Message from the Chairman and Executive Director

On behalf of the entire Board and all the professional staff at MassHousing, we are pleased to provide this annual audited financial statement for fiscal year 2020, which ended on June 30.

The defining event of this past fiscal year was the COVID-19 pandemic. In March of 2020, MassHousing joined many employers across the Commonwealth in transitioning to a remote work arrangement. The shift to remote working was successful, and MassHousing has continued to meet its affordable housing finance mission without interruption.

Fiscal year 2020 also saw protests across the Commonwealth and the nation, as the struggle for racial justice continued. For decades, MassHousing's work has helped to create strong rental housing communities in neighborhoods of color, and over the last five years we have seen a steady increase in lending to home buyers of color. The Agency will continue to lead on issues of racial inequality in housing production and access and help to drive real change.

We ended the fiscal year in a strong financial position, and this report provides ample details.

Unfortunately, many citizens of the Commonwealth of Massachusetts are struggling with their own finances. Prior to the pandemic, housing affordability in Massachusetts was already a serious issue. During the pandemic, tens of thousands have become unemployed, and are unable to pay rent or make mortgage payments. For them, housing has become - almost overnight - even less affordable than before.

As MassHousing always has, we responded to the crisis with empathy and a focus on the needs of our customers.

On the Home Ownership side, our MI Plus® mortgage insurance program provided much-needed assistance for borrowers with MassHousing loans. MIPlus provides up to six months of principal and interest payments if a borrower becomes unemployed. We made it easier for borrowers to file claims after the pandemic started, quickly launching an online portal for claims submissions. Our customer relations team, which works with more than 19,000 borrowers who have MassHousing loans, worked with homeowners to process forbearance requests, assist with MIPlus claims and assure people that MassHousing would be a compassionate servicer during trying times.

For borrowers that have loans that are not covered by MIPlus, we have worked to help them understand the options they had to enter into forbearance agreements consistent with federal and state policies for pandemic relief.

On the multifamily side, our borrowers - developers and owners of apartment communities - worked with our asset management staff to monitor income generated by rents. At the close of the fiscal year, we are pleased to note that there were no multifamily loans in forbearance, and only three of the 390 developments with debt were delinquent on their monthly payments. Of course, as this report is published, there are many more days of financial uncertainty ahead.

Notwithstanding the challenges associated with the pandemic, fiscal year 2020 was a strong year for MassHousing in terms of its mission to confront the housing challenges facing the Commonwealth. We provided more than $1.2 billion in financing for homeownership and rental housing.

To support affordable home ownership, we provided $607 million for 3,548 home mortgage loans, 33% of which were made to borrowers who categorized themselves as persons of color. We provided 1,215 first-time home buyers with down payment assistance.

To support the construction and preservation of rental housing, we provided $680.7 million for 34 rental housing developments with 4,057 total rental units (3,644, or 90%, of which have rents deemed affordable for residents with incomes at or below 80% of AMI).

Beyond our core mission of financing affordable housing, we continued a long-standing commitment to support residents and surrounding communities. This was especially relevant during the pandemic, and our staff stepped up to deliver food, masks and other essentials while still managing a full complement of programs and trainings.

We also continued our commitment to diversity and inclusion, providing networking, training and other opportunities for diverse businesses to connect with property management companies, general contractors and others in the affordable housing field and beyond.

MassHousing is part of a robust affordable housing consortium in Massachusetts. We would like to thank our many partners who help us do what we do - partners in community banking and mortgage lending; in rental housing development and property management; in financial management and bond underwriting; and in government and non-profit work.

We also salute and thank the housing professionals at MassHousing for their tireless dedication to confronting the Commonwealth's housing challenges to improve the lives of its people, and for their tenacity and resilience in a year filled with anxiety, uncertainty and tragedy. Together we are proving that no matter what, the work goes on to provide housing that is affordable to people with modest means.

Michael J. Dirrane
Chairman

Chrystal Kornegay
Executive Director

pwc

Report of Independent Auditors

To the Members of MassHousing
Massachusetts Housing Finance Agency

We have audited the accompanying financial statements of the business-type activities and fiduciary fund information of Massachusetts Housing Finance Agency and its affiliates (the "Agency") which comprise the statements of net position and of fiduciary net position as of June 30, 2020 and 2019, and the related statements of revenues, expenses, and changes in net position, of cash flows, and of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on the financial statements based on our audits. We did not audit the financial statements of the Massachusetts Housing Finance Agency OPEB Trust as of and for the years ended June 30, 2020 and 2019, which represent 18 percent and 19 percent of the assets of the fiduciary fund information as of June 30, 2020 and 2019, respectively, and 10 percent and 50 percent of additions of the fiduciary fund information for the years then ended. We did not audit the financial statements of the Massachusetts Housing Finance Agency Employees' Retirement System as of and for the years ended December 31, 2019 and 2018, which represent 82 percent and 81 percent of the assets of the fiduciary fund information as of June 30, 2020 and 2019, respectively, and 90 percent and 50 percent of additions of the fiduciary fund information for the years then ended. The financial statements of the Massachusetts Housing Finance Agency OPEB Trust and the Massachusetts Housing Finance Agency Employees' Retirement System were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the Massachusetts Housing Finance Agency OPEB Trust and the Massachusetts Housing Finance Agency Employees' Retirement System, which as discussed in Note B are the two fiduciary activities making up the fiduciary fund information, are based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary fund information of the Massachusetts Housing Finance Agency and its affiliates as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note B to the financial statements, the Agency changed the manner in which it accounts for fiduciary fund information in 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

The accompanying management's discussion and analysis on pages 1 through 19 and schedule of changes in the Agency's net pension liability and related ratios and schedule of Agency contributions for the Massachusetts Housing Finance Agency Employees' Retirement System Plan and schedule of changes in the Agency's net OPEB liability and related ratios and schedule of Agency contributions for the Massachusetts Housing Finance Agency OPEB Trust on pages 83 through 86 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The supplemental information on schedule 2 – mortgage / construction loan obligations and commitments and schedule 7 – combining financial statements by program (collectively referred to as the "supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

September 25, 2020

Massachusetts Housing Finance Agency

Annual Financial Report
June 30, 2020
Prepared by the
Office of the Financial Director
Charles C. Karimbakas, Financial Director
Stephen E. Vickery, Comptroller

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Annual Financial Report

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

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

Background

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

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

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

Financial Markets

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

Management's Discussion and Analysis

The following is an unaudited narrative overview of MassHousing's financial position and the results of its operations for the fiscal years ended June 30, 2020 ("FY 2020") and June 30, 2019 ("FY 2019"), with selected comparative information for the fiscal year ended June 30, 2018 ("FY 2018"). Readers are encouraged to consider the information presented in this discussion and analysis in conjunction with the information presented in the audited financial statements, notes to the financial statements, supplemental schedules, schedules, and unaudited required supplemental schedules, all of which follow this narrative overview.

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

The Financial Statements

- The statement of net position provides information about the Agency's financial condition at the end of the fiscal year by indicating the nature and amounts of its investments in resources (assets), its deferred outflows of resources, its obligations to outside creditors (liabilities), its deferred inflows of resources, and its resulting net position at the date of the statement of net position. Net position represents total assets, plus deferred outflows of resources, less total liabilities, less deferred inflows of resources. The organization of the statement of net position separates assets and liabilities into their current and non-current components.

- The statement of revenues, expenses, and changes in net position provides information about the Agency's revenues and expenses for the fiscal year in order to measure the results of the Agency's operations over the fiscal year.

- The statement of cash flows provides information about the net change in the Agency's cash and cash equivalents for the fiscal year resulting from four principal types of activities: operating activities, non-capital financing activities, capital financing activities and investing activities. Cash collections (receipts) and payments (disbursements) are presented in this statement to arrive at the net increase or decrease in cash and cash equivalents for the fiscal years.

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

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

The Notes to Financial Statements

- The Notes to Financial Statements provide information that is useful to the reader in understanding the Agency's financial statements. Descriptions of the Agency's programs and its accounting methods and policies are contained in Notes A and B of the financial statements.

- The notes include details of the Agency's investments and contractual obligations as well as future commitments and contingencies.

- The notes also include information regarding events or developments that did have or could have a material impact upon the Agency's financial condition, results of operations, changes in net position and cash flows.

Required Supplementary Schedules, Supplemental Schedules, and Schedules

- Required Supplementary Information represents information required by GASB, which supplements the basic financial statements and notes. It is presented in conformity with GAAP using the accounting standards promulgated by GASB. These schedules provide additional information about the Agency's pension plan and the OPEB Trust, which administers the investments of, and provides funding for benefits under the terms of, the Agency's healthcare plan for retirees. Required Supplemental Schedules 1, 2, 3, and 4 are unaudited.

- Supplemental Schedule 2, which provides detailed information on the Agency's loan receivables and loan commitments, is presented to facilitate additional analysis of the information included herein and is not part of the basic financial statements. The information contained in Supplemental Schedule 2 has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. This schedule provides additional information included in Note D.

- The audited Schedules 1, 3, 4, 5 & 6 provide detailed information on the Agency's: investments and cash equivalents; bonds and notes payable; and MBS Forward Contracts. These schedules provide additional information included in Notes C, H and I.

- In addition to the Agency's basic financial statements, presented on a combined basis, combining financial statements that provide details of each separate bond resolution and the Working Capital Fund ("WCF") and Affiliates (as defined in Note A) are presented in Supplemental Schedule 7 for both FY 2020 and FY 2019, in accordance with the financial reporting requirements of the various bond resolutions. These detailed combining financial statements include eliminating entries. The information contained in Supplemental Schedule 7 has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America.

COVID-19 Response

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. In response to the COVID-19 pandemic, MassHousing is adhering to all state and federal state of emergency mandates and is adapting its business accordingly. Management is monitoring its business lines and operations to minimize potential disruptions.

Federal, state and local bodies are contemplating and enacting actions, regulations and/or other administrative directives and guidance to mitigate the impacts of COVID-19 on the general population and the economy. On March 13, 2020, the President of the United States declared a national emergency, and since that time, the United States Congress has approved several COVID-19 related bills, including the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), signed into law on March 27, 2020. The CARES Act and other proposed federal, state, and local actions include, among other things, allowance for various periods of forbearance on mortgage payments and certain restrictions on the enforcement of remedies upon a default, as well as direct and indirect financial support. The CARES Act, and other proposals, if enacted, may have both adverse and positive effects on MassHousing's operations and financial condition.

Since April 15 the Agency has posted, on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, a number of voluntary notices regarding its initial responses to the COVID-19 pandemic and the actions taken by Federal and state governments to address such pandemic, and its impact on the Agency's Home Ownership Programs, Mortgage Insurance Fund, and Rental Bond Programs.

Because it is generally difficult to predict the full impact of the pandemic and steps taken or to be taken by the government to address the pandemic, there can be no assurances that the pandemic and resulting business and market disruptions, will not have an adverse impact on the operations of MassHousing, its financial condition or any of its contractual obligations.

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

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

		Change from FY 2019			Change from FY 2018		
	Jun. 30, 2020	$	%	Jun. 30, 2019	$	%	Jun. 30, 2018
Assets - WCF							
Cash, cash equivalents, investments	$ 695	$ 56	8.8%	$ 639	$ (43)	-6.3%	$ 682
Loans receivable (net)	433	28	6.9%	405	41	11.3%	364
Other assets	705	84	13.5%	621	15	2.5%	606
Total Assets – WCF and Affiliates	$ 1,833	$ 168	10.1%	$ 1,665	$ 13	0.8%	$ 1,652
Total Deferred Outflow of Resources - WCF and Affiliates	$ 16	$ (4)	-20.0%	$ 20	$ 2	11.1%	$ 18
Total Assets and Deferred Outflow of Resources – WCF and Affiliates	$ 1,849	$ 164	9.7%	$ 1,685	$ 15	0.9%	$ 1,670
Assets - Bond Programs							
Cash, cash equivalents, investments	$ 1,620	$ 140	9.5%	$ 1,480	$ 163	12.4%	$ 1,317
Loans receivable (net)	2,443	122	5.3%	2,321	(125)	-5.1%	2,446
Derivative instruments	-	-		-	(1)	-100.0%	1
Other assets	14	(2)	-12.5%	16	(2)	-11.1%	18
Total Assets – Bond Programs	$ 4,077	$ 260	6.8%	$ 3,817	$ 35	0.9%	$ 3,782
Total Deferred Outflow of Resources - Bond Programs	$ 22	$ 8	57.1%	$ 14	$ 5	55.6%	$ 9
Total Assets and Deferred Outflow of Resources – Bond Programs	$ 4,099	$ 268	7.0%	$ 3,831	$ 40	1.1%	$ 3,791
Total Assets and Deferred Outflow of Resources	$ 5,948	$ 432	7.8%	$ 5,516	$ 55	1.0%	$ 5,461
Liabilities - WCF and Affiliates							
Debt (net)	$ 216	$ (20)	-8.5%	$ 236	$ (66)	-21.9%	$ 302
Derivative instruments	1	-	0.0%	1	1		-
Other liabilities	730	73	11.1%	657	23	3.6%	634
Total Liabilities – WCF and Affiliates	$ 947	$ 53	5.9%	$ 894	$ (42)	-4.5%	$ 936
Total Deferred Inflow of Resources - WCF and Affiliates	$ 10	$ 7	233.3%	$ 3	$ (8)	-72.7%	$ 11
Total Liabilities and Deferred Inflow of Resources – WCF and Affiliates	$ 957	$ 60	6.7%	$ 897	$ (50)	-5.3%	$ 947
Liabilities – Bond Programs							
Debt (net)	$ 3,462	$ 212	6.5%	$ 3,250	$ (16)	-0.5%	$ 3,266
Derivative instruments	28	11	64.7%	17	8	88.9%	9
Other liabilities	10	(1)	-9.1%	11	(1)	-8.3%	12
Total Liabilities – Bond Programs	$ 3,500	$ 222	6.8%	$ 3,278	$ (9)	-0.3%	$ 3,287
Total Deferred Inflow of Resources - Bond Programs	$ -	$ -		$ -	$ -		$ -
Total Liabilities and Deferred Inflow of Resources – Bond Programs	$ 3,500	$ 222	6.8%	$ 3,278	$ (9)	-0.3%	$ 3,287
Total Liabilities and Deferred Inflow of Resources	$ 4,457	$ 282	6.8%	$ 4,175	$ (59)	-1.4%	$ 4,234
Net Position – WCF and Affiliates							
Restricted by contractual or statutory agreements	$ 242	$ 3	1.3%	$ 239	$ 18	8.1%	$ 221
Unrestricted	651	101	18.4%	550	49	9.8%	501
Total Net Position – WCF and Affiliates	$ 893	$ 104	13.2%	$ 789	$ 67	9.3%	$ 722
Net Position – Bond Programs							
Restricted by bond resolutions	$ 598	$ 46	8.3%	$ 552	$ 47	9.3%	$ 505
Total Net Position – Bond Programs	$ 598	$ 46	8.3%	$ 552	$ 47	9.3%	$ 505
Total Net Position							
Restricted by bond resolutions	$ 598	$ 46	8.3%	$ 552	$ 47	9.3%	$ 505
Restricted by contractual or statutory agreements	242	3	1.3%	239	18	8.1%	221
Unrestricted	651	101	18.4%	550	49	9.8%	501
Total Net Position	$ 1,491	$ 150	11.2%	$ 1,341	$ 114	9.3%	$ 1,227

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, 2020, 2019 and 2018 and the year-over-year increases and decreases presented on the prior page and the consolidated Statements of Net Position and Supplemental Schedule 7, Combining Statements of Net Position.

