7/01/12- 9/30/12	Mortgage Loan Balance 9/30/2012	Prepayments Received 10/01/12-12/31/12	Mortgage Loan Balance 12/31/12
SFH RETIRED	\$2,499,125	\$86,474,725	\$3,403,183	\$81,824,966	\$3,416,566	\$77,203,429	\$2,571,151	\$73,943,211
SFH 50	42,139	-	-	-	-	-	-	-
SFH 76	648	385,099	3,333	378,908	50,147	325,995	2,314	320,929
SFH 89-90-I-J	75	-	-	-	-	-	-	-
SFH 95-96-97	365,454	6,018,756	191,914	-	-	-	-	-
SFH 98-99	492,791	16,614,639	536,509	591,178	37,368	550,025	6,950	-
SFH 100-101	322,760	26,640,752	1,327,852	9,306,270	461,653	8,785,416	206,988	0
SFH 102-103	838,496	24,631,391	2,428,078	22,053,814	650,956	21,049,974	563,889	-
SFH 104-105-106	1,278,180	27,369,144	1,161,811	26,041,519	901,179	24,979,633	1,382,787	23,339,996
SFH 107-108	639,069	23,308,626	1,134,883	22,028,557	868,381	21,023,580	517,146	20,327,534
SFH 109-110	1,043,802	20,579,874	1,183,334	19,291,883	945,659	18,249,484	658,870	17,489,667
SFH 111-112	1,070,439	32,316,438	1,519,059	30,465,916	697,171	29,594,786	1,259,121	28,086,225
SFH 113-114	807,452	15,076,619	425,351	14,573,896	438,331	14,060,689	696,893	13,286,297
SFH 115	162,199	3,021,209	84,910	2,920,845	86,865	2,818,927	139,042	2,664,298
SFH 116-117	1,640,562	26,443,361	1,369,897	24,945,955	1,776,556	23,050,828	1,059,844	21,869,968
SFH 118-119	1,411,616	32,574,015	1,259,860	31,160,001	1,491,310	29,516,426	2,416,511	26,772,158
SFH 120-121	889,062	28,220,936	1,154,666	26,915,355	1,470,390	25,321,198	1,015,604	24,181,392
SFH 122-123	1,107,614	40,009,918	2,401,370	37,353,319	1,543,842	35,518,988	1,680,377	33,674,578
SFH 124-125	2,463,778	70,926,928	4,007,841	66,505,075	2,550,519	63,679,014	3,101,427	60,164,137
SFH 126-127	1,705,750	42,512,762	2,902,300	39,438,248	1,785,570	37,420,788	1,514,933	35,740,112
SFH 128-129	1,250,853	36,946,155	3,094,131	33,708,741	1,424,375	32,150,627	944,675	31,069,748
SFH 130	1,436,904	35,904,759	1,370,255	34,403,854	2,316,136	31,740,381	1,512,349	30,102,335
SFH 132-133	2,477,045	49,554,593	3,772,849	45,464,250	1,542,967	43,541,701	2,433,066	40,812,313
SFH 134-135	1,044,111	25,647,028	1,008,476	24,466,405	1,566,227	22,812,496	1,695,433	21,032,816
SFH 136-137-138	2,581,040	45,429,577	2,398,574	42,865,324	2,365,206	40,337,031	2,989,805	37,047,560
SFH 139	3,558,574	66,920,747	2,592,412	64,050,634	3,955,515	59,653,428	3,873,410	55,362,708
SFH 140	1,644,897	45,585,007	3,390,332	42,013,776	4,012,780	37,837,139	3,301,241	34,375,301
SFH 141-142-143	1,105,553	31,219,928	1,849,707	29,253,442	2,680,118	26,468,959	2,034,891	24,328,289
SFH 145-146-147-148	5,726,183	121,242,751	7,735,501	113,021,614	5,431,912	107,127,276	5,504,526	101,170,559
SFH 149A-150-151-152	1,335,649	70,270,520	4,212,501	65,786,615	4,926,794	60,601,325	4,634,210	55,723,510
SFH 153-154	716,019	22,339,606	1,077,221	21,042,004	581,927	20,302,374	1,171,978	18,962,686
SFH 155-149B	1,153,217	57,276,466	2,437,353	54,616,795	2,153,041	52,246,149	2,151,596	49,883,207
SFH 156-149CD	15,421	53,625,156	21,896	53,379,816	787,593	52,368,187	787,256	51,356,192
SFH 157-158-159	-	-	355,031	70,735,928	1,873,681	68,484,969	1,670,486	66,427,697
SFH 160-161	-	-	-	-	-	-	654,917	33,898,845
<b>Total</b>	<b>42,826,478</b>	<b>1,185,087,485</b>	<b>61,812,389</b>	<b>1,150,604,904</b>	<b>54,790,735</b>	<b>1,088,821,221</b>	<b>54,153,687</b>	<b>1,033,414,267</b>

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Bond Issue	Prepayments Received 1/01/13-3/31/13	Mortgage Loan Balance 03/31/13	Prepayments Received 4/01/13-6/30/13	Mortgage Loan Balance 06/30/13	Prepayments Received 7/01/13-9/30/13	Mortgage Loan Balance 09/30/13	Prepayments Received 10/01/13-12/31/13	Mortgage Loan Balance 12/31/13
SFH RETIRED	\$2,464,137	\$70,326,395	\$2,543,925	\$66,664,283	\$2,321,027	\$63,212,659	\$2,006,540	\$60,162,709
SFH 76	266	317,889	4,275	310,790	1,434	306,524	4,271	299,427
SFH 104-105-106	817,331	22,373,345	579,585	-	-	-	-	-
SFH 107-108	599,366	19,596,822	1,294,986	-	-	-	-	-
SFH 109-110	596,672	16,623,862	356,658	-	-	-	-	-
SFH 111-112	1,189,170	26,732,030	1,116,424	-	-	-	-	-
SFH 113-114	576,313	12,636,753	394,167	-	-	-	-	-
SFH 115	114,599	2,534,966	78,872	-	-	-	-	-
SFH 116-117	1,335,372	20,306,688	533,117	19,542,581	359,579	19,068,299	860,776	18,095,682
SFH 118-119	996,289	25,638,017	760,244	24,651,728	897,341	23,619,752	709,269	22,779,904
SFH 120-121	770,796	23,299,700	1,052,011	22,127,740	1,248,188	20,644,105	407,597	20,131,026
SFH 122-123	1,320,781	32,206,297	2,104,872	29,950,442	1,779,619	27,838,010	908,581	26,788,132
SFH 124-125	3,607,882	56,297,761	1,983,751	53,981,851	2,934,865	50,564,837	2,226,692	48,071,359
SFH 126-127	1,299,255	34,278,622	1,454,790	32,670,883	2,397,539	30,031,472	2,177,207	27,717,124
SFH 128-129	1,048,326	29,891,126	2,045,081	27,721,343	1,983,774	25,518,969	430,173	24,971,521
SFH 130	1,037,427	28,946,132	1,523,750	27,218,646	1,183,633	25,915,012	1,117,251	24,687,558
SFH 131	-	-	-	-	-	-	-	-
SFH 132-133	1,154,943	39,498,666	1,551,040	37,796,239	1,459,100	36,083,334	1,330,573	34,503,241
SFH 134-135	1,723,626	19,233,485	929,784	18,230,007	1,081,531	16,990,551	751,053	16,171,708
SFH 136-137-138	2,397,722	34,503,405	2,309,658	32,048,417	1,932,516	29,980,500	1,583,785	28,268,489
SFH 139	1,949,236	53,172,382	2,643,500	50,234,503	2,188,652	47,808,127	1,123,160	46,448,370
SFH 140	3,261,541	30,972,782	3,540,262	27,307,725	1,047,374	25,928,371	1,919,436	23,895,693
SFH 141-142-143	1,604,437	22,628,780	1,877,965	20,663,827	1,294,916	19,284,538	462,547	18,738,993
SFH 145-146-147-148	4,107,641	39,610,438	2,182,223	37,241,190	2,536,201	34,523,281	1,518,821	32,829,857
SFH 149A-150-151-152	4,268,417	51,229,411	3,504,675	47,513,320	2,056,673	45,258,246	778,124	44,284,519
SFH 153-154	370,985	18,435,974	813,714	17,463,990	335,290	16,971,099	215,828	16,602,945
SFH 155-149B	2,324,020	47,353,494	2,122,510	18,444,384	602,842	17,764,209	375,182	17,308,313
SFH 156-149CD	1,792,370	49,342,572	1,041,023	48,084,846	1,650,237	46,220,160	188,961	45,820,301
SFH 157-158-159	2,652,010	63,413,728	2,070,388	60,990,440	1,766,325	58,885,260	2,021,721	56,524,710
SFH 160-161	1,583,798	32,104,044	2,197,170	29,707,227	750,654	28,766,872	627,409	27,949,381
SFH 162	576,834	87,260,522	3,540,354	83,350,469	3,914,814	79,079,495	2,863,575	75,869,456
SFH 163-165	-	22,855,751	1,697,284	117,366,390	4,088,978	112,535,738	2,302,147	109,589,894
SFH 166	-	-	361,922	31,911,268	771,991	30,929,902	183,315	30,536,850
SFH 167	-	-	-	-	-	-	-	3,835,039
<b>Total</b>	<b>47,541,561</b>	<b>1,033,621,839</b>	<b>50,209,984</b>	<b>983,194,530</b>	<b>42,585,092</b>	<b>933,729,320</b>	<b>29,093,996</b>	<b>902,882,201</b>

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<b>Bond Issue</b>	<b>Prepayments Received 1/01/14-3/31/14</b>	<b>Mortgage Loan Balance 03/31/14</b>	<b>Prepayments Received 4/01/14-6/30/14</b>	<b>Mortgage Loan Balance 06/30/14</b>	<b>Prepayments Received 7/01/14-9/30/14</b>	<b>Mortgage Loan Balance 09/30/14</b>	<b>Prepayments Received 10/01/14-12/31/14</b>	<b>Mortgage Loan Balance 12/31/14</b>
SFH RETIRED	\$1,154,530	\$57,989,990	\$1,626,128	\$55,545,466	\$1,113,685	\$49,602,346	\$1,816,750	\$47,102,167
SFH 76	157	296,391	2,170	292,083	1,760	287,403	1,537	283,033
SFH 116-117	441,839	17,544,898	147,379	-	-	-	-	-
SFH 118-119	95,438	22,416,747	166,478	22,131,439	835,088	21,053,007	1,023,145	-
SFH 120-121	1,139,297	18,890,452	506,269	18,296,708	1,100,337	16,962,365	344,820	16,533,462
SFH 122-123	28,301	26,624,269	1,020,936	25,481,418	1,096,788	24,704,554	1,818,424	24,196,347
SFH 124-125	582,336	47,176,775	1,555,310	45,269,460	2,166,763	43,159,733	1,370,276	42,402,745
SFH 126-127	566,101	27,017,024	1,128,633	25,532,639	413,679	25,472,976	836,545	26,572,940
SFH 128-129	433,965	24,359,200	954,655	23,302,764	237,145	22,965,535	657,909	22,126,129
SFH 130	385,359	24,196,799	1,502,937	22,529,459	525,791	21,916,384	1,092,589	20,739,118
SFH 132-133	498,395	36,387,740	2,004,425	34,242,053	1,622,219	32,488,227	821,589	31,533,444
SFH 134-135	557,421	15,546,870	361,375	15,125,364	449,481	14,619,581	743,732	13,821,154
SFH 136-137-138	322,437	27,820,889	1,610,082	26,097,049	2,113,893	23,869,769	1,429,556	22,337,269
SFH 139	1,093,722	45,118,142	757,277	44,013,932	1,118,476	42,528,045	1,941,174	40,377,465
SFH 140	232,454	25,545,473	1,328,809	24,099,173	1,182,382	22,805,860	994,604	21,700,826
SFH 141-142-143	200,085	18,454,380	919,342	17,453,592	867,998	16,509,117	997,510	15,442,564
SFH 145-146-147-148	598,916	32,063,335	1,048,125	30,854,991	1,487,981	29,209,317	1,616,057	27,441,115
SFH 149A-150-151-152	1,386,779	42,704,794	780,402	41,733,958	1,752,276	39,792,708	874,745	38,734,806
SFH 153-154	185,477	16,266,604	186,223	15,943,560	534,372	15,271,992	746,663	14,395,352
SFH 155-149B	272,251	16,958,649	398,036	16,484,244	764,052	15,644,203	781,329	14,791,393
SFH 156-149CD	578,546	45,030,276	1,429,795	43,391,171	1,769,057	41,419,805	836,467	40,383,208
SFH 157-158-159	394,948	55,795,097	1,247,066	54,248,657	1,604,098	52,351,569	1,475,695	50,591,601
SFH 160-161	770,238	26,987,897	1,199,647	25,621,342	698,251	24,752,770	638,216	23,898,262
SFH 162	900,846	74,628,801	1,697,394	72,593,364	2,453,321	69,807,134	2,822,913	66,657,753
SFH 163-165	1,925,589	108,104,303	3,303,215	104,196,718	2,871,034	100,770,631	2,626,556	97,590,396
SFH 166	708,134	29,630,648	838,399	28,623,073	946,902	27,505,128	538,051	26,797,126
SFH 167	25,522	50,194,359	22,067	49,977,771	619,108	49,161,272	530,016	48,436,221
SFH 168-169	-	-	775	42,952,301	10,391	65,039,794	565,188	64,236,140
SFH 170	-	-	112,617	17,190,347	796,334	16,302,468	448,276	15,768,750
SFH 171	-	-	-	-	102,666	14,576,437	21,106	50,896,681
SFH 172-174	-	-	-	-	-	-	1,602	19,923,218
<b>Total</b>	<b>15,479,081</b>	<b>933,750,801</b>	<b>27,855,967</b>	<b>943,224,095</b>	<b>31,255,329</b>	<b>940,550,130</b>	<b>30,413,040</b>	<b>945,710,686</b>

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Bond Issue	Prepayments Received 1/01/15-3/31/15	Mortgage Loan Balance 03/31/15	Prepayments Received 4/01/15-6/30/15	Mortgage Loan Balance 06/30/15	Prepayments Received 7/01/15-9/30/15	Mortgage Loan Balance 09/30/15	Prepayments Received 10/01/15-12/31/15	Mortgage Loan Balance 12/31/15
<b>SFH RETIRED</b>	\$3,188,477	\$98,452,394	\$4,382,374	\$93,587,086	\$4,434,443	\$88,294,999	\$2,964,530	\$135,803,239
<b>SFH 76</b>	460	279,888	526	276,857	709	273,238	4,379	265,895
<b>SFH 120-121</b>	626,902	15,743,025	204,711	-	-	-	-	-
<b>SFH 122-123</b>	1,141,202	22,904,999	702,897	-	-	-	-	-
<b>SFH 124-125</b>	1,524,437	40,594,462	1,461,465	38,937,563	1,100,770	37,636,548	1,227,737	-
<b>SFH 126-127</b>	1,010,451	25,597,344	1,345,746	24,136,617	1,341,266	22,683,856	970,930	21,603,049
<b>SFH 128-129</b>	997,978	21,454,802	1,251,863	20,182,138	1,450,424	18,644,872	808,238	17,748,429
<b>SFH 130</b>	784,359	19,866,791	1,496,988	18,291,764	671,745	17,496,284	485,667	16,933,955
<b>SFH 134-135</b>	57,836	13,709,373	749,674	12,905,323	751,363	12,101,744	883,866	11,166,814
<b>SFH 136-137-138</b>	1,023,915	21,214,248	833,723	20,287,504	1,505,187	18,693,904	638,250	-
<b>SFH 139</b>	1,092,054	39,077,937	1,428,132	37,457,066	2,061,040	34,976,190	1,468,737	(0)
<b>SFH 141-142-143</b>	244,368	15,729,129	560,017	15,201,512	644,067	14,488,770	747,321	13,677,817
<b>SFH 145-146-147-148</b>	876,747	27,399,945	1,123,487	26,302,490	1,467,392	24,691,650	1,252,749	23,299,957
<b>SFH 149A-150-151-152</b>	2,148,317	36,405,139	2,684,218	33,549,427	1,510,496	31,877,647	2,102,294	29,621,230
<b>SFH 153-154</b>	88,361	14,183,339	364,469	13,689,073	223,035	13,336,470	422,129	12,791,376
<b>SFH 155-149B</b>	799,285	14,637,532	334,143	14,358,492	498,241	13,787,999	668,762	13,050,852
<b>SFH 156-149CD</b>	994,386	40,076,293	1,965,070	38,070,739	1,657,718	36,224,872	1,094,428	34,947,260
<b>SFH 157-158-159</b>	1,645,883	49,617,582	1,692,527	47,812,162	1,563,535	45,771,990	1,709,281	43,794,655
<b>SFH 160-161</b>	508,142	23,228,975	843,969	22,230,636	853,994	21,223,155	861,024	20,214,734
<b>SFH 162</b>	1,985,820	64,354,252	2,245,118	61,798,129	2,597,370	58,899,003	2,611,368	55,993,925
<b>SFH 163-165</b>	2,302,929	94,735,884	3,413,667	90,786,330	3,054,834	87,081,344	3,214,517	83,358,685
<b>SFH 166</b>	160,955	26,465,585	1,274,732	25,032,021	645,383	24,228,464	573,354	23,500,812
<b>SFH 167</b>	1,236,321	47,001,946	4,162,758	42,653,251	516,390	41,956,225	1,250,642	40,526,553
<b>SFH 168-169</b>	5,012,025	58,987,269	4,680,300	54,088,789	2,764,660	51,119,586	2,337,606	48,584,695
<b>SFH 170</b>	225,607	15,457,162	458,059	14,912,222	1,133,632	13,695,625	230,313	13,384,989
<b>SFH 171</b>	314,615	53,144,440	1,098,419	51,783,391	370,953	51,146,344	1,383,034	49,506,844
<b>SFH 172-174</b>	566,524	70,328,931	749,748	83,014,666	376,938	82,262,417	466,975	81,420,635
<b>SFH 175-177</b>	-	-	769,332	62,427,702	1,309,514	85,158,369	2,458,459	82,922,412
<b>SFH 178-180</b>	-	-	-	-	-	-	4,904	36,155,038
<b>Total</b>	<b>30,558,356</b>	<b>970,648,668</b>	<b>42,278,132</b>	<b>963,772,950</b>	<b>34,505,102</b>	<b>947,751,562</b>	<b>32,841,493</b>	<b>910,273,852</b>

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Bond Issue	Prepayments Received 1/1/16-3/31/16	Mortgage Loan Balance 3/31/16	Prepayments Received 4/1/16-6/30/16	Mortgage Loan Balance 6/30/16	Prepayments Received 7/1/16-9/30/16	Mortgage Loan Balance 9/30/16	Prepayments Received 10/1/16-12/31/16	Mortgage Loan Balance 12/31/2016
SFH RETIRED	\$4,086,048	\$130,622,533	\$6,892,192	\$122,720,755	\$4,853,409	\$116,840,837	\$6,931,301	\$117,378,433
SFH 76	8,975	254,076	1,277	249,825	47,409	199,884	583	196,605
SFH 126-127	655,529	20,840,724	1,110,020	-	-	-	-	-
SFH 128-129	697,389	16,966,033	795,466	16,089,868	1,225,509	14,789,825	506,418	-
SFH 130	467,956	16,386,205	1,083,151	15,229,776	1,148,095	14,014,420	424,054	-
SFH 134-135	403,031	10,714,125	1,158,512	9,510,404	715,445	8,752,757	268,864	-
SFH 141-142-143	785,453	12,830,520	935,337	11,836,298	699,625	11,080,109	1,035,708	9,993,070
SFH 145-146-147-148	1,634,765	21,530,149	834,961	20,566,765	1,416,628	19,020,413	1,132,299	17,769,877
SFH 149A-150-151-152	992,340	28,481,016	383,770	27,950,553	2,061,695	25,746,269	2,800,548	22,812,840
SFH 153-154	479,967	12,180,642	321,229	11,741,010	480,288	11,139,935	207,917	10,812,492
SFH 155-149B	396,858	12,586,257	611,272	11,911,026	849,241	11,000,704	920,597	10,023,543
SFH 156-149CD	1,119,955	33,647,258	830,117	32,640,603	1,845,145	30,622,400	1,119,556	29,337,392
SFH 157-158-159	705,767	42,822,480	1,638,198	40,933,405	2,071,265	38,608,256	2,451,491	35,923,890
SFH 160-161	748,135	19,321,515	762,723	18,420,092	478,987	17,801,179	866,325	16,802,873
SFH 162	2,969,677	52,740,884	2,678,488	49,792,084	2,969,344	46,563,098	2,162,305	44,152,313
SFH 163-165	1,383,796	81,456,887	4,214,270	76,766,821	3,205,757	73,077,587	3,766,834	68,843,968
SFH 166	158,016	23,181,632	698,176	22,266,069	1,975,666	20,142,093	916,787	19,090,375
SFH 167	1,942,971	38,406,535	2,996,881	35,242,676	1,971,696	33,114,669	2,644,233	30,321,833
SFH 168-169	743,535	47,648,133	3,501,929	43,957,913	2,948,393	40,830,757	1,762,950	38,900,168
SFH 170	677,595	12,622,369	290,110	12,254,285	1,057,080	11,122,948	421,485	10,632,162
SFH 171	406,966	45,611,131	2,689,640	42,798,203	1,767,124	40,907,739	1,764,462	38,972,572
SFH 172-174	835,047	80,205,356	1,873,532	77,957,925	3,596,082	73,994,209	5,187,260	68,453,881
SFH 175-177	849,776	81,951,392	1,717,867	79,852,612	1,353,335	78,113,772	2,077,180	75,659,093
SFH 178-180	1,403,467	90,442,869	2,822,692	129,319,382	2,150,631	126,587,556	4,325,310	121,698,856
SFH 181-182	-	-	-	42,442,319	1,753,026	65,394,827	748,844	65,361,309
SFH 183-184	-	-	-	-	-	-	1,493	38,143,598
SFH 185-186	-	-	-	-	-	-	401,848	27,342,796
<b>Total</b>	<b>24,553,015</b>	<b>933,450,719</b>	<b>40,841,810</b>	<b>952,450,668</b>	<b>42,640,877</b>	<b>929,466,243</b>	<b>44,846,654</b>	<b>918,623,937</b>

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**MassHousing Single Family Housing Revenue Bonds  
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Bond Issue	Prepayments Received 1/1/17-3/31/17	Mortgage Loan Balance 3/31/17	Prepayments Received 4/1/17-6/30/17	Mortgage Loan Balance 6/30/17	Prepayments Received 7/1/17-9/30/17	Mortgage Loan Balance 9/30/17	Prepayments Received 10/1/17-12/31/17	Mortgage Loan Balance 12/31/17
SFH RETIRED	\$3,802,577	\$112,548,202	\$4,586,876	\$106,988,420	\$2,849,739	\$103,226,339	\$4,981,640	\$105,188,743
SFH 76	3,200	190,652	766	187,691	1,604	183,673	597	180,528
SFH 141-142-143	553,358	9,391,148	354,103	8,989,764	881,156	8,070,039	184,829	-
SFH 145-146-147-148	926,534	16,729,348	653,137	15,968,366	632,202	15,234,343	429,363	14,701,322
SFH 149A-150-151-152	1,458,008	21,232,589	996,810	20,120,176	604,030	5,166,124	95,576	5,040,954
SFH 153-154	364,183	10,322,343	110,584	10,088,024	247,218	9,732,526	328,492	9,292,495
SFH 155-149B	449,753	9,519,151	192,018	9,271,436	111,151	9,107,553	186,277	8,869,648
SFH 156-149CD	901,878	28,274,599	682,070	27,432,456	1,135,181	6,919,880	258,359	6,621,957
SFH 157-158-159	745,099	34,937,986	1,806,490	32,900,609	1,652,471	31,034,845	1,289,607	29,537,575
SFH 160-161	482,118	16,182,961	799,960	15,252,847	454,269	14,680,278	358,160	14,200,447
SFH 162	2,385,408	41,530,704	1,020,209	40,281,210	1,265,066	38,788,836	972,315	37,594,223
SFH 163-165	2,496,573	65,891,840	1,436,496	63,999,230	2,900,738	60,680,657	2,595,799	57,676,348
SFH 166	1,088,728	17,867,351	654,890	17,082,480	760,908	16,207,341	508,748	15,582,857
SFH 167	1,264,213	28,915,371	588,508	28,186,468	1,423,213	26,629,856	1,485,646	25,013,045
SFH 168-169	2,335,513	36,404,021	867,796	35,379,763	1,926,670	33,300,848	2,129,787	31,025,154
SFH 170	757,840	9,809,532	108,107	9,634,332	261,463	9,314,797	236,900	9,016,279
SFH 171	1,819,298	39,831,506	2,393,440	37,214,947	1,352,112	35,644,495	1,693,567	33,736,170
SFH 172-174	1,927,759	66,184,883	1,759,512	64,091,420	2,256,176	61,513,145	2,687,335	58,509,585
SFH 175-177	1,692,525	73,584,658	1,486,742	71,724,597	2,429,200	68,941,425	2,525,612	66,066,685
SFH 178-180	1,954,062	119,177,246	1,234,637	117,376,155	2,902,896	113,932,985	2,633,988	110,756,773
SFH 181-182	1,305,698	63,745,026	1,107,291	62,332,089	1,768,965	60,269,512	220,518	59,752,711
SFH 183-184	62,651	52,653,952	248,025	52,207,427	196,110	51,762,222	23,645	51,487,557
SFH 185-186	1,212,927	79,231,036	1,308,968	85,014,067	1,501,314	83,328,867	1,006,016	81,956,563
SFH 187-188	-	-	-	-	-	41,970,224	988,592	78,140,592
<b>Total</b>	<b>29,989,903</b>	<b>954,156,105</b>	<b>24,397,435</b>	<b>931,723,975</b>	<b>29,513,852</b>	<b>905,640,811</b>	<b>27,821,367</b>	<b>909,948,213</b>

The figures above are based on information currently available and are not guaranteed. Prepayment amounts include loan payoffs and principal curtailments in excess of the computed scheduled principal amounts. MassHousing reserves the right to transfer loans between bond series subject to limitations under the MassHousing Single Family Housing Revenue Bonds Resolution and applicable federal tax law. Changes in outstanding loan balances from quarter to quarter may result from payments of scheduled principal, new originations or recycling, transfers between series, sales of mortgage loans, write-downs, losses and other miscellaneous adjustments, in addition to loan payoffs and principal installments.



**MassHousing Single Family Housing Revenue Bonds  
Quarterly Prepayment Report  
Calendar 2018**

<b>Bond Issue</b>	<b>Prepayments Received 1/1/18-2/28/18</b>	<b>Mortgage Loan Balance 2/28/18</b>
SFH RETIRED	\$1,847,155	\$102,701,732
SFH 76	2,157	176,575
SFH 145-146-147-148	368,884	14,265,251
SFH 149A-150-151-152	201,851	4,819,638
SFH 153-154	289,504	8,927,110
SFH 155-149B	162,556	8,670,826
SFH 156-149CD	73,373	6,522,435
SFH 157-158-159	381,731	29,016,624
SFH 160-161	116,703	13,999,805
SFH 162	396,264	37,051,545
SFH 163-165	291,134	57,107,717
SFH 166	78,648	15,424,770
SFH 167	1,587,112	23,344,552
SFH 168-169	814,059	30,117,891
SFH 170	212,985	8,760,143
SFH 171	413,865	33,179,492
SFH 172-174	158,001	58,141,793
SFH 175-177	1,641,321	64,193,426
SFH 178-180	1,859,982	108,535,895
SFH 181-182	292,510	59,259,822
SFH 183-184	16,745	51,302,270
SFH 185-186	461,881	81,242,384
SFH 187-188	772,954	85,177,060
SFH 189	890	13,723,701
<b>Total</b>	<b>12,442,266</b>	<b>915,662,457</b>

The figures above are based on information currently available and are not guaranteed. Prepayment amounts include loan payoffs and principal curtailments in excess of the computed scheduled principal amounts. MassHousing reserves the right to transfer loans between bond series subject to limitations under the MassHousing Single Family Housing Revenue Bonds Resolution and applicable federal tax law. Changes in outstanding loan balances from quarter to quarter may result from payments of scheduled principal, new originations or recycling, transfers between series, sales of mortgage loans, write-downs, losses and other miscellaneous adjustments, in addition to loan payoffs and principal installments.

**SCHEDULE D**

The following table sets forth the dates on which portions or all of the loan principal payments and loan prepayments received by MassHousing with respect to each series of Single Family Housing Revenue Bonds outstanding as of March 30, 2018 (expressed in percentages of the total amount of loan principal payments and loan prepayments received as of such date) become subject to the “Ten-Year Rule” under the Internal Revenue Code. See “Home Ownership Programs – Mortgage Loan Portfolio–Prepayment Experience.”

**MassHousing Single Family Housing Revenue Bonds  
Ten Year Rule Percentages as of March 30, 2018**

<b>Bond Issue</b>	<b>12/31/2018</b>	<b>12/31/2019</b>	<b>12/31/2020</b>	<b>12/31/2021</b>	<b>12/31/2022</b>	<b>12/31/2023</b>	<b>12/31/2024</b>	<b>12/31/2025</b>	<b>12/31/2026</b>	<b>12/31/2027</b>	<b>12/31/2028</b>
Retired	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
76*	0	0	0	0	0	0	0	0	0	0	0
141-142-143	68	100	100	100	100	100	100	100	100	100	100
145-146-147-148	35	40	100	100	100	100	100	100	100	100	100
149A-150-151-152	59	60	100	100	100	100	100	100	100	100	100
153-154	100	100	100	100	100	100	100	100	100	100	100
155-149B	37	37	37	100	100	100	100	100	100	100	100
156-149CD	16	16	16	100	100	100	100	100	100	100	100
157-158-159	58	58	58	58	100	100	100	100	100	100	100
160-161	85	85	85	85	100	100	100	100	100	100	100
162	14	19	90	90	100	100	100	100	100	100	100
163-164-165	79	88	89	99	99	100	100	100	100	100	100
166*	0	0	0	0	0	0	0	0	0	0	0
167	0	0	0	0	0	100	100	100	100	100	100
168-169	42	43	48	51	51	51	100	100	100	100	100
170*	0	0	0	0	0	0	0	0	0	0	0
171	0	0	0	0	0	0	100	100	100	100	100
172-173-174	30	30	30	30	30	30	100	100	100	100	100
175-176-177	74	75	77	79	79	81	82	100	100	100	100
178-179-180	44	44	44	52	53	53	53	100	100	100	100
181-182	36	36	39	45	67	70	74	74	100	100	100
183-184	23	23	26	31	31	44	56	63	100	100	100
185-186	58	59	61	63	69	80	94	94	100	100	100
187-188	52	53	68	85	86	92	100	100	100	100	100
189	0	0	0	0	0	0	1	16	20	100	100
190-191	30	33	35	39	42	47	73	78	82	100	100
192*	0	0	0	0	0	0	0	0	0	0	0

Note: The above percentages are based upon information currently available and are not guaranteed. There can be no assurance that federal tax law, rules or regulations enacted or proposed and the interpretation thereof will not alter the above percentages.

\* Federally taxable series and therefore not subject to the “Ten-Year Rule”.

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**SCHEDULE E**

The following table presents certain information regarding the Fannie Mae Mortgage-Backed Securities held under the Single Family Housing Revenue Bond Resolution as of December 31, 2017.