Assets

Cash and Cash Equivalents

Cash and Cash Equivalents (in thousands)	2020	2019	2018
Balance at June 30	$ 1,118,773	$ 821,858	$ 973,372
$ increase/(decrease) from prior period	296,915	(151,514)	
% increase/(decrease) from prior period	36%	-16%	

The increase in Cash and Cash Equivalents in FY 2020 was primarily due to a combination of bond issuance proceeds and the proceeds from investment redemptions. The decrease in Cash and Cash Equivalents in FY 2019 was largely due an increased allocation of funds into investments, an increase in bond and note retirements, and line of credit pay downs. Disclosure for Cash and Cash Equivalents is contained in Note C to the financial statements.

Investments

Investments (in thousands)	2020	2019	2018
Balance at June 30	$ 1,196,486	$ 1,297,332	$ 1,025,362
$ increase/(decrease) from prior period	(100,846)	271,970	
% increase/(decrease) from prior period	-8%	27%	

The decrease in Investments in FY 2020 was primarily the result of investment redemption proceeds. The increase in Investments in FY 2019 was largely the result of the purchase of MBS and U.S Treasury Notes, which are recorded as investments, as described below. Disclosure for Investments is contained in Note C to the financial statements.

At June 30, 2020, 2019 and 2018, MBS with a fair value totaling approximately $920 million, $888 million and $715 million, respectively, were held as investments in the WCF, the Single-Family Housing Revenue Bond ("SFHRB") Program and the Residential Mortgage Revenue Bond ("RMRB") Program. At June 30, 2020 and 2019, the fair value of these investments exceeded its cost basis by approximately $57 million and $30 million, respectively. At June 30, 2018, the fair value of these investments was less than the cost basis by approximately $3 million. These amounts were recorded to reflect the current value that is the result of a changing interest rate environment. MBS held in the WCF are recorded as investments, pledged as security for the FHLB of Boston's "Helping to House New England" program loans and are not expected to be sold prior to maturity. 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. Because the Agency expects to hold these MBS to maturity, it does not expect to realize gains or losses from these investments, other than interest income.

Loan Portfolios

Loan Portfolios (in thousands)	**2020**	**2019**	**2018**
Balance at June 30	$ 2,876,328	$ 2,726,218	$ 2,810,358
$ increase/(decrease) from prior period	150,110	(84,140)	
% increase/(decrease) from prior period	6%	-3%	

The net increase in the mortgage loan portfolios in FY 2020 was primarily the result of multifamily and single-family loan production offset by loan collections. The net decrease in the mortgage loan portfolio in FY 2019 was primarily the result of the prepayment of single-family and multifamily loans, partially offset by new lending activity, particularly in the multifamily programs. The following are key highlights of comparative loan related activities for the years ended June 30, 2020, 2019 and 2018:

Multifamily Loans

Multifamily Loans (in thousands)	**2020**	**2019**	**2018**
Balance at June 30	$ 2,495,291	$ 2,408,953	$ 2,455,203
$ increase/(decrease) from prior period	86,338	(46,250)	
% increase/(decrease) from prior period	4%	-2%	

The increase in the multifamily mortgage loan portfolio in FY 2020 was the result of a combination of new lending activity, partially offset by loan payoffs and an increase in the allowance for uncollectible accounts. The decrease in the multifamily mortgage loan portfolio in FY 2019 was primarily the result of a combination of the prepayment of multifamily loans, partially offset by new lending activity and a reduction in the allowance for uncollectible accounts.

Multifamily Loan Originations (in millions) Year ended June 30	**2020**	**2019**	**2018**
Loans retained in Bond Resolutions or WCF	$ 390.5	$ 237.8	$ 171.4
Loans securitized as MBS and sold to Investors	225.3	89.0	222.0
Loans sold to Federal Financing Bank	10.9	200.2	257.0
Conduit Loans [1]	54.0	161.7	135.6
	$ 680.7	**$ 688.7**	**$ 786.0**

1 Originations for which neither the bonds nor the mortgage loans securing those bonds are in the Agency's financial statements.

MassHousing originated approximately $681 million, $689 million and $786 million of multifamily loans in FY 2020, FY 2019 and FY 2018, respectively, as detailed in the table above.

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 that employs the most recent or readily available net operating income data along with capitalization rates, property location, costs to sell, capital needs assessments and other data in assessing potential impairment to establish a reserve that complies with GAAP and therefore presents loans at their estimated net realizable value. In certain instances, independent appraisals and other pertinent data such as loan repayment status or physical property status is obtained to assist management's decision in determining the estimated fair value of the property which serves as collateral on the loan.

Multifamily Loan Loss Reserve (in thousands)	**2020**	**2019**	**2018**
Balance at June 30	$ 203,336	$ 200,346	$ 228,679
$ increase/(decrease) from prior period	2,990	(28,333)	
% increase/(decrease) from prior period	1%	-12%	

The increase in the multifamily allowance for FY 2020 was mainly due to an increased loss assessment due to the restructure of one project. In FY 2020 certain debt previously written off for financial reporting purposes was refinanced with other subordinate debt and therefore brought back onto the financial statements and reserved against. The decrease in the allowance for FY 2019 was mainly due to an increase in property value assessments generally driven by increases in Net Operating Income and lower capitalization rate assessments in certain regions.

Single-Family Loans

Single-Family Loans (in thousands)	**2020**	**2019**	**2018**
Balance at June 30	$ 381,037	$ 317,265	$ 355,155
$ increase/(decrease) from prior period	63,772	(37,890)	
% increase/(decrease) from prior period	20%	-11%	

The increase in single-family loans in FY 2020 was primarily the result of an increase in loans sold to the SFHRB program, net of loan payoffs. The decrease in single-family loans in FY 2019 was primarily the result of loan payoffs.

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 warehouse activity for each of the years ended June 30, 2020, 2019 and 2018, including the purchases of loans and the sales of the loans, or loans wrapped by MBS, to: Fannie Mae, the SFHRB Program, the WCF, Freddie Mac, and other loan sales. There have been no sales of loans wrapped by MBS to the RMRB Program during these periods. MassHousing has retained the servicing rights for all loans sold or loans wrapped by MBS to Fannie Mae, the SFHRB Program, the RMRB Program, Freddie Mac and others.

WCF Warehouse Loan Activity
(in millions)

Year ended June 30	2020	2019	2018
Loan beginning balance	$ 33.4	$ 42.3	$ 44.9
Loan purchases	605.1	788.6	533.3
MBS backed by loans or loans sold to Fannie Mae	(194.3)	(485.1)	(352.6)
MBS backed by loans or loans sold to SFHRB Program	(224.8)	(188.4)	(127.2)
Loans sold to Freddie Mac	(158.2)	(118.8)	(55.6)
Down Payment Assistance and Long Term Asset loan sales to WCF	(4.2)	(3.2)	-
Principal receipts	(0.4)	(2.0)	(0.5)
Ending balance	**$ 56.6**	**$ 33.4**	**$ 42.3**

MassHousing's Mortgage Service Center ("MSC"), which was established in 1996 within Home Ownership, services the Home Ownership loan portfolio. As of June 30, 2020, 2019 and 2018, the MSC serviced a portfolio with a principal balance of approximately $4.0 billion, $4.2 billion, and $3.8 billion, respectively, for each of the three years, as detailed more fully in the table below:

Home Ownership Servicing Portfolio
(in millions)

Year ended June 30	2020	2019	2018
Beginning Balance	$ 4,226.3	$ 3,842.4	$ 3,792.1
New loans, including loans in which the servicing rights were purchased	663.5	792.1	536.5
Loans Paid in Full	(818.8)	(306.0)	(390.4)
Amortization and Curtailments	(100.0)	(98.5)	(89.7)
Foreclosures, Writeoffs and Adjustments	(2.1)	(3.7)	(6.1)
Ending Balance	**$ 3,968.9**	**$ 4,226.3**	**$ 3,842.4**

As of June 30, 2020 and June 30, 2019, the Agency's home ownership program had payment arrearages on 1st mortgage loans of 30 days or more on 1,763 loans (8.97% of the loans in the home ownership portfolio) and 759 loans (3.63% of the loans in the home ownership portfolio), respectively. The outstanding mortgage loan balances for these loans at June 30, 2020 and June 30, 2019 totaled $360.1 million and $140.3 million, respectively.

The Agency has experienced a significant increase in loan arrearages in FY 2020, as compared to FY 2019, as a direct result of the impact of unemployment increases due to the COVID-19 pandemic and due to its compliance with the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act").

SFHRB Program

Included in the SFHRB Program Portfolio as of June 30, 2020 and June 30, 2019, were 175 loans and 64 loans, respectively, that had payment arrearages of 90 days or more or were in foreclosure. The outstanding mortgage loan balances for these properties as of June 30, 2020 and June 30, 2019, respectively, was $18.9 million and $7.2 million.

Loans with payment arrearages that cannot be cured or otherwise successfully restructured may proceed to foreclosure by the Agency. During FY 2020 and FY 2019, the Agency foreclosed on 9 loans and 13 loans held in the SFHRB Program, respectively, with a total fair value of $1.5 million and $2.1 million, respectively.

As of June 30, 2020 and June 30, 2019, there were ten and eleven Real Estate Owned (“REO”) properties, respectively, in the SFHRB Program Portfolio with a total fair value of $1.3 million and $1.2 million, respectively.

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

Single-Family Loan Reserve (in thousands)	**2020**	**2019**	**2018**
Balance at June 30	$ 3,349	$ 3,262	$ 3,366
$ increase/(decrease) from prior period	87	(104)	
% increase/(decrease) from prior period	3%	-3%	

Despite higher unemployment rates and uncertainty surrounding the COVID-19 pandemic the MassHousing single-family portfolio remains relatively stable.

Total Assets

Total Assets (in millions)	**2020**	**2019**	**2018**
Balance at June 30	$ 5,910	$ 5,482	$ 5,434
$ increase from prior period	428	48	
% increase from prior period	8%	1%	

The increase in Total Assets in FY 2020 was primarily the result of an increase in Cash and Cash Equivalents and Loans Receivable. There was no significant change in Total Assets in FY 2019.

Liabilities

Debt Payable

MassHousing’s total debt payable, which includes bonds, notes and other debt obligations, comprised approximately 83%, 84% and 85% of total liabilities at June 30, 2020, 2019 and 2018, respectively. All bonds are special obligations of MassHousing and all notes are either special obligations or general obligations of MassHousing, depending on the terms of the applicable resolution. All other debt obligations are general obligations of MassHousing. General obligations of MassHousing are secured by the full faith and credit of MassHousing and are payable out of any of its moneys or revenues, subject to lawful expenditures and to the provisions of any other resolutions or agreements now or hereafter pledging particular moneys or revenues to particular notes, bonds or other obligations of MassHousing. Special obligations are payable solely from and secured solely by a pledge of certain Revenues and Funds established under a specific bond resolution. Funds generated from the sales of bonds and notes are used to fund or purchase mortgages or MBS. Principal and interest payments received from such loans and MBS are used to fund the debt service (principal and interest payments) due on MassHousing’s bonds and notes.

Total Debt (in millions)	**2020**	**2019**	**2018**
Balance at June 30	$ 3,678	$ 3,486	$ 3,568
$ increase/(decrease) from prior period	192	(82)	
% increase/(decrease) from prior period	6%	-2%	

The increase of total debt payable in FY 2020 was mainly due to the issuance of new bonds in the Housing Bonds (HB) and SFHRB programs. The decrease of total debt payable in FY 2019 was mainly due to bond and note retirements and line of credit pay downs.

Bond and Note Activity

MassHousing incurred approximately $628 million, $463 million and $524 million of new bond and note debt in FY 2020, FY 2019 and FY 2018, respectively, to fund multifamily and single-family loans, as detailed more fully in the table below:

New Debt Fundings (in millions)
Year ended June 30

	2020		2019		2018	
Program	**Total**	**Number of Series**	**Total**	**Number of Series**	**Total**	**Number of Series**
WCF Construction Loan Notes	$ -	-	$ -	-	$ 85.4	3
WCF Direct Purchase Construction Loan Notes ("CLN")	52.8	5	65.8	6	15.8	4
General Rental Development Bonds ("GRDB")	-	-	23.7	1	-	-
HB and Notes	371.8	11	226.2	5	158.9	3
SFHRB	203.8	8	147.0	12	263.9	10
Total New Debt Fundings	**$ 628.4**	**24**	**$ 462.7**	**24**	**$ 524.0**	**20**

MassHousing had unscheduled bond redemptions or defeasance of approximately $333 million, $419 million and $336 million in FY 2020, FY 2019 and FY 2018, respectively, resulting in no gain or loss, as detailed more fully in the table below:

Unscheduled Debt Redemptions/Defeasance (in millions)
Year ended June 30

Program	**2020**	**2019**	**2018**
WCF CLN	$ 51.5	$ 31.1	$ 1.2
WCF Direct Purchase CLN	6.5	39.3	13.8
Rental Housing Mortgage Revenue Bonds ("RHMRB")	14.8	32.4	8.7
GRDB	1.3	16.2	2.0
HB	146.9	202.6	130.8
SFHRB	112.1	97.2	179.2
Total Unscheduled Debt Redemptions/Defeasance	**$ 333.1**	**$ 418.8**	**$ 335.7**

Total Liabilities

Total Liabilities (in millions)	**2020**	**2019**	**2018**
Balance at June 30	$ 4,448	$ 4,172	$ 4,223
$ increase/(decrease) from prior period	276	(51)	
% increase/(decrease) from prior period	7%	-1%	

The increase in Total Liabilities in FY 2020 was primarily the result of bond and note issuances. The decrease in Total Liabilities in FY 2019 was primarily the result of bond and note retirements and line of credit pay downs.

Total Net Position

Changes in Net Position

Total Net Position (in millions)	**2020**	**2019**	**2018**
Balance at June 30	$ 1,491	$ 1,341	$ 1,227
$ increase from prior period	150	114	
% increase from prior period	11%	9%	

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 Board members ("Members") may also choose to remove or modify such designations at any time.

WCF and Affiliates

Total WCF Net Position (in thousands)	**2020**	**2019**	**2018**
Balance at June 30	$ 892,521	$ 788,657	$ 722,426
$ increase from prior period	103,864	66,231	
% increase from prior period	13%	9%	

The increase in total net position of the WCF and Affiliates for the year ended June 30, 2020 was primarily the result of three factors: a transfer of net position from bond programs of $14 million and operating income of $100.4 million, offset by an increase in the provision for loan losses of $10.5 million. The increase in total net position of the WCF and Affiliates for the year ended June 30, 2019 was primarily the result of three factors: operating income of $23.6 million, a transfer of net position from bond programs of $21.3 million, a reduction in the provision for loan losses of $21.3 million.

WCF Net Position Restricted by Contractual or Statutory Agreements (in thousands)	**2020**	**2019**	**2018**
Balance at June 30	$ 242,023	$ 238,906	$ 220,732
$ increase from prior period	3,117	18,174	
% increase from prior period	1%	8%	

The following table presents the restricted net position on which constraints have been externally imposed be creditors, grantors and laws or regulations on the WCF at June 30, 2020, 2019 and 2018, respectively, and the amount of those restrictions (in thousands).

WCF and Affiliates Restricted Net Position	**2020**	**2019**	**2018**
FHLB of Boston Collateral (Helping to House New England)	$ 18,591	$ 20,555	$ 11,017
MassHousing Mortgage Insurance Funds (MIF)	118,887	113,224	104,558
Minimum net position covenants	100,000	100,000	100,000
Restricted by Note Resolutions	749	1,331	1,361
Single family co-insurance	3,796	3,796	3,796
Total WCF and Affiliates Restricted Net Position	**$ 242,023**	**$ 238,906**	**$ 220,732**

WCF Unrestricted Net Position (in thousands)	**2020**	**2019**	**2018**
Balance at June 30	$ 650,498	$ 549,751	$ 501,694
$ increase from prior period	100,747	48,057	
% increase from prior period	18%	10%	

The following table presents the WCF's unrestricted net position at June 30, 2020, 2019 and 2018, respectively, which has been designated by vote of MassHousing Members for specified purposes that further the Agency's mission, and the amount of those designations (in thousands):

WCF and Affiliates Unrestricted Designations Net Position	**2020**	**2019**	**2018**
Opportunity Fund	$ 341,954	$ 244,331	$ 224,312
Funding for loan purchases, loan advances and unrestricted net position requirements	239,678	234,624	202,073
Lease Commitments	48,690	53,655	58,363
Funding of the Construction Security Fund	14,000	14,000	14,000
Capital Magnet Grant	2,250		
FHLB Helping to House New England Grant	1,513		
Designation of Equity of Affiliates Center for Community Recovery Innovations(CCRI) and Property Acquisition and Disposition Corporation (PADCO)	1,003	1,731	1,536
Funding of the CCRI	700	700	700
Funding of the Tenancy Preservation Project	660	660	660
Funding of the New Lease for Homeless Families initiative	50	50	50
Total WCF and Affiliates Unrestricted Designations of Net Position	**$ 650,498**	**$ 549,751**	**$ 501,694**

Bond-Funded Programs

Total Bond Program Net Position (in thousands)	2020	2019	2018
Balance at June 30	$ 598,085	$ 552,788	$ 504,139
$ increase from prior period	45,297	48,649	
% increase from prior period	8%	10%	

The increase in net position of the bond-funded programs for the year ended June 30, 2020 was primarily the result of three factors: operating income before provision for loan losses of $53.8 million and a decrease to the provision for loan losses of $5.5 million, which were partially offset by net transfers to the WCF of $14 million. The increase in net position of the bond-funded programs for the year ended June 30, 2019 was primarily the result of four factors: operating income before provision for loan losses of $65.5 million and a reduction to the provision for loan losses of $6.2 million, which were partially offset by net transfers to the WCF of $21.3 million and Special Items of $1.8 million.

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

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

		Change from FY 2019			Change from FY 2018		
	Fiscal 2020	$	%	Fiscal 2019	$	%	Fiscal 2018
Operating Revenues – WCF and Affiliates							
Interest on loans	$ 15	$ 2	15.4%	$ 13	$ (1)	-7.1%	$ 14
Investment earnings	14	(4)	-22.2%	18	10	125.0%	8
Fee income	77	(1)	-1.3%	78	5	6.8%	73
Grant income	93	93		-	-		-
Miscellaneous income	2	(3)	-60.0%	5	1	25.0%	4
Total Revenues - WCF and Affiliates	$ 201	$ 87	76.3%	$ 114	$ 15	15.2%	$ 99
Operating Revenues – Bond Programs							
Interest on loans	$ 112	$ (4)	-3.4%	$ 116	$ (10)	-7.9%	$ 126
Investment earnings	65	(4)	-5.8%	69	59	590.0%	10
Fee income	3	-	0.0%	3	(1)	-25.0%	4
Total Revenues - Bond Programs	$ 180	$ (8)	-4.3%	$ 188	$ 48	34.3%	$ 140
Total Revenues	$ 381	$ 79	26.2%	$ 302	$ 63	26.4%	$ 239
Operating Expenses – WCF and Affiliates							
Interest on bonds and notes, net of discount/premium	$ 7	$ -	0.0%	$ 7	$ 1	16.7%	$ 6
Administrative expenses	84	1	1.2%	83	3	3.8%	80
Grant expenses	8	7	700.0%	1	(1)	-50.0%	2
Miscellaneous expenses	-	-		-	(5)	-100.0%	5
Total Expenses - WCF and Affiliates	$ 99	$ 8	8.8%	$ 91	$ (2)	-2.2%	$ 93
Operating Expenses – Bond Programs							
Interest on bonds and notes, net of discount/premium	$ 113	$ 1	0.9%	$ 112	$ (4)	-3.4%	$ 116
Administrative expenses	6	2	50.0%	4	-	0.0%	4
Miscellaneous expenses	8	1	14.3%	7	2	40.0%	5
Total Expenses - Bond Programs	$ 127	$ 4	3.3%	$ 123	$ (2)	-1.6%	$ 125
Total Expenses	$ 226	$ 12	5.6%	$ 214	$ (4)	-1.8%	$ 218
Operating income before provision for loan losses- WCF and Affiliates	$ 102	$ 79	343.5%	$ 23	$ 17	283.3%	$ 6
Operating income before provision for loan losses - Bond Programs	$ 53	$ (12)	-18.5%	$ 65	$ 50	333.3%	$ 15
Total operating income before provision for loan losses	$ 155	$ 67	76.1%	$ 88	$ 67	319.0%	$ 21
Provision for loan losses	$ 5	$ 33	-117.9%	$ (28)	$ (36)	-450.0%	$ 8
Total provision for loan losses	$ 5	$ 33	-117.9%	$ (28)	$ (36)	-450.0%	$ 8
Total operating income	$ 150	$ 34	29.3%	$ 116	$ 103	792.3%	$ 13
Special Items	$ -	$ 2	-100.0%	$ (2)	$ 4	-66.7%	$ (6)
Changes in net position	$ 150	$ 36	31.6%	$ 114	$ 107	1528.6%	$ 7
Cumulative effect of GASB 75 adjustment of beginning Net OPEB Liability	$ -	$ -		$ -	$ 23	-100.0%	$ (23)
Net position at beginning of the fiscal year	$ 1,341	$ 114	9.3%	$ 1,227	$ (16)	-1.3%	$ 1,243
Total net position at end of the fiscal year	$ 1,491	$ 150	11.2%	$ 1,341	$ 114	9.3%	$ 1,227

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, 2020, 2019 and 2018, and the year-over-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 for the years ended June 30, 2020 and 2019 decreased as compared with FY 2019 and FY 2018, respectively. The decreases for the years ended June 30, 2020 and 2019, as compared to the prior respective year, were due to the prepayment of several multifamily loans and lower interest rates in the SFHRB program.

Investment Earnings
Investment Earnings consist of interest income and increases or decreases in the fair value of investments. Investment Earnings for the year ended June 30, 2020 decreased as compared with FY 2019 due to a decrease in the total fair value of investments, decreased interest rates of return and decreased investment balances. Investment Earnings for the year ended June 30, 2019 increased as compared with FY 2018 due to an increase in the total fair value of investments and increased investment balances.

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 in consideration for serving as HUD's contract administrator with respect to the Performance-Based Contract Administration ("PBCA") contract and the Traditional Contract Assistance ("TCA"). Fee Income for the year ended June 30, 2020 as compared with FY 2019 decreased primarily due to a reduction in fees received from multifamily loans. Fee Income for the year ended June 30, 2019 as compared with FY 2018 increased primarily due to a higher balance of loans incurring servicing fees.

As noted above, MassHousing receives fee income in consideration for serving as HUD's contract administrator with respect to project-based Section 8 subsidy programs in the Commonwealth, including both the 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. On September 19, 2019, MassHousing executed an eighth amendment to the Annual Contributions Contract ("ACC") as PBCA Administrator for HUD. The amendment extends the term of the ACC from September 30, 2019 to January 30, 2021. This amendment makes certain changes to the scope of work to be performed or the compensation to be received, which in MassHousing's assessment will not significantly affect its operations of financial position. See Note O, "Subsequent Events" for additional disclosure pertaining to the ACC.

Grant Income
Grant Income consists of grants received for purposes that increase housing opportunities and otherwise support the Agency's mission. Grant Income for the year ended June 30, 2020, as compared with year ended June 30, 2019, increased due to a number of grants received, including a grant of $86.2 million for Workforce Production Funds from the Commonwealth to expand the

state's workforce housing supply, a grant of $2.5 million from the Commonwealth's FY 2019 Supplemental Budget for the Agency's down payment assistance program, a grant of $2.25 million of Capital Magnet Funds from the federal government's Community Development Financial Institutions Fund to provide down payment assistance loans to income eligible first-time homebuyers and a grant of $2 million from the FHLB, under the Helping to House New England Program, to fund affordable sober housing and support services through the Agency's Center for Community Recovery Innovations. There was no Grant Income for the years ended June 30, 2019 or June 30, 2018.

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 the year ended June 30, 2020 as compared to the year ended June 30, 2019 decreased. Miscellaneous income for the year ended June 30, 2019 as compared to the year ended June 30, 2018 was unchanged.

Operating Expenses

Interest Expense on Bonds and Notes, net of premium/discount
Interest Expense on Bonds and Notes, net of premium/discount, for the year ended June 30, 2020, as compared with the year ended June 30, 2019, increased due to the new issuance of bonds. Interest Expense on Bonds and Notes, net of premium/discount, for the year ended June 30, 2019, as compared with the year ended June 30, 2018, decreased due to savings from bond refundings and lower debt balances.

Financing Costs
The costs of issuing bonds (other than bond discount or premium) are recognized as expense in the year incurred as Financing Costs. Financing Costs for the year ended June 30, 2020, as compared to the year ended June 30, 2019, increased due to increased bond issuances during the fiscal year. Financing Costs for the years ended June 30, 2019, as compared to the year ended June 30, 2018, decreased due to fewer bond issuances during the fiscal year.

Administrative Expenses
Administrative Expenses for the year ended June 30, 2020, as compared with FY 2019, increased due to an increase in the amortization of servicing rights. Administrative Expenses for the year ended June 30, 2019, as compared with FY 2018, increased due to an increase in pension expense.

Grant Expenses
The Agency provides grants to programs and initiatives that increase housing opportunities and otherwise support the Agency's mission, subject to all applicable requirements of the Agency's enabling act. Most grants are paid out of the Agency's Opportunity Fund or the Center for Community Recovery Innovations, Inc. ("CCRI"). Grant Expenses for the year ended June 30, 2020, as compared with the year ended June 30, 2019, increased due a disbursement of funds out of the Opportunity Fund to a special fund under the Commonwealth's Residential Assistance for Families in Transition ("RAFT) for COVID-19 assistance, and to the disbursement of funds made available from a grant received from the FHLB for the Helping to House New England program. Grant Expenses for the year ended June 30, 2019, as compared with the year ended June 30, 2018, decreased due to a reduction in grants disbursed through CCRI.

Miscellaneous Expenses

Miscellaneous Expenses include MIF insurance claims paid, losses on property dispositions and various other items. Miscellaneous Expenses for the year ended June 30, 2020 as compared with the year ended June 30, 2019 increased due to higher Asset Protection expenses and paid claims in MIF. Miscellaneous Expenses for the year ended June 30, 2019 as compared with the year ended June 30, 2018 decreased due to lower paid claims in MIF.

Adjusted Operating Income

Adjusted Operating income is a non-GAAP measure, defined as the Change in Net Position before adjusting for net changes in the fair value of Investments, Grant Income and Expenses, the Provision for Loan Losses, and Special Items. Adjusted Operating Income for the year ended June 30, 2020 decreased compared to the prior year as a result of lower revenues and higher expenses in all categories included. Adjusted Operating Income for the year ended June 30, 2019 increased compared to the prior year primarily as a result of higher Investment Earnings and Fee Income.

Provision for Loan Losses

The Provision for Loan Losses for the year ended June 30, 2020, as compared with FY 2019, increased mainly due to additional reserves for senior housing projects, as a result of increased operating costs for senior housing that are a direct response to tenant risk relative to the COVID-19 pandemic, and its effects on the elderly population. The Provision for Loan Losses for the year ended June 30, 2019, as compared with FY 2018, decreased mainly due to the result of improved operating performance, specifically increased Net Operating Income, in many of the projects, as well as a reduction of capitalization rates.

Special Items

The Agency recorded a $1.8 million Special Item in FY 2019 related to the termination of existing interest rate swap agreements, as discussed in Note I, "Derivative Instruments."

MIF

The following table summarizes the MIF activity for the year ended June 30.

(in thousands)	2020	2019	2018
Net insurance premium revenue	$ 6,064	$ 5,701	$ 5,119
Investment Earnings	3,357	2,301	1,705
Net increase (decrease) in fair value of investments	2,221	2,612	(1,529)
Underwriting and Administrative expenses	(2,209)	(1,960)	(1,785)
Claims expense	(699)	(196)	(266)
Reduction to (provision for) allowance for potential claims	(3,071)	207	(184)
Operating Income	**$ 5,663**	**$ 8,665**	**$ 3,060**

Reserves for insurance claims are generated internally from operating surplus and proceeds from reinsurance claims. The MIF is part of the Agency's WCF and Affiliates.

Legislative Developments

From time to time, bills may be introduced into the Commonwealth legislature that could affect government operations generally or seek to impose financial and other obligations on MassHousing, including requiring the transfer of funds or assets from MassHousing to the

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

COMBINED STATEMENTS OF NET POSITION
June 30, 2020 and 2019

In thousands

	June 30, 2020	June 30, 2019
Assets		
Current assets		
Cash and cash equivalents (Notes C & N)	$ 1,118,773	$ 821,858
Investments (Notes C & N)	181,189	327,053
Interest and fees receivable on construction and mortgage loans, net (Note D)	10,017	10,065
Current portion of loans receivable, net (Note D)	159,494	136,754
Other assets (Note F)	12,849	15,033
Total current assets	**1,482,322**	**1,310,763**
Non-current assets		
Investments (Notes C & N)	1,015,297	970,279
Non-current portion of loans receivable, net (Notes D & E)	2,716,834	2,589,464
Escrowed funds (Note G)	638,717	553,176
Investment derivative instruments (Note I)	24	40
Other assets (Note F)	56,691	57,964
Total non-current assets	**4,427,563**	**4,170,923**
Total assets	**5,909,885**	**5,481,686**
Deferred outflow of resources		
Pension and OPEB (Note M)	15,476	19,624
Hedging derivative instruments (Note I)	22,931	14,926
Total deferred outflow of resources	**38,407**	**34,550**
Total assets and deferred outflow of resources	**$ 5,948,292**	**$ 5,516,236**
Liabilities		
Current liabilities		
Current portion of long term debt, net (Note H)	$ 112,767	$ 121,009
Obligation line of credit (Note H)	35,000	50,000
Accrued interest payable	10,261	10,868
Other liabilities (Note N)	16,458	16,254
Hedging derivative instruments (Note I)	936	547
Total current liabilities	**175,422**	**198,678**
Non-current liabilities		
Non-current portion of long term debt, net (Note H)	3,514,271	3,298,273
Long term- loan (Note H)	16,363	16,363
Net pension and OPEB liability (Note M)	45,880	58,820
Other liabilities (Note N)	29,203	29,737
Escrowed funds payable (Note G)	638,717	553,176
Hedging derivative instruments (Note I)	21,995	14,379
Investment derivative instruments (Note I)	5,658	2,676
Total non-current liabilities	**4,272,087**	**3,973,424**
Total liabilities	**4,447,509**	**4,172,102**
Deferred inflow of resources		
Pension and OPEB (Note M)	10,177	2,689
Total deferred inflow of resources	**10,177**	**2,689**
Total liabilities and deferred inflow of resources	**4,457,686**	**4,174,791**
Commitments and contingencies (Note N)		
Net position (Notes A & K)		
Restricted by bond resolutions	598,085	552,788
Restricted by contractual or statutory agreements	242,023	238,906
Unrestricted	650,498	549,751
Total net position	**$ 1,490,606**	**$ 1,341,445**

The accompanying notes are an integral part of the financial statements.