**Single Family Housing Revenue Bonds  
Fannie Mae Mortgage-Backed Security (MBS) Portfolio  
As of December 31, 2017**

<b>Security ID</b>	<b>Series</b>	<b>Pool Number</b>	<b>Original Par Amount (\$)</b>	<b>Par Amount Outstanding (\$)</b>	<b>Type of MBS</b>	<b>Pass Through Interest Rate (%)</b>	<b>Purchase Date</b>	<b>Maturity Date</b>
3138M13L0	SERIES 132-133	MBS Pool # AO9802	990,902.00	518,045.76	FNMA	3.5000	09/28/2012	08/01/2042
3138M13M8	SERIES 132-133	MBS Pool # AO9803	130,528.00	48,192.98	FNMA	3.5000	09/28/2012	08/01/2042
3138M13T3	SERIES 132-133	MBS Pool # AO9809	1,407,915.00	720,563.28	FNMA	3.5000	09/28/2012	09/01/2042
3138M13U0	SERIES 132-133	MBS Pool # AO9810	138,802.00	63,749.37	FNMA	3.5000	09/28/2012	09/01/2042
			<b>2,668,147.00</b>	<b>1,350,551.39</b>				
3138MGDF9	SERIES 140	MBS Pool # AQ1001	996,368.00	457,850.50	FNMA	3.5000	12/20/2012	10/01/2042
3138MGDG7	SERIES 140	MBS Pool # AQ1002	86,848.00	41,843.80	FNMA	3.5000	12/20/2012	10/01/2042
3138MGDK8	SERIES 140	MBS Pool # AQ1005	707,633.00	458,374.21	FNMA	3.0000	12/20/2012	11/01/2042
3138MGDL6	SERIES 140	MBS Pool # AQ1006	334,703.00	243,089.02	FNMA	3.5000	12/20/2012	11/01/2042
			<b>2,125,552.00</b>	<b>1,201,157.53</b>				
31417W2X8	SERIES 145-147	MBS Pool # AC9789	4,658,325.00	717,256.59	FNMA	4.9370	03/23/2010	03/01/2040
31417W2Y6	SERIES 145-147	MBS Pool # AC9790	4,143,088.00	744,013.62	FNMA	5.0620	03/23/2010	03/01/2040
31417W2Z3	SERIES 145-147	MBS Pool # AC9791	1,012,462.00	187,676.13	FNMA	5.1870	03/23/2010	03/01/2040
31417W3B5	SERIES 145-147	MBS Pool # AC9793	13,693,326.00	1,967,411.36	FNMA	4.9370	05/19/2010	05/01/2040
31417W3C3	SERIES 145-147	MBS Pool # AC9794	6,793,345.00	1,193,646.90	FNMA	5.0620	05/19/2010	05/01/2040
31417W3F6	SERIES 145-147	MBS Pool # AC9797	9,320,386.00	2,065,464.33	FNMA	4.9370	04/01/2010	04/01/2040
31417W3G4	SERIES 145-147	MBS Pool # AC9798	4,502,534.00	937,059.41	FNMA	5.0620	04/01/2010	04/01/2040
31417W3H2	SERIES 145-147	MBS Pool # AC9799	1,122,935.00	99,790.71	FNMA	5.1875	04/01/2010	04/01/2040
			<b>45,246,401.00</b>	<b>7,912,319.05</b>				
3138A3WB9	SERIES 148	MBS Pool # AH2441	1,485,360.00	438,935.08	FNMA	4.0750	12/28/2010	12/01/2040
31417W3M1	SERIES 148	MBS Pool # AC9803	2,127,141.00	605,569.49	FNMA	5.1870	06/23/2010	06/01/2040
31418VP22	SERIES 148	MBS Pool # AD7640	1,834,146.00	138,715.51	FNMA	4.8120	06/23/2010	06/01/2040
31418VP30	SERIES 148	MBS Pool # AD7641	1,077,800.00	132,800.57	FNMA	5.3120	06/23/2010	06/01/2040
31418VP63	SERIES 148	MBS Pool # AD7644	2,895,945.00	508,405.24	FNMA	4.5620	08/23/2010	08/01/2040
31418VP71	SERIES 148	MBS Pool # AD7645	2,771,045.00	461,655.62	FNMA	4.6870	07/22/2010	07/01/2040
31418VP89	SERIES 148	MBS Pool # AD7646	3,433,861.00	730,215.00	FNMA	4.8120	07/22/2010	07/01/2040
31418VP97	SERIES 148	MBS Pool # AD7647	6,913,866.00	1,230,920.60	FNMA	4.9370	07/22/2010	07/01/2040
31418VPY2	SERIES 148	MBS Pool # AD7638	11,458,808.00	1,953,867.50	FNMA	5.0620	06/23/2010	06/01/2040
31418VPZ9	SERIES 148	MBS Pool # AD7639	7,670,327.00	1,535,385.14	FNMA	4.9370	06/23/2010	06/01/2040
31418VQA3	SERIES 148	MBS Pool # AD7648	4,785,483.00	1,591,544.73	FNMA	5.0620	07/22/2010	07/01/2040
31418VQE5	SERIES 148	MBS Pool # AD7652	1,174,769.00	158,139.25	FNMA	4.8120	08/23/2010	08/01/2040
31418VQF2	SERIES 148	MBS Pool # AD7653	1,001,664.00	478,747.02	FNMA	5.1870	08/23/2010	07/01/2040
31418VQG0	SERIES 148	MBS Pool # AD7654	1,565,269.00	60,254.90	FNMA	4.6870	08/23/2010	08/01/2040
31418VQH8	SERIES 148	MBS Pool # AD7655	2,339,542.00	321,059.09	FNMA	4.4370	08/23/2010	08/01/2040
31418VQJ4	SERIES 148	MBS Pool # AD7656	1,758,789.00	145,444.81	FNMA	4.3120	08/23/2010	08/01/2040
31419DQE4	SERIES 148	MBS Pool # AE3152	1,808,143.00	713,049.55	FNMA	4.5620	09/24/2010	09/01/2040

Security ID	Series	Pool Number	Original Par Amount (\$)	Par Amount Outstanding (\$)	Type of MBS	Pass Through Interest Rate (%)	Purchase Date	Maturity Date
31419DQF1	SERIES 148	MBS Pool # AE3153	3,377,098.00	1,498,629.39	FNMA	4.4370	09/24/2010	09/01/2040
31419DQG9	SERIES 148	MBS Pool # AE3154	2,669,296.00	1,165,693.95	FNMA	4.3120	09/24/2010	09/01/2040
31419DQH7	SERIES 148	MBS Pool # AE3155	1,751,840.00	474,247.85	FNMA	4.1870	09/24/2010	09/01/2040
31419DQL8	SERIES 148	MBS Pool # AE3158	1,816,808.00	430,372.39	FNMA	4.3120	10/22/2010	10/01/2040
31419DQM6	SERIES 148	MBS Pool # AE3159	1,796,000.00	573,409.72	FNMA	4.1870	10/22/2010	10/01/2040
31419DQN4	SERIES 148	MBS Pool # AE3160	2,255,938.00	494,339.39	FNMA	4.0620	10/22/2010	10/01/2040
31419DQP9	SERIES 148	MBS Pool # AE3161	1,347,616.00	500,652.72	FNMA	4.3250	10/22/2010	10/01/2040
31419DQQ7	SERIES 148	MBS Pool # AE3162	1,594,793.00	708,585.07	FNMA	4.2000	10/22/2010	10/01/2040
31419DQT1	SERIES 148	MBS Pool # AE3165	1,140,932.00	322,879.28	FNMA	4.0620	11/24/2010	11/01/2040
31419DQU8	SERIES 148	MBS Pool # AE3166	1,622,359.00	526,825.03	FNMA	4.3120	11/24/2010	11/01/2040
31419DQV6	SERIES 148	MBS Pool # AE3167	956,586.00	261,618.60	FNMA	4.4370	11/24/2010	10/01/2040
31419DQW4	SERIES 148	MBS Pool # AE3168	3,454,698.00	1,109,792.71	FNMA	4.0750	11/24/2010	11/01/2040
			<b>79,885,922.00</b>	<b>19,271,755.20</b>				
3138A3V95	SERIES 149	MBS Pool # AH2439	2,364,960.00	551,482.68	FNMA	3.8250	12/28/2010	12/01/2040
3138A3W37	SERIES 149	MBS Pool # AH2465	1,122,003.00	168,619.16	FNMA	3.9500	03/17/2011	02/01/2041
3138A3W52	SERIES 149	MBS Pool # AH2467	2,143,396.00	487,605.95	FNMA	4.7500	03/28/2011	03/01/2041
3138A3W78	SERIES 149	MBS Pool # AH2469	1,312,650.00	449,137.12	FNMA	4.3750	03/28/2011	03/01/2041
3138A3W86	SERIES 149	MBS Pool # AH2470	1,201,029.00	620,638.76	FNMA	4.1250	03/28/2011	03/01/2041
3138A3W94	SERIES 149	MBS Pool # AH2471	744,994.00	529,284.42	FNMA	3.7500	03/28/2011	01/01/2041
3138A3WA1	SERIES 149	MBS Pool # AH2440	2,445,029.00	311,927.94	FNMA	3.9500	12/28/2010	12/01/2040
3138A3WE3	SERIES 149	MBS Pool # AH2444	1,056,039.00	691,026.79	FNMA	3.8250	02/04/2011	01/01/2041
3138A3WF0	SERIES 149	MBS Pool # AH2445	1,821,455.00	526,823.21	FNMA	3.9500	02/04/2011	01/01/2041
3138A3WG8	SERIES 149	MBS Pool # AH2446	1,852,879.00	507,352.64	FNMA	4.0750	02/04/2011	01/01/2041
3138A3WH6	SERIES 149	MBS Pool # AH2447	1,286,829.00	611,547.60	FNMA	4.2000	02/04/2011	01/01/2041
3138A3WJ2	SERIES 149	MBS Pool # AH2448	1,706,087.00	420,182.10	FNMA	3.8750	02/04/2011	01/01/2041
3138A3WK9	SERIES 149	MBS Pool # AH2449	2,161,190.00	385,313.38	FNMA	4.0000	02/04/2011	01/01/2041
3138A3WL7	SERIES 149	MBS Pool # AH2450	2,262,880.00	1,137,329.77	FNMA	4.1250	02/04/2011	01/01/2041
3138A3WM5	SERIES 149	MBS Pool # AH2451	2,548,021.00	602,026.02	FNMA	4.2500	02/04/2011	01/01/2041
3138A3WS2	SERIES 149	MBS Pool # AH2456	1,924,551.00	319,043.65	FNMA	4.3250	02/23/2011	02/01/2041
3138A3WT0	SERIES 149	MBS Pool # AH2457	1,368,910.00	551,699.39	FNMA	4.0000	02/23/2011	02/01/2041
3138A3WU7	SERIES 149	MBS Pool # AH2458	1,281,900.00	283,834.64	FNMA	4.2500	02/23/2011	02/01/2041
3138A3WV5	SERIES 149	MBS Pool # AH2459	1,704,658.00	220,794.05	FNMA	4.3750	02/23/2011	02/01/2041
3138A3WW3	SERIES 149	MBS Pool # AH2460	2,510,758.00	932,930.04	FNMA	4.5000	02/23/2011	02/01/2041
3138ABRU5	SERIES 149	MBS Pool # AH9498	2,269,410.00	713,389.55	FNMA	4.3750	04/26/2011	04/01/2041
31419DQ20	SERIES 149	MBS Pool # AE3172	1,154,520.00	327,716.21	FNMA	3.9370	12/28/2010	12/01/2040
31419DQ38	SERIES 149	MBS Pool # AE3173	1,351,810.00	335,712.36	FNMA	4.0620	12/28/2010	12/01/2040
			<b>39,595,958.00</b>	<b>11,685,417.43</b>				
3138ABSQ3	SERIES 149B	MBS Pool # AH9526	1,757,822.00	682,593.10	FNMA	4.2500	08/17/2011	08/01/2041
3138ABSR1	SERIES 149B	MBS Pool # AH9527	2,619,894.00	555,636.68	FNMA	4.3750	08/17/2011	08/01/2041
3138ABSS9	SERIES 149B	MBS Pool # AH9528	1,915,982.00	364,298.55	FNMA	4.4900	08/17/2011	08/01/2041
3138ABST7	SERIES 149B	MBS Pool # AH9529	1,057,603.00	203,518.81	FNMA	4.6250	08/17/2011	07/01/2041
3138ABSW0	SERIES 149B	MBS Pool # AH9532	4,163,265.00	2,268,544.53	FNMA	4.0000	09/23/2011	09/01/2041
3138ARC28	SERIES 149B	MBS Pool # AJ0088	6,746,040.00	1,962,957.15	FNMA	4.1250	09/23/2011	09/01/2041
3138ARC36	SERIES 149B	MBS Pool # AJ0089	1,649,816.00	808,990.92	FNMA	4.2500	09/23/2011	09/01/2041
3138ARC44	SERIES 149B	MBS Pool # AJ0090	4,222,096.00	846,046.49	FNMA	4.3750	09/23/2011	09/01/2041

Security ID	Series	Pool Number	Original Par Amount (\$)	Par Amount Outstanding (\$)	Type of MBS	Pass Through Interest Rate (%)	Purchase Date	Maturity Date
3138ARC51	SERIES 149B	MBS Pool # AJ0091	3,312,420.00	577,011.24	FNMA	4.5000	09/23/2011	09/01/2041
3138ARC85	SERIES 149B	MBS Pool # AJ0094	2,040,768.00	1,111,247.21	FNMA	3.7500	10/26/2011	10/01/2041
3138ARC93	SERIES 149B	MBS Pool # AJ0095	2,722,100.00	1,359,708.05	FNMA	3.8750	10/26/2011	10/01/2041
3138ARDA9	SERIES 149B	MBS Pool # AJ0096	2,296,493.00	395,355.90	FNMA	4.0000	10/26/2011	10/01/2041
			<b>34,504,299.00</b>	<b>11,135,908.63</b>				
3138ARDM3	SERIES 149C	MBS Pool # AJ0107	1,177,438.00	1,023,462.89	FNMA	3.3750	12/27/2011	12/01/2041
3138ARDN1	SERIES 149C	MBS Pool # AJ0108	2,266,320.00	1,620,920.17	FNMA	3.5000	12/27/2011	12/01/2041
3138ARDP6	SERIES 149C	MBS Pool # AJ0109	2,361,726.00	682,532.86	FNMA	3.6250	12/27/2011	12/01/2041
3138ARDR2	SERIES 149C	MBS Pool # AJ0111	2,695,060.00	986,198.29	FNMA	3.8750	12/27/2011	12/01/2041
3138ARDS0	SERIES 149C	MBS Pool # AJ0112	4,157,085.00	1,620,703.33	FNMA	4.0000	12/27/2011	12/01/2041
			<b>12,657,629.00</b>	<b>5,933,817.54</b>				
3138ARD35	SERIES 149D	MBS Pool # AJ0121	1,637,052.00	569,924.40	FNMA	3.8750	02/24/2012	02/01/2042
3138ARD43	SERIES 149D	MBS Pool # AJ0122	4,098,385.00	2,326,278.32	FNMA	3.6250	02/24/2012	02/01/2042
3138ARDV3	SERIES 149D	MBS Pool # AJ0115	1,298,335.00	553,993.06	FNMA	3.3750	01/26/2012	01/01/2042
3138ARDW1	SERIES 149D	MBS Pool # AJ0116	3,091,619.00	1,777,623.44	FNMA	3.6250	01/26/2012	01/01/2042
3138ARDX9	SERIES 149D	MBS Pool # AJ0117	3,066,679.00	1,653,737.76	FNMA	3.7500	01/26/2012	01/01/2042
3138ARDY7	SERIES 149D	MBS Pool # AJ0118	3,087,532.00	1,023,553.64	FNMA	3.8750	01/26/2012	01/01/2042
			<b>16,279,602.00</b>	<b>7,905,110.62</b>				
3138ABR27	SERIES 150-152	MBS Pool # AH9504	1,516,850.00	133,072.79	FNMA	4.3750	05/18/2011	05/01/2041
3138ABR35	SERIES 150-152	MBS Pool # AH9505	1,776,493.00	444,509.71	FNMA	4.4900	05/18/2011	05/01/2041
3138ABR43	SERIES 150-152	MBS Pool # AH9506	1,509,081.00	643,750.76	FNMA	4.7500	05/18/2011	05/01/2041
3138ABR68	SERIES 150-152	MBS Pool # AH9508	1,502,766.00	435,858.76	FNMA	4.1250	06/24/2011	06/01/2041
3138ABR76	SERIES 150-152	MBS Pool # AH9509	1,834,529.00	894,975.04	FNMA	4.2500	06/24/2011	06/01/2041
3138ABR84	SERIES 150-152	MBS Pool # AH9510	2,707,241.00	157,226.83	FNMA	4.3750	06/24/2011	06/01/2041
3138ABR92	SERIES 150-152	MBS Pool # AH9511	3,119,148.00	648,854.92	FNMA	4.4900	06/24/2011	06/01/2041
3138ABRV3	SERIES 150-152	MBS Pool # AH9499	2,253,801.00	983,654.80	FNMA	4.4900	04/26/2011	04/01/2041
3138ABRW1	SERIES 150-152	MBS Pool # AH9500	949,763.00	237,011.55	FNMA	4.6250	04/26/2011	04/01/2041
3138ABRZ4	SERIES 150-152	MBS Pool # AH9503	1,348,763.00	382,973.95	FNMA	4.2500	05/18/2011	05/01/2041
3138ABSA8	SERIES 150-152	MBS Pool # AH9512	2,298,887.00	594,247.38	FNMA	4.7500	06/24/2011	06/01/2041
3138ABSF7	SERIES 150-152	MBS Pool # AH9517	911,302.00	320,843.78	FNMA	4.0000	07/22/2011	07/01/2041
3138ABSG5	SERIES 150-152	MBS Pool # AH9518	2,332,910.00	445,084.39	FNMA	4.1250	07/22/2011	07/01/2041
3138ABSH3	SERIES 150-152	MBS Pool # AH9519	2,831,247.00	685,338.13	FNMA	4.2500	07/22/2011	07/01/2041
			<b>26,892,781.00</b>	<b>7,007,402.79</b>				
3138ABSJ9	SERIES 155	MBS Pool # AH9520	1,858,317.00	454,767.63	FNMA	4.3750	07/22/2011	07/01/2041
3138ABSK6	SERIES 155	MBS Pool # AH9521	4,017,257.00	1,478,747.37	FNMA	4.4900	07/22/2011	07/01/2041
3138ABSL4	SERIES 155	MBS Pool # AH9522	904,023.00	488,533.37	FNMA	4.7500	07/25/2011	06/01/2041
3138ABSN0	SERIES 155	MBS Pool # AH9524	2,757,514.00	1,134,197.87	FNMA	4.0000	08/17/2011	08/01/2041
3138ABSP5	SERIES 155	MBS Pool # AH9525	4,462,351.00	848,370.48	FNMA	4.1250	08/17/2011	08/01/2041
			<b>13,999,462.00</b>	<b>4,404,616.72</b>				
3138ARDB7	SERIES 156	MBS Pool # AJ0097	3,125,044.00	1,412,148.10	FNMA	4.1250	10/26/2011	10/01/2041
3138ARDC5	SERIES 156	MBS Pool # AJ0098	2,986,656.00	663,659.37	FNMA	4.3750	10/26/2011	10/01/2041
3138ARDF8	SERIES 156	MBS Pool # AJ0101	2,257,987.00	1,171,937.84	FNMA	4.0000	11/17/2011	11/01/2041

Security ID	Series	Pool Number	Original Par Amount (\$)	Par Amount Outstanding (\$)	Type of MBS	Pass Through Interest Rate (%)	Purchase Date	Maturity Date
3138ARDG6	SERIES 156	MBS Pool # AJ0102	2,082,988.00	932,771.07	FNMA	3.8750	11/17/2011	11/01/2041
3138ARDH4	SERIES 156	MBS Pool # AJ0103	3,572,361.00	1,402,841.84	FNMA	3.7500	11/17/2011	11/01/2041
3138ARDJ0	SERIES 156	MBS Pool # AJ0104	2,327,166.00	1,327,216.61	FNMA	3.6250	11/17/2011	11/01/2041
3138ARDQ4	SERIES 156	MBS Pool # AJ0110	4,726,650.00	1,914,166.46	FNMA	3.7500	12/27/2011	12/01/2041
			<b>21,078,852.00</b>	<b>8,824,741.29</b>				
3138ARD84	SERIES 157-159	MBS Pool # AJ0126	12,681,957.00	6,159,959.81	FNMA	3.5000	04/26/2012	04/01/2042
3138AREA8	SERIES 157-159	MBS Pool # AJ0128	12,717,158.00	6,270,865.18	FNMA	3.5000	04/26/2012	04/01/2042
3138ARED2	SERIES 157-159	MBS Pool # AJ0131	8,415,455.00	2,852,186.93	FNMA	3.5000	05/22/2012	05/01/2042
			<b>33,814,570.00</b>	<b>15,283,011.92</b>				
3138MGDU6	SERIES 162	MBS Pool # AQ1014	10,113,276.00	6,503,593.08	FNMA	3.0000	02/20/2013	02/01/2043
3138WMSB8	SERIES 162	MBS Pool # AT0513	18,997,634.00	13,086,504.03	FNMA	3.0000	03/19/2013	03/01/2043
			<b>29,110,910.00</b>	<b>19,590,097.11</b>				
3138WMSC6	SERIES 163-166	MBS Pool # AT0514	12,131,080.00	7,490,198.87	FNMA	3.0000	03/21/2013	03/01/2043
3138WMSF9	SERIES 163-166	MBS Pool # AT0517	5,946,656.00	4,165,717.88	FNMA	3.0000	04/26/2013	04/01/2043
			<b>18,077,736.00</b>	<b>11,655,916.75</b>				
3138XHMD0	SERIES 167	MBS Pool # AV5755	3,835,039.00	1,512,452.65	FNMA	4.0000	12/23/2013	12/01/2043
3138XHMH1	SERIES 167	MBS Pool # AV5759	15,376,608.00	6,073,014.70	FNMA	4.0000	01/23/2014	01/01/2044
3138XHMJ7	SERIES 167	MBS Pool # AV5760	103,062.00	94,758.18	FNMA	3.0000	01/23/2014	06/01/2043
3138XHMN8	SERIES 167	MBS Pool # AV5764	18,241,207.00	8,456,396.09	FNMA	4.0000	02/20/2014	02/01/2044
3138XHMP3	SERIES 167	MBS Pool # AV5765	5,360,703.00	3,816,198.56	FNMA	3.5000	02/20/2014	01/01/2044
			<b>42,916,619.00</b>	<b>19,952,820.18</b>				
3138XHM24	SERIES 168-170	MBS Pool # AV5776	5,327,086.00	2,736,711.42	FNMA	3.7500	06/18/2014	06/01/2044
3138XHM32	SERIES 168-170	MBS Pool # AV5777	15,632,421.00	7,624,257.80	FNMA	3.8750	06/18/2014	06/01/2044
3138XHM40	SERIES 168-170	MBS Pool # AV5778	4,912,710.00	2,047,478.76	FNMA	4.0000	06/18/2014	06/01/2044
3138XHMV0	SERIES 168-170	MBS Pool # AV5771	4,616,613.00	1,689,249.05	FNMA	3.7500	05/14/2014	05/01/2044
3138XHMW8	SERIES 168-170	MBS Pool # AV5772	8,119,147.00	2,217,550.25	FNMA	3.8750	05/14/2014	05/01/2044
3138XHMY4	SERIES 168-170	MBS Pool # AV5774	3,336,223.00	1,285,101.69	FNMA	4.0000	05/14/2014	05/01/2044
3138XW3X4	SERIES 168-170	MBS Pool # AW7113	1,028,004.00	639,900.38	FNMA	3.6250	06/18/2014	05/01/2044
3138XW4B1	SERIES 168-170	MBS Pool # AW7117	3,205,446.00	1,422,357.20	FNMA	3.7500	07/18/2014	06/01/2044
3138XW4C9	SERIES 168-170	MBS Pool # AW7118	7,072,511.00	4,458,801.05	FNMA	3.8750	07/18/2014	07/01/2044
3138XW4D7	SERIES 168-170	MBS Pool # AW7119	2,490,615.00	1,358,361.63	FNMA	4.0000	07/18/2014	06/01/2044
3138XW4E5	SERIES 168-170	MBS Pool # AW7120	1,189,264.00	367,156.03	FNMA	4.1250	07/18/2014	07/01/2044
3138XW4K1	SERIES 168-170	MBS Pool # AW7125	3,658,638.00	2,226,105.53	FNMA	3.7500	09/18/2014	09/01/2044
3138XW4L9	SERIES 168-170	MBS Pool # AW7126	4,435,785.00	2,952,123.48	FNMA	3.8750	09/18/2014	09/01/2044
			<b>65,024,463.00</b>	<b>31,025,154.27</b>				
3138XW4M7	SERIES 171	MBS Pool # AW7127	2,415,223.00	1,956,685.55	FNMA	4.1500	09/23/2014	09/01/2044
3138XW4N5	SERIES 171	MBS Pool # AW7128	5,143,747.00	2,961,046.08	FNMA	4.0250	09/23/2014	09/01/2044
3138XW4P0	SERIES 171	MBS Pool # AW7129	1,780,665.00	679,344.38	FNMA	3.6250	09/23/2014	09/01/2044
3138XW4Q8	SERIES 171	MBS Pool # AW7130	1,978,580.00	1,567,247.28	FNMA	3.5000	09/23/2014	09/01/2044
3138XW4T2	SERIES 171	MBS Pool # AW7133	3,010,747.00	2,262,249.00	FNMA	3.5000	10/23/2014	10/01/2044
3138XW4U9	SERIES 171	MBS Pool # AW7134	2,633,397.00	1,759,572.19	FNMA	3.6250	10/23/2014	10/01/2044

Security ID	Series	Pool Number	Original Par Amount (\$)	Par Amount Outstanding (\$)	Type of MBS	Pass Through Interest Rate (%)	Purchase Date	Maturity Date
3138XW4V7	SERIES 171	MBS Pool # AW7135	1,608,751.00	1,233,757.01	FNMA	3.7500	10/23/2014	10/01/2044
3138XW4W5	SERIES 171	MBS Pool # AW7136	3,627,666.00	1,666,991.72	FNMA	4.0250	10/23/2014	10/01/2044
3138XW4X3	SERIES 171	MBS Pool # AW7137	1,952,492.00	1,392,290.40	FNMA	4.1500	10/23/2014	10/01/2044
3138Y8JE1	SERIES 171	MBS Pool # AX6560	1,326,247.00	897,884.94	FNMA	4.2750	10/23/2014	10/01/2044
3138Y8JF8	SERIES 171	MBS Pool # AX6561	1,734,855.00	1,262,138.41	FNMA	3.9000	10/23/2014	10/01/2044
3138Y8JJ0	SERIES 171	MBS Pool # AX6564	1,153,439.00	728,899.80	FNMA	4.1500	11/21/2014	11/01/2044
3138Y8JK7	SERIES 171	MBS Pool # AX6565	3,959,038.00	2,389,929.43	FNMA	4.0250	11/21/2014	11/01/2044
3138Y8JL5	SERIES 171	MBS Pool # AX6566	2,642,632.00	1,112,876.26	FNMA	3.9000	11/21/2014	11/01/2044
3138Y8JN1	SERIES 171	MBS Pool # AX6568	1,571,650.00	1,035,110.45	FNMA	3.6250	11/21/2014	11/01/2044
3138Y8JP6	SERIES 171	MBS Pool # AX6569	5,611,567.00	3,409,929.03	FNMA	3.5000	11/21/2014	11/01/2044
3138Y8JQ4	SERIES 171	MBS Pool # AX6570	2,113,449.00	1,240,166.35	FNMA	3.3750	11/21/2014	11/01/2044
3138Y8JT8	SERIES 171	MBS Pool # AX6573	1,442,122.00	872,038.76	FNMA	3.5250	12/19/2014	11/01/2044
3138Y8JU5	SERIES 171	MBS Pool # AX6574	987,870.00	163,771.87	FNMA	3.6250	12/19/2014	12/01/2044
3138Y8JV3	SERIES 171	MBS Pool # AX6575	3,759,332.00	2,921,643.12	FNMA	3.7500	12/19/2014	12/01/2044
3138Y8JW1	SERIES 171	MBS Pool # AX6576	1,837,948.00	1,258,047.74	FNMA	4.0250	12/19/2014	12/01/2044
3138Y8JX9	SERIES 171	MBS Pool # AX6577	3,167,419.00	1,957,598.81	FNMA	3.5000	01/16/2015	01/01/2045
			<b>55,458,836.00</b>	<b>34,729,218.58</b>				
3138Y8J35	SERIES 172-174	MBS Pool # AX6581	984,109.00	637,847.36	FNMA	4.1500	01/23/2015	01/01/2045
3138Y8J43	SERIES 172-174	MBS Pool # AX6582	3,672,799.00	2,869,879.22	FNMA	4.0250	01/23/2015	01/01/2045
3138Y8J50	SERIES 172-174	MBS Pool # AX6583	3,176,921.00	2,157,085.05	FNMA	3.9000	01/23/2015	01/01/2045
3138Y8J68	SERIES 172-174	MBS Pool # AX6584	3,939,351.00	2,935,002.27	FNMA	3.7500	01/23/2015	01/01/2045
3138Y8J76	SERIES 172-174	MBS Pool # AX6585	2,161,406.00	1,777,550.01	FNMA	3.6500	01/23/2015	01/01/2045
3138Y8J92	SERIES 172-174	MBS Pool # AX6587	6,042,416.00	3,429,788.67	FNMA	3.3750	01/23/2015	01/01/2045
3138Y8KD1	SERIES 172-174	MBS Pool # AX6591	2,245,559.00	1,853,072.56	FNMA	4.0250	02/24/2015	02/01/2045
3138Y8KE9	SERIES 172-174	MBS Pool # AX6592	4,036,009.00	2,818,831.33	FNMA	3.9000	02/24/2015	02/01/2045
3138Y8KF6	SERIES 172-174	MBS Pool # AX6593	2,924,876.00	2,055,985.98	FNMA	3.7750	02/24/2015	02/01/2045
3138Y8KG4	SERIES 172-174	MBS Pool # AX6594	1,766,997.00	1,391,664.96	FNMA	3.6250	02/24/2015	02/01/2045
3138Y8KH2	SERIES 172-174	MBS Pool # AX6595	3,202,401.00	3,040,834.31	FNMA	3.5000	02/24/2015	02/01/2045
3138Y8KJ8	SERIES 172-174	MBS Pool # AX6596	4,643,076.00	3,562,956.03	FNMA	3.3750	02/24/2015	02/01/2045
3138Y8KK5	SERIES 172-174	MBS Pool # AX6597	2,616,299.00	1,854,431.15	FNMA	3.2500	02/24/2015	02/01/2045
3138Y8KP4	SERIES 172-174	MBS Pool # AX6601	1,852,438.00	1,683,740.12	FNMA	3.2500	03/25/2015	03/01/2045
3138Y8KQ2	SERIES 172-174	MBS Pool # AX6602	4,410,320.00	3,581,105.17	FNMA	3.3750	03/25/2015	03/01/2045
3138Y8KR0	SERIES 172-174	MBS Pool # AX6603	3,785,680.00	2,229,657.30	FNMA	3.5000	03/25/2015	03/01/2045
3138Y8KS8	SERIES 172-174	MBS Pool # AX6604	2,133,650.00	1,556,318.34	FNMA	3.6250	03/25/2015	03/01/2045
3138Y8KT6	SERIES 172-174	MBS Pool # AX6605	1,635,565.00	1,348,125.05	FNMA	3.7750	03/25/2015	03/01/2045
3138Y8KU3	SERIES 172-174	MBS Pool # AX6606	2,703,853.00	1,471,452.51	FNMA	3.9000	03/25/2015	03/01/2045
3138YNYT8	SERIES 172-174	MBS Pool # AY8821	2,213,550.00	1,712,565.32	FNMA	3.1250	04/24/2015	04/01/2045
3138YNYU5	SERIES 172-174	MBS Pool # AY8822	1,671,178.00	1,310,338.05	FNMA	3.0000	04/24/2015	04/01/2045
3138YNYV3	SERIES 172-174	MBS Pool # AY8823	2,370,711.00	1,684,537.43	FNMA	3.6500	04/24/2015	04/01/2045
3138YNYW1	SERIES 172-174	MBS Pool # AY8824	1,249,498.00	1,182,806.35	FNMA	3.5000	04/24/2015	04/01/2045
3138YNYZ4	SERIES 172-174	MBS Pool # AY8827	2,671,136.00	1,828,984.01	FNMA	3.3750	05/15/2015	05/01/2045
			<b>68,109,798.00</b>	<b>49,974,558.55</b>				
3138YNY50	SERIES 175-177	MBS Pool # AY8831	2,505,757.00	2,256,434.77	FNMA	3.0000	06/26/2015	06/01/2045
3138YNY68	SERIES 175-177	MBS Pool # AY8832	3,319,159.00	2,785,237.47	FNMA	3.1250	06/26/2015	06/01/2045
3138YNY76	SERIES 175-177	MBS Pool # AY8833	4,094,477.00	3,608,529.65	FNMA	3.2500	06/26/2015	06/01/2045