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

For the fiscal years ended: June 30, 2020 and 2019

In thousands	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019
Operating revenues		
Interest on loans (Notes B & D)	$ 126,810	$ 129,368
Investment earnings: (Notes B & C)		
Interest income	51,730	54,481
Net increase in fair value of investments	27,172	32,401
Fee income (Note B)	79,931	81,217
Grant income (Note B)	92,950	-
Miscellaneous income (Note B)	1,861	4,909
Total operating revenues	**380,454**	**302,376**
Operating expenses		
Interest on bonds and notes, net of discount/premium (Notes B & H)	120,240	119,041
Financing costs	7,472	6,333
Administrative expenses	89,837	87,015
Grant expenses (Note B)	7,225	1,337
Miscellaneous expenses (expense recoveries) (Note B)	1,577	(401)
Total operating expenses	**226,351**	**213,325**
Operating income before provision for (reduction to) loan losses	**154,103**	**89,051**
Provision for (reduction to) loan losses (Notes B & D)	4,942	(27,593)
Total provision for (reduction to) loan losses	**4,942**	**(27,593)**
Operating income after provision for (reduction to) loan losses	**149,161**	**116,644**
Special Items (Note I)	-	(1,764)
Change in net position	**149,161**	**114,880**
Net position at the beginning of the fiscal year	1,341,445	1,226,565
Net position at the end of the fiscal year	**$ 1,490,606**	**$ 1,341,445**

The accompanying notes are an integral part of the financial statements.

COMBINED STATEMENTS OF CASH FLOWS

For the fiscal years ended: June 30, 2020 and 2019

In thousands	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities:		
Collections on mortgage loans, construction loan repayments and loan sales	$ 1,139,465	$ 1,446,360
Loan advances to borrowers	(1,168,155)	(1,205,995)
Interest collections on construction loans	3,964	2,284
Fees collected	78,058	77,986
Cash payments to employees for services	(34,765)	(34,616)
Cash payments to other suppliers of goods and services	(49,203)	(41,316)
Grants received	92,950	-
Grants disbursed	(7,219)	(1,337)
Miscellaneous disbursements	(7,016)	(1,244)
Escrow funds, net	(85,541)	(13,639)
Escrow funds payable, net	85,541	13,639
Net cash provided by operating activities	**48,079**	**242,122**
Cash flows from non-capital financing activities		
Sale of bonds and notes and draw down on line of credit	646,449	497,954
Bond issuance / redemption costs	(7,352)	(6,422)
Retirement of bonds and notes and pay down on line of credit	(449,782)	(576,664)
Interest on bonds and notes	(124,538)	(122,543)
Net cash provided by (used for) non-capital financing activities	**64,777**	**(207,675)**
Cash flows from capital financing activities:		
Acquisition of capital assets	-	(3,832)
Net cash (used for) capital financing activities	**-**	**(3,832)**
Cash flows from investing activities:		
Purchase of investments	(517,440)	(607,491)
Proceeds from sales of investments	649,623	374,431
Investment earnings, net of rebate	51,876	50,931
Net cash provided by (used for) investing activities	**184,059**	**(182,129)**
Net increase (decrease) in cash and cash equivalents	296,915	(151,514)
Cash and cash equivalents at the beginning of the fiscal year	821,858	973,372
Cash and cash equivalents at end of the fiscal year	**$ 1,118,773**	**$ 821,858**

The accompanying notes are an integral part of the financial statements.

COMBINED STATEMENTS OF CASH FLOWS (continued)

For the fiscal years ended: June 30, 2020 and 2019

In thousands	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	**$ 149,161**	**$ 116,644**
Adjustments to reconcile operating income to net cash provided by operating activities:		
Amortization of bond original discount (premium) and deferred issue costs, net	(3,909)	(3,339)
Depreciation and amortization	27,045	25,337
Provision for (reduction to) losses on loans	4,942	(27,593)
Loss on property dispositions	-	6
Recognition of fee income	(4,103)	(4,025)
Investment earnings	(51,730)	(54,481)
Change in fair value of investments	(27,172)	(32,401)
Interest expense on bonds and notes	124,149	122,380
Financing expenses	7,472	6,333
Changes in assets and liabilities:		
Decrease (increase) in loans and other receivables and mortgage-backed securities	(151,983)	111,518
Decrease in interest and fees receivable on loans	48	775
Increase in other assets and other receivables	(107,466)	(47,497)
Increase in accounts payable and other liabilities	81,625	28,465
Total adjustments	**(101,082)**	**125,478**
Net cash provided by operating activities	**$ 48,079**	**$ 242,122**

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF FIDUCIARY NET POSITION

In thousands	Massachusetts Housing Finance Agency OPEB Trust *		Massachusetts Housing Finance Agency Employees' Retirement System **		Total Pension (and other employee benefit) Trust Funds	
	June 30, 2020	June 30, 2019	December 31, 2019	December 31, 2018	Fiscal Year Ended	Prior Fiscal Year Ended
Assets						
Cash and cash equivalents	$ 100	$ 203	$ 494	$ 4,900	$ 594	$ 5,103
Investments	38,127	34,723	178,381	141,322	216,508	176,045
Other assets	-	-	214	199	214	199
Total assets	**38,227**	**34,926**	**179,089**	**146,421**	**217,316**	**181,347**
Liabilities						
Accounts payable	576	537	63	132	639	669
Due to MassHousing	-	-	194	171	194	171
Total liabilities	**576**	**537**	**257**	**303**	**833**	**840**
Net position						
Restricted for postemployment benefits	37,651	34,389	178,832	146,118	216,483	180,507
Total net position	**$ 37,651**	**$ 34,389**	**$ 178,832**	**$ 146,118**	**$ 216,483**	**$ 180,507**

* The fiscal year for the Massachusetts Housing Finance Agency OPEB Trust runs from July 1 through June 30.

** The fiscal year for the Massachusetts Housing Finance Agency Employees' Retirement System runs from January 1 through December 31

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

In thousands	Massachusetts Housing Finance Agency OPEB Trust * Fiscal Year Ended		Massachusetts Housing Finance Agency Employees' Retirement System ** Fiscal Year Ended		Total Pension (and other employee benefit) Trust Funds	
	June 30, 2020	June 30, 2019	December 31, 2019	December 31, 2018	Fiscal Year Ended	Prior Fiscal Year Ended
Additions						
Contributions:						
Employer contributions	$ 3,421	$ 3,459	$ 10,031	$ 6,527	$ 13,452	$ 9,986
Plan members contributions			3,449	3,483	3,449	3,483
Reimbursements and transfers from other systems			760	877	760	877
Total contributions	3,421	3,459	14,240	10,887	17,661	14,346
Net investment earnings:						
Interest and dividend income	1,019	953	4,167	1,809	5,186	2,762
Net increase (decrease) in fair value	199	1,040	25,248	(6,295)	25,447	(5,255)
Less: investment expense	(23)	(23)	(1,684)	(1,059)	(1,707)	(1,082)
Total net investment earnings	1,195	1,970	27,731	(5,545)	28,926	(3,575)
Total additions	**4,616**	**5,429**	**41,971**	**5,342**	**46,587**	**10,771**
Deductions						
Benefits and refunds paid	1,327	1,531	8,526	7,600	9,853	9,131
Reimbursements and transfers to other systems			263	460	263	460
Administrative expenses	27	40	468	444	495	484
Total deductions	**1,354**	**1,571**	**9,257**	**8,504**	**10,611**	**10,075**
Net increase (decrease) in net position	**3,262**	**3,858**	**32,714**	**(3,162)**	**35,976**	**696**
Net position restricted for postemployment benefits						
Net position restricted for postemployment benefits at the beginning of the fiscal year	34,389	30,531	146,118	149,280	180,507	179,811
Net position restricted for postemployment benefits at the end of the fiscal year	**$ 37,651**	**$ 34,389**	**$ 178,832**	**$ 146,118**	**$ 216,483**	**$ 180,507**

* The fiscal year for the Massachusetts Housing Finance Agency OPEB Trust runs from July 1 through June 30.

** The fiscal year for the Massachusetts Housing Finance Agency Employees' Retirement System runs from January 1 through December 31

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

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

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

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

The Agency's affiliates set forth below are blended component units of MassHousing. Component units are defined as legally separate organizations for which MassHousing is financially accountable.

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

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

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

MassHousing Mortgage Insurance Fund ("MIF")

The MIF was established within the WCF to provide an additional source of primary mortgage insurance for certain borrowers. MIF is the primary insurer for single-family loans made by MassHousing and is also an insurer approved by the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Federal National Mortgage Association ("Fannie Mae") and Massachusetts community banks and credit unions. MIF and its operations are more fully described in Note N; summarized financial information is presented in Note L. MIF is included in a separate account within the WCF, and its net position is included in Restricted Net Position on the combining Statements of Net Position.

MassHousing Property Acquisition and Disposition Corporation ("PADCO")

MassHousing formed the PADCO to take title to properties that serve as collateral on mortgage loans financed by the Agency's various multifamily bond programs and the WCF in the event of a foreclosure or other actions taken on the loan by MassHousing. The Agency's Members and Executive Director comprise PADCO's Board of Directors and

President, respectively. When necessary, PADCO may establish separate limited liability companies to acquire, own, manage and sell properties acquired through foreclosure of the related loans. Reference is made to Note B for PADCO's significant accounting policies. Summarized financial information is presented in Note L. PADCO's net position is included in Unrestricted (Designated) Net Position on the combining Statements of Net Position.

Center for Community Recovery Innovations, Inc. ("CCRI")
MassHousing formed CCRI to study and develop creative strategies for dealing with issues of drug and alcohol addiction in housing communities. Its Board of Directors includes the Members of the Agency; certain Agency employees are its principal officers. CCRI has been funded with contributions from MassHousing since fiscal year 1995. Summarized financial information is presented in Note L. Reference is also made to Notes K and N for current and future MassHousing commitments to CCRI. CCRI's net position is included in Unrestricted (Designated) Net Position on the combining Statements of Net Position.

(2) Multifamily Bond Programs
MassHousing issues bonds to finance multifamily rental housing under several separate bond resolutions. Each general and series specific bond resolution requires that certain funds and accounts be established and maintained for that respective bond program. The following multifamily development bond programs were active in fiscal years 2020 and 2019.

(a) Rental Housing Mortgage Revenue Bond Program ("RHMRB") - Federal Housing Administration (FHA) Insured Mortgage Loans
RHMRB was established to provide funds for the acquisition and rehabilitation of FHA insured and other multifamily developments.

The general resolution requires bond insurance covering the principal and interest on certain bonds issued thereunder. The insurance is non-cancelable and is intended to provide assurance of timely payment of principal and interest to bondholders on regularly scheduled payment dates, including mandatory sinking fund redemption dates. National Public Finance Guarantee Corporation, a wholly owned subsidiary of MBIA, Inc., and Assured Guaranty Municipal Corporation have provided bond insurance policies under the Rental Housing Mortgage Revenue Bond Program. Rental Housing Mortgage Revenue Bond Program, 2003 Series A is a general obligation secured by the full faith and credit of MassHousing.

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

(c) Multi-Family Housing Bond Program
The Multi-Family Housing Bond Program ("MFHB") was established to provide permanent financing for certain multifamily residential developments selected by MassHousing. In October 2009, the U.S. Department of the Treasury (the Treasury), the Federal Housing Finance Agency, Fannie Mae and Freddie Mac (and collectively with Fannie Mae, the "GSEs"), announced availability of the Federal New Issue Bond Program (the "Federal NIBP"), under authority of the Housing and Economic Recovery Act of 2008.

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

(d) Housing Bond Program

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

(3) Single-Family Housing Bond Programs

MassHousing has issued bonds to finance the purchase of mortgage-backed securities or loans made to single-family borrowers from participating lenders under two separate general resolutions. Each general and series specific bond resolution requires that certain funds and accounts be established and maintained for that respective bond program. The following is a description of the Single-Family Housing Revenue Bond Program and the Residential Mortgage Revenue Bond Program, which were active in fiscal years 2020 and 2019.

(a) Single-Family Housing Revenue Bond Program

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

(b) Residential Mortgage Revenue Bond Program

The Residential Mortgage Revenue Bond Program (“RMRB”) was established in September 2012 to finance mortgage loans under the HomeOwnership Program exclusively through the purchase of Fannie Mae MBS that are backed by single-family mortgage loans.

COVID-19 Response

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. In response to the COVID-19 pandemic, MassHousing is adhering to all state and federal state of emergency mandates and is adapting its business accordingly. Management is monitoring its business lines and operations to minimize potential disruptions.

Federal, state and local bodies are contemplating and enacting actions, regulations and/or other administrative directives and guidance to mitigate the impacts of COVID-19 on the general population and the economy. On March 13, 2020, the President of the United States declared a national emergency, and since that time, the United States Congress has approved several COVID-19 related bills, including the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), signed into law on March 27, 2020. The CARES Act and other proposed federal, state, and local actions include, among other things, allowance for various periods of forbearance on mortgage payments and certain restrictions on the enforcement of remedies upon a default, as well as direct and indirect financial support. The CARES Act, and other proposals, if enacted, may have both adverse and positive effects on MassHousing's operations and financial condition.

Since April 15 the Agency has posted, on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, a number of voluntary notices regarding its initial responses to the COVID-19 pandemic and the actions taken by Federal and state governments to address such pandemic, and its impact on the Agency's Home Ownership Programs, Mortgage Insurance Fund, and Rental Bond Programs.

Because it is generally difficult to predict the full impact of the pandemic and steps taken or to be taken by the government to address the pandemic, there can be no assurances that the pandemic and resulting business and market disruptions, will not have an adverse impact on the operations of MassHousing, its financial condition or any of its contractual obligations.

Note B. Summary of Significant Accounting Policies

Basis of Presentation
MassHousing's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The combining financial statements include all MassHousing's programs and affiliates described in Note A. All interprogram and interfund transactions and balances have been eliminated and are summarized in Note J. Detailed financial information for each individual bond program is presented in accompanying Supplemental Schedule 7 to the financial statements.

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

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

Certain financial statement line items for the year ended June 30, 2019 have been reclassified to conform to current year presentation.

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

The statements of changes in fiduciary net position provides information about the additions and deductions of the Agency's two fiduciary activities: (1) the Massachusetts

Housing Finance OPEB Trust and (2) the Massachusetts Housing Finance Agency Employees' Retirement System in order to measure the results of the fiduciary activities operations at the end of their respective fiscal years.

PADCO Accounting Policies
Properties acquired by PADCO are carried at the lower of cost or market. The related mortgage loans receivable were included in Other Assets on the Statements of Net Position of either the applicable bond programs or the WCF, with an offset to Other Liabilities on the WCF's Statements of Net Position and were eliminated in the combining Statements of Net Position. Rent and other revenues from properties owned by PADCO were included in Miscellaneous Income. Expenses of operating the properties were included in Miscellaneous Expenses. There were no properties owned by PADCO during the years ended June 30, 2020 or June 30, 2019.

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

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

U.S. Government Obligation securities with maturities of one year or less at the time of purchase are carried at amortized cost which approximates fair market value. Investments in Guaranteed Investment Contracts ("GICs") are carried at cost.