Security ID	Series	Pool Number	Original Par Amount (\$)	Par Amount Outstanding (\$)	Type of MBS	Pass Through Interest Rate (%)	Purchase Date	Maturity Date
3138YNY84	SERIES 175-177	MBS Pool # AY8834	2,830,422.00	2,328,954.62	FNMA	3.3750	06/26/2015	06/01/2045
3138YNY92	SERIES 175-177	MBS Pool # AY8835	4,633,170.00	2,919,430.39	FNMA	3.5000	06/26/2015	06/01/2045
3138YNZA8	SERIES 175-177	MBS Pool # AY8836	3,604,505.00	3,197,209.75	FNMA	3.6500	06/26/2015	06/01/2045
3138YNZB6	SERIES 175-177	MBS Pool # AY8837	3,134,176.00	2,918,654.09	FNMA	3.7750	06/26/2015	06/01/2045
3138YNZC4	SERIES 175-177	MBS Pool # AY8838	1,518,949.00	1,219,805.55	FNMA	3.9000	06/26/2015	06/01/2045
3138YNZG5	SERIES 175-177	MBS Pool # AY8842	2,781,241.00	2,147,572.13	FNMA	3.0250	07/27/2015	07/01/2045
3138YNZH3	SERIES 175-177	MBS Pool # AY8843	3,161,583.00	2,803,776.18	FNMA	3.1250	07/27/2015	07/01/2045
3138YNZJ9	SERIES 175-177	MBS Pool # AY8844	1,729,568.00	1,417,821.94	FNMA	3.2500	07/27/2015	07/01/2045
3138YNZK6	SERIES 175-177	MBS Pool # AY8845	2,580,307.00	2,181,688.11	FNMA	3.3750	07/27/2015	07/01/2045
3138YNZL4	SERIES 175-177	MBS Pool # AY8846	5,856,523.00	5,605,109.66	FNMA	3.5250	07/27/2015	07/01/2045
3138YNZM2	SERIES 175-177	MBS Pool # AY8847	2,831,706.00	2,527,969.61	FNMA	3.6500	07/27/2015	07/01/2045
3138YNZN0	SERIES 175-177	MBS Pool # AY8848	934,071.00	664,962.27	FNMA	3.9000	07/27/2015	07/01/2045
3138YNZS9	SERIES 175-177	MBS Pool # AY8852	1,244,966.00	1,196,785.35	FNMA	3.1250	09/24/2015	07/01/2045
3138YNZT7	SERIES 175-177	MBS Pool # AY8853	1,571,752.00	1,384,452.28	FNMA	3.5250	09/24/2015	08/01/2045
3138YNZU4	SERIES 175-177	MBS Pool # AY8854	895,383.00	859,017.41	FNMA	3.7750	09/24/2015	09/01/2045
3138YNZV2	SERIES 175-177	MBS Pool # AY8855	1,001,811.00	597,943.23	FNMA	3.0000	09/25/2015	07/01/2045
			<b>50,229,526.00</b>	<b>42,621,354.46</b>				
3138YN2A4	SERIES 178-180	MBS Pool # AY8868	1,502,445.00	1,123,307.51	FNMA	3.4000	01/26/2016	01/01/2046
3138YN2B2	SERIES 178-180	MBS Pool # AY8869	2,024,849.00	1,816,461.13	FNMA	3.5250	01/26/2016	01/01/2046
3138YN2C0	SERIES 178-180	MBS Pool # AY8870	1,499,349.00	1,452,683.10	FNMA	3.9250	01/26/2016	01/01/2046
3140E7E22	SERIES 178-180	MBS Pool # BA2852	2,106,552.00	1,697,438.55	FNMA	4.0500	04/26/2016	04/01/2046
3140E7E30	SERIES 178-180	MBS Pool # BA2853	2,007,148.00	1,950,598.63	FNMA	3.9250	04/26/2016	04/01/2046
3140E7E48	SERIES 178-180	MBS Pool # BA2854	2,371,579.00	2,302,109.34	FNMA	3.8000	04/26/2016	04/01/2046
3140E7E55	SERIES 178-180	MBS Pool # BA2855	2,406,085.00	2,336,138.18	FNMA	3.6750	04/26/2016	04/01/2046
3140E7E89	SERIES 178-180	MBS Pool # BA2858	1,734,652.00	1,472,393.64	FNMA	3.9000	05/26/2016	05/01/2046
3140E7E97	SERIES 178-180	MBS Pool # BA2859	3,293,796.00	3,044,406.38	FNMA	3.6500	05/26/2016	05/01/2046
3140E7EC0	SERIES 178-180	MBS Pool # BA2830	3,277,969.00	2,484,366.01	FNMA	3.2750	02/24/2016	02/01/2046
3140E7ED8	SERIES 178-180	MBS Pool # BA2831	4,733,706.00	3,690,993.74	FNMA	3.4000	02/24/2016	02/01/2046
3140E7EE6	SERIES 178-180	MBS Pool # BA2832	5,288,482.00	5,123,334.50	FNMA	3.9250	02/24/2016	02/24/2046
3140E7EF3	SERIES 178-180	MBS Pool # BA2833	1,302,987.00	1,261,721.06	FNMA	4.0500	02/24/2016	02/01/2046
3140E7EK2	SERIES 178-180	MBS Pool # BA2837	4,989,045.00	4,825,138.21	FNMA	3.5250	03/25/2016	03/01/2046
3140E7EL0	SERIES 178-180	MBS Pool # BA2838	5,494,158.00	5,314,511.40	FNMA	3.4000	03/25/2016	03/01/2046
3140E7EM8	SERIES 178-180	MBS Pool # BA2839	1,516,457.00	1,321,196.62	FNMA	3.2750	03/25/2016	03/01/2046
3140E7EN6	SERIES 178-180	MBS Pool # BA2840	1,835,279.00	1,587,463.77	FNMA	3.1500	03/25/2016	03/01/2046
3140E7EP1	SERIES 178-180	MBS Pool # BA2841	4,666,518.00	4,228,879.18	FNMA	3.9250	03/25/2016	03/01/2046
3140E7EQ9	SERIES 178-180	MBS Pool # BA2842	6,001,998.00	4,462,392.89	FNMA	3.8000	03/25/2016	03/01/2046
3140E7ER7	SERIES 178-180	MBS Pool # BA2843	3,952,588.00	3,827,375.77	FNMA	3.6750	03/25/2016	03/01/2046
3140E7EV8	SERIES 178-180	MBS Pool # BA2847	5,679,035.00	5,328,029.98	FNMA	3.4000	04/26/2016	04/01/2046
3140E7EW6	SERIES 178-180	MBS Pool # BA2848	2,105,406.00	2,043,031.20	FNMA	3.2750	04/26/2016	04/01/2046
3140E7EX4	SERIES 178-180	MBS Pool # BA2849	3,110,101.00	2,845,197.02	FNMA	3.1500	04/26/2016	04/01/2046
3140E7EY2	SERIES 178-180	MBS Pool # BA2850	1,359,529.00	1,316,164.54	FNMA	3.0500	04/26/2016	04/01/2046
3140E7FA3	SERIES 178-180	MBS Pool # BA2860	1,957,903.00	1,900,503.57	FNMA	3.5250	05/26/2016	05/01/2046
3140E7FB1	SERIES 178-180	MBS Pool # BA2861	1,295,175.00	1,257,472.38	FNMA	3.4000	05/26/2016	05/01/2046
3140E7FC9	SERIES 178-180	MBS Pool # BA2862	2,544,017.00	2,471,283.61	FNMA	3.2750	05/26/2016	05/01/2046
3140E7FD7	SERIES 178-180	MBS Pool # BA2863	2,075,709.00	1,860,975.37	FNMA	3.1500	05/26/2016	06/01/2046
3140E7FE5	SERIES 178-180	MBS Pool # BA2864	3,045,787.00	2,807,635.16	FNMA	3.0250	05/26/2016	05/01/2046

Security ID	Series	Pool Number	Original Par Amount (\$)	Par Amount Outstanding (\$)	Type of MBS	Pass Through Interest Rate (%)	Purchase Date	Maturity Date
3140E7FF2	SERIES 178-180	MBS Pool # BA2865	2,732,334.00	2,640,903.92	FNMA	2.7750	05/26/2016	05/01/2046
3140E7FK1	SERIES 178-180	MBS Pool # BA2869	2,359,741.00	2,298,842.48	FNMA	3.6500	06/20/2016	06/01/2046
			<b>90,270,379.00</b>	<b>82,092,948.84</b>				
3140E7FL9	SERIES 181-182	MBS Pool # BA2870	4,266,041.00	4,154,712.73	FNMA	3.5250	06/24/2016	06/01/2046
3140E7FM7	SERIES 181-182	MBS Pool # BA2871	3,190,090.00	3,104,632.75	FNMA	3.4000	06/24/2016	06/01/2046
3140E7FN5	SERIES 181-182	MBS Pool # BA2872	2,846,233.00	2,293,120.45	FNMA	3.2750	06/24/2016	06/01/2046
3140E7FP0	SERIES 181-182	MBS Pool # BA2873	2,218,619.00	2,157,333.24	FNMA	3.1500	06/24/2016	06/01/2046
3140E7FQ8	SERIES 181-182	MBS Pool # BA2874	7,263,258.00	6,862,225.00	FNMA	3.0250	06/24/2016	06/01/2046
3140E7FR6	SERIES 181-182	MBS Pool # BA2875	3,053,050.00	2,964,616.25	FNMA	2.7750	06/24/2016	06/01/2046
3140F8H26	SERIES 181-182	MBS Pool # BD1148	2,452,635.00	2,384,619.78	FNMA	2.8000	07/26/2016	07/01/2046
3140F8H34	SERIES 181-182	MBS Pool # BD1149	4,496,378.00	4,262,591.58	FNMA	3.0500	07/26/2016	07/01/2046
3140F8H42	SERIES 181-182	MBS Pool # BD1150	1,521,666.00	1,269,616.21	FNMA	3.2750	07/26/2016	07/01/2046
3140F8H59	SERIES 181-182	MBS Pool # BD1151	2,916,347.00	2,839,440.21	FNMA	3.5500	07/26/2016	07/01/2046
3140F8H67	SERIES 181-182	MBS Pool # BD1152	994,503.00	971,403.55	FNMA	3.8000	07/26/2016	07/01/2046
3140F8J81	SERIES 181-182	MBS Pool # BD1186	2,924,602.00	2,864,922.19	FNMA	2.5500	12/28/2016	12/01/2046
3140F8J99	SERIES 181-182	MBS Pool # BD1187	9,227,393.00	9,023,239.88	FNMA	2.8000	12/28/2016	12/01/2046
3140F8JB4	SERIES 181-182	MBS Pool # BD1157	1,364,422.00	1,329,181.71	FNMA	2.9250	08/15/2016	07/01/2046
3140F8JC2	SERIES 181-182	MBS Pool # BD1158	1,240,801.00	1,211,467.92	FNMA	3.6750	08/15/2016	07/01/2046
3140F8JN8	SERIES 181-182	MBS Pool # BD1168	1,022,182.00	997,146.58	FNMA	2.8000	10/14/2016	10/01/2046
			<b>50,998,220.00</b>	<b>48,690,270.03</b>				
3140F8J24	SERIES 183-184	MBS Pool # BD1180	4,570,199.00	4,351,049.27	FNMA	2.7750	11/23/2016	11/01/2046
3140F8J32	SERIES 183-184	MBS Pool # BD1181	2,867,694.00	2,809,410.41	FNMA	2.9000	11/23/2016	11/01/2046
3140F8JQ1	SERIES 183-184	MBS Pool # BD1170	4,501,817.00	4,228,317.76	FNMA	2.8000	11/03/2016	11/01/2046
3140F8JR9	SERIES 183-184	MBS Pool # BD1171	4,337,317.00	4,250,219.13	FNMA	2.9000	11/03/2016	11/01/2046
3140F8JZ1	SERIES 183-184	MBS Pool # BD1179	3,902,523.00	3,817,432.66	FNMA	2.6750	11/23/2016	11/01/2046
3140F8KA4	SERIES 183-184	MBS Pool # BD1188	4,552,433.00	4,461,288.02	FNMA	2.9000	12/28/2016	12/01/2046
3140F8KB2	SERIES 183-184	MBS Pool # BD1189	1,292,276.00	1,269,663.69	FNMA	3.0250	12/28/2016	12/01/2046
3140FSCD3	SERIES 183-184	MBS Pool # BE6367	4,382,088.00	4,299,993.96	FNMA	2.6750	01/25/2017	01/01/2047
3140FSCE1	SERIES 183-184	MBS Pool # BE6368	6,739,674.00	6,547,792.66	FNMA	2.9000	01/25/2017	01/01/2047
3140FSCF8	SERIES 183-184	MBS Pool # BE6369	3,675,051.00	3,515,166.77	FNMA	3.0500	01/25/2017	01/01/2047
			<b>40,821,072.00</b>	<b>39,550,334.33</b>				
3140FSC27	SERIES 185-186	MBS Pool # BE6388	4,377,628.00	4,011,264.76	FNMA	3.9250	03/24/2017	03/01/2047
3140FSC35	SERIES 185-186	MBS Pool # BE6389	2,634,169.00	2,603,850.77	FNMA	4.1750	03/24/2017	03/01/2047
3140FSCK7	SERIES 185-186	MBS Pool # BE6373	1,761,942.00	1,731,835.34	FNMA	2.6750	02/24/2017	01/01/2047
3140FSCL5	SERIES 185-186	MBS Pool # BE6374	3,469,684.00	3,272,304.26	FNMA	2.9000	02/24/2017	02/01/2047
3140FSCM3	SERIES 185-186	MBS Pool # BE6375	2,373,522.00	2,334,797.14	FNMA	3.0500	02/24/2017	02/01/2047
3140FSQP6	SERIES 185-186	MBS Pool # BE6377	4,288,254.00	4,223,066.37	FNMA	3.2750	02/24/2017	02/01/2047
3140FSCQ4	SERIES 185-186	MBS Pool # BE6378	9,825,945.00	9,675,946.84	FNMA	3.4250	02/24/2017	02/01/2047
3140FSCR2	SERIES 185-186	MBS Pool # BE6379	2,802,661.00	2,757,661.24	FNMA	3.6500	02/24/2017	02/01/2047
3140FSCS0	SERIES 185-186	MBS Pool # BE6380	5,004,120.00	4,936,201.49	FNMA	3.8000	02/24/2017	02/01/2047
3140FSCT8	SERIES 185-186	MBS Pool # BE6381	3,374,017.00	3,327,787.22	FNMA	4.0500	02/24/2017	02/01/2047
3140FSCW1	SERIES 185-186	MBS Pool # BE6384	1,267,055.00	1,248,967.25	FNMA	3.0500	03/24/2017	01/01/2047
3140FSCX9	SERIES 185-186	MBS Pool # BE6385	2,581,466.00	2,535,905.92	FNMA	3.3000	03/24/2017	03/01/2047
3140FSCY7	SERIES 185-186	MBS Pool # BE6386	3,477,326.00	3,429,407.81	FNMA	3.5250	03/24/2017	03/01/2047

Security ID	Series	Pool Number	Original Par Amount (\$)	Par Amount Outstanding (\$)	Type of MBS	Pass Through Interest Rate (%)	Purchase Date	Maturity Date
3140FSCZ4	SERIES 185-186	MBS Pool # BE6387	3,793,582.00	3,724,970.98	FNMA	3.6750	03/24/2017	03/01/2047
3140FSDJ9	SERIES 185-186	MBS Pool # BE6404	606,293.00	599,114.59	FNMA	2.8000	05/25/2017	01/01/2047
3140FSDK6	SERIES 185-186	MBS Pool # BE6405	1,082,007.00	1,070,449.47	FNMA	3.3000	05/25/2017	04/01/2047
3140FSDL4	SERIES 185-186	MBS Pool # BE6406	1,660,444.00	1,644,423.04	FNMA	3.5500	05/25/2017	04/01/2047
3140FSDM2	SERIES 185-186	MBS Pool # BE6407	680,996.00	673,061.00	FNMA	3.7750	05/25/2017	04/01/2047
3140FSDN0	SERIES 185-186	MBS Pool # BE6408	1,389,313.00	1,376,652.09	FNMA	3.9250	05/25/2017	04/01/2047
3140FSDP5	SERIES 185-186	MBS Pool # BE6409	920,285.00	911,489.22	FNMA	4.1750	05/25/2017	04/01/2047
3140FSDQ3	SERIES 185-186	MBS Pool # BE6410	1,117,339.00	1,107,556.44	FNMA	4.4250	05/25/2017	04/01/2047
			<b>58,488,048.00</b>	<b>57,196,713.24</b>				
3140FSE25	SERIES 187-188	MBS Pool # BE6452	2,317,427.00	2,313,516.18	FNMA	2.9250	11/30/2017	11/01/2047
3140FSE33	SERIES 187-188	MBS Pool # BE6453	2,810,548.00	2,806,418.35	FNMA	3.1750	11/30/2017	11/01/2047
3140FSE41	SERIES 187-188	MBS Pool # BE6454	3,454,689.00	3,447,847.75	FNMA	3.4250	11/30/2017	11/01/2047
3140FSE58	SERIES 187-188	MBS Pool # BE6455	894,207.00	893,014.02	FNMA	3.6750	11/30/2017	11/01/2047
3140FSE82	SERIES 187-188	MBS Pool # BE6458	3,551,091.00	3,551,091.00	FNMA	2.9250	12/28/2017	12/01/2047
3140FSE90	SERIES 187-188	MBS Pool # BE6459	6,261,028.00	6,261,028.00	FNMA	3.1750	12/28/2017	12/01/2047
3140FSEK5	SERIES 187-188	MBS Pool # BE6437	2,014,908.00	2,002,751.93	FNMA	3.0500	09/27/2017	09/01/2047
3140FSEL3	SERIES 187-188	MBS Pool # BE6438	2,171,553.00	2,162,201.48	FNMA	3.3000	09/27/2017	09/01/2047
3140FSEM1	SERIES 187-188	MBS Pool # BE6439	2,134,830.00	2,126,010.78	FNMA	3.5500	09/27/2017	09/01/2047
3140FSET6	SERIES 187-188	MBS Pool # BE6445	4,537,717.00	4,524,051.53	FNMA	3.0500	10/26/2017	11/01/2047
3140FSEU3	SERIES 187-188	MBS Pool # BE6446	3,549,402.00	3,538,847.89	FNMA	3.3000	10/26/2017	10/01/2047
3140FSEV1	SERIES 187-188	MBS Pool # BE6447	3,977,115.00	3,965,384.46	FNMA	3.5500	10/26/2017	10/01/2047
3140FSFA6	SERIES 187-188	MBS Pool # BE6460	4,536,912.00	4,536,912.00	FNMA	3.4250	12/28/2017	12/01/2047
3140FSFB4	SERIES 187-188	MBS Pool # BE6461	1,544,797.00	1,544,797.00	FNMA	3.6750	12/28/2017	12/01/2047
			<b>43,756,224.00</b>	<b>43,673,872.37</b>				
			<b>942,011,006.00</b>	<b>582,669,068.82</b>				

The following table presents certain information regarding the Fannie Mae Mortgage-Backed Securities held under the Residential Mortgage Bond Indenture as of December 31, 2017.

**Residential Mortgage Revenue Bonds  
Fannie Mae Mortgage-Backed Security (MBS) Portfolio  
As of December 31, 2017**

Security ID	Series	Pool Number	Original Par Amount (\$)	Par Amount Outstanding (\$)	Type of MBS	Pass Through Interest Rate (%)	Purchase Date	Maturity Date
3138M13L0	SERIES 2012A	MBS Pool # AO9802	23,781,658.38	12,055,162.17	FNMA	3.5000	09/27/2012	08/01/2042
3138M13M8	SERIES 2012A	MBS Pool # AO9803	3,132,682.40	1,151,757.22	FNMA	3.5000	09/27/2012	08/01/2042
3138M13T3	SERIES 2012A	MBS Pool # AO9809	33,789,971.00	17,219,704.41	FNMA	3.5000	09/27/2012	09/01/2042
3138M13U0	SERIES 2012A	MBS Pool # AO9810	3,331,259.00	1,521,157.51	FNMA	3.5000	09/27/2012	09/01/2042
			<b>64,035,570.78</b>	<b>31,947,781.31</b>				
3138MGDF9	SERIES 2012B	MBS Pool # AQ1001	25,573,441.08	11,124,312.24	FNMA	3.5000	12/20/2012	10/01/2042
3138MGDG7	SERIES 2012B	MBS Pool # AQ1002	2,229,107.88	1,069,635.00	FNMA	3.5000	12/20/2012	10/01/2042
3138MGDK8	SERIES 2012B	MBS Pool # AQ1005	18,162,591.44	11,709,626.29	FNMA	3.0000	12/20/2012	11/01/2042
3138MGDL6	SERIES 2012B	MBS Pool # AQ1006	8,590,732.99	6,213,302.22	FNMA	3.5000	12/20/2012	11/01/2042
			<b>54,555,873.39</b>	<b>30,116,875.75</b>				
			<b>118,591,444.17</b>	<b>62,064,657.06</b>				

**RENTAL DEVELOPMENT MORTGAGE LOANS**

The New Series Bonds will be secured on a parity with the Outstanding Bonds. The Rental Development Mortgage Loans, and the applicable 263 Rental Developments, previously pledged or anticipated to be pledged under the Resolution are listed in the table headed “Rental Development Mortgage Loans.” While not required as a condition of funding under the Resolution, 3 of the Rental Development Mortgage Loans, as indicated in the following table, are insured by FHA. Other than with respect to the 3 FHA insured loans, the subsidy contract with respect to the Developments set forth in the table run for substantially the full term of the applicable Rental Development Mortgage Loan. With respect to the 3 FHA insured loans, if the subsidy contracts are not renewed or extended, MassHousing will make the appropriate insurance claims. 133 of the Rental Development Mortgage Loans, as indicated in the following table, are insured under the FHA Risk Sharing program.

MassHousing maintains a Delinquency Report with respect to all the developments in its Rental Development Bond Program. The Delinquency Report includes any development that is not in compliance with its loan documents on account of, among other things, a debt service, tax, insurance or other escrow or replacement reserve arrearage of thirty days, or greater, and in excess of \$1,000. Additional notice is given for owners that have not submitted annual audited financial statements as required by their loan documents. See “Appendix I – Information Statement of MassHousing dated March 30, 2018 – RENTAL PROGRAMS -Delinquency Report.” One of the Rental Developments, Academy Hill School, appears on MassHousing’s Delinquency Report for debt service delinquencies with respect to their applicable Rental Development Mortgage Loans as of December 31, 2017.

Each year, MassHousing conducts an analysis of the developments in its Rental Development Bond Program. The analysis uses key indicators common to all developments and establishes grades in each category. This allows the Rental Management Division to establish an order of priorities for the coming year, identifying properties that require the most attention. Each development is evaluated in terms of three risk categories: financial, capital and managerial operations. Information regarding MassHousing’s risk analysis is set forth in “Appendix I – Information Statement of MassHousing dated March 30, 2018 – RENTAL PROGRAMS -Risk Analysis.”

The following table sets forth certain information concerning the existing Rental Development Mortgage Loans which will secure the Bonds. Brief descriptions of certain of the subsidy programs and mortgage credit enhancements relating to the Rental Development Mortgage Loans are contained in “Appendix I – Information Statement of MassHousing dated March 30, 2018 – RENTAL PROGRAMS - Risk Analysis.”

In addition to the Rental Development Mortgage Loans, from time to time, MassHousing may pledge Home Ownership Loans under the Housing Bond Resolution. As of December 31, 2017, MassHousing held no homeownership loans under the Housing Bond Resolution. See “Appendix I – Information Statement of MassHousing dated March 30, 2018 – HOME OWNERSHIP PROGRAMS - General.”

**RENTAL DEVELOPMENT MORTGAGE LOANS**

<u>Name of Rental Development (Location in MA) MassHousing Number</u>	<u>Total Units</u>	<u>Primary Type of Subsidy % of Units</u>	<u>Development Reserves as of 12/31/2017</u>	<u>Initial Loan Close Date</u>	<u>Original Mortgage Loan Amount</u>	<u>Outstanding Rental Development Mortgage Loan Balance as of 12/31/2017</u>	<u>Mortgage Loan Rate</u>	<u>Mortgage Maturity</u>
113 Spencer (Chelsea) 07-003	48	--	\$121,002	05/15/2008	\$1,000,000	\$1,000,000	0.000%	05/01/2050
120 Centre Court (Brookline) 74-067	125	Section 8 84.0%	0	12/01/1998	756,252	756,252	0.000%	11/01/2042
144 Worcester Street (Boston) 74-013	8	Section 13A 100.0%	2,961	06/15/1976	252,000	22,013	7.048%	03/01/2019
1550 Beacon Plaza (Brookline) 70-090	175	--	558,041	12/27/1972	808,009	780,653	0.374%	11/01/2042
27 Jackson Street (Lowell) 07-002	173	--		06/27/2007	4,000,000	3,572,288	0.000%	07/01/2048
808 Memorial Drive (Cambridge) 72-035	301	Section 236 70.4%	1,006,247	04/24/1973	11,862,032 947,677	2,672,418 321,104	7.694% 13.500%	03/01/2021 03/01/2021
929 House (Cambridge) 71-042	127	--	692,313	04/11/1972	6,669,214	578,381	6.901%	03/01/2019
Academy Hill School (Nantucket) 84-022	27	--	33,328	07/16/1985	1,672,234	986,380	10.610%	01/01/2023
A.O. Flats at Forest Hill (Jamaica Plain) 16-005	78	--	--	--	12,560,000 <sup>(5)</sup> 530,000 <sup>(5)</sup>	-- --	-- --	-- --
Academy Homes I (Boston) 97-003	(2) 202	Section 8 43.1%	2,328,633	12/01/1998	7,600,000	6,162,541	5.850%	07/01/2040

**RENTAL DEVELOPMENT MORTGAGE LOANS**

<u>Name of Rental Development</u> <u>(Location in MA)</u> <u>MassHousing Number</u>		<u>Primary Type</u>	<u>Development</u> <u>Reserves as of</u> <u>12/31/2017</u>	<u>Initial Loan</u> <u>Close Date</u>	<u>Original Mortgage</u> <u>Loan Amount</u>	<u>Development Mortgage</u> <u>Loan Balance as of</u> <u>12/31/2017</u>	<u>Mortgage</u> <u>Loan Rate</u>	<u>Mortgage</u> <u>Maturity</u>
	<u>Total</u> <u>Units</u>	<u>of Subsidy</u> <u>% of Units</u>						
Academy Knoll (Marlborough) 74-019	109	Section 8 74.3%	\$279,411	10/15/1975	\$2,544,876	\$44,400	6.958%	03/01/2018
Adams Templeton Apts (Boston) 00-005	(2) 76	Section 8 96.1%	101,933	01/01/2001	12,608,000 <sup>(3)</sup>	12,608,000	3.870%	12/01/2057
Allen Park Apts. I (Springfield) 94-006	(1) 170	Section 8 77.6%	918,973	12/29/1994	4,057,300	3,114,859	7.750%	01/01/2035
Allen Park Apts. II (Springfield) 94-007	(1) 94	Section 8 80.9%	393,817	12/29/1994	2,076,500	1,061,186	7.750%	01/01/2026
Ames Privilege - Unit 1 (Chicopee) 83-018	94	--	391,988	12/19/1984	5,237,515 † 4,900,000 2,850,795 †	5,237,515 1,396,644 2,850,795	2.600% 8.250% 2.600%	06/01/2043 06/01/2024 06/01/2043
Amory Street Residences (Boston) 03-107	64	--	86,771	06/01/2004	844,500	844,500	3.000%	07/01/2045
Amy Lowell House (Boston) 99-005	(2) 151	--	175,183	07/29/1999	10,321,000	8,218,019	5.900%	07/28/2039
Anderson Park (Boston) 74-151	(2) 64	Section 8 100.0%	0	03/21/1978	22,000,000 <sup>(3)</sup>	22,000,000	3.870%	12/01/2058
Appleton Mills - Phase 1A (Lowell) 08-008	(2) 90	--	181,548	11/10/2009	1,465,000 1,640,000	1,409,779 1,640,000	6.300% 0.010%	04/01/2052 07/01/2051
Arbortpoint @ Woodland Station (Newton) 05-001	(2) 180	--	134,355	06/30/2005 06/30/2005 06/30/2005	40,861,500 2,700,000 750,000	37,275,117 2,700,000 187,500	5.650% 0.000% 0.000%	01/01/2048 01/01/2048 01/01/2018

**RENTAL DEVELOPMENT MORTGAGE LOANS**

<u>Name of Rental Development</u> <u>(Location in MA)</u> <u>MassHousing Number</u>		<u>Primary Type</u>	<u>Development</u> <u>Reserves as of</u> <u>12/31/2017</u>	<u>Initial Loan</u> <u>Close Date</u>	<u>Original Mortgage</u> <u>Loan Amount</u>	<u>Development Mortgage</u> <u>Loan Balance as of</u> <u>12/31/2017</u>	<u>Mortgage</u> <u>Loan Rate</u>	<u>Mortgage</u> <u>Maturity</u>
	<u>Total</u> <u>Units</u>	<u>of Subsidy</u> <u>% of Units</u>						
Asher's Path (Mashpee) 07-001	56	--	\$217,914	06/29/2007	\$753,000 825,000	\$708,835 541,799	6.910% 0.000%	11/01/2048 11/01/2048
Auburn Court (Cambridge) 92-007	(2) 77	Section 8 50.6%	759,566	02/02/1995	14,400,000 <sup>(3)</sup>	14,400,000	3.530%	06/01/2048
Avalon At Chestnut Hill (Newton) 04-017	(2) 204	--	101,987	04/21/2005	42,200,000	38,097,115	5.320%	10/01/2047
Avalon Oaks West (Wilmington) 01-002	(2) 120	--	53,999	03/06/2003	15,830,000	13,836,937	6.600%	04/01/2043
Babcock Tower (Boston) 71-074	213	Section 13A 75.1%	91,755	07/13/1972	6,413,000 167,000 87,875	560,198 25,938 12,952	7.048% 14.500% 12.625%	03/01/2019 03/01/2019 04/01/2019
Back of the Hill (Boston) 00-107	(2) 125	Section 8 100.0%	289,643	07/26/2007	7,490,000	6,862,978	5.400%	10/01/2048
Beachmont Apts (Revere) 80-017	40	Section 8 100.0%	280,328	02/06/1981	2,167,000	2,036,590	6.500%	05/01/2049
Beacon House (Boston) 81-047	(2) 135	Section 8 63.0%	1,188,203	10/08/1982	14,000,000 2,600,000	13,638,209 1,811,749	5.500% 3.500%	07/01/2054 07/01/2024
Beacon Park (Brookline) 71-120	80	Section 8 37.5%	448,835	02/08/1973	389,143	381,207	6.875%	07/01/2044
Bedford Village (Bedford) 71-030	96	Section 13A 100.0%	287,904	07/31/1974	2,386,000 95,239	41,625 3,037	6.958% 14.500%	03/01/2018 03/01/2018
Bergen Circle (Springfield) 71-083	201	Section 236 100.0%	481,461	08/03/1973	7,179,500 201,600	629,743 3,558	6.922% 7.023%	03/01/2019 03/01/2018



**RENTAL DEVELOPMENT MORTGAGE LOANS**

<u>Name of Rental Development</u> <u>(Location in MA)</u> <u>MassHousing Number</u>		<u>Total</u> <u>Units</u>	<u>Primary Type</u> <u>of Subsidy</u> <u>% of Units</u>	<u>Development</u> <u>Reserves as of</u> <u>12/31/2017</u>	<u>Initial Loan</u> <u>Close Date</u>	<u>Original Mortgage</u> <u>Loan Amount</u>	<u>Development Mortgage</u> <u>Loan Balance as of</u> <u>12/31/2017</u>	<u>Mortgage</u> <u>Loan Rate</u>	<u>Mortgage</u> <u>Maturity</u>
Berkshire Peak (Pittsfield) 99-004	(2)	120	Section 8 100.0%	\$0	12/31/1999	\$4,169,000 <sup>(3)</sup>	\$4,169,000	3.470%	09/01/2058
Binnall House (Gardner) 16-017		134	--	0	03/13/2003	533,390	515,779	0.438%	04/01/2043
Bixby-Brockton Apartments (Brockton) 03-016		106	Section 8 98.1%	657,518	03/16/2005	678,407	665,684	6.150%	01/01/2046
Blackstone (Boston) 72-119		145	Section 8 100.0%	176,086	03/03/1977	2,108,000	1,071,962	5.000%	07/01/2052
Blossom Court Apts. (Fitchburg) 71-001		22	Section 236 100.0%	104,699	11/11/1971	33,152 † 375,254 448,425	33,152 33,199 52,794	9.000% 7.133% 10.570%	03/01/2019 03/01/2019 02/01/2019
Blue Elm United Estates (Boston) 03-008		285	Section 8 100.0%	1,466,974	10/15/2004	253,191 1,149,460 282,963 1,019,343	221,132 1,128,949 249,408 1,001,767	6.335% 6.050% 5.689% 6.000%	08/01/2024 08/01/2044 03/01/2025 03/01/2045
Boott Mills Apartments (Lowell) 03-007	(2)	154	--	44,296	04/14/2004	15,120,000 2,325,000	13,507,241 2,325,000	5.900% 3.000%	01/01/2046 01/01/2046
Bowdoin Apartments (Malden) 01-339		226	Section 8 47.8%	452,059	04/04/2006	1,453,417	1,453,417	6.250%	08/01/2042
Brandy Hill (Wareham) 71-101	(2)	132	--	622,050	05/09/1972	11,000,000 <sup>(3)</sup>	11,000,000	3.900%	10/01/2058
Bridle Path Apts (Randolph) 79-022	(2)	104	Section 8 99.0%	304,145	11/01/1983	9,720,000	8,939,346	5.430%	01/01/2049