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

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

Interest income is accrued as earned and is presented in the combining Statements of Revenues, Expenses, and Changes in Net Position net of any applicable arbitrage rebate owed to or received from the U.S. Treasury. There were no arbitrage rebates received or paid in 2020 and 2019.

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

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

The evaluation of the multifamily loan portfolio takes into consideration the entire loan portfolio primarily utilizing an impairment assessment model. MassHousing's model and estimation process provides a materially consistent methodology of assessment for all projects and takes a more standardized approach to its assessment of loan impairment. The model employs recent or readily available net operating income data along with capitalization rates, property location, costs to sell, capital needs assessments and other data in assessing potential impairment to establish a reserve that complies with GAAP and therefore presents loans at their estimated net realizable value. In certain instances, independent appraisals and other pertinent data such as loan repayment status or physical property status is obtained to assist management's decision in determining the estimated fair value of the property which serves as collateral on the loan.

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

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

Escrow Funds
The Agency holds Escrow funds consisting of deposits that are invested principally in money-market mutual fund shares which are held in segregated cash accounts. Escrow accounts are recorded on the Statements of Net Position as Escrow funds (assets) with an equal amount recorded as Escrow funds payable (liability). The cash flows for escrow accounts are recorded net in the Operating activities section of the Statements of Cash Flows as Escrow funds, net or Escrow funds payable, net.

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

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

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

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

Long-Term Debt

Bond Issuance Costs, Discounts and Premiums
The costs of issuing bonds (other than bond discount and premium) are recognized as an expense in the period incurred as financing costs. Bond discounts and premiums are both deferred and amortized. MassHousing utilizes the effective interest method to amortize all discounts and premiums of new debt. The amortization is reflected as a component of interest expense. The amortization period used for each new bond issue is equal to the first optional redemption date for that new bond offering.

Interest and Fee Revenues on Mortgage Loans

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

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

WCF fee income also includes premiums collected and discounts paid from the sale of single-family mortgages sold into MBS.

Grant Income and Grant Expense
Grant income is recorded depending on the terms of the related grant agreement. Most grants are Pass-through grants and are recorded as revenue when all eligibility and time restriction requirements are met. Grant proceeds are initially recorded as deferred revenue when time restrictions but not all eligibility requirements have been met or as deferred inflows of resources when the eligibility requirements other than the time restriction have been satisfied.

Grant Expense are recognized as grant funds are disbursed for the related grant projects.

Miscellaneous Income and Miscellaneous Expenses
Miscellaneous income and expenses are accrued as earned or incurred. 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 expense primarily includes MIF insurance claims paid, losses on property dispositions, and various unusual expense items.

Interprogram and Interfund Balances and Eliminations
The WCF engaged in interfund transactions with several of the bond programs. These transactions and resulting year-end interfund balances have been eliminated in the accompanying combining financial statements. Further details of these transactions and year-end balances are included in Notes J and L.

Net Position
Net Position is reported as restricted when constraints placed on the use of the net position have been either (1) externally imposed by creditors, grantors or laws and regulations of governments or (2) imposed by law through constitutional provisions or enabling legislation. Unrestricted net position that MassHousing Members have designated to be used for specific purposes are presented and identified as "designated" unrestricted net

position in Note K. Such designated net position is considered to be specifically directed to be used for certain activities that are consistent with MassHousing's mission. MassHousing anticipates that it will continue to designate unrestricted net position for specific purposes in furtherance of its affordable housing mission.

Recently Issued Accounting Standards

In January 2017, GASB approved Statement No. 84, "Fiduciary Activities" ("GASB 84"). This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The Agency implemented this standard in the third quarter of the fiscal year ended June 30, 2019 ("FY 2019") for interim reports. The agency identified two fiduciary activities: (1) the Massachusetts Housing Finance Agency Other Post-Employment Benefits ("OPEB") Trust and (2) the Massachusetts Housing Finance Agency Employees' Retirement System. The Agency implemented this standard for annual reports in its fiscal year ended June 30, 2020 ("FY 2020") financial statements.

In June 2017, GASB approved Statement No. 87, "Leases" ("GASB 87"). The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases. This Statement increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. In accordance with GASB Statement No. 92, "Omnibus 2020" as described below, the effective date of this standard is for fiscal years beginning after December 15, 2019. The effective date was superseded again in accordance with GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance", as described below, to fiscal years beginning after June 15, 2021. The Agency is currently assessing the impact of GASB 87 and the implementation issues.

In May 2019, GASB approved Statement No. 91, "Conduit Debt Obligations" ("GASB 91") The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. In accordance with GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" as described below, the effective date of this standard is for reporting periods beginning after December 15, 2021. Earlier application is encouraged. The Agency is currently assessing the impact of GASB 91 and the implementation issues.

In January 2020, GASB approved Statement No. 92, “Omnibus 2020” (“GASB 92”). This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to the effective date of Statement No. 87, “Leases”, and postemployment benefits (pensions and other postemployment benefits), fiduciary activities, asset retirement obligations, reporting by public entity risk pools, nonrecurring fair value measurements, and derivative instruments terminology. The effective date of this standard varies by topic, and was superseded in accordance with GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”, as described below. The Agency is currently assessing the impact of GASB 92 and the implementation issues.

In March 2020, GASB approved Statement No. 93, “Replacement of Interbank Offered Rates” (“GASB 93”). Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (“IBOR”)—most notably, the London Interbank Offered Rate (“LIBOR”). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. In accordance with GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance” as described below, all other requirements of this Statement are effective for fiscal years beginning after June 15, 2021. Earlier application is encouraged. The Agency is currently assessing the impact of GASB 93 and the implementation issues.

In May 2020, GASB approved Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance” (“GASB 95”). The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

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

In June 2020, GASB issued Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32” (“GASB 97”). The primary objective of this

Statement is to require that Internal Revenue Code ("IRC") Section 457 deferred compensation plans ("Section 457 plans") be classified as either a pension plan or an other employee benefit plan, depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. The Agency is currently assessing the impact of GASB 97 and the implementation issues.

Note C. Investments, Cash and Cash Equivalents

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

Under MassHousing's approved Investment Policy, adopted March 12, 2013 and last reaffirmed February 14, 2017, authorized investments may include: (1) direct obligations of the U.S. Government or certain of its agencies as well as obligations of any state of the United States of America or of any political subdivision thereof; (2) bonds, debentures, participation certificates (representing a timely guaranty of principal and interest), notes, or similar evidences of indebtedness of any of the following: Federal Financing Bank ("FFB"), Federal Home Loan Bank ("FHLB"), Federal Farm Credit Bank, Federal National Mortgage Association ("Fannie Mae") (excluding "stripped" securities), Federal Home Loan Mortgage Corporation ("Freddie Mac") (excluding "stripped" securities), Resolution Funding Corporation, Government National Mortgage Association ("Ginnie Mae"), or Student Loan Marketing Association; (3) 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 such obligations are rated by each Credit Rating Agency no lower than the then current rating assigned to the Bonds (or WCF, if applicable) by each Credit Rating Agency; (4) prime commercial paper of U. S. corporations having the highest rating from S&P Global Ratings ("S&P"), Moody's Investor Services, Inc. ("Moody's") or Fitch Ratings ("Fitch"); (5) interest-bearing time deposits and certificates of deposit with banks; (6) shares of diversified open-end money market funds that invest in the securities described in (1), (2), and (4) above; (7) shares in the Massachusetts Municipal Depository Trust ("MMDT"); (8) repurchase agreements for obligations of the type specified in (1) and (3) above; and (9) investment agreements with investment agreement providers with companies that have a rating of at least "AA-" from S&P, or at least "Aa3" from Moody's, or at least "AA-" from Fitch for investment durations of three or more years. Short term investments with durations of less than three years shall be invested with companies that have short term ratings of at least "SP-1" from S&P, or at least "VMIG1" from Moody's, or at least "F1" from Fitch. Ratings must otherwise satisfy any additional requirements imposed by the applicable bond resolution or such rating agencies.

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

Investments and Cash Equivalents

At June 30, 2020 and 2019, MassHousing had the following investments and cash equivalents by type and by maturities with credit ratings when available (in thousands):

June 30, 2020	Total Cost, Amortized Cost or Fair Value	Investment Maturities (In Years) Less Than 1	1-5	6-10	More Than 10	Creditor Rating Range
Cash Equivalents	$1,096,372	$1,096,372				N/A to AAA
GSEs	959,644	19,361	$ 52,027	$ 8,221	$ 880,035	AA+
U.S. Treasuries	191,620	126,386	65,234			A-1+ to AA+
Commercial Paper	24,746	24,746				A-1+ to A-1
Certificates of Deposits	15,163	10,696	4,467			A-1+ to A+
Government & Government Agency Obligations	5,194		5,194			AAA
GICs	119			119		N/A
Total Investments and Cash Equivalents	**$2,292,858**	**$1,277,561**	**$ 126,922**	**$ 8,340**	**$ 880,035**	

June 30, 2019	Total Cost, Amortized Cost or Fair Value	Investment Maturities (In Years) Less Than 1	1-5	6-10	More Than 10	Creditor Rating Range
GSEs	$ 936,487	$ 50,154	$ 25,996	8,226	852,111	Aaa
Cash Equivalents	774,459	774,459				N/A to AAA
U.S. Treasuries	299,121	236,824	62,297			AA+
GICs	14,980		12,534	119	2,327	N/A
Commercial Paper	32,562	32,562				A-1+ to A-1
Certificates of Deposits	14,182	7,513	6,669			A-1+ to A+
Total Investments and Cash Equivalents	**$2,071,791**	**$1,101,512**	**$ 107,496**	**$ 8,345**	**$ 854,438**	

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

The total carrying amount of these items plus cash deposits (see below) equals the sum of all cash and cash equivalents and investments line items in the accompanying combining Statements of Net Position. Detailed information about the investments and cash equivalents of MassHousing's individual programs is contained in the accompanying Schedule 1 to the financial statements.

For the fiscal year ended June 30, 2020, the total cash equivalents and investments from the bond programs included in the table were $566 million and $1.1 billion respectively, all of which are restricted as to use. For the fiscal year ended June 30, 2019, the total cash equivalents and investments from the bond programs included in the table were $322 million and $1.1 billion, respectively, all of which are restricted as to use.

Interest Rate Risk

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

Credit Risk and Custodial Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, MassHousing will not be able to recover the value of its investment or collateral securities held by an outside party. MassHousing mitigates credit risk and custodial credit risk by limiting investments to the types of securities permitted by MassHousing's approved Investment Policy and by investing with institutions which meet specified criteria such as, but not limited to, minimum levels of capital and surplus and specified minimum ratings provided by recognized rating agencies. It is MassHousing's policy that funds held under a bond resolution or other security agreement shall be invested with investment agreement providers having a rating of at least "AA-" from S&P, "Aa3" from Moody's, or "AA" from Fitch and that otherwise satisfy any additional requirements imposed by the applicable bond resolution on such rating agencies.

The ratings of the financial institution with which the Agency has a GIC equals or exceed MassHousing's minimum rating requirements. The GIC investment has not been rated by any national rating agencies.

Concentration of Credit Risk

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

MassHousing had GICs with the following issuers that represented over 5% of the respective bond program's total investments at June 30, 2020 and 2019 (in thousands):

	June 30, 2020		June 30, 2019	
	Investments	% of Total Investments	Investments	% of Total Investments
General Rental Development Bond Program				
AIG Matched Funding Corp. (agreement is collateralized)	$ 119	100%	$ 119	100%
Rental Housing Mortgage Revenue Bond Program				
NATIXIS Funding Corp. (guaranteed by Caisse de Depots et Consignations)	N/A		2,327	100%
Housing Bond Program				
Berkshire Hathaway Inc.	N/A		12,534	9%

Cash Deposits

MassHousing's cash deposits per the bank were approximately $46.4 million and $56.8 million at June 30, 2020 and 2019, respectively. Of those amounts, $2.9 million and $2.6 million, respectively, were fully insured by the Federal Deposit Insurance Corporation ("FDIC") or collateralized with securities held by the pledging financial institution, its trust department or its agent. Such securities were not held in MassHousing's name. Deposits totaling $43.5 million and $54.2 million, respectively, were not insured or collateralized.

Cash balances reflected on the combining Statements of Net Position were approximately $22.4 million and $47.4 million at June 30, 2020 and 2019, respectively. The difference between the bank balances and the carrying amounts represents deposits in transit net of outstanding checks and other transactions not recorded by the bank until after year-end.

Fair Value of Investments

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

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date. Cash and cash equivalents are considered Level 1 and are not included in the table below.

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

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

MassHousing has the following recurring fair value measurements as of June 30, 2020 and June 30, 2019:

- U.S. Treasuries purchased with an initial maturity of more than one year are valued using quoted market prices (Level 1 inputs)
- U.S. Treasuries purchased with an initial maturity of one year or less are recorded at amortized cost (Level 2 inputs)
- GSE Obligations are valued using quoted market prices (Level 1 inputs)
- Government and Government Agency Obligations are valued using quoted market prices (Level 1 inputs).
- MBS Forward Contracts are valued using quoted market prices (Level 1 inputs)
- Certificates of Deposit ("CDs") with an initial maturity of more than one year are valued using quoted market prices (Level 1 inputs)
- CDs with an initial maturity of one year or less are recorded at amortized cost (Level 2 inputs)
- Commercial Paper is valued using amortized cost (Level 2 inputs)
- Interest Rate Cap agreement is valued using the zero-coupon valuation technique (Level 2 inputs)
- Interest Rate Swaps are valued using the zero-coupon valuation technique (Level 2 inputs)
- There were no transfers into or out of Level 2 and Level 3

MassHousing has the following Investment and Derivative Instruments, which are measured at fair value, as of June 30, 2020 and 2019:

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

June 30, 2020	**Total Fair Value 06/30/20**	**Quoted Prices in Active Markets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investments by fair value level				
Debt securities				
GSEs	$ 959,644	$ 959,644		
U.S. Treasuries	191,620	132,536	$ 59,084	
Commercial Paper	24,746		24,746	
Certificates of Deposit	15,163	11,163	4,000	
Government & Government Agency Obligations	5,194	5,194		
Total Debt Securities	**$ 1,196,367**	**$ 1,108,537**	**$ 87,830**	**$ -**
Investment derivative instruments				
Interest Rate Cap Agreement	$ 24		$ 24	
Interest Rate Swaps	(27,653)		(27,653)	
MBS Forward Contracts	(936)	$ (936)		
Total Derivative Instruments	**$ (28,565)**	**$ (936)**	**$ (27,629)**	**$ -**

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

June 30, 2019	**Total Fair Value 06/30/19**	**Quoted Prices in Active Markets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investments by fair value level				
Debt securities				
GSEs	$ 936,487	$ 936,487		
U.S. Treasuries	299,121	211,649	$ 87,472	
Certificates of Deposit	14,182	12,182	2,000	
Commercial Paper	32,562		32,562	
Total Debt Securities	**$ 1,282,352**	**$ 1,160,318**	**$ 122,034**	**$ -**
Investment derivative instruments				
Interest Rate Cap Agreement	$ 40		$ 40	
Interest Rate Swaps	(17,054)		(17,054)	
MBS Forward Contracts	(547)	$ (547)		
Total Derivative Instruments	**$ (17,561)**	**$ (547)**	**$ (17,014)**	**$ -**

Note D. Mortgage Loans Receivable and Allowances for Uncollectible Loans

Mortgage loan receivables are reported net of allowances for uncollectible loans. In addition, certain loans that have been restructured with borrowers include principal reductions in accordance with the GASB accounting provisions. In other cases, delinquent interest and fees have been added to the principal balances of the loans upon their restructuring. Also, certain loans have undergone other types of restructuring.