**RENTAL DEVELOPMENT MORTGAGE LOANS**

<u>Name of Rental Development</u> <u>(Location in MA)</u> <u>MassHousing Number</u>		<u>Total</u> <u>Units</u>	<u>Primary Type</u> <u>of Subsidy</u> <u>% of Units</u>	<u>Development</u> <u>Reserves as of</u> <u>12/31/2017</u>	<u>Initial Loan</u> <u>Close Date</u>	<u>Original Mortgage</u> <u>Loan Amount</u>	<u>Development Mortgage</u> <u>Loan Balance as of</u> <u>12/31/2017</u>	<u>Mortgage</u> <u>Loan Rate</u>	<u>Mortgage</u> <u>Maturity</u>
Briston Arms (Cambridge) 70-127	(2)	154	--	\$154,488	10/28/1971	\$35,789,000	\$35,553,681	4.640%	03/01/2057
Brookside Terrace (Southbridge) 71-131		168	Section 8 100.0%	3,751,400	07/19/1973	4,441,739	4,441,739	0.000%	02/01/2057
Brown School Residences (Peabody) 05-005	(2)	61	--	55,776	06/28/2006	2,250,000	2,113,500	6.950%	08/01/2048
Burbank Gardens (Boston) 71-105		52	--	--	--	3,800,000 <sup>(5)</sup>	--	--	--
Canalside (Bourne) 71-152		112	Section 236 100.0%	137,528	03/14/1973	2,236,630	43,153	7.937%	03/01/2018
Canterbury Tower (Worcester) 71-216		156	Section 8 100.0%	280,382	01/15/1975	4,590,606	80,087	6.958%	03/01/2018
Capitol Square (Pittsfield) 01-341	(2)	69	Section 236 100.0%	171,539	04/01/2004	1,183,655	1,091,709	7.500%	11/01/2045
Carruth, The (Boston) 04-021	(2)	74	--	99,806	06/15/2006	5,700,000	5,267,499	5.850%	10/01/2048
Carter Heights (Chelsea) 71-171		108	Section 8 100.0%	653,897	08/29/1974	250,473	248,060	7.200%	10/01/2043
Casa Maria (Boston) 01-343	(2)	85	Section 8 100.0%	256,160	02/14/2008	4,500,000	4,139,852	5.500%	12/01/2048

**RENTAL DEVELOPMENT MORTGAGE LOANS**

<u>Name of Rental Development</u> <u>(Location in MA)</u> <u>MassHousing Number</u>		<u>Primary Type</u>	<u>Development</u>	<u>Development</u>	<u>Initial Loan</u>	<u>Original Mortgage</u>	<u>Development Mortgage</u>	<u>Mortgage</u>	<u>Mortgage</u>
	<u>Total</u>	<u>of Subsidy</u>	<u>Reserves as of</u>	<u>Close Date</u>	<u>Loan Amount</u>	<u>Loan Balance as of</u>	<u>Loan Rate</u>	<u>Loan Rate</u>	<u>Maturity</u>
	<u>Units</u>	<u>% of Units</u>	<u>12/31/2017</u>			<u>12/31/2017</u>			
Cedar Meadows (Falmouth) 04-013	59	--	\$194,663	04/15/2005	\$170,203	\$162,585	7.300%		03/17/2020
Central Annex (Pittsfield) 79-093	(2)	101	Section 8 99.0%	165,848	11/15/1979	5,433,000	5,330,144	5.250%	07/01/2055
Charlysade Apts (Boston) 74-007		10	Section 13A 30.0%	46,486	04/15/1975	255,739	4,935	7.937%	03/01/2018
Chauncy House (Boston) 01-350	(2)	87	Section 8 39.1%	345,887	09/28/2015	9,200,000	9,169,996	5.050%	07/01/2057
Chelsea Village (Chelsea) 78-092		161	Section 8 99.4%	842,158	11/20/1981	1,369,472	1,369,472	7.000%	04/01/2048
Cheriton Heights Senior Housing (Boston) 10-012	(2)	70	--	200,626	06/20/2012	1,470,000	1,435,179	6.000%	08/01/2053
Chestnut Gardens Apts (Lynn) 00-136	(2)	65	Section 8 100.0%	87,854	06/28/2007	5,906,000	5,428,554	5.400%	01/01/2049
Chestnut Park (Springfield) 71-226		489	Section 236 100.0%	901,723	07/31/1973	20,165,870 500,000	1,725,765 73,697	6.901% 12.625%	03/01/2019 03/01/2019
Clarendon Hill (Somerville) 90-500	(2)	501	Section 8 69.3%	616,938	04/22/2010	20,400,000	20,523,558	6.030%	03/01/2052
Cleaves Dimock-Bragdon (Boston) 14-011	(2)	90	Section 8 84.4%	649,603	12/31/2015	4,397,222 5,722,966	4,363,290 5,678,803	4.000% 4.000%	03/01/2057 03/01/2057

**RENTAL DEVELOPMENT MORTGAGE LOANS**

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Cobbet Hill (Lynn) 87-010	(2)	117	--	\$0	12/21/1987	\$7,600,000 <sup>(3)</sup>	\$5,581,236	4.290%	12/01/2058
Codman Square Apartments (Boston) 84-063	(2)	80	--	125,358	08/01/1985	1,101,000	1,067,918	5.500%	01/01/2054
Cohen Residences (Brookline) 16-011	(2)	98	Section 8 0.0%	0	12/20/2017	28,390,000 <sup>(3)</sup>	23,160,230	4.420%	02/01/2060
Col Lovell's Gate (Weymouth) 74-028		176	Section 13A 75.0%	356,899	11/19/1974	5,044,792	88,011	6.958%	03/01/2018
Colonial Apts (Gardner) 73-009		31	Section 13A 100.0%	62,015	07/24/1975	843,000	73,638	7.048%	03/01/2019
Colonial Village (Weymouth) 71-089		89	Section 13A 100.0%	348,276	04/15/1975	2,503,200	48,293	7.937%	03/01/2018
Columbia West Apartments (Boston) 03-002		46	--	368,455	03/26/2004	300,000 401,227	300,000 400,243	5.340% 5.900%	12/31/2052 03/01/2045
Commons at Boston Road (Billerica) 06-003		156	--	406,428	10/26/2006	17,715,000	15,272,453	Variable Rate (6)	11/30/2038
Commons at Drum Hill (Chelmsford) 05-002		108	--	182,607	10/26/2006	11,575,000	9,920,756	Variable Rate (6)	08/31/2038
Conant Village (Danvers) 01-012		60	--	2,041,134	06/30/2003	1,167,235	1,167,235	0.000%	05/01/2057

**RENTAL DEVELOPMENT MORTGAGE LOANS**

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Concord Houses (Boston) 73-106		181	Section 236 100.0%	\$916,825	10/17/1974	\$5,387,988	\$94,000	6.958%	03/01/2018
Conway Court (Boston) 74-005	(2)	28	--	53,192	04/15/1975	2,212,000	2,118,067	4.150%	11/01/2053
Coolidge, The (Watertown) 05-021	(2)	38	--	29,066	06/30/2008	4,000,000 1,500,000	3,736,567 2,219,729	5.300% 4.460%	07/01/2050 08/01/2049
Cordovan @ Haverhill Station (Haverhill) 05-012	(2)	146	--	127,239	02/17/2006	7,537,000	7,065,186	6.760%	09/01/2048
Cotton Mill (Northbridge) 74-126		55	Section 8 100.0%	234,156	06/15/1976	1,575,658	138,163	7.133%	03/01/2019
Counting House Lofts (Lowell) 10-004	(2)	52	--	74,045	12/30/2013	2,285,000	2,227,149	6.000%	12/01/2045
Crawford House (Boston) 71-015		9	Section 8 100.0%	46,242	11/11/1971	60,368 † 17,911 †	201,895 71,848	8.230% 8.230%	03/01/2019 03/01/2019
Cromwell Court (Barnstable) 71-075	(2)	124	Section 8 66.1%	187,401	06/22/1972	6,000,000	5,701,943	5.360%	01/01/2052
Davenport Commons (Boston) 98-003		125	--	0	10/30/1999	33,171,000 4,757,000	21,853,765 3,133,970	4.920% 4.920%	08/01/2031 08/01/2031
Dom Polski (Chicopee) 79-080	(2)	50	Section 8 100.0%	108,001	10/05/1979	2,538,000	2,330,405	5.400%	12/01/2048

**RENTAL DEVELOPMENT MORTGAGE LOANS**

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Eastgate Apartments (Springfield) 79-024	(2)	148	Section 8 100.0%	\$361,323	04/04/1980	\$8,507,000	\$7,819,286	5.400%	01/01/2049
Everett Square Plaza (Everett) 71-236		131	Section 13A 99.2%	600,586	10/15/1975	4,644,000	398,350	6.922%	03/01/2019
Fairweather Apartments (Salem) 00-165	(2)	321	Section 8 68.5%	700,788	06/28/2007	17,800,000	16,359,803	5.450%	12/01/2048
Fitchburg Green (Fitchburg) 78-104		159	Section 8 100.0%	540,268	01/11/1980	11,970,000	11,164,068	6.870%	01/01/2048
Florence Apts (Boston) 01-365	(2)	138	Section 8 91.3%	436,557	12/31/2008	15,364,000	14,742,006	7.310%	08/01/2050
Forbes Building (Boston) 74-109		147	Section 13A 100.0%	482,684	07/24/1975	4,086,000	358,285	7.133%	03/01/2019
Forestvale (Boston) 01-367	(2)	108	Section 8 83.3%	344,251	12/31/2008	15,850,000	15,219,223	7.380%	08/01/2050
Founders Court Apts. (Barnstable) 93-009		32	--	197,661	12/11/1995	1,893,000 34,860	1,889,458 31,548	3.600% 6.650%	10/01/2057 01/01/2026
Franklin Hill Phase 2A (Boston) 07-024		114	--	166,104	05/12/2008	1,980,000	1,896,066	7.000%	10/01/2050
Franklin Hill Phase 2B (Boston) 07-025		38	--	62,524	05/12/2008	1,200,000	1,135,452	6.000%	10/01/2050

## RENTAL DEVELOPMENT MORTGAGE LOANS

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Gardner Apts (Boston) 74-022	49	Section 13A 100.0%	\$162,733	06/26/1975	\$537,172 † 203,008 † 1,416,200	\$3,200,058 1,209,362 27,326	8.230% 8.230% 7.937%	03/01/2019 03/01/2019 03/01/2018
Gateway Residences (Lynn) 14-001	70	--	--	09/30/2016	10,080,000 <sup>(3)</sup>	6,932,871	4.100%	10/01/2058
Genesis - Brighton (Boston) 74-085	(2) 209	Section 8 100.0%	--	01/13/1977	56,790,000 <sup>(3)</sup> 124,454 8,476	42,325,351 63,299 4,267	3.900% 7.694% 11.850%	01/01/2049 03/01/2019 02/01/2019
Georgetowne Homes One (Boston) 01-516	(2) 601	Section 8 71.4%	1,506,788	06/18/2013	72,474,000	71,417,122	4.520%	05/01/2056
Georgetowne Homes Two (Boston) 01-517	(2) 366	Section 8 68.9%	1,097,234	06/18/2013	44,526,000	43,876,684	4.520%	05/01/2056
Glendale Court (Everett) 73-027	29	Section 13A 100.0%	66,566	11/19/1974	740,500	12,919	6.958%	03/01/2018
Golda Meir House II (Newton) 16-001	(2) 199	--	542,642	12/23/2016	37,800,000 <sup>(3)</sup>	21,111,331	3.900%	04/01/2059
Hadley Apartments (Worcester) 05-009	44	--	0	06/28/2007	2,199,000	2,199,000	0.000%	01/31/2048
Haley House (Boston) 91-006	26	Section 8 92.3%	50,090	03/24/1993	814,317	485,292	6.250%	05/01/2029
Hamilton Wade Douglas (Brockton) 14-003	(2) 240	Section 8 100.0%	332,616	04/23/2015	13,000,000 5,700,000	12,879,970 5,639,098	4.100% 3.500%	01/01/2057 01/01/2057

**RENTAL DEVELOPMENT MORTGAGE LOANS**

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Harborview Towers (New Bedford) 00-185	(2)	144	Section 8 100.0%	\$566,912	11/24/2010	\$6,750,000	\$6,354,360	4.200%	07/01/2052
Haynes House (Boston) 72-108		131	--	999,847	04/24/1973	4,247,709	4,041,563	0.000%	03/01/2019
Hemenway Apts (Boston) 78-035		183	Section 8 100.0%	3,696,348	07/19/1979	1,340,748	1,337,363	6.930%	08/01/2047
Heritage @ Bedford Spring (Bedford) 05-015	(2)	164	--	187,318	06/21/2006	28,500,000	25,683,465	4.725%	08/01/2048
Heritage House (Newburyport) 79-002		101	Section 8 99.0%	233,347	10/12/1979	7,417,300	6,250,874	6.750%	08/01/2047
High Rock Homes (Needham) 06-010	(2)	20	--	62,979	12/11/2007	2,703,000 1,500,000	2,534,040 1,500,000	5.650% 0.000%	05/01/2050 05/01/2050
Highland Village (Ware) 71-143		111	Section 8 99.1%	592,823	06/14/1972	1,250,000	960,800	7.700%	03/01/2033
Hillside Village (Ware) 03-011	(2)	80	--	100,227	12/18/2003	2,772,000	2,519,979	7.050%	05/01/2045
Historic South End Apts (Boston) 13-004	(2)	146	Section 8 100.0%	188,057	11/25/2013	22,920,000	22,470,122	5.250%	06/01/2055
Holyoke Farms (Holyoke) 99-001	(2)	225	--	340,749	12/31/1999	7,425,000	6,073,668	6.350%	12/01/2039



**RENTAL DEVELOPMENT MORTGAGE LOANS**

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Hope Gardens (Attleborough) 78-083	160	Section 8 100.0%	\$1,051,437	11/07/1980	\$848,860	\$848,860	6.850%	07/01/2047
Hotel Raymond (Fitchburg) 03-001	(2) 74	Section 8 98.6%	260,618	11/24/2003	2,000,000	1,734,031	5.950%	01/01/2044
Houghton Village (Newton) 73-107	50	--	100,598	09/09/1976	204,304	193,249	7.150%	03/31/2026
Hunter Place (Springfield) 73-012	80	Section 13A 100.0%	84,769	03/29/1974	1,725,013 200,000	151,259 18,910	7.133% 7.500%	03/01/2019 02/01/2019
Independence Manor (Braintree) 73-018	95	Section 13A 100.0%	757,805	02/11/1975	2,500,000	43,614	6.958%	03/01/2018
Infill I (Boston) 69-001	3	--	9,060	05/13/1970	25,755 †	81,140	5.000%	03/01/2019
Infill II (Boston) 73-109	3	--	4,143	01/11/1974	56,229 † 87,979 †	56,229 87,979	5.000% 5.000%	03/01/2019 03/01/2019
Island Creek East - I (Duxbury) 79-108	58	Section 8 100.0%	439,985	04/21/1982	4,680,000	4,403,375	6.850%	12/01/2048
Jaclen Tower (Beverly) 75-002	(2) 100	--	112,512	09/15/1975	9,408,000	9,008,485	4.150%	11/01/2053
Jarvis Heights (Holyoke) 71-007	200	Section 236 100.0%	536,128	02/17/1972	3,848,000 162,500	337,418 23,949	7.133% 12.625%	03/01/2019 04/01/2019

**RENTAL DEVELOPMENT MORTGAGE LOANS**

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Just-A-Start (Cambridge) 16-013		112	--	--	--	\$10,100,000 <sup>(5)</sup>	--	--	--
Kennedy Building (Hanover) 15-117		37	--	--	--	1,725,000 <sup>(5)</sup>	--	--	--
Kensington Court @ Lakeville (Lakeville) 06-104	(2)	100	--	\$99,473	07/27/2007	4,225,000	\$4,053,955	7.310%	08/01/2050
King James Court (Orange) 78-025	(2)	120	Section 8 100.0%	244,360	09/24/1979	6,455,000	5,367,228	5.038%	04/01/2043
King's Landing (Brewster) 72-057	(2)	108	--	546,948	12/18/1973	4,300,000	4,184,242	5.000%	06/01/2054
King's Lynne (Lynn) 74-053		441	Section 13A 100.0%	970,242	09/09/1976	19,100,000	3,084,746	7.694%	03/01/2020
Kings Beach Tower (Lynn) 74-078		183	Section 8 100.0%	900,752	07/21/1976	590,026	579,832	7.300%	06/30/2020
Landfall Community (East Boston) 17-014		111	--	--	--	5,790,000 <sup>(5)</sup>	--	--	--
Landmark at Fall River (Fall River) 97-005	(2)	90	--	101,133	03/10/1998	4,801,944	3,819,384	5.850%	08/01/2039
Lawrenceville (Boston) 71-154		149	Section 236 100.0%	340,102	02/08/1972	3,024,293 477,937 † 288,301 † 191,009 †	58,578 1,317,644 916,520 607,224	9.211% 5.000% 5.000% 5.000%	03/01/2019 03/01/2019 03/01/2019 03/01/2019

## RENTAL DEVELOPMENT MORTGAGE LOANS

<u>Name of Rental Development</u> <u>(Location in MA)</u> <u>MassHousing Number</u>		<u>Total</u>	<u>Primary Type</u>	<u>Development</u>	<u>Initial Loan</u>	<u>Original Mortgage</u>	<u>Development Mortgage</u>	<u>Mortgage</u>	<u>Mortgage</u>
		<u>Units</u>	<u>of Subsidy</u>	<u>Reserves as of</u>	<u>Close Date</u>	<u>Loan Amount</u>	<u>Loan Balance as of</u>	<u>Loan Rate</u>	<u>Maturity</u>
			<u>% of Units</u>	<u>12/31/2017</u>			<u>12/31/2017</u>		
LBB Housing (Boston) 84-070	(2)	101	--	\$340,839	05/21/1985	\$4,000,000	\$3,803,060	3.400%	01/01/2054
Lebanese Community Housing for Elderly (Methuen) 00-207	(2)	40	Section 8 100.0%	216,644	10/06/2009	2,786,000	2,600,758	5.750%	10/01/2049
Leeds Village Apts (Northampton) 73-062		22	Section 13A 86.4%	60,140	01/15/1975	471,635	9,099	7.937%	03/01/2018
Leisure Tower (Lynn) 98-011	(2)	181	--	2,174,183	06/23/1999	18,135,000	17,636,394	5.250%	07/01/2054
Leyden Woods Apartments (Greenfield) 02-305	(2)	200	Section 8 90.5%	40,942	10/16/2015	26,200,000	26,153,906	3.850%	10/01/2057
Lincoln Woods (Lincoln) 71-136	(2)	125	--	638,847	12/19/1974	12,600,000 <sup>(3)</sup>	12,554,414	3.750%	08/01/2057
Linwood Court (Cambridge) 73-049		45	Section 13A 100.0%	359,687	02/11/1975	1,411,179 291,389	24,619 4,053	6.958% 7.500%	03/01/2018 02/01/2018
Lionhead Apartments (Boston) 71-134	(2)	71	Section 8 100.0%	319,797	12/28/1971	7,125,000	6,998,885	4.540%	12/27/2055
Loring Towers (Salem) 70-003	(2)	250	Section 8 100.0%	253,302	05/03/1973	9,859,000	9,171,578	5.400%	01/01/2050
Louis Barrett Residences (Lynn) 71-163	(2)	145	Section 8 100.0%	96,679	01/02/1974	15,695,600	15,591,347	4.600%	03/01/2057

**RENTAL DEVELOPMENT MORTGAGE LOANS**

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Lucerne Gardens (Boston) 89-009	45	--	\$41,715	02/17/1993	\$1,050,000	\$502,217	9.000%	07/01/2024
Madison Melnea Cass Apartments (Boston-Roxbury) 16-003	76	--	--	--	11,150,000 <sup>(5)</sup>	--	--	--
Madison Park III (Boston) 73-041	(2) 120	Section 8 100.0%	602,235	09/09/1976	21,000,000 <sup>(3)</sup>	21,000,000	4.090%	01/01/2058
Majestic Apts (Lowell) 00-215	(2) 34	Section 8 100.0%	65,571	12/19/2003	1,682,000	1,460,273	5.950%	01/01/2044
Maple Commons (Springfield) 80-040	173	Section 8 100.0%	307,306	10/09/1980	7,123,671 665,948 1,125,000	2,639,231 273,380 482,364	9.740% 9.740% 8.150%	10/01/2022 06/01/2023 06/01/2023
Maple Ridge Apartments (Tyngsborough) 09-007	(2) 72	--	54,678	06/17/2010	3,985,000	3,863,204	7.000%	06/01/2052
Marcus Garvey Gardens (Boston) 74-133	161	Section 8 100.0%	532,622	07/09/1979	6,845,728	1,514,634	8.000%	01/01/2021
Martensen Village (Quincy) 75-060	12	Section 13A 100.0%	151,110	09/15/1975	595,100 14,879	52,181 2,310	7.133% 14.500%	03/01/2019 03/01/2019
Mary Colbert Apartments (Boston) 04-001	(2) 30	Section 8 100.0%	311,553	04/14/2005	3,250,000	3,192,245	5.500%	07/01/2055
Mashpee Village (Mashpee) 72-078	(2) 145	--	478,067	11/19/1974	4,100,000	4,045,634	4.900%	05/01/2056

**RENTAL DEVELOPMENT MORTGAGE LOANS**

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Mason Place (Boston) 00-219	(2)	127	Section 8 99.2%	\$854,335	03/04/2004	\$5,590,000 6,972,775	\$4,886,246 3,101,018	6.050% 5.680%	04/01/2044 04/01/2024
Mass Pike Towers (Boston) 99-007	(2)	200	Section 8 80.0%	828,260	03/01/2000	4,348,167 1,588,351 †	3,428,227 2,747,677	5.310% 4.380%	03/01/2040 03/01/2040
Mattapan Heights II (Boston) 02-007	(2)	83	--	118,121	09/15/2004	1,190,000 2,000,000	1,063,008 2,000,000	5.850% 2.000%	02/01/2046 02/01/2046
Mattapan Heights III (Boston) 04-020	(2)	73	--	67,592	02/16/2007	3,123,000	2,835,902	5.330%	03/01/2048
Maverick Landing I (Boston) 02-012	(2)	150	--	292,827	11/17/2003	2,799,381	2,229,810	6.300%	11/01/2035
Maverick Landing II (Boston) 02-013	(2)	80	--	271,354	11/17/2003	1,524,848	1,241,113	7.000%	11/01/2035
Maverick Landing III (Boston) 04-010	(2)	92	--	269,396	05/04/2005	2,016,630	1,697,292	7.100%	01/01/2037
Maverick Landing IV (Boston) 04-012	(2)	74	--	146,892	05/04/2005	1,870,000	1,541,720	5.940%	06/01/2037
Meadowbrook (Northampton) 71-185	(2)	252	Section 8 85.3%	195,127	01/24/1973	9,925,000	8,887,844	6.000%	01/01/2046
Melville Towers (New Bedford) 01-387		320	Section 8 100.0%	2,022,699	12/22/2006	1,255,784 44,114	1,240,800 6,513	5.750% 6.650%	01/01/2048 02/01/2018
Mercantile Building (Boston) 74-059		122	Section 13A 69.7%	289,282	04/15/1975	5,100,000	88,974	6.958%	03/01/2018

**RENTAL DEVELOPMENT MORTGAGE LOANS**

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Metropolitan, The (Boston) 01-804	(2)	133	--	\$109,887	06/27/2002	\$12,408,000	\$11,486,929	7.900%	06/01/2045
Middlebury Arms (Middleborough) 72-054	(2)	64	--	89,743	05/30/1974	1,301,394	1,278,557	5.250%	09/01/2055
Mission Park (Boston) 73-002	(2)	775	Section 8 100.0%	3,603,695	01/05/2000	48,600,000	40,822,158	7.050%	02/01/2040
Mohawk Forest (North Adams) 98-016	(2)	190	Section 8 100.0%	815,745	08/31/1999	2,279,075 670,967 †	1,727,907 1,294,460	4.780% 5.225%	08/01/2039 08/01/2039
Moorings at Squantum I (Quincy) 05-013	(2)	144	--	303,571	05/27/2008	11,820,000 3,325,000	10,833,642 3,078,415	5.650% 4.730%	05/01/2048 01/01/2046
Moorings at Squantum II (Quincy) 05-014	(2)	79	--	193,198	05/27/2008	5,450,000	5,116,893	7.050%	05/01/2048
Morgan Woods (Edgartown) 04-019	(2)	60	--	74,702	06/30/2006	4,900,000	4,460,636	5.550%	01/01/2048
Mountain View Terrace (Stoneham) 75-015	(2)	194	Section 8 100.0%	180,241	08/27/1979	14,806,250	13,886,997	5.500%	07/31/2050
Mt Pleasants Apts (Boston) 01-006	(2)	98	Section 8 100.0%	444,097	05/09/2002	5,420,000	4,803,621	6.750%	12/01/2043
Mystic Valley Towers (Medford) 71-069		465	--	12,181,349	03/06/1973	29,319,766 276,454	28,064,986 271,314	5.000% 7.750%	05/01/2051 03/31/2043
New Girls Latin Academy II (Boston) 04-018	(2)	35	--	129,022	09/25/2006	1,255,000	1,090,127	6.960%	07/01/2038

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New Port Antonio Apts. (Boston) 94-024	227	Section 8 100.0%	\$663,748	12/01/1997	\$25,000,000	\$25,000,000	4.000%	12/01/2027
Newcastle/Saranac (Boston) 71-008	97	Section 13A 100.0%	737,241	09/11/1973	2,124,071 263,458	37,057 8,453	6.958% 14.500%	03/01/2018 03/01/2018
Nor-Al (Boston) 70-103	57	Section 8 100.0%	1,050,114	09/16/1971	5,955,000	5,817,101	5.250%	01/01/2055
North Village at Webster (Webster) 70-117	(2) 134	--	172,564	07/20/1971	6,100,000 352,531 †	5,450,692 4,258,875	4.650% 3.500%	01/01/2056 10/30/2055
Northridge Homes (Beverly) 72-100	98	Section 13A 52.0%	736,711	08/29/1974	2,908,964 1,118,887	50,751 15,639	6.958% 7.500%	03/01/2018 02/01/2018
Norton Glen (Norton) 79-102	150	Section 8 100.0%	2,573,688	04/20/1982	2,600,000	1,975,572	5.400%	11/01/2025
Oak Terrace (Boston) 91-007	(2) 88	Section 8 28.4%	754,510	10/22/1993	11,550,000 <sup>(3)</sup>	10,783,394	4.290%	06/01/2058
Ocean Shores (Lynn) 79-084	202	Section 8 100.0%	162,402	11/15/1979	19,500,000	18,260,197	6.850%	06/01/2048
Orchard Hill (Oxford) 72-013	215	Section 236 100.0%	66,059	12/05/1973	5,387,000 300,000 363,836 † 57,318 † 450,000 1,400,000	462,084 41,348 5,060,775 721,200 43,504 157,356	6.922% 13.500% 6.000% 6.000% 6.320% 8.370%	03/01/2019 02/01/2019 03/01/2019 03/01/2019 03/01/2019 03/01/2019
Oxford Place (Boston) 81-017	(1) 39	Section 8 100.0%	581,399	11/15/1982	2,020,300	1,017,058	11.728%	11/01/2023

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PAC 10 Lofts (Lawrence) 16-004		180	--	--	--	\$14,000,000 <sup>(5)</sup>	--	--	--
Palmer Green Estates (Palmer) 78-099	(2)	156	Section 8 100.0%	--	05/28/1980	9,500,000 <sup>(3)</sup> 2,009,000 <sup>(3)</sup>	\$9,500,000 2,009,000	3.320% 3.320%	07/01/2058 07/01/2058
Pequot Highlands (Salem) 71-115	(2)	250	Section 8 100.0%	--	07/13/1972	33,035,000 <sup>(3)</sup> 8,260,000 <sup>(3)</sup>	33,035,000 5,513,015	4.140% 4.140%	07/01/2059 07/01/2059
Pine Commons (Brockton) 02-010		168	Section 8 27.4%	\$69,306	12/10/2002	1,040,381 1,743,000	878,455 1,550,531	7.800% 6.900%	12/01/2037 12/01/2043
Pine Crest (Orange) 72-045	(2)	114	Section 8 100.0%	377,514	04/11/1973	3,200,000	2,705,368	5.062%	02/01/2044
Pine Gardens (Brockton) 02-009		120	Section 8 21.7%	103,001	12/10/2002	725,970	612,980	7.800%	12/01/2037
Pine Grove (Taunton) 70-165		72	--	115,339	07/08/1971	2,449,177	2,449,177	1.900%	11/01/2056
Powdermill Village (Westfield) 71-161		250	Section 8 100.0%	235,445	05/09/1972	1,200,000	1,061,580	7.750%	01/01/2042
Power Town (Montague) 81-026	(2)	82	Section 8 98.8%	75,389	10/29/1982	6,930,000	6,847,357	3.750%	11/01/2056
Quincy Heights (Boston) 70-095	(2)	129	Section 8 100.0%	307,927	01/11/1971	15,915,000	15,195,006	2.290%	06/01/2041



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Quincy Tower (Boston) 73-075	(2)	162	Section 8 100.0%	\$0	05/15/1975	\$20,961,000 <sup>(3)</sup>	\$20,961,000	4.290%	02/01/2059
Regency Towers I (New Bedford) 82-047		129	--	0	11/01/1985	5,150,590	5,150,590	0.000%	04/01/2040
Residence at Cedar Dell (Dartmouth) 03-010	(2)	78	--	170,119	03/02/2004	10,660,000	9,457,889	6.050%	04/01/2045
Residences at Brighton Marine (Boston) 15-106		101	--	--	--	9,800,000 <sup>(5)</sup>	--	--	--
Rindge Tower Apts (Cambridge) 00-102	(2)	273	Section 8 20.1%	230,896	12/22/2015	21,100,000 <sup>(3)</sup>	21,100,000	4.250%	07/01/2058
Rita Hall (Lawrence) 74-047		90	Section 8 100.0%	597,302	09/15/1975	2,435,211	42,483	6.958%	03/01/2018
River Place Towers (Lowell) 71-110	(2)	448	--	377,482	12/09/1971	16,125,000	15,678,562	4.125%	04/01/2055
Riverview Towers (Fall River) 70-044		200	Section 13A 100.0%	504,381	05/20/1971	4,223,500	73,685	6.958%	03/01/2018
Rockledge Apts (Wakefield) 71-187		60	Section 236 100.0%	189,583	06/07/1973	1,356,436 120,564	118,400 17,633	7.048% 13.500%	03/01/2019 03/01/2019
Rolfe House (Lynn) 78-026		70	Section 8 100.0%	736,518	12/21/1979	329,819	327,042	6.500%	01/01/2047

**RENTAL DEVELOPMENT MORTGAGE LOANS**

<u>Name of Rental Development</u> <u>(Location in MA)</u> <u>MassHousing Number</u>		<u>Total</u> <u>Units</u>	<u>Primary Type</u> <u>of Subsidy</u> <u>% of Units</u>	<u>Development</u> <u>Reserves as of</u> <u>12/31/2017</u>	<u>Initial Loan</u> <u>Close Date</u>	<u>Original Mortgage</u> <u>Loan Amount</u>	<u>Development Mortgage</u> <u>Loan Balance as of</u> <u>12/31/2017</u>	<u>Mortgage</u> <u>Loan Rate</u>	<u>Mortgage</u> <u>Maturity</u>
Schoolhouse Brookledge (Boston) 07-028	(2)	90	Section 8 100.0%	\$214,356	12/18/2008	\$1,625,000	\$1,537,551	7.200%	01/01/2049
Seabury Heights (Worcester) 00-282	(2)	302	Section 8 99.3%	912,177	01/08/2003	14,665,000 2,500,002	12,286,854 815,372	5.340% 5.548%	02/01/2043 04/01/2022
Seton Manor (Boston) 02-005	(2)	19	--	21,457	04/21/2004	750,000	149,976	6.200%	01/01/2020
Shillman House (Framingham) 05-007	(2)	150	Section 8 60.0%	387,542	01/27/2010	12,760,000	12,261,324	6.500%	11/01/2051
Silver Leaf Terrace (A&B) (Leominster) 01-380	(2)	216	Section 8 100.0%	269,391	12/04/2009	13,556,681	12,092,633	5.730%	12/01/2040
Sitkowski School Apts (Webster) 10-107	(2)	66	--	68,798	01/16/2014	1,750,000	1,729,841	5.000%	07/01/2056
Smith House (Boston) 72-058	(2)	132	Section 8 100.0%	--	06/22/1972	13,410,000 <sup>(3)</sup>	6,017,911	3.750%	12/01/2058
South Canal Apartments (Holyoke) 71-184		127	Section 236 100.0%	546,838	12/05/1973	177,481 <sup>†</sup>	177,481	1.000%	03/01/2017
South Cove Apartments (Boston) 00-286	(2)	231	Section 8 99.1%	4,638,655	08/22/2003	11,750,000	4,995,950	6.360%	09/01/2023
South End Apartments (Boston) 00-008	(2)	27	Section 8 100.0%	408,668	08/14/2001	4,439,400	3,907,153	6.760%	06/01/2043

**RENTAL DEVELOPMENT MORTGAGE LOANS**

<u>Name of Rental Development</u> <u>(Location in MA)</u> <u>MassHousing Number</u>		<u>Total</u> <u>Units</u>	<u>Primary Type</u> <u>of Subsidy</u> <u>% of Units</u>	<u>Development</u> <u>Reserves as of</u> <u>12/31/2017</u>	<u>Initial Loan</u> <u>Close Date</u>	<u>Original Mortgage</u> <u>Loan Amount</u>	<u>Development Mortgage</u> <u>Loan Balance as of</u> <u>12/31/2017</u>	<u>Mortgage</u> <u>Loan Rate</u>	<u>Mortgage</u> <u>Maturity</u>
South End Tenants Housing II (Boston) 01-405	(2)	185	Section 8 100.0%	\$326,813	07/10/2003	\$12,843,000 5,200,000	\$11,539,718 2,297,211	6.190% 5.250%	12/01/2045 12/01/2023
Spring Gate - Rockland Place (Rockland) 71-087		204	Section 8 100.0%	3,186,197	02/07/1972	5,387,145	5,353,009	7.250%	07/01/2056
St Stephen's Tower (Lynn) 74-038		130	Section 8 100.0%	262,432	05/15/1975	16,482,000	16,262,791	3.600%	01/01/2034
Stearns Apartments (Boston) 01-003	(2)	140	Section 8 99.3%	554,048	12/01/2001	7,490,000 14,230,000	6,382,517 3,737,569	6.400% 6.575%	02/01/2042 02/01/2021
Stratton Hill (Worcester) 71-138	(2)	156	Section 8 100.0%		08/23/1973	5,963,644 <sup>(3)</sup> 3,926,356 <sup>(3)</sup>	5,963,644 3,926,356	4.560% 4.560%	08/01/2059 08/01/2059
Summer Hill Glen (Maynard) 73-036	(2)	120	--	524,215	04/15/1975	12,176,000	11,658,940	4.150%	11/01/2053
Susan S Bailis Assisted Living (Boston) 99-003	(2)(4)	82	--	516,821	02/06/2002	8,500,000 1,615,837	1,995,559 1,606,949	6.500% 4.360%	07/01/2043 07/01/2043
Sycamore Village (Lawrence) 08-003	(2)	166	--	320,974	12/31/2008	10,157,000	9,692,876	6.810%	08/01/2050
Taurus at Fountain Hill (Boston) 75-034		73	Section 8 100.0%	73,029	11/20/1979	3,147,400 205,553	793,371 59,791	8.000% 9.625%	07/01/2021 07/01/2021
Thane Street Apts (Boston) 70-149		6	Section 8 100.0%	5,084	09/28/1972	109,711	102,615	8.230%	03/01/2019
The Chester (Boston) 72-110		17	Section 13A 100.0%	67,205	04/04/1974	629,085 34,044 899,762	127,298 9,227 540,174	7.937% 14.500% 6.500%	04/01/2018 04/01/2018 01/01/2032

**RENTAL DEVELOPMENT MORTGAGE LOANS**

<u>Name of Rental Development (Location in MA) MassHousing Number</u>	<u>Total Units</u>	<u>Primary Type of Subsidy % of Units</u>	<u>Development Reserves as of 12/31/2017</u>	<u>Initial Loan Close Date</u>	<u>Original Mortgage Loan Amount</u>	<u>Development Mortgage Loan Balance as of 12/31/2017</u>	<u>Mortgage Loan Rate</u>	<u>Mortgage Maturity</u>
The Tannery (Peabody) 73-013	284	Section 13A 84.2%	\$443,297	01/07/1974	\$5,645,882	\$102,797	6.958%	03/01/2018
The Watson (Quincy) 16-009	140	--	--	--	23,031,356 <sup>(5)</sup> 50,000 <sup>(5)</sup> 6,219,644 <sup>(5)</sup>	-- -- --	-- -- --	-- -- --
Traditions of Dedham (Dedham) 98-007	(2) 95	--	559,079	06/27/2001	10,790,000	9,572,150	6.650%	03/01/2044
Treehouse Easthampton (Easthampton) 04-011	(2) 60	--	58,987	08/22/2005	737,000	630,288	7.100%	09/01/2037
Tribune Apartments (Framingham) 00-305	(2) 53	Section 8 100.0%	0	12/20/2016	4,350,000 <sup>(3)</sup>	4,193,068	4.290%	05/01/2058
Trinity Terrace (Boston) 02-003	(2) 63	--	134,606	06/26/2003	545,000	442,361	7.700%	01/31/2035
Trinity Village (Brockton) 74-131	164	Section 8 100.0%	782,296	03/10/1978	6,068,000	569,251	7.800%	03/01/2019
UE Apartments (BHP) (Boston) 84-065	(2) 82	--	706,528	07/31/1985	4,404,000	4,233,078	5.500%	01/01/2053
Uphams Corner Market (Boston) 99-012	(2) 45	--	135,386	04/21/2001	1,600,000	1,386,106	6.470%	12/01/2042
Upton Inn (Upton) 73-061	34	Section 13A 100.0%	76,872	10/17/1974	890,400	17,178	7.937%	03/01/2018

**RENTAL DEVELOPMENT MORTGAGE LOANS**

<u>Name of Rental Development</u> <u>(Location in MA)</u> <u>MassHousing Number</u>	<u>Total</u> <u>Units</u>	<u>Primary Type</u> <u>of Subsidy</u> <u>% of Units</u>	<u>Development</u> <u>Reserves as of</u> <u>12/31/2017</u>	<u>Initial Loan</u> <u>Close Date</u>	<u>Original Mortgage</u> <u>Loan Amount</u>	<u>Development Mortgage</u> <u>Loan Balance as of</u> <u>12/31/2017</u>	<u>Mortgage</u> <u>Loan Rate</u>	<u>Mortgage</u> <u>Maturity</u>
Valebrook (Lawrence) 74-120	151	Section 8 99.3%	\$814,454	02/06/1979	\$8,800,000	\$8,253,813	5.000%	04/01/2051
Van der Hayden (Springfield) 79-029	45	Section 8 100.0%	167,596	10/07/1980	1,718,167	450,753	8.000%	09/01/2021
Victoria Apartments (Boston) 01-015	(2) 190	Section 8 100.0%	1,628,244	07/24/2002	20,000,000	17,699,784	6.833%	09/01/2043
Victory Gardens Plaza (Boston) 74-045	87	Section 8 100.0%	141,523	08/29/1978	3,020,000	354,326	7.800%	07/01/2019
Village @ Hospital Hill II (Northampton) 06-137	40	--	90,205	05/08/2008	1,300,000	1,300,000	4.000%	01/20/2050
Voke Lofts (Worcester) 09-116	(2) 84	--	131,497	03/28/2013	2,150,000	2,072,524	3.400%	01/01/2055
Wait Street (Boston) 79-044	100	Section 8 100.0%	268,652	11/10/1980	3,843,712	1,119,050	8.800%	11/01/2021
Walden Square Apartments (Cambridge) 99-011	(2) 240	Section 8 100.0%	220,625	03/01/2002	9,800,000	8,656,506	7.130%	01/01/2043
Wardman Apartments (Boston) 00-004	(2) 88	Section 8 100.0%	930,877	05/22/2001	5,300,000	4,656,368	7.482%	01/01/2042
Warren House (Newton) 90-006	59	--	671,122	01/02/1992	3,030,000 3,030,000	1,178,571 1,176,565	6.947% 6.947%	12/01/2023 12/01/2023

**RENTAL DEVELOPMENT MORTGAGE LOANS**

<u>Name of Rental Development</u> <u>(Location in MA)</u> <u>MassHousing Number</u>		<u>Total</u> <u>Units</u>	<u>Primary Type</u> <u>of Subsidy</u> <u>% of Units</u>	<u>Development</u> <u>Reserves as of</u> <u>12/31/2017</u>	<u>Initial Loan</u> <u>Close Date</u>	<u>Original Mortgage</u> <u>Loan Amount</u>	<u>Development Mortgage</u> <u>Loan Balance as of</u> <u>12/31/2017</u>	<u>Mortgage</u> <u>Loan Rate</u>	<u>Mortgage</u> <u>Maturity</u>
Washington Park Apartments (Boston) 84-062	(2)	96	--	\$310,187	08/19/1985	\$3,300,000	\$3,181,084	3.400%	01/01/2055
Waterway Apts (Leominster) 79-043		89	Section 8 100.0%	737,420	06/16/1980	5,670,000	5,368,732	5.000%	02/01/2052
Waverley Woods (Belmont) 07-004	(2)	40	--	69,705	10/24/2007	1,750,000 1,750,000	1,658,203 1,750,000	6.980% 0.000%	07/01/2049 07/01/2049
Weeks School Apts (Newton) 81-054		75	Section 8 56.0%	605,835	12/08/1983	1,150,000	1,064,049	6.720%	06/01/2047
Wellington Community (Worcester) 79-079		180	--	--	--	16,400,000 <sup>(5)</sup>	--	--	--
West Stoughton Village (Stoughton) 73-033		112	Section 13A 75.0%	412,318	06/26/1974	1,575,000	705,142	6.900%	06/01/2024
Westborough Village (Westborough) 74-116		87	Section 8 100.0%	2,486,197	06/15/1976	2,123,447	186,197	7.133%	03/01/2019
Westland Avenue Apts (Boston) 00-322	(2)	97	Section 8 30.9%	157,316	02/03/2005	10,500,000	9,424,604	6.050%	02/01/2046
Whittier at Cabot (Boston-Roxbury) 14-010		58	--	--	--	9,200,000 <sup>(5)</sup> 115,000 <sup>(5)</sup>	-- --	-- --	-- --
Wilbraham Commons (Wilbraham) 78-066		136	Section 8 100.0%	925,271	08/11/1982	10,493,450	9,833,167	7.000%	03/19/2048

**RENTAL DEVELOPMENT MORTGAGE LOANS**

<u>Name of Rental Development</u> <u>(Location in MA)</u> <u>MassHousing Number</u>		<u>Total</u> <u>Units</u>	<u>Primary Type</u> <u>of Subsidy</u> <u>% of Units</u>	<u>Development</u> <u>Reserves as of</u> <u>12/31/2017</u>	<u>Initial Loan</u> <u>Close Date</u>	<u>Original Mortgage</u> <u>Loan Amount</u>	<u>Development Mortgage</u> <u>Loan Balance as of</u> <u>12/31/2017</u>	<u>Mortgage</u> <u>Loan Rate</u>	<u>Mortgage</u> <u>Maturity</u>
Wilkins Glen (Medfield) 73-054	(2)	103	--	\$175,094	11/19/1974	\$11,312,000	\$10,831,630	4.150%	11/01/2053
Willow Apartments (Lynn) 01-431	(2)	44	Section 8 97.7%	322,897	11/17/2006	3,550,000	3,186,765	5.300%	05/01/2047
Wood Ridge Homes (North Andover) 72-106		230	--	1,029,982	08/29/1978	244,658	131,427	7.800%	11/01/2019
Woodbourne Apartments (Boston) 00-330	(2)	75	Section 8 98.7%	209,073	04/18/2008	3,148,000	2,921,507	5.600%	07/01/2049
Woodbury Building (Boston) 74-136		17	Section 8 100.0%	111,419	03/03/1978	570,042	53,725	7.800%	03/01/2019
Woodland @ Abington Station (Abington) 01-008		192	--	945,457	06/13/2002	1,189,879	1,162,657	6.150%	01/01/2044
Worcester Loomworks Phase I (Worcester) 11-003	(2)	39	--	38,281	07/03/2014	1,365,000	1,342,908	4.900%	01/01/2056
Worcester Loomworks Phase II (Worcester) 13-015	(2)	55	--	53,994	07/03/2014	1,075,000	1,061,877	6.000%	01/01/2056

## RENTAL DEVELOPMENT MORTGAGE LOANS

<u>Name of Rental Development</u> <u>(Location in MA)</u> <u>MassHousing Number</u>		<u>Total</u>	<u>Primary Type</u>	<u>Development</u>	<u>Initial Loan</u>	<u>Original Mortgage</u>	<u>Development Mortgage</u>	<u>Mortgage</u>	<u>Mortgage</u>
		<u>Units</u>	<u>% of Units</u>	<u>Reserves as of</u> <u>12/31/2017</u>	<u>Close Date</u>	<u>Loan Amount</u>	<u>Loan Balance as of</u> <u>12/31/2017</u>	<u>Loan Rate</u>	<u>Maturity</u>
Zelma Lacey House (Boston) 02-001	(2)	66	--	\$62,153	03/18/2004	\$6,535,200	\$5,764,046	5.900%	11/01/2044
		<b>33,151</b>		<b>\$123,930,954</b>		<b>\$2,159,948,647</b>	<b>\$1,674,668,474</b>		

- (1) Rental Development Mortgage Loans insured by FHA.
- (2) Rental Development Mortgage Loans insured under the FHA Risk Sharing program.
- (3) Development is still in the construction phase.
- (4) Susan Bailis was placed in service in March 2003. In 2007, the Mortgage Loan was in default and MassHousing filed a partial payment claim for insurance benefits under the HUD/HFA Risk Sharing Program. The claim has been approved and paid by HUD. Under the restructuring, the mortgage loan was reduced to approximately \$2.2 million and MassHousing has taken a subordinate mortgage on the development in the principal amount of approximately \$3.2 million.
- (5) MassHousing has issued permanent loan commitments with respect to these developments. MassHousing issued bonds with respect to these loans prior to December 31, 2017; proceeds had not been advanced by MassHousing as of December 31, 2017.
- (6) Variable Rate based upon the current rate paid with respect to the 2013 Series F Bonds.
- † Arrearage Notes



## **PROPOSED DEVELOPMENTS**

The descriptions which follow do not purport to encompass all aspects of the Developments and the inclusion of any particular information is not intended to reflect the degree of importance attributed to such information. The mortgage amounts reflect the approximate amount of the loans or the amount of the commitments approved by MassHousing. The descriptive information with respect to the Developments reflects the information contained in the proposals for the Developments in their present form and certain other information provided by MassHousing or the developer.

State law requires that five percent of the units in each family development be available for people with disabilities.

### **Proposed Developments for Series A Bonds and Series B Bonds**

#### **Bedford Village/447 Concord**

Bedford Village/447 Concord, a multifamily development in Bedford, consists of the acquisition and rehabilitation of 110 units in two (2) separate sites. Bedford Village and 447 Concord are approximately three (3) miles apart.

Bedford Village includes ten (10) low-rise buildings with a unit mix consisting of 36 one-bedroom, 50 two-bedroom and 10 three-bedroom units. 447 Concord includes three (3) townhouse-style buildings with a unit mix consisting of 2 one-bedroom, 8 two-bedroom and 4 three-bedroom units. The proposed financing of this expiring 13A development will include certain units to be covered by various subsidies including Low Income Housing Tax Credits ("LIHTC") units at or below 60% of Area Median Income ("AMI") covering 74 units, a Massachusetts Rental Voucher Program ("MRVP") contract covering 23 units, and a Metro Housing HAP Contract at or below 50% AMI covering 8 units.

The project will be owned by a single-purpose entity, Bedford Village Preservation Associates LP, controlled and managed by the Developer, POAH, Inc. POAH Communities will be the affiliated managing agent. There is no commercial space at the development.

The MassHousing Board voted on April 10, 2018 to provide a construction/permanent loan of up to \$8,274,000, with a permanent loan to be insured under the HUD/HFA Risk Sharing Program, a tax-exempt bridge loan of up to \$9,232,000, and a 13A Preservation Fund loan of \$4,500,000. The total development cost is \$33,664,949 or \$306,045/unit.

\$4,404,000 of the loan is anticipated to be funded from the proceeds of the Series A Bonds. \$3,870,000 of the loan is anticipated to be funded from the proceeds of the Series B Bonds.

#### **The Close Building**

The Close Building consists of the renovation of an existing historic building and two off-site parking lots located in Cambridge. One of the lots is included in the ground-lease while the other will be used via an easement agreement.

The mid-rise 6-story building includes a unit mix consisting of 6 studios, 49 one-bedroom, and 6 two-bedroom units. All 61 units at the property are supported by a Section 8 project-based HAP contract.

The project will be owned by The Close Building LLC. The project will be developed by the Just-A-Start Corporation. The MassHousing Board voted on April 10, 2018 to provide a construction/permanent loan of up to \$9,300,000, with a permanent loan to be insured under the HUD/HFA Risk Sharing Program, and a bridge loan of up to \$9,000,000. The estimated total cost of all improvements is approximately \$11,359,068 or \$186,214/unit. The total development cost is \$30,187,548 or \$494,878/unit.

\$4,950,000 of the loan is anticipated to be funded from the proceeds of the Series A Bonds. \$4,350,000 of the loan is anticipated to be funded from the proceeds of the Series B Bonds.

### **Concord Highlands**

Concord Highlands will be a new construction 98-unit family development in Cambridge. The six-story building includes a unit mix consisting of 32 one-bedroom, 45 two-bedroom and 21 three-bedroom units. The Development will be supported by a Section 8 project based HAP contract and LIHTC administered by the Cambridge Housing Authority which will cover 8 units, additional LIHTC units at or below 60% of AMI which will cover 52 units, Workforce Housing funds at or below 80% which will cover 21 units, and Workforce Housing funds at or below 100% which will cover 17 units. Subordinate debt includes approximately \$10 million from the City of Cambridge, \$3 million from the Department of Housing and Community Development, and \$3.8 million in MassHousing workforce housing funds.

The project will be owned by HRI Concord Highlands II LLC. The project will be developed by the Homeowner's Rehab, Inc. The MassHousing Board voted on April 10, 2018 to provide a permanent loan of up to \$9,000,000, with a permanent loan to be insured under the HUD/HFA Risk Sharing Program, a tax-exempt bridge loan of up to \$11,967,000, and a Workforce Housing loan of up to \$3,800,000. The estimated total cost of all improvements is approximately \$29,160,640 or \$297,558/unit. The total development cost is \$39,937,143 or \$407,522/unit.

\$4,740,000 of the loan is anticipated to be funded from the proceeds of the Series A Bonds. \$4,160,000 of the loan is anticipated to be funded from the proceeds of the Series B Bonds.

### **The Pitts Portfolio**

The Pitts Portfolio, a scattered site in the Roxbury and Dorchester neighborhoods of Boston, consists of the acquisition and rehabilitation of 201 units in 21 scattered site buildings. All buildings range from two- to four-stories.

The building includes a unit mix consists of 38 one-bedroom, 87 two-bedroom, 53 three-bedroom, 19 four-bedroom, 1 five-bedroom and 3 six-bedroom units. The Development will be supported by various subsidies including HUD's Rental Assistance Demonstration Program which will cover 135 units, a Section 8 HAP Contract which will cover 6 units, LIHTC units at or below 60% of AMI which will cover 182 units, and MRVP units at or below 50% AMI which will cover 13 units.

The project will be owned by JPNDC Pitts LLC, a single-purpose entity controlled and managed by Jamaica Plain Neighborhood Development Corporation ("JPNDC"). The project will be developed by the JPNDC. The MassHousing Board voted on January 9, 2018 to provide a construction/permanent loan of up to \$27,000,000, with a permanent loan to be insured under the HUD/HFA Risk Sharing Program, a tax-exempt bridge loan of up to \$19,500,000, and a 13A Preservation Fund loan of \$1,700,000. The estimated total cost of all improvements is approximately \$32,844,431 or \$163,405/unit. The total development cost is \$80,932,800 or \$402,651/unit.

\$14,380,000 of the loan is anticipated to be funded from the proceeds of the Series A Bonds. \$12,620,000 of the loan is anticipated to be funded from the proceeds of the Series B Bonds.

**Eligible Substitutions**

Eligible Substitutions which may be financed with available proceeds of the New Series Bonds include:

<u>Name of Development</u>	<u>Location in Massachusetts</u>	<u>Loan Amount</u>
808 Memorial Drive	Cambridge	\$75,000,000
Cote Village	Boston	24,000,000
Haynes House	Boston	34,000,000
King Pine	Orange	12,375,000
Old Colony Phase Three A4	Boston	37,500,000
Princeton Chelmsford Apartment Homes	Chelmsford	29,590,000
S.C. Hamilton Apartments	Holyoke	8,750,000

## SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The Resolution contains terms and conditions relating to the issuance and sale of Bonds under it, including various covenants and security provisions, certain of which are summarized below. This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Resolution, to which reference is hereby made, copies of which are available from MassHousing or the Trustee. This summary uses various terms defined in the Resolution. Certain of these definitions are set forth in Appendix V.

### **Resolution as Contract with Bondholders**

The Resolution constitutes a contract between MassHousing and the holders of the Bonds. The pledges made by, and the covenants and agreements to be performed by, MassHousing pursuant to the Resolution are for the equal benefit, protection and security of the holders of all the Bonds. All such Bonds and installments of interest thereon will be of equal rank without preference, priority or distinction over any other, regardless of the time of issue or maturity, unless otherwise expressly provided in the Resolution.

### **Authorization and Issuance of Bonds**

Bonds of MassHousing formally designated as “Housing Bonds” may be issued as a “Series” under the Resolution pursuant to series resolutions to provide funds for any lawful corporate purpose of MassHousing. In addition to the pledge of Revenues and Rental Development Mortgage Loans and Home Ownership Loans under the Resolution, pursuant to the Resolution, a Series of Bonds may be issued as a general obligation of MassHousing or benefit from such other additional security as MassHousing may determine. Bonds may be issued without limitation as to amount except as otherwise provided by law. MassHousing may issue Series of Bonds subordinate to other Bonds issued pursuant to the Resolution.

### **Pledge of Security**

The Resolution creates a continuing pledge and lien to secure the full and final payment of the principal and redemption price of and interest and Sinking Fund Installments on all Bonds in accordance with the terms of the Bonds. The Revenues (which includes Rental Development Mortgage Repayments and all receipts on Home Ownership Loans) and any subsidy payments derived from the Permanently Financed Rental Developments and all funds and accounts established under the Resolution, including the investments thereof and the proceeds of such investments, are so pledged, but excluding Escrow Payments and as otherwise provided. The pledge is subject to the application of such moneys for the purposes of the Resolution and is valid and binding as against all parties having claims against MassHousing from and after the date of the Resolution, to the extent permitted by law. Assets, including Mortgage Loans, allocated to the Reserve Account within the Housing Reserve Fund may be transferred to MassHousing outside the lien of the Resolution under certain circumstances. MassHousing may issue Series of Bonds that are subordinate to other bonds issued pursuant to the Resolution.

### **Hedging Transactions**

A Hedge Agreement is a Qualified Hedge Agreement if (i) the provider of the Hedge Agreement is a Qualified Institution or the provider’s obligations under the Hedge Agreement are unconditionally guaranteed by a Qualified Institution and (ii) MassHousing designates it as such by a Certificate of an Authorized Officer.

If MassHousing shall enter into any Qualified Hedge Agreement with respect to any Bonds and MassHousing has made a determination that the Qualified Hedge Agreement was entered into for the purpose of hedging or managing the interest due with respect to those Bonds, then during the term of the Qualified Hedge Agreement and so long as the provider of the Qualified Hedge Agreement is not in default:

1. for purposes of any calculation of Debt Service, the interest rate on the Bonds with respect to which the Qualified Hedge Agreement applies shall be determined as if such Bonds had interest payments equal to the interest payable on those Bonds less any payments reasonably expected to be made to MassHousing by the provider and plus

any payments reasonably expected to be made by MassHousing to the provider in accordance with the terms of the Qualified Hedge Agreement (other than fees or termination payments payable to such provider for providing the Qualified Hedge Agreement);

2. any such payments (other than fees and termination payments, referred to herein as “regular payments”) required to be made by MassHousing to the provider pursuant to such Qualified Hedge Agreement shall be made from amounts on deposit in the Debt Service Fund;

3. any such payments received by or for the account of MassHousing from the Provider pursuant to such Qualified Hedge Agreement shall be deposited in the Debt Service Fund; and

4. fees and termination payments, if any, payable to the provider may be deemed to be Debt Service and paid from the Debt Service Fund on Priority Administrative Expenses and paid from amounts on deposit in the Debt Service Fund, in each case, if and to the extent expressly provided in the Qualified Hedge Agreement or applicable Series Resolution (otherwise such fees and termination payments shall be payable solely from amounts on deposit in the Reserve Account within the Housing Reserve Fund not needed to restore the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement).

If MassHousing enters into a Hedge Agreement that is not a Qualified Hedge Agreement, then: (1) the interest rate adjustments or assumptions referred to in clause (1) of the second paragraph under this heading “Hedging Transactions” shall not be made; (2) any and all payments required to be made by MassHousing to the provider pursuant to such Hedge Agreement (including any fees and termination payments) shall be made only from amounts on deposit in the Reserve Account within the Housing Reserve Fund not needed to restore the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement; and (3) any payments received by MassHousing from the provider pursuant to such Hedge Agreement shall be treated as Revenues and shall be deposited in the Revenue Fund.

### **Custody and Application of Bond Proceeds**

Each series resolution authorizing the issuance of a Series of Bonds is required to specify the purposes for which such Series of Bonds is being issued and to provide for the disposition of the proceeds thereof. Purposes for which Bonds may be issued shall be any lawful corporate purpose of MassHousing achievable by (i) the crediting of monies to any one or more of the Funds and Accounts established pursuant to the Resolution, (ii) the funding of Debt Obligations, (iii) the refunding or redemption of Bonds and related purposes as provided in the Resolution, (iv) the provision for any Bond discount including underwriters’ discount or fees and other costs of issuance, for said Series of Bonds, or (v) any combination of the foregoing.

### **Funds and Accounts**

The Resolution establishes, or provides for the establishment of, the funds and accounts listed below:

- (1) Financing Fund comprised of:
  - (a) Rental Development Bond Proceeds Account
  - (b) Rental Development Mortgage Loan Account
  - (c) Rental Development Debt Obligations Repayment Account
  - (d) Rental Development Capitalized Interest Account
  - (e) Rental Development Cost of Issuance Account
- (2) Home Ownership Program Fund comprised of:
  - (a) Purchase Account
  - (b) Home Ownership Capitalized Interest Account
  - (c) Home Ownership Cost of Issuance Account
- (3) Revenue Fund

- (4) Debt Service Fund comprised of:
  - (a) Interest Account
  - (b) Principal Account
  - (c) Sinking Fund Account
  - (d) Redemption Account
- (5) Debt Service Reserve Fund
- (6) Acquired Property Fund
- (7) Operating Fund
- (8) Housing Reserve Fund comprised of:
  - (a) Retained Revenue Account
  - (b) Reserve Account

All of the above funds and accounts shall be held by the Trustee and applied as described below.

#### **Rental Development Bond Proceeds Account**

As promptly as practicable after the issuance, sale and delivery of any Series of Bonds, MassHousing shall pay into the Rental Development Bond Proceeds Account the amount of the proceeds derived from the sale of such Series, if any, and other amounts, if any, all as may be designated in the applicable series resolution. Subject to the Resolution, moneys so deposited in the Rental Development Bond Proceeds Account shall be transferred by the Trustee (i) to the Rental Development Mortgage Loan Account to fund Rental Development Mortgage Loans for Rental Developments, (ii) to the Debt Obligation Repayment Account to pay the principal of and interest on Debt Obligations issued to finance Rental Developments or (iii) to directly provide for the payment of Debt Obligations in the manner set forth in the Resolution.

#### **Rental Development Mortgage Loan Account**

Upon compliance with certain conditions of the Resolution, MassHousing may requisition the Trustee and the Trustee shall pay from the Rental Development Bond Proceeds Account into the Rental Development Mortgage Loan Account the amount of the proceeds derived from the sale of Bonds, if any, and other amounts, if any, all as shall be designated in said requisition. Subject to the terms and conditions of the Resolution, monies so deposited in the Rental Development Mortgage Loan Accounts shall be used by MassHousing for funding Rental Development Mortgage Loans for the Rental Developments.

The Trustee shall from time to time pay out, or permit the withdrawal of moneys from the Rental Development Mortgage Loan Account for the purpose of the funding of Rental Development Mortgage Loans upon receipt by the Trustee of:

- (a) a written requisition of MassHousing signed by an Authorized Officer identifying the Rental Development Mortgage Loan, the name of the Mortgagor and Rental Development with respect to which the payment is to be made and the amount to be paid;

- (b) a certificate signed by an Authorized Officer of MassHousing to the effect that the amount being paid from the Rental Development Mortgage Loan Account, together with all prior withdrawals and all prior advances made by MassHousing on account of the Rental Development Mortgage Loan will not exceed in the aggregate the amount of the mortgage loan commitment for the Rental Development, that the Rental Development Mortgage Loan satisfies the conditions for Rental Development Mortgage Loans described in the Resolution, and that, under the terms and provisions of the Rental Development Mortgage, the Mortgagor is obligated to make Rental Development Mortgage Repayments in accordance with the requirements of the Resolution;

(c) a Counsel's Opinion to the effect the Rental Development Mortgage Loan complies with the terms, conditions, provisions and limitations set forth in the Resolution, provided that such Counsel's Opinion need be delivered only upon the initial withdrawal of monies for such Rental Development Mortgage Loan;

(d) a Cash Flow Certification; provided that such Cash Flow Certification need be delivered only upon the initial withdrawal of monies for such Rental Development Mortgage Loan; and

(e) a certificate signed by an Authorized Officer certifying that additional requirements of any Series Resolution have been met.

### **Rental Development Debt Obligation Repayment Account**

Upon compliance with certain conditions of the Resolution, MassHousing may requisition the Trustee and the Trustee shall pay from the Rental Development Bond Proceeds Account into the Rental Development Debt Obligation Repayment Account the amount of proceeds derived from the sale of Bonds, if any, and other amounts, if any, all as shall be designated in said requisition. Subject to the terms and conditions of the Resolution, monies so deposited in the Rental Development Debt Obligations Repayment Account shall be used by MassHousing for the payment of the principal of and interest on Debt Obligations.

The Trustee shall from time to time pay out, or permit the withdrawal of, monies in the Debt Obligation Repayment Account for the purpose of paying or providing for the payment of the principal of and interest on Debt Obligations upon receipt by the Trustee of:

(a) a written requisition of MassHousing signed by an Authorized Officer stating: (i) the Debt Obligations with respect to which the payment is to be made; (ii) the name of the paying agent or trustee of the Debt Obligations with respect to which the payment is to be made; and (iii) the amount to be paid and the Rental Development or Rental Developments or Home Ownership Loans with respect to which such payment relates;

(b) a certificate signed by an Authorized Officer stating, in the case of Rental Development Mortgage Loans, that under the terms and provisions of the Rental Development Mortgage securing the Rental Development Mortgage Loan for each such Rental Development, the Mortgagor is obligated to make Rental Development Mortgage Repayments in accordance with the requirements of the Resolution and, in the case of Home Ownership Loans, such Home Ownership Loans obligate Borrowers to make Home Ownership Loan payments in accordance with the requirements of the Resolution;

(c) a Counsel's Opinion to the effect that there are no meritorious pending claims contesting the validity or enforceability of the Rental Development Mortgage Loans and/or Home Ownership Loans financed with the proceeds of such Debt Obligations and that such Counsel, after due inquiry, is unaware of any material respect in which such Loans fail to satisfy the requirements of the Resolution; and

(d) a Cash Flow Certification; provided that such Cash Flow Certification need be delivered only upon initial withdrawal of such moneys for payment of such Debt Obligations.

### **Home Ownership Program Fund**

The Resolution establishes a "Home Ownership Program Fund." Upon the issuance, sale and delivery of any Series of Bonds for which such an Account is to be funded pursuant to the Resolution or upon the transfer of any moneys from the Housing Reserve Fund, the Trustee may establish a separate Purchase Account within the Program Fund for such Series or transfer.