6/30/2020 (in thousands)	Mortgage Obligation	Unamortized Prem./Disc. Loans	Loan Loss Reserve	Total
WCF - Multifamily	$ 550,038	$ -	$ (189,421)	$ 360,617
RHMRB Program	29,318	-	-	29,318
GRDB Program	187,892	1	(430)	187,463
MFHB Program	292,941	-	(950)	291,991
HB Program	1,638,437	-	(12,535)	1,625,902
Subtotal Multifamily	$ 2,698,626	$ 1	$ (203,336)	$ 2,495,291
WCF - Single-family	$ 72,430	$ 721	$ (645)	$ 72,506
SFHRB Program	311,235	-	(2,704)	308,531
Subtotal Single-family	$ 383,665	$ 721	$ (3,349)	$ 381,037
Totals	**$ 3,082,291**	**$ 722**	**$ (206,685)**	**$ 2,876,328**

6/30/2019 (in thousands)	Mortgage Obligation	Unamortized Prem./Disc. Loans	Loan Loss Reserve	Total
WCF - Multifamily	$ 539,990	$ -	$ (180,908)	$ 359,082
RHMRB Program	30,644	-	-	30,644
GRDB Program	190,460	1	(431)	190,030
MFHB Program	296,872	-	(950)	295,922
HB Program	1,551,332	-	(18,057)	1,533,275
Subtotal Multifamily	$ 2,609,298	$ 1	$ (200,346)	$ 2,408,953
WCF - Single-family	$ 45,313	$ 499	$ (223)	$ 45,589
SFHRB Program	274,715	-	(3,039)	271,676
Subtotal Single-family	$ 320,028	$ 499	$ (3,262)	$ 317,265
Totals	**$ 2,929,326**	**$ 500**	**$ (203,608)**	**$ 2,726,218**

The Agency also reviews its off-balance sheet loans with risk share for potential loss exposure. As of June 30, 2020 and 2019, the Agency has recorded a loss reserve on off-balance sheet loans of $57 thousand and $277 thousand, respectively, and is included in Other Liabilities, non-current on the Combined Statements of Net Position. Loans with risk sharing agreements are described more fully in Note N, "Commitments and Contingencies."

Starting in FY 2019, the Agency updated its capitalization rate assumptions used in establishing the Loan Loss Reserve, by applying an internally sourced data set which more closely aligns with the geographically specific location of the mortgaged property. Starting in FY 2020, the Agency refined the model by utilizing an average Net Operating Income ("NOI") from recent years, with a heavier weighting to near term NOI to better approximate an estimated/expected NOI.

Note E. Actions Taken on Mortgage Loans and Mortgage Servicing Rights

SFHRB Program
Included in the SFHRB Program Portfolio as of June 30, 2020 and June 30, 2019, were 175 loans and 64 loans, respectively, that had payment arrearages of 90 days or more or were in foreclosure. The outstanding mortgage loan balances for these properties as of June 30, 2020 and June 30, 2019, respectively, was $18.9 million and $7.2 million.

Loans with payment arrearages that cannot be cured or otherwise successfully restructured may proceed to foreclosure by the Agency. During FY 2020 and FY 2019, the Agency foreclosed on 9 loans and 13 loans held in the SFHRB Program, respectively, with a total fair value of $1.5 million and $2.1 million, respectively.

As of June 30, 2020 and June 30, 2019, there were ten and eleven Real Estate Owned ("REO") properties, respectively, in the SFHRB Program Portfolio with a total fair value of $1.3 million and $1.2 million, respectively.

Multifamily Bond Programs
There were three delinquent developments included in the multifamily loan portfolio at June 30, 2020 and there were two delinquent developments included in the multifamily loan portfolio at June 30, 2019. The total principal balance for these loans at June 30, 2020 and 2019 was $44.3 million and $6.8 million, respectively. No multifamily loans were foreclosed in either FY 2020 or FY 2019.

Mortgage servicing rights purchased by the Agency are capitalized and amortized over the expected life of the related cash flows. In fiscal years ending June 30, 2020 and June 30, 2019, respectively, the Agency paid $5.6 million and $5.9 million for servicing rights. The amortization for the fiscal years ending June 30, 2020 and June 30, 2019, respectively, was $6.4 million and $4.2 million.

Excess mortgage servicing rights for mortgage loans pooled into MBS, which are retained by the Agency for which the stated servicing fee rate differs from current (normal) servicing, are capitalized and amortized over the expected life of the related cash flows. For the fiscal years ended June 30, 2020 and June 30, 2019, $623 thousand and $3.7 million, respectively, were capitalized, and $1.9 million and $1.1 million, respectively, were amortized.

Note F. Other Assets

At June 30, 2020 and 2019, MassHousing had the following current and non-current other assets (in thousands):

	FY 2020	FY 2019
Single-family Service Rights and Excess Servicing Rights	$ 33,115	$ 35,213
Unamortized Reinsurance Premium - Mortgage Insurance Fund	10,012	12,141
Accounts receivable - various	7,278	7,449
Investments in Affordable Housing Trust Fund ("AHTF") participation rights	11,344	7,329
Fixed assets, net of accumulated depreciation	2,862	3,812
Interest receivable on investments	3,576	4,891
Other Real Estate Owned, net of allowance	1,293	1,245
Prepaid items	60	756
MCRFO and Mortgagors' Mortgage Reserve Fund Obligations ("MMRFO"), net of allowance	-	161
Total Other Assets	**$ 69,540**	**$ 72,997**

Note G. Escrowed Funds

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

Note H. Bond and Note Indebtedness

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

Summaries of MassHousing's bond and note indebtedness activity for fiscal years 2020 and 2019 are as follows (in thousands):

2020	**Beginning Balance**	**New Issues**	**Retirements**	**Ending Balance**	**Current Maturities [1]**
Bonds (all programs)	$ 3,225,945	$ 575,555	$ 366,752	$ 3,434,748	$ 74,876
Notes: HB Program	250			250	250
Notes: WCF	170,135	52,759	58,030	164,864	37,641
Totals	**$ 3,396,330**	**$ 628,314**	**$ 424,782**	**$ 3,599,862**	**$ 112,767**
Unamortized Bond/Note Discount/Premium				27,176	
Bonds and Notes Payable, Net				**$ 3,627,038**	

2019	**Beginning Balance**	**New Issues**	**Retirements**	**Ending Balance**	**Current Maturities [1]**
Bonds (all programs)	$ 3,242,281	$ 372,070	$ 388,406	$ 3,225,945	$ 88,669
Notes: HB Program	-	24,783	24,533	250	-
Notes: WCF	218,040	65,820	113,725	170,135	32,340
Totals	**$ 3,460,321**	**$ 462,673**	**$ 526,664**	**$ 3,396,330**	**$ 121,009**
Unamortized Bond/Note Discount/Premium				22,952	
Bonds and Notes Payable, Net				**$ 3,419,282**	

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

Future principal and interest payments on bonds and notes for the years subsequent to June 30, 2020 through their final maturities are presented in the accompanying Schedule 5 to the financial statements; due dates, interest rates and other information relating to bond and note indebtedness of individual programs are presented in the accompanying Schedules 3 (Bonds) and 4 (Notes and Other Indebtedness) to the financial statements.

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

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

Fixed Rate Bonds and Notes – Bonds are issued in the form of both serial bonds and term bonds. Term bonds and notes require the establishment of a sinking fund in the year preceding any scheduled mandatory redemption. Debt service requirements of the Agency's outstanding fixed rate debt at June 30, 2020 are as follows (in thousands):

Fixed Rate Bonds and Notes

Fiscal Year Ending June 30	Underwritten Principal	Underwritten Interest	Private Placement Principal	Private Placement Interest	Total
FY21	$ 68,950	$ 100,791	$ 25,556	$ 13,877	$ 209,174
FY22	115,448	98,901	94,778	11,574	320,701
FY23	98,261	96,629	24,900	8,890	228,680
FY24	108,060	93,979	1,350	8,776	212,165
FY25	72,911	91,565	1,415	8,726	174,617
FY26 - FY30	361,295	422,394	8,000	42,808	834,497
FY31 - FY35	460,960	350,738	14,025	41,070	866,793
FY36 - FY40	426,925	264,521	39,305	37,105	767,856
FY41 - FY45	435,795	182,846	70,090	28,343	717,074
FY46 - FY50	339,016	101,131	88,470	15,842	544,459
FY51 - FY55	232,909	48,329	36,655	3,457	321,350
FY56 - FY60	101,725	10,810	9,850	956	123,341
FY61 - FY65	12,600	459			13,059
Totals	**$ 2,834,855**	**$ 1,863,093**	**$ 414,394**	**$ 221,424**	**$ 5,333,766**

Variable Rate Bonds

Listed in the table below are the outstanding Variable Rate Bonds as of June 30, 2020 and 2019, including Remarketing Agent and Liquidity Providers, if applicable (in thousands):

Variable Rate Bonds and Notes

Issue Name	Maturity Date	Bonds & Notes Outstanding June 30, 2020	Remarketing Agent	Remarketing Expiration Date	Liquidity Provider	Liquidity Expiration Date
RHMRB Series 2002D	01/01/2045	$ 4,505	n/a	n/a	n/a	n/a
RHMRB Series 2003A	07/01/2043	17,680	n/a	n/a	n/a	n/a
GRDB Variable Rate Housing Bond ("VRHB") 2015A	01/01/2034	31,225	Raymond James	01/31/2034	Bank of America	01/31/2034
2018 Mill Road	11/01/2048	23,325	n/a	n/a	n/a	n/a
HB Series 2003F	12/01/2037	315	Merrill Lynch	12/01/2037	n/a	n/a
HB Series 2008A	05/01/2048	80,225	n/a	n/a	n/a	n/a
HB Series 2009B	01/01/2044	11,208	Merrill Lynch	01/01/2044	T.D. Bank	02/01/2021
HB Series 2013F	12/01/2038	23,720	Raymond James	12/01/2038	T.D. Bank	12/04/2023
HB Series 2016I	12/01/2056	25,000	n/a	n/a	n/a	n/a
HB Series 2018B	06/01/2058	25,000	n/a	n/a	n/a	n/a
HB 2018 Issue 2 Blk 2018A Notes	07/24/2020	250	n/a	n/a	n/a	n/a
SFHRB Series 76	12/01/2030	13,160	n/a	n/a	n/a	n/a
SFHRB Series 196	12/01/2048	15,000	n/a	n/a	n/a	n/a
SFHRB Series 200	12/01/2048	15,000	n/a	n/a	n/a	n/a
SFHRB Series 204	12/01/2048	10,000	n/a	n/a	n/a	n/a
SFHRB Series 208	06/01/2049	15,000	RBC Capital Markets	05/08/2024	Royal Bank of Canada	05/08/2024
SFHRB Series 212	12/01/2049	15,000	n/a	n/a	n/a	n/a
SFHRB Series 216	12/01/2050	25,000	n/a	n/a	n/a	n/a
Total		**$ 350,613**				

Variable Rate Bonds and Notes

Issue Name	Maturity Date	Bonds & Notes Outstanding June 30, 2019	Remarketing Agent	Remarketing Expiration Date	Liquidity Provider	Liquidity Expiration Date
RHMRB Series 2002D	01/01/2045	$ 12,650	n/a	n/a	n/a	n/a
RHMRB Series 2002G	01/01/2046	7,830	n/a	n/a	n/a	n/a
RHMRB Series 2003A	07/01/2043	17,985	n/a	n/a	n/a	n/a
GRDB VRHB 2015A	01/01/2034	31,850	Raymond James	01/31/2034	Bank of America	01/31/2034
2018 Mill Road	11/01/2048	23,560	n/a	n/a	n/a	n/a
HB Series 2003F	12/01/2037	340	Merrill Lynch	12/01/2037	n/a	n/a
HB Series 2008A	05/01/2048	81,275	n/a	n/a	n/a	n/a
HB Series 2009B	01/01/2044	11,408	Merrill Lynch	01/01/2044	T.D. Bank	02/01/2021
HB Series 2013F	12/01/2038	24,380	Raymond James	12/01/2038	T.D. Bank	12/04/2023
HB Series 2016I	12/01/2056	25,000	n/a	n/a	n/a	n/a
HB Series 2018B	06/01/2058	25,000	n/a	n/a	n/a	n/a
HB 2018 Issue 2 Blk 2018A Notes	07/24/2020	250	n/a	n/a	n/a	n/a
SFHRB Series 76	12/01/2030	13,885	n/a	n/a	n/a	n/a
SFHRB Series 196	12/01/2048	15,000	n/a	n/a	n/a	n/a
SFHRB Series 200	12/01/2048	15,000	n/a	n/a	n/a	n/a
SFHRB Series 204	12/01/2048	10,000	n/a	n/a	n/a	n/a
SFHRB Series 208	06/01/2049	15,000	RBC Capital Markets	05/08/2024	Royal Bank of Canada	05/08/2024
Total		**$ 330,413**				

Reference is made to Note I for a description of the interest rate swaps and caps that are outstanding on several variable rate bonds at year end. The total amounts of such hedged variable rate bonds outstanding at June 30, 2020 and 2019 were as follows (in thousands):

	June 30, 2020	June 30, 2019
HB Program	$ 114,843	$ 119,256
RHMRB Program	22,185	38,465
SFHRB Program	33,750	33,750
Total	**$ 170,778**	**$ 191,471**

The total amounts of such unhedged, or partially unhedged, variable rate bonds outstanding at June 30, 2020 and 2019 were as follows (in thousands):

Basis	June 30, 2020	June 30, 2019
Initial term rate of 1.45% until mandatory tender date of 12/1/2022	$ 15,000	$ -
Initial term rate of 1.85% until mandatory tender date of 6/1/2025	25,000	-
One-month LIBOR plus 60 basis points	13,160	13,885
One-month LIBOR plus 65 basis points	26,590	23,427
79% of one-month LIBOR plus 35 bps multiplied by 1.26582	250	250
70% of one-month LIBOR	7,500	7,500
SIFMA Municipal Swap Index (SIFMA) plus 55 bps	23,325	23,560
SIFMA plus 33 bps	10,000	10,000
Weekly rate set by the underwriter/remarketing agent, determined by current market conditions	59,010	60,320
Total	**$ 179,835**	**$ 138,942**

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

Reference is made to Note I for the debt service requirements of the Agency's outstanding variable rate debt. Reference is made to Schedule 5 for the debt service requirements for all of the Agency's outstanding debt.