*Purchase Account.* A Purchase Account shall be used for the purchase of Home Ownership Loans and any origination fees payable to Home Ownership Mortgage Lenders. Home Ownership Loans may be purchased in part from moneys in one Purchase Account and in part from moneys in other Purchase Accounts. The Trustee, upon the written request of MassHousing signed by an Authorized Officer shall pay from a designated Purchase Account to the

designated Home Ownership Mortgage Lender or Lenders or other party specified therein the amounts stated in such written request for or upon the purchase of the Home Ownership Loans specified in such request. Such written request shall certify that the amount of payments requested thereby are not in excess of the purchase price (including accrued interest and any related premium) of the Home Ownership Loans and that the Home Ownership Loans comply with the provisions of the Resolution and the applicable Series Resolution and the Act. Prior to any disbursement to a Home Ownership Mortgage Lender or others of the amounts specified in a written request of MassHousing, MassHousing shall deliver, or cause to be delivered, to the Trustee the original executed note evidencing the Home Ownership Loan to be so purchased, or, as applicable, the Home Ownership Loan Security so purchased, endorsed to MassHousing. Accrued interest payable upon purchase of any Home Ownership Loan shall be paid from the Revenue Fund or from the applicable Purchase Account, as MassHousing may direct.

All moneys transferred to a Purchase Account from the Housing Reserve Fund shall be applied to the purchase of Home Ownership Loans in the manner provided in Resolution. No such moneys shall be applied to the purchase of Home Ownership Loans unless the request of MassHousing required by the Resolution is accompanied or preceded by (i) a Counsel's Opinion to the effect that such purchase shall not adversely affect the exclusion of interest from gross income for federal income tax purposes on any Outstanding Bonds; (ii) a certificate of an Authorized Officer to the effect that MassHousing has not been notified by any Credit Rating Agency then assigning a credit rating on any Outstanding Bonds (nor does MassHousing have any other knowledge to such effect) that such purchase will cause such Credit Rating Agency to lower, suspend, remove or otherwise modify adversely the credit ratings then assigned by it to any Bonds Outstanding; and (iii) either (x) a certificate of an Authorized Officer to the effect that the Home Ownership Loan to be purchased will have a term no greater than the unexpired term of the Home Ownership Loan from which such amounts were derived and will bear a rate of interest no lower than the rate of interest on the Home Ownership Loan which was prepaid or (y) a Cash Flow Certification. Any moneys transferred to a Purchase Account which have not been applied to the purchase of Home Ownership Loans within one year of the date of transfer shall be transferred by the Trustee, as directed by an Authorized Officer, to either the Revenue Fund, the applicable Redemption Account in the Debt Service Fund, or in part one or the other, or, in the absence of any such direction, to the applicable Redemption Account, provided that MassHousing may direct the Trustee by certificate of an Authorized Officer to retain all or a portion of such moneys in the Purchase Account for such additional period of time as MassHousing may direct if such direction is accompanied by a Cash Flow Certification reflecting such additional period of time.

When all Home Ownership Loans to be purchased from a particular Purchase Account have been so purchased, as evidenced by a certificate of an Authorized Officer, or when otherwise directed herein or by the applicable Series Resolution, any amount remaining unexpended in the Purchase Account shall be transferred by the Trustee to the Redemption Account in the Debt Service Fund. Notwithstanding anything in the Resolution to the contrary, if at any time MassHousing shall have deposited in a Purchase Account moneys of MassHousing derived other than from the proceeds of the Bonds or from the Housing Reserve Fund, such moneys shall be deemed to be the last moneys expended from such Purchase Account. Any moneys remaining in the Purchase Account upon completion of the purchase of Home Ownership Loans from such Account may, notwithstanding the foregoing provisions of this paragraph, be transferred by the Trustee to the Revenue Fund upon written direction of an Authorized Officer if such certificate is accompanied by Counsel's Opinion to the effect that such transfer will not adversely affect the exclusion of interest from gross income for federal income tax purposes on any Bonds Outstanding.

Notwithstanding anything in the Resolution to the contrary, the Trustee shall transfer from any Purchase Account to the Debt Service Fund any amounts necessary for the payment, when due, of Principal of and interest and Sinking Fund Installments on the Bonds, to the extent that at any time no moneys are available therefor in any other funds and accounts established thereunder (other than the Bond Proceeds Account). Any such transfer shall be made by the Trustee from such Purchase Account or Accounts, and from such moneys in such Accounts, as an Authorized Officer shall direct or, in the absence of any such direction, from amounts available in each Purchase Account pro rata with amounts available in each subaccount within the Bond Proceeds Account pursuant to the Resolution.

### **Revenue Fund**

All Revenues, with the exception of Acquired Property Receipts and to the extent set forth in a Series Resolution, Home Ownership Loan Prepayments, shall be deposited upon receipt in the Revenue Fund. Revenue from MassHousing's program of financing Rental Development Mortgage Loans and its program of financing Home Ownership Loans shall be maintained in separate subaccounts in the Revenue Fund. There shall also be transferred to



and deposited in the Revenue Fund any surplus moneys available in the Redemption Account after the retirement of all Bonds of the Series with respect to which such amount is attributable, certain amounts from the Acquired Property Fund, and fees and charges collected from Mortgagors as part of Rental Development Mortgage Repayments, as well as the investment income derived from the funds and accounts established by the Resolution and not required to be retained therein for the purposes of the Resolution, as well as other amounts as set forth in the Resolution.

On or before the fifth to last Business Day of each month, an Authorized Officer of MassHousing shall confer with the Trustee to determine the balance then available in the Revenue Fund to make the transfers contemplated by the Resolution on the next Flow Date (as defined below), or reasonably expected to become so available by such Flow Date for such purpose, and in the event of any shortfall provide instructions to the Trustee as to how to withdraw or apply any other monies which may be available under the Resolution to cover such shortfall.

1. *Debt Service Fund.* On or before the second to last Business Day of each month commencing in the month in which the first Series of Bonds is issued (each a "Flow Date"), the Trustee shall withdraw from the Revenue Fund and deposit to the credit of the following Accounts in the Debt Service Fund the following amounts in the following order:

(a) First, to the Interest Account an amount which, when added to the amount then on deposit therein, will be equal to the amount of any accrued and unpaid interest and any interest to accrue through the last day of each month on the Bonds and the amount of any payments related to Qualified Hedge Agreements so accrued and unpaid or to accrue through such date.

(b) Second, commencing with the first Flow Date in each Principal Payment Period for a Series of Bonds in which an installment of principal falls due, to the Principal Account an amount which, when added to the amount then on deposit therein, will on such principal payment date be equal to the amount of the principal of the Bonds then falling due assuming that similar deposits are made on each remaining Flow Date in the applicable Principal Payment Period.

(c) Third, commencing with the first Flow Date in each Principal Payment Period for a Series of Bonds in which a Sinking Fund Installment falls due, to the Sinking Fund Account an amount which, when added to the amount then on deposit therein, will on such Sinking Fund Installment date be equal to the amount of the unpaid Sinking Fund Installment then falling due, assuming that similar deposits are made on each remaining Flow Date in the applicable Principal Payment Period.

2. *Debt Service Reserve Fund.* On or before each Flow Date, after providing for the payments in paragraph (1) above, the Trustee shall withdraw from the Revenue Fund for deposit in the Debt Service Reserve Fund such amount as shall be required to restore the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement.

3. *Acquired Property Fund.* On or before each Flow Date, after providing for the payment in paragraphs (1) and (2) above, on or before each interest payment date, the Trustee shall withdraw amounts from the Revenue Fund for deposit in the Acquired Property Fund such amount, if any, as shall be necessary to provide sufficient moneys in such Fund to meet the expenses of MassHousing in connection with the acquisition, ownership and operation of any Acquired Property for the next succeeding month.

4. *Operating Fund.* On or before any Flow Date, after providing for the payments in paragraphs (1), (2) and (3) above, the Trustee shall at the written direction of MassHousing, withdraw from the Revenue Fund for deposit in the Operating Fund the aggregate of the amounts requisitioned by MassHousing as of such Flow Date, for payment of the estimated Priority Administrative Expenses of MassHousing then due and to become due during the next succeeding month and any other Administrative Expenses then due and owing, provided, however, that any such transfer to the Operating Fund for Administrative Expenses shall not exceed the amount set forth in any Series Resolution or in the most recently filed Cash Flow Certification as the amount permitted to be transferred to the Operating Fund.

5. *Working Capital Fund.* On or before each Flow Date, after providing for the payments in paragraphs (1), (2), (3) and (4) above, on or before each interest payment date, the Trustee shall at the written direction of MassHousing, withdraw from the Revenue Fund and transfer to MassHousing for deposit into the Working Capital Fund an amount equal to the MassHousing Fee, if any (or the balance of the monies so remaining in the Revenue Fund if less than MassHousing Fee). Any such monies so credited to the Working Capital Fund may be used by MassHousing for any lawful purpose.

6. *Purchase Account.* On or before each Flow Date, after providing for all payments in paragraphs (1), (2), (3), (4), and (5) above, the Trustee shall at the written direction of MassHousing withdraw from the Revenue Fund and transfer to the applicable Purchase Account an amount equal to all amounts withdrawn from such Purchase Account and not theretofore restored which were applied to the payment of accrued interest on any Home Ownership Loans acquired from such Purchase Account.

7. *Redemption Account.* On or before each Flow Date, after providing for all payments in paragraphs (1), (2), (3), (4), (5) and (6) above, the Trustee shall at the written direction of MassHousing withdraw from the Revenue Fund and deposit to the credit of, or transfer, to the Redemption Account the amount requisitioned by MassHousing (or the balance of the monies so remaining in the Revenue Fund if less than the amount requisitioned) for application to the redemption of Bonds in accordance with the written direction of MassHousing.

8. *Retained Revenue Account* On or before each Flow Date, after providing for all payments in paragraphs (1), (2), (3), (4), (5), (6) and (7) above, the Trustee shall at the written direction of MassHousing withdraw from the Revenue Fund and transfer to the Retained Revenue Account within the Housing Reserve Fund, the amount remaining in the Revenue Fund in excess of any amount to be maintained in the Revenue Fund as set forth in a Series Resolution.

#### **Debt Service Fund**

All moneys deposited in the Debt Service Fund shall be disbursed and applied by the Trustee at the times and in the manner provided below.

1. *Interest, Principal and Sinking Fund Accounts.* Moneys are required to be transferred to these Accounts from the Revenue Fund at the times and in the manner described in the Resolution under "Revenue Fund."

Moneys held for the credit of the Interest Account, Principal Account and Sinking Fund Account, respectively, are required to be paid by the Trustee to the Trustee for the purpose of paying interest and Sinking Fund Installments on and the principal of the Bonds as the same become due and payable. There is also required to be paid out of the Interest Account the interest on Bonds to be redeemed to the extent not otherwise provided. The Trustee shall also pay out of the Interest Account the certain payments related to Qualified Hedge Agreements.

2. *Redemption Account.* Surplus moneys transferred from the Financing Fund or the Program Fund for deposit in the Redemption Account and moneys deposited in the Redemption Account as a result of Rental Development Recovery Payments or Rental Development Prepayments, shall be applied to the purchase or retirement of the Bonds of the Series in respect of which such moneys were directly or indirectly derived or subject to the filing of a Cash Flow Certificate, of such Series of Bonds as MassHousing may direct, all only if and as determined and designated by a certificate of an Authorized Officer or by the applicable Series Resolution, at the times and in the manner provided in the Resolution.

If on any interest payment or principal payment or Sinking Fund Installment date the moneys on deposit to the credit of the Interest Account, Principal Account or Sinking Fund Account are less than the amount necessary to provide for payments to be made from such Accounts, and there are then moneys on deposit in the Redemption Account, and notice of redemption shall not have been given with respect to such monies, the Trustee shall transfer from the Redemption Account to the credit of those Accounts the amounts sufficient to make up any such deficiencies.

#### **Debt Service Reserve Fund**

The Resolution establishes a "Debt Service Reserve Fund" which shall be held by the Trustee. The Resolution requires MassHousing to pay, or cause to be paid, directly into the Debt Service Reserve Fund (i) such portions of the

proceeds of sale of Bonds, if any, as shall be provided by the Series Resolution authorizing the issuance thereof, (ii) such portions of the proceeds of the sale of Debt Obligations, if any, as shall be provided by the resolution of MassHousing authorizing the issuance thereof, and (iii) any other monies or securities which may be made available to MassHousing for the purposes of the Debt Service Reserve Fund from any other source or sources. The Trustee shall deposit in and credit to the Debt Service Reserve Fund all monies transferred from the Revenue Fund pursuant to the provisions of the Resolution.

The Resolution establishes a Debt Service Reserve Fund Requirement, which as of any particular date of calculation is the total amount of all Debt Service Reserve Fund Requirements as set forth in the applicable Series Resolutions with respect to each Series of Bonds then Outstanding.

In the event there shall be, on any interest payment date, a deficiency in the Interest Account or in the Principal Account or in the Sinking Fund Account or in the event there shall be, on any principal payment date, a deficiency in the Principal Account, or in the event there shall be, on any Sinking Fund Installment date, a deficiency in the Sinking Fund Account, the Trustee shall, to the extent monies in the Redemption Account and the Housing Reserve Fund are insufficient to meet such deficiencies, make up such deficiencies from the Debt Service Reserve Fund, by the withdrawal of monies therefrom for that purpose and by the sale or redemption of securities held in the Debt Service Reserve Fund, if necessary, in such amounts as will, at the respective times, provide monies in the Interest Account, Principal Account and Sinking Fund Account sufficient to make up any such deficiency, and the Trustee shall, in accordance with the provisions of the Resolution, pay into the Debt Service Reserve Fund from the Revenue Fund, to the extent that monies therein are available for such purpose, the amount withdrawn therefrom for the purpose of making up any such deficiencies. Whenever the assets of the Debt Service Fund and the Debt Service Reserve Fund shall be sufficient in the aggregate to provide monies to pay, redeem or retire all Bonds then Outstanding, including such interest thereon as may thereafter become due and payable to maturity or date of redemption, no further payments need be made into the Debt Service Fund or the Debt Service Reserve Fund.

Any income or interest earned by, or increment to, the Debt Service Reserve Fund due to the investment thereof shall, upon written direction of an Authorized Officer, be transferred as received by the Trustee to the Revenue Fund, but only to the extent that any such transfer will not reduce the amount of the Debt Service Reserve Fund below the Debt Service Reserve Fund Requirement.

### **Acquired Property Fund**

Revenue received on account of Acquired Property and moneys withdrawn from the Revenue Fund for Acquired Property Expenses in connection with such Acquired Property shall be deposited in the Acquired Property Fund. Monies at any time held in the Acquired Property Fund shall be used for and applied solely to the payment of such expenses, provided that on or before each interest payment date, the Trustee shall, upon receipt of a certificate signed by an Authorized Officer, transfer to the Revenue Fund (i) an amount (or such lesser amount as shall be specified in such written direction) equal to the payments which would otherwise have been payable with respect to such Acquired Property and (ii) any monies or investment then in the Acquired Property Fund which have been specified in a certificate of an Authorized Officer as not being necessary to meet the Acquired Property Expenses for the next succeeding six months.

### **Housing Reserve Fund**

The Resolution establishes a "Housing Reserve Fund" which shall be held by the Trustee and which shall consist of a "Reserve Account" into which monies shall be deposited as described below and a "Retained Revenue Account" into which shall be deposited monies withdrawn from the Revenue Fund pursuant to the Resolution. Monies held for the credit of the Retained Revenue Account of the Housing Reserve Fund shall be transferred at any time, at the written direction of MassHousing, (i) to the Financing Fund or the Program Fund to fund additional Rental Development Mortgage Loans or Home Ownership Loans upon delivery to the Trustee of a Cash Flow Certification, (ii) to the Reserve Account upon delivery to the Trustee of a Cash Flow Certification and an Asset Parity Certification, and (iii) to any other Fund or Account (excluding the Working Capital Fund) for application in accordance with the terms and provisions of the Resolution. Monies and other assets at any time held for the credit of the Reserve Account of the Housing Reserve Fund shall be transferred, at the written direction of MassHousing, in any manner MassHousing may direct, including without limitation to the Working Capital Fund and otherwise outside the Funds

and Accounts pledged under the Resolution; provided that at the time of such transfer the Debt Service Reserve Fund is funded at least in an amount equal to the Debt Service Reserve Fund Requirement.

Notwithstanding any provisions of the Resolution to the contrary, subject to filing an Asset Parity Certification and a Cash Flow Certification, MassHousing may by written notice to the Trustee signed by an Authorized Officer designate Rental Development Mortgage Loans and Home Ownership Loans as assets of the Reserve Account at any time and from time to time. Such Loans allocated to the Reserve Account shall be excluded from the assets included in any Asset Parity Certification and income derived from any such Loans allocated to the Reserve Account shall be excluded from Revenues and shall be deposited upon receipt in the Reserve Account. MassHousing may at any time by written notice to the Trustee signed by an Authorized Officer reverse any such designation of Rental Development Mortgage Loans or Home Ownership Loans as assets of the Reserve Account, whereupon such Loans shall be included as assets for any Asset Parity Certification and such income shall be included in Revenues.

Investment earnings on each Account within the Housing Reserve Fund shall be deposited upon receipt to the credit of such Account, unless MassHousing shall direct that such earnings be deposited to the Revenue Fund. In the event there shall be, on any interest payment date, a deficiency in the Interest Account, or on any principal payment date, a deficiency in the Principal Account, or on any Sinking Fund Installment date, a deficiency in the Sinking Fund Installment Account, the Trustee shall, to the extent monies in the Redemption Account are insufficient, make up such deficiencies first from amounts on deposit in the Reserve Account within the Housing Reserve Fund and then from amounts held in the Retained Revenue Account within the Housing Reserve Fund, by the withdrawal of monies therefrom and the sale or other disposition of securities held therein. The Trustee shall not be obligated to sell or otherwise dispose of Rental Development Mortgage Loans or Home Ownership Loans allocated to the Housing Reserve Fund to make up such deficiencies before utilizing monies and securities available in other Funds and Accounts.

### **Security for Deposits and Investment of Funds**

All moneys held by the Trustee shall be fully secured by Permitted Investments as promptly as practicable on the first Business Day following receipt of such monies of a market value equal at all times to the amount of the deposit so held by the Trustee; provided, however, that it shall not be necessary for the Trustee to give security for the deposit of any moneys held with them in trust for the payment of the principal or Redemption Price of or interest on Bonds, or such amount of moneys as is insured by federal deposit insurance, or for any moneys which shall be represented by obligations purchased as an investment of such moneys in accordance with the Resolution.

At the direction of MassHousing, monies in the Revenue Fund, Debt Service Fund, Acquired Property Fund, Debt Service Reserve Fund, Program Fund and Financing Fund will be invested in Investment Agreements or other Permitted Investments to the extent available and any fund not invested pursuant to such direction, shall be invested by the Trustee in Permitted Investments so that the maturity date or date of redemption at the option of the holder of such obligations shall occur within six (6) months or, if sooner, coincide, as nearly as practicable, with the times at which the money in said Fund will be required. The obligation purchased shall be held by the Trustee and shall be deemed at all times to be part of such fund or account.

In computing the amount in any fund or account held by the Trustee under the provisions of the Resolution, obligations purchased as an investment of monies therein shall be valued in accordance with GAAP, except with respect to the Debt Service Reserve Fund which may, at the direction of MassHousing, be valued at amortized cost.

### **Issuance of Additional Obligations**

(1) MassHousing shall not hereafter create or permit the creation of or issue any obligations or create any additional indebtedness which will be secured by a charge and lien on the Revenues, Rental Development Prepayments and Rental Development Recovery Payments, or which will be payable from the Financing Fund, the Program Fund, the Revenue Fund, Debt Service Fund, the Retained Revenue Account or the Debt Service Reserve Fund, except (a) a Series of Bonds to refund any Bonds then outstanding under the Resolution may be issued under the conditions and subject to the provisions and limitations of the Resolution and (b) additional Series of Bonds may be issued from time to time pursuant to a Series Resolution subsequent to the issuance of the initial Series of Bonds under the Resolution on a parity with the Bonds of such initial Series of Bonds and secured by an equal charge and lien on the

Revenues and payable equally from the funds and accounts established under the Resolution, or subordinate to the Bonds of such initial Series of Bonds for any lawful purpose of MassHousing achievable by (i) the crediting of monies to any one or more of the Funds and Accounts established pursuant to the Resolution, (ii) the funding of Debt Obligations; (iii) the refunding or redemption of Bonds and related purposes as provided in the Resolution, (iv) the provision for any Bond discount including underwriters' discount, or fees and other costs of issuance, for said Series of Bonds, or (v) any combination of the foregoing under the conditions and subject to the limitations provided below.

(2) No additional Series of Bonds shall be issued subsequent to the issuance of the initial Series of Bonds under the Resolution, except for certain Refunding Bonds which result in a reduction in Debt Service in each Fiscal Year in which such Series will be Outstanding unless:

(a) there is at the time of the issuance of such additional Bonds no deficiency in the amounts required by the Resolution or any series resolution to be paid into the Debt Service Fund;

(b) the amount in the Debt Service Reserve Fund, upon the issuance and delivery of such Bonds and the placing in the Debt Service Reserve Fund of any amount provided therefor in the Series Resolution authorizing the issuance of such Bonds, shall not be less than the Debt Service Reserve Fund Requirement; and

(c) the Bonds then to be issued shall be rated by the Credit Rating Agencies in a rating category equal to or higher than the lowest then current unenhanced rating category assigned to the Bonds then Outstanding which are on a parity with the Bonds to be issued and the issuance of such Bonds shall not adversely affect the then current unenhanced credit ratings assigned by the Credit Rating Agencies for Bonds Outstanding prior to such issuance.

(3) MassHousing reserves the right to issue Debt Obligations and any other obligations so long as the same are not a charge or lien on the Revenues or payable from the Financing Fund, Program Fund, Revenue Fund, Debt Service Fund, the Retained Revenue Account or Debt Service Reserve Fund.

### **Covenants Relating to Rental Development Mortgage Loans**

No Rental Development Mortgage Loan shall be made or funded by MassHousing from the proceeds of Bonds unless the Rental Development Mortgage and other related documents under which such Rental Development Mortgage Loan is to be made shall have been approved by MassHousing and shall comply with the following terms, conditions, provisions and limitations:

(a) The Mortgagor must be eligible under the Act, as amended from time to time, and the Rental Development Mortgage shall be executed and recorded in accordance with the requirements of existing laws;

(b) The Rental Development Mortgage shall constitute and create either a first mortgage lien or subordinate mortgage (with full rights of foreclosure) lien on, or an assignment of a leasehold interest in, the real property of the Rental Development with respect to which the Rental Development Mortgage Loan secured thereby is made and perfected security interests in the personal property acquired with proceeds of the Rental Development Mortgage Loan and attached to or used in connection with the operation of such Rental Development provided, however, that the Rental Development Mortgage may also be a participation by MassHousing under the Resolution with another party or parties, or with MassHousing under another resolution, in a Rental Development Mortgage Loan made with respect to a Rental Development and similarly secured so long as the interest of MassHousing shall have at least equal priority as to lien in proportion to the amount of the loan secured, but need not be equal as to interest rate, time or rate of amortization or otherwise;

(c) The amount of the Rental Development Mortgage Loan shall not exceed the then estimated Cost of Rental Development or any other limitation prescribed by law or authorized regulation, whichever is less;

(d) The Mortgagor shall have provided, or will provide in a manner satisfactory to MassHousing, in payment of the Cost of Rental Development, an amount equal to the difference between the Cost of Rental Development and the Rental Development Mortgage Loan of MassHousing;

(e) The Mortgagor shall be required to pay or cause to be paid, on a monthly basis, the monies required for the Rental Development Mortgage Repayments to be made by the Mortgagor under the Rental Development Mortgage;

(f) The scheduled Rental Development Mortgage Repayments shall be sufficient to permit MassHousing to deliver the Cash Flow Certification required under the Resolution to fund such Rental Development Mortgage Loan;

(g) The Mortgagor shall have acquired title to the site of the Rental Development or an interest in real property sufficient for the location thereon of the Rental Development, free and clear of all liens and encumbrances which would, in the opinion of MassHousing, materially affect the value or usefulness of such site or interest in real property for the intended use thereof and the Mortgagor shall have provided a written title insurance endorsement by a title insurance company acceptable to MassHousing insuring title to the Rental Development in the amount of the Rental Development Mortgage Loan;

(h) The Mortgagor has covenanted that it will keep the Rental Development insured against loss by fire and other hazards as required by MassHousing to protect its interest with losses payable to MassHousing as its interest may appear and that it will reimburse MassHousing for any insurance premiums paid by MassHousing on the Mortgagor's default in so insuring the Rental Development prior to the date when the same shall become delinquent;

(i) The Mortgagor has covenanted that it will maintain the Rental Development in good condition and repair, will not commit or suffer any waste of the premises thereof and will comply with, or cause to be complied with, all valid and applicable statutes, ordinances and regulations of any governmental entity relating to the Rental Development;

(j) The Mortgagor is obligated to make Escrow Payments to MassHousing or provide letters of credit or other satisfactory evidence of the ability to pay, when due, ad valorem property taxes and casualty insurance premiums relating to the Rental Development;

(k) The Mortgagor, prior to the execution and delivery of the Rental Development Mortgage Loan, has obtained or within a reasonable period thereafter will obtain all material governmental approvals then required by law for the acquisition and the commencement of construction, ownership and operation of the Rental Development and has covenanted to secure additional governmental approvals as from time to time are required by law for the continuation of construction, ownership and operation of the Rental Development by the Mortgagor;

(l) The Mortgagor shall have obtained the approval by MassHousing of plans and specifications of the Rental Development; and

(m) The Rental Development Mortgage shall not permit a Rental Development Prepayment except in a manner which will permit MassHousing to comply with the provisions of the Resolution;

All of the foregoing provisions with respect to Rental Development Mortgage requirements shall be subject to the provisions of any superior lien mortgages. To the extent that any superior lien mortgages provide for mortgage requirements that are duplicative of any of the foregoing mortgage requirements, the superior lien mortgage requirements shall control.

*Modification of Rental Development Mortgage Terms.* MassHousing shall not consent to the modification or modify the rate or rates of interest of, or the amount of time of payment of any installment of principal or interest of, any Rental Development Mortgage Loan or the security for or any terms or provisions of any Rental Development Mortgage Loan or the Rental Development Mortgage securing the same without delivery to the Trustee of a Cash Flow Certification.

*Sale of Rental Development Mortgages by MassHousing.* MassHousing shall not sell any Rental Development Mortgage or other obligation securing a Rental Development Mortgage Loan unless the sale price thereof when received by MassHousing shall not be less than an amount, together with such amounts, if any, MassHousing shall

determine, in its sole discretion, to be available under the Resolution as a result of such sale, which, when invested pursuant to the Resolution, shall be sufficient to pay when due the principal, Redemption Price, if applicable, and interest due and to become due on that portion of the aggregate principal amount of Bonds then outstanding which MassHousing determines as necessary to delivering a Cash Flow Certification and an Asset Parity Certification.

*Disposition of Rental Development Recovery Payments and Rental Development Prepayments.* Rental Development Recovery Payments with respect to a Rental Development Mortgage Loan and Rental Development Prepayments, less the cost and expenses of MassHousing incurred in collecting such Rental Development Recovery Payments and Rental Development Prepayments and in effecting the redemption of the Bonds to be redeemed, if any, shall, to the extent MassHousing determines as necessary to delivering a Cash Flow Certification and an Asset Parity Certification, be deposited in the Redemption Account and shall be applied to the payment, retirement or redemption of the appropriate Bonds in accordance with the provisions of the Resolution unless MassHousing shall otherwise direct the Trustee in writing to deposit such funds in a Rental Development Mortgage Loan Account, the Purchase Account or the Retained Revenue Account in the Housing Reserve Fund and MassHousing shall have delivered to the Trustee a Cash Flow Certification and a Counsel's Opinion to the effect that such deposit shall not adversely affect the exclusion of interest from gross income for federal income tax purposes on any Outstanding Bonds.

*Enforcement and Foreclosure of Rental Development Mortgages.*

(1) MassHousing covenants and agrees that, so long as any Bonds are outstanding, it shall diligently enforce, and take all reasonable steps, actions and proceedings at such time or times and in such manner as, in the judgment of MassHousing, is proper and necessary to enforce, the rights of MassHousing under the Rental Development Mortgages, subject to the limitations contained therein, and to protect and enforce the rights and interests of the Bondholders under the Resolution.

(2) Whenever it shall be necessary to protect and enforce the rights of MassHousing under a Rental Development Mortgage securing a Rental Development Mortgage Loan and to protect and enforce the rights and interests of Bondholders under the Resolution, MassHousing shall commence or cause to be commenced foreclosure proceedings against each Mortgagor in default under the provisions of a Rental Development Mortgage and, in protection and enforcement of its rights under such Rental Development Mortgage, shall bid, at the foreclosure or other sale thereof at least an amount which, when invested pursuant to the provisions of the Resolution, would be sufficient to pay when due, the principal, Redemption Price, if applicable, Sinking Fund Installments and interest due and to become due on the Mortgagor's proportionate share of the Bonds issued for the various purposes described in the Resolution and then outstanding which as MassHousing determines as necessary to deliver a Cash Flow Certification and an Asset Parity Certification and, if its bid is successful, to purchase and acquire and take possession of such Rental Development.

(3) Upon foreclosure or other acquisition of a Rental Development, and so long as MassHousing shall have title thereto or be in possession thereof, MassHousing shall, as the case may be, construct, operate and administer such Acquired Property in the place and stead of the Mortgagor and in the manner required of such Mortgagor by the terms and provisions of the Rental Development Mortgage. In so doing, MassHousing to the extent it may have monies available for such purpose, including any monies on deposit in the Financing Fund relating to such Acquired Property, shall complete the construction and development of any incomplete Acquired Property. The Trustee shall be authorized to pay to MassHousing upon its requisition any moneys on deposit in the Financing Fund with respect to an Acquired Property to the extent that MassHousing shall certify in writing to the Trustee that such moneys are required by MassHousing to pay any item that would have been included in the Cost of Rental Development of such Acquired Property had MassHousing not acquired the same. MassHousing shall pay from moneys withdrawn from the Acquired Property Fund the costs and expenses of operating any Acquired Property, including the Rental Development Mortgage Repayments which the mortgagor was obligated to pay pursuant to the terms and provisions of the Rental Development Mortgage. From moneys withdrawn from the Acquired Property Fund, MassHousing shall pay or make provision for payment of the costs and expenses of taxes, insurance, foreclosure fees, including appraisal and legal fees and similar expenses, required to preserve or acquire unencumbered title (except for any encumbrances permitted by the Resolution) to such Acquired Property, Mortgage Repayments and other costs and expenses of operating such Acquired Property.

(4) Notwithstanding the provisions described in paragraph (3) above, upon foreclosure or other acquisition of a Rental Development:

(a) MassHousing may at any time thereafter, sell such Acquired Property to an eligible Mortgagor and make a Rental Development Mortgage Loan with respect thereto as if such eligible Mortgagor were the original Mortgagor, provided that the Rental Development Mortgage securing such a Rental Development Mortgage Loan shall contain the terms, conditions, provisions and limitations required by the Resolution with respect to Rental Development Mortgage Loans;

(b) MassHousing may at any time thereafter sell such Acquired Property to a party other than an eligible Mortgagor, provided that the sale price thereof received by MassHousing shall not be less than an amount, together with such amounts, if any, MassHousing shall determine, in its sole discretion to be available under the Resolution as a result of such sale, which, when invested pursuant to the provisions of the Resolution, shall be sufficient to pay when due the principal, Redemption Price, if applicable, and interest due and to become due on that portion of the aggregate principal amount of Bonds then outstanding which MassHousing determines as necessary to deliver a Cash Flow Certification and an Asset Parity Certification; and

(c) In the event such Acquired Property shall not have been completed, MassHousing may elect to complete only a portion of such Rental Development and to sell off any lands not required for the portion of the Acquired Property to be completed; provided that, prior to the sale of any such land and any reduction in the scope of the Acquired Property, MassHousing shall file with the Trustee its written determination to the effect that the proceeds of sale of such land and the Acquired Property Receipts to be derived from such Acquired Property, as revised in scope, will be sufficient in amount to pay the costs and expenses of operating such Acquired Property, including the Rental Development Mortgage Repayments which the Mortgagor will be obligated to pay pursuant to the terms and provisions of the Rental Development Mortgage relating to such Acquired Property. All proceeds received by MassHousing from the sale of land pursuant to this subparagraph (c) shall be deposited into Redemption Account and such monies shall be used and applied as provided in the Resolution unless MassHousing shall otherwise direct the Trustee in writing to deposit such funds in a Rental Development Mortgage Loan Account, the Purchase Account or the Housing Reserve Fund and MassHousing shall have delivered to the Trustee a Cash Flow Certification and a Counsel's Opinion to the effect that such deposit shall not adversely affect the exclusion of interest from gross income for federal income tax purposes on any Outstanding Bonds.

(5) Notwithstanding the provisions described in the Resolution and in particular in Article IX thereof, the enforcement and foreclosure of Rental Development Mortgages are subject in all respects to the provisions of any superior lien Rental Development Mortgages and such enforcement and foreclosure is limited as provided in such Rental Development Mortgages.

*Prepayment.* MassHousing shall not permit a Mortgagor to make a Rental Development Prepayment unless the amount of such Rental Development Prepayment is not less than an amount, together with such amounts, if any, as MassHousing shall determine, in its sole discretion, to be available under the Resolution as a result of such Rental Development Prepayment, which in the aggregate or when invested pursuant to the provisions of the Resolution, shall be sufficient to pay when due the principal, Redemption Price, if applicable, and interest due and to become due on that portion of the aggregate principal amount of Bonds then outstanding which MassHousing determines as necessary to delivering a Cash Flow Certification and an Asset Parity Certification.

*Pledge of Mortgage Loans.* To secure the payment of the principal and Redemption Price of and the interest and Sinking Fund Installments on the Bonds, MassHousing pledges for the benefit of the Bondholders all Rental Development Mortgages securing Rental Development Mortgage Loans for Permanently Financed Rental Developments and all Home Ownership Loans, provided that those allocated to the Reserve Account of the Housing Reserve Fund are subject to transfer outside the lien of the Resolution under certain circumstances. To the extent permitted by law, the pledge of such Rental Development Mortgages and Home Ownership Loans for the benefit of the Bondholders shall be valid and binding from and after the date of the adoption of the Resolution and such Rental Development Mortgages and Home Ownership Loans shall immediately thereafter be subject to the lien of such pledge without any physical delivery thereof or further act. Upon the happening of an event of default specified in the Resolution and the written request of the Trustee or of the holders of not less than 25% in principal amount of the



outstanding Bonds, MassHousing, in accordance with the provisions of the Resolution, shall assign any or all such Rental Development Mortgages and Home Ownership Loans to the extent funded from proceeds of the Bonds to the Trustee.

Notwithstanding the above pledge of Rental Development Mortgages and Home Ownership Loans, such pledge shall be subject in all respects to the provisions of any superior lien on such Rental Development Mortgages and Home Ownership Loans.

### **Covenants Relating to Home Ownership Loans**

No Home Ownership Loan shall be purchased by MassHousing from the proceeds of Bonds or other moneys available therefor hereunder, and no Bonds shall be issued by MassHousing for the purpose of providing funds with which to purchase Home Ownership Loans, unless the Home Ownership Loans shall comply with, and no Bonds shall be issued by MassHousing to pay the principal, redemption premium, if any, and interest on notes issued pursuant to the Resolution or to refund Bonds unless the Home Ownership Loans which were purchased from the proceeds of such notes or Bonds shall also comply with, the terms, conditions, provisions and limitations of the Resolution and the applicable Series Resolution, and shall have been approved by MassHousing.

(a) Each Home Ownership Loan purchased by MassHousing hereunder from the proceeds of Bonds or other moneys available therefor under the Resolution shall be secured, shall bear such insurance or guarantees, shall be in the amounts and shall otherwise have such terms and conditions as may be specified in the applicable Series Resolution.

(b) MassHousing shall duly and properly service all Home Ownership Loans and enforce the payment and collection of all payments of principal and interest and all escrow payments, if any, thereon or shall cause such servicing to be done by a Home Ownership Mortgage Lender evidencing, in the judgment of MassHousing, the capability and experience necessary to adequately service Home Ownership Loans. Each such Home Ownership Mortgage Lender shall enter into a servicing agreement providing that:

(i) all Revenues received by such Home Ownership Mortgage Lender and required to be remitted to MassHousing by the terms of any agreement with it shall be deposited with the Trustee subject to and in connection with the provisions of the Resolution;

(ii) such Home Ownership Mortgage Lender shall at all times remain qualified to act as such pursuant to such standards as MassHousing shall prescribe from time to time and shall determine to be reasonable to maintain the security for the Bonds; and

(iii) such Home Ownership Mortgage Lender shall agree to maintain servicing facilities that are staffed with trained personnel to adequately service Home Ownership Loans in accordance with standards normally employed by private institutional mortgage investors, as determined in MassHousing's sole discretion, and shall maintain individual files for Home Ownership Loans serviced pursuant to the servicing agreement and provide regular reports to MassHousing as to collections and delinquencies with respect to all Home Ownership Loans serviced by such Home Ownership Mortgage Lender.

(c) MassHousing shall diligently enforce and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Home Ownership Loans including the prompt payment of all Revenues and all other amounts due MassHousing thereunder. MassHousing shall at all times, to the extent permitted by law, defend, enforce, preserve and protect the rights and privileges of MassHousing and of the Bondholders under or with respect to each Home Ownership Loan provided that MassHousing shall have the power and authority to settle a default on any Home Ownership Loan on such terms as MassHousing shall determine to be in the best interests of MassHousing and the Bondholders and to forbear from taking action with respect to enforcement of a Loan if it determines such forbearance to be in the best interests of MassHousing and the Bondholders.

(d) Whenever it shall be necessary in order to protect and enforce the rights of MassHousing under a Home Ownership Loan and to protect and enforce the rights and interest of Bondholders under the Resolution, MassHousing shall take steps to enforce any policy or certificate of insurance or guaranty or Additional Security relating to a Home Ownership Loan and to foreclose the mortgage or enforce the security interest created by such Home Ownership Loan and to collect, hold and maintain or to sell or otherwise dispose of the collateral securing the note or mortgage which is in default under the provisions of such Home Ownership Loan and if MassHousing deems such to be advisable, shall bid for and purchase such collateral at any sale thereof and acquire and take possession of such collateral.

(e) MassHousing shall not sell, assign, transfer or otherwise dispose of any Home Ownership Loan or any of the rights of MassHousing with respect to any Home Ownership Loan unless MassHousing determines that such action is in the best interests of MassHousing and the Bondholders and will not adversely affect the ability of MassHousing to deliver a Cash Flow Certification, in which case such Home Ownership Loan may be so disposed of by MassHousing free and clear of the pledge of the Resolution.

(f) MassHousing may consent or agree to or permit amendment or modification of any Home Ownership Loan including amendments and modifications made in connection with settlement of any delinquency or default on any Home Ownership Loan which settlement MassHousing determines to be in the best interests of MassHousing and the Bondholders; provided, however, that any amendment or modification shall be permitted only if the amended Home Ownership Loan meets MassHousing's eligibility criteria for a Home Ownership Loan which MassHousing may purchase and MassHousing determines that such modification will not have a material adverse impact, taking into account the reasonable expectations with respect to the Home Ownership Loan in question immediately prior to such modification, on MassHousing's ability to deliver a Cash Flow Certification.

#### **Certain Other Covenants**

Among other covenants made by MassHousing in the Resolution are those related to the following matters:

*Cash Flow Certifications.* MassHousing shall file a Cash Flow Certification with the Trustee at such times as are required by the Resolution or any Series Resolution. Whenever a Cash Flow Certification is required to be filed pursuant to the Resolution, it will be sufficient, if a Cash Flow Certification has been filed within the preceding twelve months, to file a certificate of an Authorized Officer stating that (1) the expectations and assumptions reflected in the most recent Cash Flow Certification filed have not materially changed and (2) either the transaction then being requested was expected and reflected in such Cash Flow Certification or the transaction then being requested will not materially change the expectations and assumptions reflected in such Cash Flow Certification, provided, however, that a new Cash Flow Certification shall be required in connection with the issuance of any Series of Bonds. The Trustee shall be entitled to rely upon such certifications as to the absence of any material changes in expectations or assumptions. Whenever a Cash Flow Certification is filed under the Resolution, for purposes of establishing sufficiency of Revenues to pay Debt Service when due, Debt Service on any variable rate Bonds not effectively converted to a fixed rate pursuant to a Qualified Hedge Agreement shall be calculated as set forth in the applicable Series Resolution.

*Use of Bond Proceeds.* MassHousing covenants and agrees, at all times, with all practical dispatch and in a sound and economical manner, consistent in all respects with the Act, the provisions of the Resolution and sound banking practices and principles, to cause the proceeds of each Series of Bonds (except Bonds of a refunding issue) to be deposited in the Financing Fund or the Program Fund, as applicable, to the extent not otherwise required by the Resolution and cause the monies on deposit in said accounts to be used to make or fund Rental Development Mortgage Loans or Home Ownership Loans.

*Accounts, Reports and Certifications.* (1) MassHousing shall keep proper books and records in which complete and correct entries shall be made of its transactions relating to all Rental Development Mortgages, Rental Development Mortgage Loans, Home Ownership Loans, Revenues, Rental Development Prepayments, Home Ownership Loan Prepayments, Rental Development Recovery Payments and all funds and accounts established by the Resolution, which shall at all reasonable times be subject to the inspection of the Trustee and the holders of an aggregate of not less than 5% in principal amount of the Bonds then outstanding or their representatives duly authorized in writing.

(2) MassHousing shall annually, within 90 days after the close of each Fiscal Year, file with the Trustee and otherwise as provided by law, a copy of an annual report for such year, prepared in accordance with GAAP, accompanied by an Accountant's Certificate. A copy of each annual report and Accountant's Certificate shall be mailed by MassHousing to each Bondholder who shall have filed his name and address with MassHousing for such purpose.

(3) MassHousing shall annually, within 90 days after the close of each Fiscal Year, file with the Credit Rating Agencies, the annual report and Accountant's Certificate required pursuant to the Resolution.

*Annual Budget.* Not less than 60 days prior to the beginning of each Fiscal Year MassHousing shall prepare and file with the Trustee an annual budget for the ensuing Fiscal Year. Each such annual budget shall include appropriations for the estimated Administrative Expenses for such Fiscal Year. MassHousing may at any time adopt an amended annual budget for the remainder of the then current Fiscal Year.

*Personnel and Servicing of Rental Development Mortgages and Home Ownership Loans.* MassHousing shall at all times appoint, retain and employ competent supervisory personnel for the purpose of carrying out its program of Rental Development Mortgage Loans and Home Ownership Loans and shall establish and enforce reasonable rules, regulations and standards governing the employment of such personnel at reasonable compensation, salaries, fees and charges and all persons employed by MassHousing shall be qualified for their respective positions. Nothing contained in the Resolution shall prohibit MassHousing from entering into contracts for the purpose of carrying out its program of Rental Development Mortgage Loans and Home Ownership Loans.

### **Defaults and Remedies**

The Resolution declares each of the following events an "event of default":

(a) default in the payment of the principal of, Sinking Fund Installment on, or interest on any Bond after the same shall become due, whether at maturity or upon call for redemption; or

(b) MassHousing shall fail or refuse to comply with the provisions of the Act or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Resolution, any series resolution, any Supplemental Resolution, or in the Bonds, and continuance of such default for a period of 90 days after written notice thereof requiring the same to be remedied shall have been given to MassHousing by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than five per centum (5%) in principal amount of the Outstanding Bonds; or

(c) MassHousing shall file a petition seeking a composition of indebtedness under the Federal bankruptcy laws, or under any applicable law or statute of the United States or of the Commonwealth.

The Resolution provides that upon the happening and continuance of any event of default, then, and in each such case, the Trustee may proceed, and upon the written request of the holders of not less than 25% in principal amount of the Outstanding Bonds shall proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders. Among other remedies, the Trustee shall have the right to declare all Bonds due and payable. In the event that the Trustee shall declare all Bonds due and payable, funds held by the Trustee and other moneys received or collected by the Trustee pursuant to the Act and Resolution shall be applied to the payment of Debt Service then due and unpaid without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds. For purposes of this paragraph, payments related to Qualified Hedge Agreements shall be treated as if they were installments of interest. The foregoing remedies are subject to the provisions of any superior lien mortgages.

### **Modifications of Resolution**

The Resolution provides procedures whereby MassHousing may amend the Resolution or any series resolution adopted thereunder by adoption of a Supplemental Resolution.

MassHousing may adopt (without the consent of any Bondowners but with the consent of the Trustee) Series Resolutions or Supplemental Resolutions upon the filing with the Trustee of a copy certified by and Authorized Officer for certain purposes, including without limitation: (1) to modify any of the provisions of the Resolution or any previously adopted Series Resolution as necessary to preserve the exclusion of the interest from gross income for federal income tax purposes on any Outstanding Bonds issued as bonds on which the interest is so excluded or to permit the issuance of additional Bonds the interest on which is so excluded; (2) to cure any ambiguity or defect or inconsistent provision of the Resolution or to insert such provisions clarifying matters or questions arising under the Resolution or any Series Resolution as are necessary or desirable in the event any such modifications are not contrary to or inconsistent with the Resolution or such Series Resolution as theretofore in effect; (3) to insert, repeal or amend any provision in the Resolution, provided such insertion, deletion or amendment is permitted by the Act and will not adversely affect the then current ratings then assigned to any Bonds Outstanding by any Credit Rating Agency, as evidenced by a certificate of an Authorized Officer to such effect delivered to the Trustee (upon which the Trustee may conclusively rely), accompanied by letters from each Credit Rating Agency or other evidence satisfactory to the Trustee confirming that the adoption of such Supplemental Resolution will not adversely affect the then current ratings assigned by such Credit Rating Agency to any Bonds Outstanding; or (4) to modify any of the provisions of the Resolution or any previously adopted Series Resolution in any other respect, provided that such modifications shall not be effective until after all Bonds of any Series of Bonds Outstanding as of the date of adoption of such Series Resolution or Supplemental Resolution shall cease to be Outstanding, all Bonds issued under such resolutions shall contain a specific reference to the modifications contained in such subsequent resolution.

Amendment of the respective rights and obligations of MassHousing and the Bondholders under the Resolution or of MassHousing may be made with the written consent by the holders of (a) at least a majority in principal amount of the applicable Bonds Outstanding at the time such consent is given and (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the holders of at least a majority in principal amount of the Bonds of each Series so affected and outstanding at the time such consent is given; but no such amendment shall permit a change in the terms of redemption or maturity of the principal of any bond or of any installment of interest thereon or a reduction in the principal amount or Redemption Price thereof, or in the rate of interest thereon without the consent of the holder of such Bond or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect such amendment.

### **Defeasance**

If MassHousing shall pay or cause to be paid, or there shall otherwise be paid, to the holders of Bonds then Outstanding, the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Resolution and MassHousing shall pay or provide for the payment of all fees and expenses of the Trustee and all fees and expenses of each provider of a Credit Facility, then and in that event the covenants, agreements and other obligations of MassHousing to the Bondholders shall be discharged and satisfied.

Bonds or interest installments for the payment or redemption of which moneys shall then be held by the Trustee (through deposit by MassHousing of funds for such payment or redemption or otherwise), whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in the paragraph above. All outstanding Bonds of any Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the paragraph above if there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or certain Permitted Investments the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be and MassHousing shall have given the Trustee irrevocable instructions to publish notice of redemption of such Bonds as provided in the Resolution. Neither Permitted Investments nor moneys deposited with the Trustee nor principal or interest payments on any such Permitted Investments shall be withdrawn or used for any purpose other than, and both shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds.

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PROPOSED FORMS OF LEGAL OPINIONS OF BOND COUNSEL

*Upon delivery of the Series A Bonds, Bond Counsel expects to render its opinion in substantially the following form:*

MINTZ LEVIN

One Financial Center  
Boston, MA 02111  
617-542-6000  
617-542-2241 fax  
www.mintz.com

Massachusetts Housing Finance Agency  
One Beacon Street  
Boston, Massachusetts 02108

We have acted as bond counsel to the Massachusetts Housing Finance Agency (herein called “MassHousing”), a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts, and examined certified copies of the proceedings and other proofs submitted to us relative to the issuance and sale of \$\_\_\_\_\_ Housing Bonds, 2018 Series A (Non-AMT) (the “Series A Bonds”). All capitalized terms used herein which are not otherwise defined have the meaning given those terms as set forth in the Resolution (as hereinafter defined). In such capacity, we have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion.

Reference is made to the opinion of counsel to MassHousing with respect to the compliance of the Mortgages with the provisions of the Act and the Resolution.

In rendering the opinion set forth herein, as to questions of fact material to our opinion, we have relied upon the opinion described above and upon the accuracy of the representations of MassHousing and the Mortgagors as set forth in such papers and documents as we have deemed necessary in connection with this opinion, including without limitation, the Mortgages and MassHousing’s Tax Certificate delivered in connection with the issuance of the Series A Bonds, without undertaking to verify the same by independent investigation.

Based upon our examination, we are of the opinion that, under existing law:

(a) Such proceedings and proofs show lawful authority for the issuance and sale of the Series A Bonds pursuant to the Constitution and statutes of The Commonwealth of Massachusetts, including particularly Chapter 708 of the Acts of 1966 of The Commonwealth of Massachusetts as amended and supplemented (the “Act”), and other applicable provisions of law, and pursuant and subject to the provisions, terms and conditions of a resolution, adopted December 10, 2002, entitled “Housing Bond Resolution,” as supplemented by a resolution of MassHousing entitled “2018 Series A Housing Bond Series Resolution” adopted on October 10, 2017 (such resolution as so supplemented being herein called the “Resolution”).

(b) MassHousing has the right and power under the Act to adopt the Resolution, and the Resolution has been duly and lawfully adopted by MassHousing, is in full force and effect and is valid and binding upon MassHousing and enforceable in accordance with its terms, and no other authorization for the Resolution is required; provided that no opinion is expressed as to the enforceability of the Resolution in accordance with its terms to the extent that the enforcement of any provision thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization, or other laws or judicial decisions or equitable principles affecting creditors’ rights or contractual obligations generally and judicial discretion and no opinion is being rendered as to the availability of any particular remedy thereunder. The Resolution validly pledges the Revenues, Rental Development Prepayments, Rental

Development Recovery Payments, Rental Development Mortgages, Home Ownership Loans (all as defined in the Resolution), monies, securities and funds held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution.

(c) The Series A Bonds are valid and binding special obligations of MassHousing as provided in the Resolution, entitled to the benefits of the Resolution and of the Act, and the Series A Bonds have been duly and validly authorized and issued in accordance with law, including the Act and the Resolution. In addition, the Series A Bonds are secured by a pledge of certain Revenues and other funds held under the Resolution as described above.

(d) MassHousing may, within the terms, provisions and limitations contained in the Resolution, issue additional Bonds which will rank equally as to security and payment with the Series A Bonds. MassHousing may also issue subordinate lien bonds under the Resolution.

(e) (i) Under existing law, interest on the Series A Bonds is excluded from the gross income of the holders of the Series A Bonds for federal income tax purposes, except for interest on any Series A Bond when held by a “substantial user” of the facilities financed by the Series A Bonds or a “related person” within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”). This opinion is rendered subject to the condition that certain requirements of the Code be satisfied subsequent to the date of issuance of the Series A Bonds in order that interest be and remain excluded from gross income for federal tax purposes. Failure to comply with such requirements could cause the interest on the Series A Bonds to be included in gross income retroactive to the date of issuance of the Series A Bonds.

(ii) Interest on the Series A Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed under federal tax law on certain individuals, and, for tax years that began prior to January 1, 2018, corporations.

(f) Under existing law, interest on the Series A Bonds is exempt from Massachusetts personal income taxes, and the Series A Bonds are exempt from Massachusetts personal property taxes.

(g) Except as set forth in paragraph (e), we express no opinion as to federal tax consequences of holding the Series A Bonds, and except as set forth in paragraph (f), we express no opinion as to Massachusetts tax consequences arising with respect to the Series A Bonds. We express no opinion as to the taxability of the Series A Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, under the laws of states other than Massachusetts.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereinafter occur.

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY AND POPEO, P.C.

*Upon delivery of the Series B Bonds, Bond Counsel expects to render its opinion in substantially the following form:*

**MINTZ LEVIN**

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Massachusetts Housing Finance Agency  
One Beacon Street  
Boston, Massachusetts 02108

We have acted as bond counsel to the Massachusetts Housing Finance Agency (herein called “MassHousing”), a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts, and examined certified copies of the proceedings and other proofs submitted to us relative to the issuance and sale of \$\_\_\_\_\_ Housing Bonds, 2018 Series B (Variable Rate) (Non-AMT) (the “Series B Bonds”). All capitalized terms used herein which are not otherwise defined have the meaning given those terms as set forth in the Resolution (as hereinafter defined). In such capacity, we have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion.

Reference is made to the opinion of counsel to MassHousing with respect to the compliance of the Mortgages with the provisions of the Act and the Resolution.

In rendering the opinion set forth herein, as to questions of fact material to our opinion, we have relied upon the opinion described above and upon the accuracy of the representations of MassHousing and the Mortgagors as set forth in such papers and documents as we have deemed necessary in connection with this opinion, including without limitation, the Mortgages and MassHousing’s Tax Certificate delivered in connection with the issuance of the Series B Bonds, without undertaking to verify the same by independent investigation.

Based upon our examination, we are of the opinion that, under existing law:

(a) Such proceedings and proofs show lawful authority for the issuance and sale of the Series B Bonds pursuant to the Constitution and statutes of The Commonwealth of Massachusetts, including particularly Chapter 708 of the Acts of 1966 of The Commonwealth of Massachusetts as amended and supplemented (the “Act”), and other applicable provisions of law, and pursuant and subject to the provisions, terms and conditions of a resolution, adopted December 10, 2002, entitled “Housing Bond Resolution,” as supplemented by a resolution of MassHousing entitled “2018 Series B Housing Bond Series Resolution” adopted on October 10, 2017 (such resolution as so supplemented being herein called the “Resolution”).

(b) MassHousing has the right and power under the Act to adopt the Resolution, and the Resolution has been duly and lawfully adopted by MassHousing, is in full force and effect and is valid and binding upon MassHousing and enforceable in accordance with its terms, and no other authorization for the Resolution is required; provided that no opinion is expressed as to the enforceability of the Resolution in accordance with its terms to the extent that the enforcement of any provision thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization, or other laws or judicial decisions or equitable principles affecting creditors’ rights or contractual obligations generally and judicial discretion and no opinion is being rendered as to the availability of any particular remedy thereunder. The Resolution validly pledges the Revenues, Rental Development Prepayments, Rental Development Recovery Payments, Rental Development Mortgages, Home Ownership Loans (all as defined in the Resolution), monies, securities and funds held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution.



(c) The Series B Bonds are valid and binding special obligations of MassHousing as provided in the Resolution, entitled to the benefits of the Resolution and of the Act, and the Series B Bonds have been duly and validly authorized and issued in accordance with law, including the Act and the Resolution. In addition, the Series B Bonds are secured by a pledge of certain Revenues and other funds held under the Resolution as described above.

(d) MassHousing may, within the terms, provisions and limitations contained in the Resolution, issue additional Bonds which will rank equally as to security and payment with the Series B Bonds. MassHousing may also issue subordinate lien bonds under the Resolution.

(e) (i) Under existing law, interest on the Series B Bonds is excluded from the gross income of the holders of the Series B Bonds for federal income tax purposes, except for interest on any Series B Bond when held by a “substantial user” of the facilities financed by the Series B Bonds or a “related person” within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”). This opinion is rendered subject to the condition that certain requirements of the Code be satisfied subsequent to the date of issuance of the Series B Bonds in order that interest be and remain excluded from gross income for federal tax purposes. Failure to comply with such requirements could cause the interest on the Series B Bonds to be included in gross income retroactive to the date of issuance of the Series B Bonds.

(ii) Interest on the Series B Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed under federal tax law on certain individuals, and, for tax years that began prior to January 1, 2018, corporations.

(f) Under existing law, interest on the Series B Bonds is exempt from Massachusetts personal income taxes, and the Series B Bonds are exempt from Massachusetts personal property taxes.

(g) Except as set forth in paragraph (e), we express no opinion as to federal tax consequences of holding the Series B Bonds, and except as set forth in paragraph (f), we express no opinion as to Massachusetts tax consequences arising with respect to the Series B Bonds. We express no opinion as to the taxability of the Series B Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, under the laws of states other than Massachusetts.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereinafter occur.

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY AND POPEO, P.C.

**DEFINITIONS OF CERTAIN TERMS**

“Accountant’s Certificate” shall mean an opinion signed by a certified public accountant or a firm of certified public accountants of recognized standing, selected by MassHousing, who may be the accountant or firm of accountants who regularly audit the books and records of MassHousing.

“Acquired Property” shall mean a property which MassHousing has acquired title to, or taken possession of, through protection and enforcement of its rights conferred by law or by the Rental Development Mortgage or if specified in the applicable Series Resolution, the Home Ownership Loan with respect to such property, but only during the period of ownership or possession.

“Acquired Property Expense Requirement” shall mean such amount of money as may from time to time be determined by resolution of MassHousing to be necessary for the payment of Acquired Property Expenses for an Acquired Property.

“Acquired Property Expenses” shall mean all of the costs and expenses incurred by MassHousing in connection with the acquisition, ownership or operation of an Acquired Property.

“Acquired Property Receipts” shall mean all monies received by MassHousing in connection with its acquisition, ownership or operation of an Acquired Property.

“Administrative Expenses” shall mean MassHousing’s expenses of carrying out and administering its powers, duties and functions as authorized by the Act, and shall include, without limiting the generality of the foregoing: administrative expenses, legal, accounting and consultant’s services and expenses, payments to pension, retirement, health and hospitalization funds, any expenses relating to Bonds or to loan programs financed under the Resolution, such as Priority Administrative Expenses and any other expenses required or permitted to be paid by MassHousing under the provisions of the Act or the Resolution. Administrative Expenses shall not include the MassHousing Fee.

“Asset Parity Certification” shall mean an asset parity certification executed by an Authorized Officer of MassHousing, which asset parity certification shall demonstrate that, following compliance with the instructions to be given by MassHousing as set forth therein, the ratio of (i) the sum of (a) the aggregate outstanding balances of Home Ownership Loans and the Rental Development Mortgage Loans theretofore made or funded under the Resolution, other than those allocated to the Reserve Account of the Housing Reserve Fund, if any, (b) amounts on deposit in the Financing Fund, Program Fund, the Retained Revenue Account of the Housing Reserve Fund and the Debt Service Reserve Fund, and (c) amounts on deposit in the Revenue Fund or the Debt Service Fund attributable to principal of the Bonds over (ii) the principal amount of the Outstanding Bonds, shall be equal to or greater than 1.01 as of the date of such certification and as of each June 1 and December 1 in each Fiscal Year thereafter during which any Bonds shall be Outstanding.

“Authorized Officer” shall mean any member of MassHousing, its Executive Director, Deputy Director, Financial Director, General Counsel, Comptroller and any other officer or employee of MassHousing authorized to perform specific acts or duties by resolution duly adopted by MassHousing.

“Bond” or “Bonds” shall mean any Bond or the issue of Bonds, as the case may be, established and created by the Resolution and issued pursuant to a Series Resolution or any Qualified Hedge Agreement entered into in connection with the Resolution.

“Bondholder” or “Holder” or “Holders of Bonds” or any similar term (when used with respect to Bonds) shall mean any person or party who shall be the registered owner of any Outstanding Bond or Bonds.

“Borrower” shall mean, when used with respect to a Home Ownership Loan, the obligor or obligors on such Home Ownership Loan, including any obligor by way of assumption.

“Cash Flow Certification” shall mean a cash flow certification executed by an Authorized Officer of MassHousing, which cash flow certification shall demonstrate that, following compliance with the instructions to be given by MassHousing as set forth therein, Revenues available on each interest payment date, together with amounts available under the Resolution for transfer to the Revenue Fund on any such date (other than from the Reserve Account within the Housing Reserve Fund), will be at least sufficient to pay Debt Service, Administrative Expenses and the MassHousing Fee due on each such interest payment date thereafter. In preparing cash flow certifications, MassHousing shall assume (i) a 30 day delay in payments received with respect to the Rental Development Mortgage Loans and Home Ownership Loans, (ii) investment earnings based upon interest rates provided in existing Permitted Investments for the term of such Permitted Investments and such rates as may be determined by MassHousing thereafter, (iii) Revenues with respect to Rental Development Mortgage Loans based upon the actual rates of interest and terms of the Rental Development Mortgage Loans with no prepayments, (iv) Revenues with respect to Home Ownership Loans based upon the actual rates of interest and terms of the Home Ownership Loans with prepayments at such rates as may be determined by MassHousing and (v) any other assumptions as may be determined by MassHousing.

“Cooperative Housing Loan” shall mean a note secured by a pledge of a proprietary lease and the appurtenant stock of a cooperative housing corporation (as defined in the Code).

“Cost of Issuance” shall mean the items of expense to be paid or reimbursed directly or indirectly by MassHousing and related to the authorization, sale and issuance of Bonds and the investment of the proceeds of Bonds and Debt Obligations issued in relation thereto, which items of expense shall include, but not be limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, professional consultants’ fees, fees and expenses of public and private agencies for the supervision and/or origination of Home Ownership Loans, fees of Home Ownership Mortgage Lenders payable in connection with any Home Ownership Loan, underwriter’s fees, costs of credit ratings, premiums for insurance of the payment of the Bonds or any fees and expenses payable in connection with any Additional Security or Credit Facilities, premiums for insurance for MassHousing against loss on Home Ownership Loans, fees and charges for execution, transportation and safekeeping of Bonds, costs and expenses of refunding of Bonds, costs payable upon or with respect to the initial investment of Bond proceeds, fees and expenses payable in connection with any remarketing agreement, tender agent agreements or interest rate indexing agreements and other costs, charges and fees in connection with the foregoing.

“Counsel’s Opinion” shall mean an opinion signed by an attorney or firm of attorneys selected by MassHousing. Any such attorney may be a lawyer in the regular employment of MassHousing.

“Credit Facility” shall mean a guarantee, surety bond, insurance policy or an unconditional (except to the extent such letter of credit may have a fixed termination date), irrevocable letter of credit, fully collateralized, to the extent necessary, by Permitted Investments referred to in clauses (i) and (ii) of the definition of “Permitted Investments” or which is issued by a bank, trust company, national banking association, insurance company or corporation, provided that the entity issuing such surety bond, insurance policy or letter of credit must be an entity (A) whose unsecured or uncollateralized long-term debt obligations are assigned ratings at least as high as those then assigned to the Bonds by the Credit Rating Agencies or which will not adversely affect the ratings on the Bonds assigned by the Credit Rating Agencies at the time of the issuance of such guarantee, surety bond, insurance policy or letter of credit or (B) whose guarantees, surety bonds, insurance policies or letters of credit have been issued in support of certain debt obligations of persons, which debt obligations are assigned ratings at least as high as those then assigned to the Bonds by the Credit Rating Agencies or which will not adversely affect the rating on the Bonds assigned by the Credit Rating Agencies at the time of the issuance of such guarantee, surety bond, insurance policy or letter of credit; provided further that a Credit Facility shall be payable to the order of the Trustee solely for the purpose of securing payment of the Bonds. In order to accept any Credit Facility, the Trustee shall receive an opinion of counsel to the provider thereof that such Credit Facility is a valid and enforceable obligation of such provider; and if the Credit Facility is collateralized, the Trustee shall receive an unqualified opinion of counsel to the provider thereof to the effect that the security agreement with respect to the collateral is valid and enforceable in accordance with its terms and the Trustee has a first perfected security interest in the collateral. Any collateral delivered to secure a Credit Facility and required pursuant to the requirements of the Credit Rating Agencies with respect to their ratings on the Bonds shall be maintained in such manner and at such levels as shall then be required in written reports or guidelines of the Credit Rating Agencies to maintain the then applicable ratings on the Bonds. An amount in cash or additional collateral equal

to any deficit in the value of the collateral shall be deposited by the provider of the Credit Facility with the Trustee within the applicable restoration period required by the Credit Rating Agencies in such reports or guidelines, and the terms of any such collateralized Credit Facility shall expressly provide that if such amount is not so deposited within the applicable restoration period, the Trustee shall liquidate the collateral and that in the event that the Trustee shall draw upon the collateralized Credit Facility, such draw shall occur thirty (30) days preceding the disbursement of the proceeds of such Credit Facility. In connection with the delivery of any Credit Facility, MassHousing shall provide a written certification that the Credit Facility meets the requirements of this definition as well as written directions as to when to draw upon such Credit Facility. The Trustee may rely upon a certification of MassHousing that a Credit Facility meets the requirements of this definition.

“Credit Rating Agencies” shall mean the nationally recognized credit rating agencies (which may include Fitch, Moody’s and Standard & Poor’s) which at the request of MassHousing have assigned and are currently maintaining ratings of the Bonds.

“Debt Obligations” shall mean any debt obligations (other than Bonds) issued by MassHousing for the purpose of providing financing with respect to a Rental Development or Home Ownership Loans.