Debt Issuance

The following tables summarize new debt issues for the fiscal years ended June 30, 2020 and June 30, 2019:

FY 2020

Issue Name	Issue Date	Final Maturity Date	Original Principal Amount	New Debt [2/5]	Refunded Debt [3]	Conduit [4]
Direct Purchase Construction Loan Note ("CLN"), Issue 6 Blk 2019A	8/1/2019	10/3/2022	$ 13,570	$ 13,570		
Direct Purchase CLN, Issue 6 Blk 2019B (Taxable)	8/1/2019	9/30/2021	29,840	29,840		
Total Direct Purchase CLN Issues			**$ 43,410**	**$ 43,410**	**$ -**	**$ -**
HB Series 2019B-1	10/31/2019	12/1/2056	$ 71,940	$ 49,835	$ 22,105	
HB Series 2019B-2	10/31/2019	6/1/2023	20,060	20,060		
HB Series 2019B-3	10/31/2019	12/1/2059	8,340	8,340		
HB Series 2019B-4	10/31/2019	12/1/2022	8,750	8,750		
HB Series 2019C-1	12/12/2019	6/1/2062	92,920	92,920		
HB Series 2019C-2	12/12/2019	6/1/2023	1,280	1,280		
HB Series 2019D (Taxable)	12/12/2019	6/1/2061	13,860	13,860		
HB Series 2020A	6/25/2020	6/1/2060	133,260	121,710	11,550	
HB Series 2020B (Taxable)	6/25/2020	12/1/2040	21,355		21,355	
Total HB Issues			**$ 371,765**	**$ 316,755**	**$ 55,010**	**$ -**
SFHRB Series 209 (Taxable)	9/12/2019	6/1/2034	$ 14,000	$ 14,000		
SFHRB Series 210	9/12/2019	12/1/2036	9,150		$ 9,150	
SFHRB Series 211	9/12/2019	12/1/2049	20,290	9,282	11,008	
SFHRB Series 212	9/12/2019	12/1/2049	15,000	15,000		
SFHRB Series 213	12/19/2019	12/1/2023	4,495		4,495	
SFHRB Series 214	12/19/2019	12/1/2049	73,710	50,705	23,005	
SFHRB Series 215	5/28/2020	12/1/2050	42,145	14,303	27,842	
SFHRB Series 216	5/28/2020	12/1/2050	25,000	5,000	20,000	
Total SFHRB Issues			**$ 203,790**	**$ 108,290**	**$ 95,500**	**$ -**
Multifamily Conduit Revenue Bonds (Arthur O'Shea House Issue), Series 2019A	7/31/2019	7/31/2021	$ 18,030			$ 18,030
Multifamily Conduit Revenue Bonds (Arthur O'Shea House Issue), Series 2019B	7/31/2019	7/31/2036	5,276			5,276
Multifamily Conduit Revenue Bonds (Arthur O'Shea House Issue), Series 2019C	7/31/2019	7/31/2036	1,694			1,694
Multifamily Tax-Exempt Mortgage-backed Bonds (M-TEMS) (Colonial Village Project), Series 2019 (FN)	12/19/2019	1/1/2037	8,250			8,250
Multifamily Conduit Revenue Bonds (Colonial Village Project), Series 2019	12/19/2019	1/1/2023	760			760
Multifamily Conduit Revenue Bonds, (Michael E. Haynes Arms Issue), Series 2020A	1/16/2020	6/1/2022	10,653			10,653
Multifamily Conduit Revenue Bonds, (Michael E. Haynes Arms Issue), Series 2020B	1/16/2020	1/3/2040	6,765			6,765
Total Conduit Issues			**$ 51,428**	**$ -**	**$ -**	**$ 51,428**
Total			**$ 670,393**	**$ 468,455**	**$ 150,510**	**$ 51,428**

[2] Funds used to finance new mortgage loans

[3] Funds used to refund and/or replace outstanding bonds.

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

[5] This table includes $25.6 million of CLN debt issued in FY 2020, but not yet advanced. This table excludes $34.9 million of CLN debt advanced in FY 2020 for notes issued in previous fiscal years.

FY 2019

Issue Name	Issue Date	Final Maturity Date	Original Principal Amount	New Debt [2/5]	Refunded Debt [3]	Conduit [4]
Direct Purchase CLN, Issue 4 Blk 2018B	7/26/2018	6/18/2021	$ 4,175	$ 4,175		
Direct Purchase CLN, Issue 4 Blk 2018C	12/20/2018	12/20/2021	30,990	30,990		
Direct Purchase CLN, Issue 5 Blk 2018A	12/20/2018	12/20/2021	33,825	33,825		
Direct Purchase CLN, Issue 5 Blk 2019A	6/27/2019	6/27/2022	52,535	52,535		
Direct Purchase CLN, Issue 5 Blk 2019B (Taxable)	6/27/2019	6/27/2022	9,600	9,600		
Total Direct Purchase CLN Issues			**$ 131,125**	**$ 131,125**	**$ -**	**$ -**
GRDB Series VRHB 2018	10/23/2018	11/1/2048	$ 23,675		$ 23,675	
Total GRDB Issues			**$ 23,675**	**$ -**	**$ 23,675**	**$ -**
HB 2018 Issue 2 Blk 2018A Notes (Taxable)	7/26/2018	7/24/2020	$ 250		$ 250	
HB 2018 Issue 2 Blk 2018B Notes	9/18/2018	12/18/2018	24,533		24,533	
HB Series 2018 C	11/15/2018	6/1/2040	79,285		79,285	
HB Series 2018 D	12/20/2018	12/1/2058	51,235	$ 51,235		
HB Series 2019A	6/27/2019	6/1/2061	70,855	70,855		
Total HB Issues			**$ 226,158**	**$ 122,090**	**$ 104,068**	**$ -**
SFHRB Series 197 (Taxable)	9/20/2018	6/1/2030	$ 8,300	$ 8,300		
SFHRB Series 198	9/20/2018	12/1/2034	8,970	43	$ 8,927	
SFHRB Series 199	9/20/2018	12/1/2048	16,915	4,957	11,958	
SFHRB Series 200	9/20/2018	12/1/2048	15,000	15,000		
SFHRB Series 201 (Taxable)	12/20/2018	12/1/2037	12,400	12,400		
SFHRB Series 202	12/20/2018	6/1/2034	3,610	2	3,608	
SFHRB Series 203	12/20/2018	12/1/2048	12,325		12,325	
SFHRB Series 204	12/20/2018	12/1/2048	10,000	9,630	370	
SFHRB Series 205 (Taxable)	5/9/2019	6/1/2035	18,000	18,000		
SFHRB Series 206	5/9/2019	12/1/2036	6,610		6,610	
SFHRB Series 207	5/9/2019	6/1/2049	19,890	9,318	10,572	
SFHRB Series 208	5/9/2019	6/1/2049	15,000	15,000		
Total SFHRB Issues			**$ 147,020**	**$ 92,650**	**$ 54,370**	**$ -**
Multifamily Conduit Revenue Bonds (Orient Heights Phase Two Issue) Series 2018	10/31/2018	4/1/2022	$ 26,000			$ 26,000
Multifamily Conduit Revenue Bonds (Oak Woods Project) Series 2018	11/28/2018	6/1/2021	8,660			8,660
Multifamily Conduit Revenue Bonds (Olmsted Green Issue) Series 2018A	11/30/2018	11/30/2021	2,530			2,530
Multifamily Conduit Revenue Bonds (Olmsted Green Issue) Series 2018B	11/30/2018	11/30/2037	18,470			18,470
Multifamily Conduit Revenue Bonds (Chestnut Park Project) Series 2018A	12/13/2018	12/1/2023	12,100			12,100
Multifamily Tax- Exempt Mortgage-Backed Bonds (Chestnut Park Project) Series 2018A	12/13/2018	1/1/2039	32,900			32,900
Multi-Family Mortgage Revenue Note (Millers River Apts) Series 2018	12/28/2018	7/1/2053	52,000			52,000
Multi-Family Mortgage Revenue Note (Millers River Apts) Series 2019	3/22/2019	7/1/2053	30,000			30,000
Total Conduit Issues			**$ 182,660**	**$ -**	**$ -**	**$ 182,660**
Total			**$ 710,638**	**$ 345,865**	**$ 182,113**	**$ 182,660**

[2] Funds used to finance new mortgage loans

[3] Funds used to refund and/or replace outstanding bonds.

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

[5] This table includes $86.1 million of CLN debt issued in FY 2019 but not yet advanced. This table excludes $20.8 million of CLN debt advanced in FY 2019 for notes issued in previous fiscal years.

Working Capital Fund -Line of Credit

On November 6, 2019, MassHousing amended an existing revolving loan agreement with Bank of America, N.A. for a line of credit to provide funding for the Agency's warehouse of single-family loans in the WCF. The revolving loan agreement was extended to November 4, 2021 with no change to the maximum line of credit amount of $100 million. At June 30, 2020 and June 30, 2019, $35 million and $50 million, respectively, of the line of credit was drawn and outstanding. The agreement contains several provisions which would result in default, including, but not limited to, failure to pay the debt, bankruptcy, material breach of any rep or warranty, failure to pay other debt in excess of $10 million and failure to maintain $100 million of unrestricted net assets.

Helping to House New England Financing

In December 2016, MassHousing entered into an *Agreement for Advances, Collateral Pledge, and Security Agreement* ("Agreement") with the Federal Home Loan Bank of Boston's Helping to House New England Program, of which the Agency has posted certain investments as collateral as required under the program. The Agency is utilizing the program to provide funding for some of the Agency's multi-family loans. Each advance has a term of 10 years and a 0% interest rate. The Agreement contains several provisions which would result in default, including, but not limited to, failure to pay the debt, bankruptcy and material breach of any rep or warranty. At both June 30, 2020 and 2019, $16.4 million had been advanced and was outstanding. At June 30, 2020 MBS with a fair value of $17.2 million and cash in the amount of $1.4 million was held in the WCF as collateral for the program. At June 30, 2019 MBS with a fair value of $20.6 million was held in the WCF as collateral for the program.

Conduit Debt

MassHousing issues bonds, from time to time, under its GRDB 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 of such bond issues are separately secured from any other obligations issued by MassHousing.

The issues of such conduit bonds, outstanding as of June 30, 2020, are listed in the table below (in thousands):

Issue Name	Issue Date	Maturity Date	Original Principal Amount
Conduit Revenue Bonds (Kenmore Abbey Development), 2012 Series B	6/21/2012	6/1/2030	$ 42,700
Multifamily Conduit Revenue Bonds, Orient Heights Phase Two Issue, Series 2018	10/31/2018	4/1/2022	26,000
Multifamily Conduit Revenue Bonds (Oak Woods Project), Series 2018	11/28/2018	6/1/2021	8,660
Multifamily Conduit Revenue Bonds, Olmsted Green Issue, Series 2018A	11/30/2018	11/30/2021	2,530
Multifamily Conduit Revenue Bonds, Olmsted Green Issue, Series 2018B	11/30/2018	11/30/2037	18,470
Multifamily Tax-Exempt Mortgage-Backed Bonds (M-TEBS) (Chestnut Park Project), Series 2018A	12/13/2018	1/1/2039	32,900
Multifamily Conduit Revenue Bonds (Chestnut Park Project), Series 2018A	12/13/2018	12/1/2023	12,100
Multi-Family Mortgage Revenue Note (Millers River Apartments), Series 2018	12/28/2018	7/1/2053	52,000
Multi-Family Mortgage Revenue Note (Millers River Apartments), Series 2019	3/22/2019	7/1/2053	30,000
Multifamily Conduit Revenue Bonds (Arthur O'Shea House Issue), Series 2019A	7/31/2019	7/31/2021	18,030
Multifamily Conduit Revenue Bonds (Arthur O'Shea House Issue), Series 2019B	7/31/2019	7/31/2036	5,276
Multifamily Conduit Revenue Bonds (Arthur O'Shea House Issue), Series 2019C	7/31/2019	7/31/2036	1,694
Multifamily Tax-Exempt Mortgage-backed Bonds (M-TEMS) (Colonial Village Project), Series 2019 (FN)	12/19/2019	1/1/2037	8,250
Multifamily Conduit Revenue Bonds (Colonial Village Project), Series 2019	12/19/2019	1/1/2023	760
Multifamily Conduit Revenue Bonds, (Michael E. Haynes Arms Issue), Series 2020A	1/16/2020	6/1/2022	10,653
Multifamily Conduit Revenue Bonds, (Michael E. Haynes Arms Issue), Series 2020B	1/16/2020	1/3/2040	6,765

As to the Conduit 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.

Defeased Debt
MassHousing defeases certain multifamily bonds, from time to time, by placing the proceeds of new bonds into irrevocable trusts established to provide funds to call the defeased bond. These defeasance transactions are generally of short duration.

Prior-years' Defeased Debt
In 1992 and 1993, MassHousing defeased certain multifamily bonds of two resolutions by placing the proceeds of new bonds into irrevocable trusts established to provide for all future debt service payments on the old bonds until their scheduled maturities in 2021. Accordingly, the assets and the liabilities of these irrevocable trusts are not included in MassHousing's financial statements. At June 30, 2020 and 2019, $7.7 million and $12.9 million, respectively, of bonds outstanding were considered defeased.

Note I. Derivative Instruments

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

At June 30, 2020 and 2019 MassHousing had three types of derivative instruments outstanding: interest rate swaps, an interest rate cap agreement, and MBS Forward Contracts.

Interest Rate Swaps

On September 3, 2019, MassHousing partially terminated $7.9 million of the notional amount of the interest rate swap agreement for its variable rate RHMRB, 2002 Series D bonds at par, as a result of the bonds being called. This interest rate swap agreement had an original notional value of $32.2 million.

On October 22, 2019, MassHousing exercised an early termination option of $3.5 million of the notional amount of the interest rate swap agreement for its variable rate Housing Bonds, 2008 Series A, Block III (Briston Arms) at par. This interest rate swap agreement had an original notional value of $3.8 million, was previously determined to be an effective hedge, and was recorded as a hedging derivative instrument.

On October 29, 2019, MassHousing amended its interest rate swap agreement for its variable rate RHMRB, 2002 Series D bonds, effective November 1, 2019. This agreement was originally effective November 8, 2017 with a notional amount of $32.2 million. Per the amendment, the interest rate MassHousing is obligated to pay the counterparty monthly was reduced to a stipulated annualized fixed rate of 2.98% from 3.645% on the amortized notional amount of the contract. Additionally, the next cancellation option date has been changed to January 1, 2021 from July 1, 2018.

On October 29, 2019, MassHousing amended its interest rate swap agreement for its variable rate RHMRB, 2002 Series G bonds, effective November 1, 2019. This agreement was originally effective March 1, 2019 with a notional amount of $7.8 million. Per the amendment, the interest rate MassHousing is obligated to pay the counterparty monthly was reduced to a stipulated annualized fixed rate of 3.00% from 3.96% on the amortized notional amount of the contract. Additionally, the next cancellation option date has been changed to March 1, 2020 from May 1, 2019.

On October 29, 2019, MassHousing amended its interest rate swap agreement for its variable rate HB, 2009 Series B bonds, effective November 1, 2019. This agreement was originally effective January 1, 2019 with a notional amount of $11.4 million. Per the amendment, the interest rate MassHousing is obligated to pay the counterparty semiannually was reduced to a stipulated annualized fixed rate of 3.14% from 4.77% on the amortized notional amount of the contract. Additionally, the next cancellation option date has been changed to March 1, 2020 from July 1, 2019.

On February 26, 2020, MassHousing amended its interest rate swap agreement for its variable rate HB, 2009 Series B bonds, effective March 2, 2020. This agreement was originally effective January 1, 2019 with a notional amount of $11.4 million. Per the amendment, the interest rate MassHousing is obligated to pay the counterparty semiannually was reduced to a stipulated annualized fixed rate of 2.561% from 3.14% on the amortized notional amount of the contract. Additionally, the next cancellation option date has been changed to January 4, 2021 from March 1, 2020.

On March 1, 2020, MassHousing terminated its interest rate swap agreement for its variable rate RHMRB 2002 Series G bonds. This agreement was originally effective March 1, 2019 with a notional amount of $7.8 million.