“Debt Service” shall mean, with respect to any particular period, an amount equal to the sum of (a) all interest payable on the Bonds Outstanding during such period, plus (b) the amount payable during such period on account of principal of the Outstanding Bonds and Sinking Fund Installments and balances payable at maturity of the Outstanding Bonds, provided, however, for the purposes of computing all interest payable on the Bonds Outstanding during any initial period, the amount of interest payable during the initial period for the Bonds of any particular series of Bonds shall be deemed to be the amount of interest accruing during such initial period. Debt Service on Bonds with respect to which there is a Qualified Hedge Agreement shall be calculated consistent with the Resolution.

“Debt Service Reserve Fund Requirement” shall mean, as of any particular date of calculation, the total amount of all Debt Service Reserve Fund Requirements set forth in the applicable Series Resolutions with respect to each Series of Bonds then Outstanding. In the event the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement, in lieu (in whole or in part) of a deposit to the Debt Service Reserve Fund of an amount of funds which, together with other deposits, will equal the Debt Service Reserve Fund Requirement with respect to the Bonds, MassHousing may provide for a Credit Facility or another letter of credit, surety bond, insurance policy or other type of agreement which will not adversely affect the then current unenhanced ratings on the Bonds assigned by the Credit Rating Agencies and provides for the availability, at the times required pursuant to the provisions of the Resolution, of an amount which, together with other deposits, will at least be equal to such Debt Service Reserve Fund Requirement, and such method of funding shall be deemed to satisfy all provisions of the Resolution with respect to the Debt Service Reserve Fund Requirement and the amounts required to be on deposit in the Debt Service Reserve Fund. On or before the date which is one (1) month prior to the expiration of any such Credit Facility or other agreement, MassHousing shall either procure a replacement Credit Facility which will go into effect on or prior to such expiration or certify to the Trustee (with notice to the Credit Rating Agencies) that the amounts on deposit in the Debt Service Reserve Fund, together with any remaining such Credit Facilities or other agreements, will be at least equal to the Debt Service Reserve Fund Requirement as of the date of such expiration.

“Escrow Payment” shall mean all payments made in order to obtain or maintain mortgage insurance and fire and other hazard insurance and any payments required to be made with respect to Rental Development Mortgages for taxes or other governmental charges or other similar charges to a Mortgagor customarily required to be escrowed.

“Fiscal Year” shall mean any twelve (12) consecutive calendar months commencing with the first day of July and ending on the last day of the following June.

“GAAP” shall mean generally accepted accounting principles, as set forth in the statements, opinions and pronouncements of the Financial Accounting Standards Board (to the extent applicable to Mass Housing) and the Governmental Accounting Standards Board, consistently applied and maintained, as in effect from time to time.

“Hedge Agreement” shall mean a payment exchange agreement, swap agreement, forward purchase agreement or any other hedge agreement entered into by MassHousing providing for payments between the parties based on levels of, or changes in interest rates, stock or other indices or contracts to exchange cash flows or a series of

payments or contracts, including without limitation, interest rate floors, or caps, options, puts or calls, which allows MassHousing to manage or hedge payment, rate, spread or similar risk with respect to all or a portion of any Series of Bonds or any assets pledged under the Resolution.

“Home Improvement Loan” shall mean a note, whether or not secured by a mortgage, evidencing a loan to a Borrower to finance alterations, repairs, and improvements on or in connection with a residential structure to protect or improve the basic livability or energy efficiency of the property.

“Home Ownership Loan” shall mean a Home Ownership Mortgage Loan, a Home Improvement Loan, a Cooperative Housing Loan or a Home Ownership Loan Security which (1) complies, at the time of purchase by MassHousing, with the provisions of the Resolution and any applicable additional provisions provided in any Series Resolution, (2) is purchased with proceeds of Bonds or other moneys held under the Resolution, (3) is held under the Resolution and (4) represents a mortgage, loan or other form of owner financing (or an interest therein) on an owner-occupied residence located or to be located in the Commonwealth.

“Home Ownership Loan Prepayment” shall mean all payments on a Home Ownership Loan which reduce or eliminate the principal balance due on the Home Ownership Loan by reason of the prepayment of all or a part of such principal prior to the due date thereof, including without limitation, amounts paid with respect to principal on account of (1) acceleration of the due date of such Home Ownership Loan, (2) sale or other disposition of such Home Ownership Loan or of the collateral securing such Home Ownership Loan and (3) receipt of proceeds of any private or governmental insurance of guaranty or any Additional Security applicable to such Home Ownership Loan, but excluding the portion, if any, of such amounts representing the principal which would have been past due on such Home Ownership Loan (other than by reason of acceleration) on the date it is prepaid had such Home Ownership Loan not been prepaid.

“Home Ownership Loan Principal Payments” shall mean all payments, other than Home Ownership Loan Prepayments, on a Home Ownership Loan which reduce or eliminate the principal balance due of a Home Ownership Loan, including without limitation, scheduled payments of principal on such Home Ownership Loan and the current or past due portion, if any, of amounts paid with respect to principal on account of any Home Ownership Loan Prepayment.

“Home Ownership Loan Security” shall mean a security, instrument of indebtedness or other obligation of, or guaranteed by, the Government National Mortgage Association, the Federal National Mortgage Association or other agency or instrumentality of the United States of America or the Commonwealth, secured by, backed by or representing an interest in Home Ownership Loans or interests therein. Home Ownership Loan Security shall also mean a security, instrument of indebtedness or other obligation of, or guaranteed by a Home Ownership Lender secured by, backed by or representing an interest in Home Ownership Loans or interests therein and which, if financed under the Resolution, will not adversely affect the then current ratings on the Bonds assigned to the Bonds by the Credit Rating Agencies.

“Home Ownership Mortgage Lender” shall mean any bank, mortgage broker, mortgage company or mortgage banker, trust company, savings bank, credit union, national banking association, federal savings and loan association, or building and loan association maintaining an office in the Commonwealth or an insurance company authorized to transact business in the Commonwealth; where the context requires, “Home Ownership Mortgage Lender” shall also mean and include a seller of Home Ownership Loans to MassHousing or a servicer of Home Ownership Loans for MassHousing or the issuer, guarantor or other obligor on a Home Ownership Loan Security.

“Home Ownership Mortgage Loan” shall mean a note secured by a mortgage on a residential structure or unit evidencing a loan to a Borrower.

“Investment Agreement” shall mean a three-party agreement among MassHousing, the Trustee and a bank, trust company, national banking association, insurance company or other financial institution or supplier of such agreements (or a two-party agreement between the Trustee acting at the direction of MassHousing and such supplier) whose unsecured or uncollateralized long-term (and/or short-term, for Investment Agreements shorter than 3 years) obligations, or whose obligations under the agreement are insured or guaranteed by an entity whose claim paying ability are assigned a rating either (i) at least equal to the then current ratings assigned to the Bonds by the Credit

Rating Agencies or (ii) such that execution of such Investment Agreement would not adversely affect the then current unenhanced ratings assigned to the Bonds by the Credit Rating Agencies.

“MassHousing Fee” shall mean the fee payable to MassHousing with respect to the origination and servicing of the Rental Development Mortgage Loans or Home Ownership Loans, or credit enhancement or other services provided by MassHousing in connection with any such Loans. The amount of the MassHousing Fee, if any, payable with respect to any Series of Bonds shall not exceed the amount authorized in the applicable Series Resolution.

“Mortgagor” shall mean the qualified mortgagor of a Rental Development receiving a Rental Development Mortgage Loan from MassHousing pursuant to the terms and provisions of a Rental Development Mortgage and Rental Development Mortgage Note.

“Outstanding” when used with reference to Bonds, shall mean, as of any date, Bonds theretofore or then being delivered under the provisions of the Resolution, except: (i) any Bonds cancelled by the Trustee at or prior to such date, (ii) Bonds for the payment or redemption of which monies equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held by the Trustee in trust (whether at or prior to the maturity or redemption date), provided that if such Bonds are to be redeemed, notice of such redemption shall have been given as in Article IV of the Resolution provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, (iii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Article III or Section 406 or Section 1106 of the Resolution, and (iv) Bonds deemed to have been paid as provided in Section 1402 of the Resolution.

“Period of Construction” shall mean that period during which a Rental Development is being constructed, terminating with the date of commencement of principal amortization on the Rental Development Mortgage Loan relating to such Rental Development.

“Permanently Financed Rental Development” shall mean a Rental Development with respect to which MassHousing shall have issued Bonds and applied all or part of the proceeds thereof to the making of a Rental Development Mortgage Loan or to the refunding and retirement of Debt Obligations or refunding of Bonds issued to make or fund such Rental Development Mortgage Loan.

“Permitted Investment” shall mean and include any of the following securities, if and to the extent the same are at the time of investment legal for investment of MassHousing funds; provided, however, that MassHousing shall not invest in any such security if the investment in any such security would adversely affect the then current unenhanced ratings on the Bonds assigned by the Credit Rating Agencies:

- (i) direct general obligations of the United States of America and obligations (including obligations of any federal agency or corporation) the payment of the principal and interest on which, by act of the Congress of the United States or in the opinion of the Attorney General of the United States in office at the time such obligations were issued, are unconditionally guaranteed by the full faith and credit of the United States of America, or so long as at the time of their purchase such investments will not adversely affect the then-current ratings, if any, assigned to the Bonds by each Rating Agency, any other evidences of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this clause (i);
- (ii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which are not callable at the option of the obligor or otherwise prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice, (b) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) hereof which fund may be applied only to the payment of interest when due, principal of and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) hereof which have been deposited in such fund along with any cash on deposit in such fund is sufficient to pay interest

when due, principal of and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate, and (d) which at the time of their purchase under the Resolution bear the highest rating available from each Credit Rating Agency;

- (iii) bonds, debentures, participation certificates (representing a timely guaranty of principal and interest), notes or similar evidences of indebtedness of any of the following: Financing Corporation, Federal Home Loan Bank System, Federal Farm Credit Bank, Fannie Mae (excluding “stripped” securities), Federal Home Loan Mortgage Corporation (excluding “stripped” securities), Resolution Funding Corporation, Government National Mortgage Association or Student Loan Marketing Association;
- (iv) obligations of any state of the United States of America or of any political subdivision or public agency or instrumentality thereof, provided that at the time of their purchase under the Resolution such obligations are rated by each Credit Rating Agency no lower than the then current rating assigned to the Bonds by each Credit Rating Agency;
- (v) prime commercial paper of a corporation incorporated under the laws of any state of the United States of America, having at the time of their purchase under the Resolution the highest rating available from each Credit Rating Agency;
- (vi) interest-bearing time deposits, certificates of deposit or other similar banking arrangements with banks (which may include any fiduciary), provided such deposits are made with banks rated by each Credit Rating Agency at the time the deposit is made no lower than the then current rating assigned to the Bonds by such Credit Rating Agency;
- (vii) shares of a diversified open-end management investment company as defined in the Investment Company Act of 1940, which is a money market fund, which are rated (which rating shall, in the case of Standard and Poor’s, have a subscript of “m” or “m-G”) at the time of their purchase by each Credit Rating Agency no lower than the then current rating assigned to the Bonds by such Credit Rating Agency;
- (viii) shares of a diversified open-end management investment company as defined in the Investment Company Act of 1940, which is a mutual fund that invests in the Investment Securities described in clauses (i), (ii) and (iii) above, provided that such fund shall have at the time of investment in such fund the highest rating available from each Credit Rating Agency, or that the investment in such fund will not adversely affect the then current rating on the Bonds assigned by the Credit Rating Agencies;
- (ix) repurchase agreements for obligations of the type specified in clauses (i) and (iii) above, provided either (a) the repurchase agreement is an unconditional obligation of the counterparty and such counterparty (or an affiliated guarantor) is rated at the time of its purchase by each Credit Rating Agency no lower than the rating assigned to the Bonds by such Credit Rating Agency, or (b) the repurchase agreement is an obligation of a counterparty that is rated at the time of its purchase by each Credit Rating Agency in an investment grade category and is collateralized by obligations which (i) are marked to market at intervals, (ii) have a value equal to not less than the percentage of the amount thereby secured, and (iii) have such additional legal requirements specified by each Credit Rating Agency, taking into account the maturity of such obligations;
- (x) Investment Agreements; and
- (xi) Any other investment obligation or deposit, provided such investment or deposit will not, at the time such investment is made, adversely affect the then current unenhanced ratings on the Bonds assigned by the Credit Rating Agencies.

Permitted Investments must be limited to those instruments that have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change. If a Permitted Investment is rated, it should not have an “r” highlighter affixed to its rating. Interest should be tied to a single interest rate index plus a single fixed spread, if any, and move proportionately with that index.

“Principal Payment Period” shall mean the period of time during which monies shall be set aside in the Principal Account or Sinking Fund Account, as applicable, to meet a principal payment or Sinking Fund Installment on Bonds, which shall be twelve months for Bonds of a Series with annual maturities and Sinking Fund Installments, six months for Bonds of a Series with semi-annual maturities and Sinking Fund Installments, three months for Bonds of a Series with quarterly maturities and Sinking Fund Installments, and so on.

“Priority Administrative Expenses” shall mean MassHousing’s expenses incurred for issuing and carrying Bonds and for carrying on the loan programs funded with the proceeds of Bonds, including the following: (i) fees and expenses (a) of the Trustee, (b) for any Credit Facility or Additional Security, (c) for Bond insurance or other credit enhancement, (d) in connection with Permitted Investments relating to monies held under the Resolution, (e) for liquidity, remarketing and other services for Variable Rate Bonds, (f) for auction agent, broker-dealer, marketing agent and other services relating to auction rate Bonds, and (g) for any other necessary expenses directly related to carrying Bonds; (ii) fees, rebates or other amounts owed to governmental entities; (iii) payments due under the amortization adjustment agreement with respect to Harbor Point Apartment, MassHousing, No. 84-025; (iv) rebates, yield restriction payments and other payments required to preserve the exclusion of interest from gross income for federal income tax purposes of interest on Bonds; (v) fees and termination payments on Qualified Hedge Agreements to the extent so specified in such Agreements as permitted by Section 104 of the Resolution and (vi) the cost of loan servicing performed by MassHousing for Rental Development Mortgage Loans and Home Ownership Loans in an amount not to exceed .30% per annum on the outstanding balance of Rental Development Mortgage Loans and Home Ownership Loans; provided, however, that the total amount of all Priority Administrative Expenses may not exceed the limit set forth in the applicable Series Resolutions with respect to each Series of Bonds then Outstanding.

“Provider” shall mean any person or entity providing a Qualified Hedge Agreement pursuant to agreement with or upon the request of MassHousing.

“Qualified Hedge Agreement” shall mean a Hedge Agreement which meets the tests of the Resolution.

“Qualified Institution” shall mean (i) a bank, a trust company, a national banking association, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, a corporation, a trust, a partnership, an unincorporated organization, or a government or an agency, instrumentality, program, account, fund, political subdivision or corporation thereof, in each case the unsecured or uncollateralized long-term debt obligations of which, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by any such organization, at the time a Qualified Hedge Agreement is entered into by MassHousing are either (a) rated at least as high as the Bonds by each Credit Rating Agency which rates such obligations or (b) such that entering into a Qualified Hedge Agreement with such entity will not adversely affect the then current Ratings, if any, assigned to the Bonds by each Credit Rating Agency or (ii) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality the obligations of which are backed by the full faith and credit of the United States of America.

“Rental Development” shall mean a project with respect to which MassHousing is authorized to make a Rental Development Mortgage Loan under Section 5 (a) of the Act.

“Rental Development Mortgage” shall mean the documents evidencing the grant by a Mortgagor to MassHousing of a first mortgage lien (or such lien as otherwise permitted pursuant to the Resolution) on the real property of the Rental Development and security interest in the personal property attached to or used or to be used in connection with the construction or operation of the Rental Development which is not excluded as permitted pursuant to the Act.



“Rental Development Mortgage Loan” shall mean a loan made, funded or refunded by MassHousing pursuant to the Resolution with respect to a Rental Development, and secured by a mortgage lien on the real property or on the interest in the real property comprising or to comprise the Rental Development and a lien on all personal property acquired with the proceeds of such loan and attached to or used or to be attached to or to be used in connection with the construction or operation of the Rental Development. Rental Development Mortgage Loan shall also mean any subsequent increases to the initial Rental Development Mortgage Loan amount for a Rental Development.

“Rental Development Mortgage Note” shall mean a promissory note given by the Mortgagor to or assigned to MassHousing to evidence the applicable Rental Development Mortgage Loan.

“Rental Development Mortgage Repayment” shall mean the amounts paid or required to be paid from time to time to MassHousing by a Mortgagor or on behalf of a Mortgagor, for principal and interest and any other payments or charges, exclusive of administrative fees, on a Rental Development Mortgage Loan pursuant to a Rental Development Mortgage, but not including Escrow Payments, Rental Development Prepayments, Rental Development Recovery Payments and any commitment fee received by MassHousing at the time of initial issuance of funds to a Mortgagor.

“Rental Development Prepayment” shall mean any monies received from any payment of principal or interest, including any prepayment penalties or other charges, on any Rental Development Mortgage Loan more than 60 days prior to the scheduled payments of principal and interest called for thereby, or from the sale of a Rental Development Mortgage Loan pursuant to the Resolution, other than monies constituting a Rental Development Recovery Payment.

“Rental Development Recovery Payment” shall mean monies received by MassHousing with respect to (A) Permanently Financed Rental Developments from (i) proceedings taken by MassHousing in the event of the default by a Mortgagor, including the sale, assignment or other disposition of the Rental Development Mortgage Loan or the Rental Development and the proceeds of any Additional Security relating to such Loan or Development, (ii) the prepayment or refunding of or with respect to a Rental Development Mortgage Loan in default, (iii) the condemnation of a Rental Development or any part thereof or from hazard insurance payable with respect to the damage or destruction of a Rental Development and which are not applied to the repair or reconstruction of such Rental Development or (iv) the voluntary sale of any Rental Development Mortgage Loan by MassHousing, including the transfer of such Rental Development Mortgage Loan to another resolution of MassHousing and (B) if so specified in any Series Resolution, any Home Ownership Loan Prepayment.

“Revenues” shall mean all income to MassHousing derived from Rental Development Mortgage Loans and Home Ownership Loans including, but not limited to, Acquired Property Receipts, Rental Development Mortgage Repayments, Home Ownership Loan Principal Payments, Home Ownership Loan Prepayments (except to the extent set forth in any Series Resolution), interest payments on Home Ownership Loans, to the extent set forth in a Series Resolution amounts received on any Additional Security, any subsidy payment, relating to a Rental Development Mortgage Loan or Home Ownership Loan, and investment earnings on Funds and Accounts established by the Resolution and transferred to the Revenue Fund pursuant to the Resolution, but excluding (i) Rental Development Prepayments, (ii) Rental Development Recovery Payments, (iii) Escrow Payments, (iv) administrative fees received from the United States Housing Act of 1937, as amended, and (v) all income attributable to Rental Development Mortgage Loans and Home Ownership Loans allocated to the Reserve Account of the Housing Reserve Fund. Revenues shall also mean amounts received by the Trustee for the account of MassHousing under a Hedge Agreement, excluding amounts received under a Qualified Hedge Agreement which are deposited in a Debt Service Fund and have been relied upon in calculating Debt Service in accordance with the Resolution.

“Sinking Fund Installment” shall mean the installment established for a Series of Bonds pursuant to the Resolution and shall mean, with respect to any Bond, the principal amount due thereon, including any applicable premium, upon its redemption or payment at maturity from the Sinking Fund Account.

**PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT**

THIS CONTINUING DISCLOSURE AGREEMENT (the “Agreement”), dated as of June \_\_, 2018, by and between the Massachusetts Housing Finance Agency (“MassHousing”), a body politic and corporate constituting a public instrumentality of The Commonwealth of Massachusetts and created and established pursuant to Chapter 708 of the Acts of 1966 of The Commonwealth of Massachusetts, as amended (the “Act”), and Wells Fargo Bank, N.A., as trustee (the “Trustee”) for the Massachusetts Housing Finance Agency’s \$\_\_\_\_\_ Housing Bonds, 2018 Series A (Non-AMT) and its \$\_\_\_\_\_ Housing Bonds, 2018 Series B (Variable Rate) (Non-AMT), (the “Bonds”).

**WITNESSETH:**

WHEREAS, MassHousing intends to issue the Bonds under and pursuant to (i) the Act and (ii) MassHousing’s Housing Bond Resolution, adopted on December 10, 2002, as supplemented by the 2018 Series A Housing Bond Series Resolution and the 2018 Series B Housing Bond Series Resolution, each adopted on October 10, 2017 (the “Resolution”);

WHEREAS, on November 10, 1994 the Securities and Exchange Commission (the “Commission”) adopted Release Number 34-34961 (the “Release”) which amended Rule 15c2-12, originally adopted by the Commission on June 28, 1989;

WHEREAS, Rule 15c2-12 requires that prior to acting as a broker, dealer or municipal securities dealer (the “Participating Underwriter”) for MassHousing’s Bonds, a Participating Underwriter must comply with the provisions of Rule 15c2-12;

WHEREAS, Rule 15c2-12 further provides, among other things, that a Participating Underwriter shall not purchase or sell MassHousing’s Bonds unless the Participating Underwriter has reasonably determined that MassHousing and any “obligated person” (within the meaning of Rule 15c2-12, as amended) have undertaken, either individually or in combination with others, in a written agreement for the benefit of Bondholders, to provide certain information relating to MassHousing, any “obligated person” and the Bonds, to the MSRB described hereinbelow; and

WHEREAS, MassHousing hereby agrees to provide the information described hereinbelow with respect to itself and the Obligated Persons (as defined herein) which information pertaining to the Obligated Persons will be provided to MassHousing pursuant to certain regulatory agreements now or hereafter in effect between MassHousing and the Obligated Persons (the “Regulatory Agreements”).

**Section 1. Definitions.**

“MassHousing Annual Financial Information” shall mean the information specified in Section 3(a) hereof.

“Bondholders” or “Holder” shall mean any registered owner of Bonds and any beneficial owner of Bonds who provides evidence satisfactory to the Trustee of such status.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access (“EMMA”) system, or its successor as designated by the MSRB.

“Independent Accountant” shall mean, with respect to MassHousing, any firm of certified public accountants appointed by MassHousing and, with respect to any Developer, any such firm appointed by such Developer in accordance with the Regulatory Agreements.

“MSRB” shall mean Municipal Securities Rulemaking Board.

“Obligated Person” shall mean any person that meets the following criteria: (i) such person has received a Rental Development Mortgage Loan from MassHousing which is pledged as security for the bonds under the Resolution, and (ii) the unpaid principal balance of such Rental Development Mortgage Loan is, as of any date of calculation, proportionately allocable to at least 20% of the then outstanding principal amount of the bonds secured under the Resolution.

“Obligated Person Annual Financial Information” shall mean the information specified in Section 3(b) hereof.

“Official Statement” shall mean the Official Statement of MassHousing, dated June \_\_, 2018, relating to the issuance of the Bonds.

“Rental Development” shall mean a housing development owned and operated by an Obligated Person which has received a Rental Development Mortgage Loan from MassHousing which is pledged as security for the bonds under the Resolution.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Agreement.

“State” shall mean The Commonwealth of Massachusetts.

Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Resolution.

## **Section 2.      Obligation to Provide Continuing Disclosure.**

MassHousing hereby undertakes for the benefit of the Holders of the Bonds to provide:

(a) to EMMA, no later than 180 days after the end of each fiscal year for MassHousing, commencing June 30, 2018:

- (i) MassHousing Annual Financial Information relating to such fiscal year together with audited financial statements of MassHousing for such fiscal year if audited financial statements are then available; provided, however, that if audited financial statements of MassHousing are not then available, such audited financial statements shall be delivered to EMMA, when they become available (but in no event later than 350 days after the end of such fiscal year); or
- (ii) notice of MassHousing’s failure, if any, to provide any of the information described in Section 2(a)(i) hereinabove;

(b) to EMMA, no later than 180 days after the end of each fiscal year:

- (i) the Obligated Person Annual Financial Information relating to such fiscal year for each Obligated Person, together with audited financial statements of each Obligated Person for such fiscal year if audited financial statements are then available; provided, however, that if audited financial statements of the Obligated Person are not then available, such audited financial statements shall be delivered to EMMA, when they become available (but in no event later than 350 days after the end of such fiscal year); or
- (ii) notice of MassHousing’s failure, if any, to provide any of the information described in Section 2(b)(i) hereinabove;

provided, however, MassHousing's obligation to deliver the information at the times and of the content set forth in this Section 2(b) shall be limited to the extent that the applicable Obligated Person timely provides such information to MassHousing pursuant to the Regulatory Agreements.

With respect to the information required in this Section 2(b), MassHousing shall identify all Obligated Persons within the meaning of this agreement at least 30 days prior to each date on which such information is required to be delivered to EMMA. MassHousing's obligation to provide the information required by this Section 2(b) on any given date shall be limited to only those persons then identified as Obligated Persons.

(c) to EMMA, in a timely manner not in excess of ten business days after occurrence of the event, notice of any of the following events with respect to the Bonds:

- (i) principal and interest payment delinquencies on the Bonds;
- (ii) any non-payment Event of Default, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties under the Resolution;
- (iv) unscheduled draws on any credit enhancements reflecting financial difficulties under the Resolution;
- (v) any substitution of a credit or liquidity provider or failure of any such provider to perform its obligations with respect to the Bonds;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to the rights of Bondholders, if material;
- (viii) giving of notice of optional, unscheduled, mandatory or special redemption of the Bonds, if material, and tender offers;
- (ix) defeasance of the Bonds;
- (x) release, substitution, or sale of any Rental Development Mortgage Loan securing repayment of the Bonds, if material;
- (xi) rating changes on the Bonds;
- (xii) bankruptcy, insolvency, receivership or similar event of an Obligated Person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified in subparagraph (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person;

Nothing in this Agreement shall prevent MassHousing from disseminating any information in addition to that required hereunder. If MassHousing disseminates any such additional information, nothing herein shall obligate MassHousing to update such information or include it in any future materials disseminated.

All documents provided to EMMA shall be accompanied by identifying information as prescribed by the MSRB.

### **Section 3. Annual Financial Information.**

(a) MassHousing Annual Financial Information shall include updated financial and operating information, in each case updated through the last day of MassHousing's prior fiscal year unless otherwise noted, relating to the following information contained in the Official Statement:

- (i) information as to any changes in the assistance available to the Developments under State and Federal subsidy programs, each in substantially the same level of detail as found under the heading "Appendix II – Rental Development Mortgage Loans";
- (ii) (a) an update of key financial results addressing the most recent fiscal year, (b) an update as to MassHousing's unrestricted net position, (c) an update summarizing the net position of the WCF and Affiliates and (d) an update as to the then-current structure and funding by the State of its then-existing housing subsidy programs relied upon by MassHousing, each in substantially the same level of detail as found under the heading "Appendix I – Information Statement of MassHousing dated March 30, 2018 – FINANCIAL OPERATIONS";
- (iii) (a) Statements of Net Position for MassHousing and its affiliates prepared by staff and (b) Statements of Revenues, Expenses, and Changes in Net Position for MassHousing and its affiliates prepared by staff, each in substantially the same level of detail as found under the heading "Appendix I – Information Statement of MassHousing dated March 30, 2018 – FINANCIAL OPERATIONS – Combined Financial Statements";
- (iv) (a) a statement of arrearages with respect to the rental development portfolio of mortgage loans and (b) if a Development is then on the Delinquency Report, a description of the amount of the applicable arrearages and the status of any curative arrangements, each in substantially the same level of detail as found under the heading "Appendix I - Information Statement of MassHousing dated March 30, 2018 – RENTAL PROGRAMS – Delinquency Report (formerly known as the Watch List)"; and
- (v) a statement of delinquencies with respect to MassHousing's home ownership mortgage portfolio in substantially the same level of detail as is found under the heading "Appendix I - Information Statement of MassHousing dated March 30, 2018 – HOME OWNERSHIP PROGRAMS – The Single Family Housing Revenue Bond Mortgage Loan Portfolio."

If the Annual Financial Information contains amendments to previously reported financial and operating information then an explanation, in narrative form, of the reasons for such amendments and the impact of the change in the type of operating data or financial information being provided shall also be included.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements pertaining to debt issued by MassHousing, which have been submitted to EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a Final Official Statement (within the meaning of Rule 15c2-12), it must also be available from the Municipal Securities Rulemaking Board. MassHousing shall clearly identify each such other document so incorporated by reference.

(b) Obligated Person Annual Financial Information shall include financial statements and occupancy data, in each case updated through the last day of the Obligated Person's prior fiscal year unless otherwise noted, relating to any change from the information set forth in the Official Statement under the heading "Appendix II – Rental Development Mortgage Loans."

#### **Section 4. Financial Statements.**

MassHousing's and the Obligated Persons' annual financial statements for each fiscal year shall be prepared in accordance with generally accepted accounting principles in effect from time to time. Such financial statements shall be audited by an Independent Accountant.

#### **Section 5. Remedies.**

This Agreement may be enforceable against MassHousing in accordance with its terms by any Holder, either directly or as third party beneficiary. Any Holder shall have the rights, for the equal benefit and protection of all Holders, by mandamus or other suit or proceeding at law or in equity, to enforce its rights against MassHousing and any of the officers, agents and employees of MassHousing, and to compel MassHousing or any such officers, agents or employees to perform and carry out their duties under this Agreement; provided, however, that the sole remedy hereunder shall be limited to an action to compel specific enforcement of the obligations of MassHousing hereunder and shall not include any rights to monetary damages; provided, further, a default under this Agreement shall not be deemed an event of default under the Resolution; provided, further, the Trustee shall have no responsibility under this Section.

#### **Section 6. Parties in Interest; Governing Law.**

This Agreement is executed and delivered for the sole benefit of the Holders and shall be governed by the applicable laws of the United States and, to the extent such laws are not applicable to any matter with respect to this Agreement, by the laws of the State.

#### **Section 7. Termination.**

This Agreement shall terminate on the earlier of (i) such date after delivery of the Bonds as no Bonds shall remain outstanding under the Resolution, or (ii) such date that Rule 15c2-12 or the provisions thereof adopted in the Release are no longer effective.

#### **Section 8. Amendment; Change; Modification.**

This Agreement may be amended, changed or modified pursuant to a written instrument signed by MassHousing and the Trustee, without the consent of any of the Holders (a) to comply with the provisions of Rule 15c2-12, as amended from time to time, (b) to cure any ambiguity, remedy any omission, or cure or correct any defect or inconsistent provision in this Agreement or (c) if MassHousing and the Trustee make a determination that any such amendment, change or modification will not have a material adverse effect on the interests of the Holders; provided, however, that any such amendment, change or modification made under this

Section must be supported by an opinion of counsel expert in federal securities laws, acceptable to both MassHousing and the Trustee, to the effect that such amendment, change or modification would not, in and of itself, cause the undertakings herein to violate Rule 15c2-12 if such amendment, change or modification had been effective on the date hereof, but taking into account any subsequent change in or official interpretation of Rule 15c2-12. The Trustee shall agree to execute any such amendment, change or modification requested by MassHousing; provided, however, that the Trustee may, but shall not be obligated to execute any amendment, change or modification that affects the Trustee's own rights, duties or immunities hereunder.

**Section 9. Duties of the Trustee.**

(a) The duties of the Trustee under this Agreement shall be limited to those expressly assigned to it hereunder. MassHousing agrees to indemnify and save harmless the Trustee, its officers, directors, employees and agents, against any loss, expense and liabilities that it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Trustee's gross negligence or willful misconduct. The obligations of MassHousing under this Section shall survive resignation or removal of the Trustee, payment of the Bonds or termination of this Agreement.

(b) No earlier than one day, nor later than 30 days, following the end of each fiscal year of MassHousing (ending June 30, unless MassHousing notifies the Trustee otherwise) the Trustee will notify MassHousing of its obligation to provide MassHousing Annual Financial Information and the Obligated Person Annual Financial Information in the time and manner described herein; provided, however, MassHousing's obligation to deliver the Obligated Person Annual Financial Information at the times and of the content set forth herein shall be limited to the extent that the Obligated Person timely provides such information to MassHousing pursuant to the Regulatory Agreements; provided, however, that any failure by the Trustee to timely notify MassHousing under this Section 9(b) shall not affect MassHousing's obligation hereunder, and the Trustee shall not be responsible in any way for such failure.

(c) The Trustee shall be under no obligation to report any information to EMMA, the MSRB or any Holder. If an officer of the Trustee having responsibility with respect to the Bonds obtains actual knowledge of an occurrence of an event described in Section 2(c)(i) through 2(c)(xi) hereunder, whether or not such event is material, the Trustee will timely notify MassHousing of such occurrence; provided, however, that any failure by the Trustee to timely notify MassHousing under this Section 9(c) shall not affect MassHousing's obligation hereunder, and the Trustee shall not be responsible in any way for such failure.

**Section 10. Counterparts.**

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.