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

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

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

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

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

Terms, fair values, and credit ratings – The terms, including fair values and counterparty credit ratings, of the outstanding interest rate swaps at both June 30, 2020 and 2019 are provided below. The credit ratings were issued by S&P and Moody's, respectively. The maturity dates of hedged interest rate swap agreements and their related bonds are generally coterminous, maturing according to the dates shown below. The notional value of each interest rate swap and the principal amount of the associated debt declines over time.

June 30, 2020

Swap - Derivative Instruments (in thousands)

Associated Bond Series (Counterparty)	Derivative Type	Notional Amount 06/30/20	Effective Date	Swap Termination Date	Fixed Rate Paid	Variable Rate Received	Fair Values 06/30/20	Change in Fair Values from 06/30/19 [increase/(decrease)]
RHMRB Series 2002D (4)	Investment	$ 4,505	11/1/2019	1/1/2045	2.980%	LIBOR + .25% (a)	$ (62)	$ (48)
RHMRB Series 2003A (1)	Hedge	17,680	9/3/2003	7/1/2043	6.729%	LIBOR (a)	(14,802)	(4,011)
HB Series 2008A -Block III (Lebanese) (2)	Hedge	2,525	11/1/2009	5/1/2048	5.178%	LIBOR + .65% (a)	(453)	(118)
HB Series 2009B (5)	Investment	11,208	3/2/2020	1/1/2044	2.561%	LIBOR (a)	(146)	(123)
HB Series 2016I (3)	Hedge	25,000	12/15/2016	12/1/2041	3.655%	(70% * LIBOR) + 1.20% (b)	(2,702)	(1,613)
HB 2018B (3)	Hedge	25,000	6/19/2018	6/1/2053	3.845%	(70 % * LIBOR) + 1.05% (a)	(4,038)	(1,878)
SFHRB Series 196 (4)	Investment	11,250	6/19/2018	12/1/2048	2.573%	70% * LIBOR (a)	(1,689)	(823)
SFHRB Series 200 (6)	Investment	11,250	11/1/2018	12/1/2048	2.732%	70% * LIBOR (a)	(2,157)	(979)
SFHRB Series 208 (6)	Investment	11,250	5/9/2019	6/1/2049	2.350%	SIFMA (c)	(1,604)	(1,017)
		$ 119,668					**$(27,653)**	**$ (10,610)**

(a) LIBOR 1 month USD (.16625% at June 30, 2020)

(b) LIBOR 3 month USD (.302% at June 30, 2020)

(c) USD SIFMA Municpal Swap Index (.13% at June 30, 2020)

Counterparty	Counterparty Credit Rating	Notional Amount 06/30/20	Percentage of Notional Amount	Fair Values 06/30/20	Percentage of Fair Values
(1) JP Morgan Chase Bank	A+/Aa2	$ 17,680	14.77%	$ (14,802)	53.53%
(2) Bank of America, N.A.	A-/A2	2,525	2.11%	(453)	1.64%
(3) Barclays Bank PLC	A/A1	50,000	41.78%	(6,740)	24.37%
(4) Citibank, N.A.	A+/Aa3	15,755	13.17%	(1,751)	6.33%
(5) Wells Fargo Bank, N.A.	BBB+/A2	11,208	9.37%	(146)	0.53%
(6) Royal Bank of Canada	AA-/A2	22,500	18.80%	(3,761)	13.60%
		$ 119,668	**100.00%**	**$ (27,653)**	**100.00%**

June 30, 2019

Swap - Derivative Instruments (in thousands)

Associated Bond Series (Counterparty)	Derivative Type	Notional Amount 06/30/19	Effective Date	Swap Termination Date	Fixed Rate Paid	Variable Rate Received	Fair Values 06/30/19	Change in Fair Values from 06/30/18 [increase/(decrease)]
RHMRB Series 2002D (4)	Investment	$ 12,650	11/8/2017	1/1/2045	3.645%	LIBOR + .25% (a)	$ (14)	$ (854)
RHMRB Series 2002G (5)	Investment	7,830	3/1/2019	1/1/2046	3.960%	LIBOR + .25% (a)	(8)	n/a
RHMRB Series 2003A (1)	Hedge	17,985	9/3/2003	7/1/2043	6.729%	LIBOR (a)	(10,791)	(2,114)
Housing Bonds ("HB") Series 2008A -Block III (Briston Arms) (2)	Hedge	3,481	7/1/2009	5/1/2048	5.563%	LIBOR + .65% (a)	(3)	69
HB Series 2008A -Block III (Lebanese) (2)	Hedge	2,557	11/1/2009	5/1/2048	5.178%	LIBOR + .65% (a)	(335)	(149)
HB Series 2009B (5)	Investment	11,408	1/1/2019	1/1/2044	4.765%	LIBOR (a)	(23)	254
HB Series 2016I (3)	Hedge	25,000	12/15/2016	12/1/2041	3.655%	(70% * LIBOR) + 1.20% (b)	(1,089)	(1,540)
HB 2018B (3)	Hedge	25,000	6/19/2018	6/1/2053	3.845%	(70 % * LIBOR) + 1.05% (a)	(2,160)	(1,592)
SFHRB Series 196 (4)	Investment	11,250	6/19/2018	12/1/2048	2.573%	70% * LIBOR (a)	(866)	(728)
SFHRB Series 200 (6)	Investment	11,250	11/1/2018	12/1/2048	2.732%	70% * LIBOR (a)	(1,178)	n/a
SFHRB Series 208 (6)	Investment	11,250	5/9/2019	6/1/2049	2.350%	SIFMA (c)	(587)	n/a
		$ 139,661					**$(17,054)**	**$ (6,654)**

(a) LIBOR 1 month USD (2.40% at June 30, 2019)

(b) LIBOR 3 month USD (2.32% at June 30, 2019)

(c) USD SIFMA Municpal Swap Index (1.90% at June 30, 2019)

Counterparty	Counterparty Credit Rating	Notional Amount 06/30/19	Percentage of Notional Amount	Fair Values 06/30/19	Percentage of Fair Values
(1) JP Morgan Chase Bank	A+/Aa2	$ 17,985	12.88%	$ (10,791)	63.28%
(2) Bank of America, N.A.	A+/Aa2	6,038	4.32%	(338)	1.98%
(3) Barclays Bank PLC	A/A2	50,000	35.81%	(3,249)	19.05%
(4) Citibank, N.A.	A+/Aa3	23,900	17.11%	(880)	5.16%
(5) Wells Fargo Bank, N.A.	A+/Aa2	19,238	13.77%	(31)	0.18%
(6) Royal Bank of Canada	AA-/A2	22,500	16.11%	(1,765)	10.35%
		$ 139,661	**100.00%**	**$ (17,054)**	**100.00%**

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

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

Using interest rates at June 30, 2020, debt service requirements of the Agency's outstanding variable rate debt and net interest rate swap payments at June 30, 2020 are as follows (in thousands):

	Hedged Variable Rate Bonds and Notes [6]					
Fiscal Year Ending June 30	Underwritten Principal	Underwritten Interest	Private Placement Principal	Private Placement Interest	Interest rate Swaps Net	Total
FY21	$ 320	$ 205	$ 1,445	$ 1,358	$ 3,674	$ 7,002
FY22	330	204	1,545	1,348	3,643	7,070
FY23	335	204	1,650	1,336	3,609	7,134
FY24	345	204	1,690	1,328	3,572	7,139
FY25	355	201	1,795	1,312	3,537	7,200
FY26 - FY30	2,640	989	10,905	6,353	17,016	37,903
FY31 - FY35	7,210	906	15,080	5,903	15,263	44,362
FY36 - FY40	14,500	701	20,435	5,292	12,845	53,773
FY41 - FY45	20,278	457	25,600	4,461	7,219	58,015
FY46 - FY50	14,400	103	32,890	3,210	3,586	54,189
FY51 - FY55			23,325	1,615	1,185	26,125
FY56 - FY60			11,545	216		11,761
Totals	**$ 60,713**	**$ 4,174**	**$ 147,905**	**$ 33,732**	**$ 75,149**	**$ 321,673**

6 The variable rate bonds included in the above table include $38 million of the unhedged portion of partially hedged bonds. At June 30, 2020, the following amounts were unhedged: HB Series 2008A- $26.6 million, SFHRB Series 196- $3.8 million, SFHRB Series 200- $3.8 million, and SFHRB Series 208- $3.8 million

Current Collateral Agreements – The outstanding interest rate swap agreements contain varying collateral requirements with the counterparties to mitigate the potential for credit risk. When these requirements are not met, collateral is posted with the counterparty. These requirements were met at June 30, 2020 and 2019, and as a result, the Agency did not have any collateral on deposit with any of its swap counterparties.

Interest Rate Cap Agreement

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

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

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

Terms, fair values and credit rating – The terms, including fair value and counterparty credit rating, of the outstanding cap at June 30, 2020 and 2019 is provided below. The credit rating was issued by Moody's. The notional value of the cap and the principal amount of the associated debt declines each fiscal year.

June 30, 2020

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

Associated Bond Series	Notional Amount 06/30/20	Effective Date	Cap Termination Date	Strike Rate	Rate Index	Fair Value 06/30/20	Changes in Fair Values from 06/30/19 [increase/ (decrease)]	Name of Counterparty
HB Series 2008A	$ 51,110	4/2/2014	4/1/2024	6.000%	1 Month LIBOR	$ 24	$ (16)	1

Counterparty	Counterparty Credit Rating
1 SMBC Capital Markets, Inc	A1

June 30, 2019

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

Associated Bond Series	Notional Amount 06/30/19	Effective Date	Cap Termination Date	Strike Rate	Rate Index	Fair Value 06/30/19	Changes in Fair Values from 06/30/18 [increase/	Name of Counterparty
HB Series 2008A	$ 51,810	4/2/2014	4/1/2024	6.000%	1 Month LIBOR	$ 40	$ (56)	1

Counterparty	Counterparty Credit Rating
1 SMBC Capital Markets, Inc	A1

MBS Forward Contracts

In October 2009, MassHousing converted its HomeOwnership Program from a whole loan purchase program to a program primarily financed through the sale of MBS guaranteed by a Government Agency or GSEs as to timely payment of principal and interest. These securities represent pools of qualified first mortgage loans originated by MassHousing-approved lenders. Under this program, MassHousing periodically enters into forward contracts to sell MBS to investors before the securities are ready for delivery (referred to as "MBS Forward Contracts"). MassHousing enters into MBS Forward Contracts to hedge the interest rate risk for loan commitments made to originating mortgage lenders. MBS Forward Contracts are derivative instruments due to one or more of the following factors that are not determined at the time MassHousing and the investor enter into the transaction: settlement factors; the reference rates or interest rates the MBS will bear; and notional amounts in the form of the principal amount of the future MBS. In addition, payment to MassHousing by the investor is not required until the investor receives the MBS, enabling the investor to take a position on interest rates without making a payment. Finally, the MBS

Forward Contracts may be "net settled" because MassHousing is not obligated to deliver or purchase an asset (the MBS) to settle the MBS Forward Contract.

MBS Forward Contracts are included on the combining Statements of Net Position as deferred outflows of resources if the fair value is negative and as deferred inflows of resources if the fair value adjustment is positive. Pursuant to the terms of the counterparty forward contract with Fannie Mae, when the aggregate negative value of the forward contracts exceeds $3 million, the Agency is required to post collateral. The minimum transfer amount is $50 thousand. Collateral is not returned until the aggregate negative value becomes positive. At June 30, 2020 and 2019, the Agency did not have any collateral on deposit with Fannie Mae.

Terms, fair values, and credit ratings – A summary of the MBS Forward Contracts outstanding at June 30, 2020 and 2019, are provided below. The terms, including fair values and counterparty credit ratings, of the MBS Forward Contracts at June 30, 2020 and 2019, are provided in Schedule 6. The credit rating was issued by Moodys. The fair values presented below and in Schedule 6 at June 30, 2020 and 2019 were obtained from an external pricing service which used acceptable methods and assumptions in compliance with GASB disclosure requirements, subject to review and approval by MassHousing.

MBS Forward Contracts at June 30, 2020 (dollars in thousands)

MBS Forward Contracts	Notional Amount Jun. 30, 2020	Coupon Rate Rate	Fair Value at Jun. 30, 2020	Counterparty Credit Rating
Fannie Mae	$ 105,000	2.5%	$ (626)	Aaa
Fannie Mae [7]	22,448	2.5-3.0%	(104)	Aaa
Freddie Mac	54,000	2.5-3.0%	(206)	Aaa
Total	**$ 181,448**		**$ (936)**	

[7] These MBS forward contracts relate to Government National Mortgage Association ("Ginnie Mae") MBS to be issued. The HUD loans that eventually back the Ginnie Mae MBS are on a forward contract between MassHousing and Fannie Mae.

MBS Forward Contracts at June 30, 2019 (dollars in thousands)

MBS Forward Contracts	Notional Amount Jun. 30, 2019	Coupon Rate Rate	Fair Value at Jun. 30, 2019	Counterparty Credit Rating
Fannie Mae	$ 36,000	3.0-4.0%	$ (245)	Aaa
Fannie Mae [7]	1,248	4.0%	(2)	Aaa
Freddie Mac	29,000	3.5%	(300)	Aaa
Total	**$ 66,248**		**$ (547)**	

[7] These MBS forward contracts relate to Government National Mortgage Association ("Ginnie Mae") MBS to be issued. The HUD loans that eventually back the Ginnie Mae MBS are on a forward contract between MassHousing and Fannie Mae.

Derivative Instrument Risk

Credit Risk – Credit risk is the risk that a counterparty will not fulfill its settlement obligations. The fair values of the interest rate swaps at June 30, 2020 and 2019 represent MassHousing's credit exposure to the various counterparties with which the swaps were executed. Swap terms often expose MassHousing to credit risk for those swaps with positive fair values. The term "positive fair value" implies that the swap provider would owe a payment to MassHousing if the swap were terminated at a midmarket price on the valuation date. The term "negative fair value" implies that MassHousing would owe a payment to the swap provider if the swap were terminated at a midmarket price on the valuation date. At June 30, 2020 and 2019 the Agency had no significant exposure to credit risk on its outstanding interest rate swaps, as only one interest rate swap had a positive value at each year end and the overall position with the counterparty was negative.

MBS Forward Contract terms often expose MassHousing to credit risk. On both June 30, 2020 and 2019, the Agency was exposed to credit risk on one of its then outstanding MBS Forward Contracts due to a positive fair value on such MBS Forward Contract. However, the net fair value to the counterparty at June 30, 2020 and 2019 was negative, and the counterparty was rated Aaa by Moody's on both dates. As such, the Agency does not believe it was exposed to significant credit risk on its MBS Forward Contracts at June 30, 2020 and 2019.

Basis risk – Basis risk is the risk that arises when variable rates or prices of a hedging derivative instrument and a hedged item are based on different reference rates. If a change occurs that results in the rates not being equal, the expected interest cost savings may not be realized. On one swap, MassHousing receives a variable rate payment equivalent to the SIFMA rate and is exposed to basis risk if the relationship between the weekly bond rate and the SIFMA rate should diverge. If a change occurs that results in the rates not being equal, the expected interest cost savings may not be realized. At June 30, 2020, the weekly variable bond rate being paid by MassHousing, and the SIFMA rate being received by MassHousing, was .13%.

At June 30, 2020 and 2019, the Agency was not exposed to significant basis risk on its interest rate swaps, interest rate cap, or its MBS Forward Contracts.

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

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

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

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

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

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

Rollover risk – MassHousing is exposed to rollover risk on interest rate swaps that mature or may be terminated prior to the maturity of the associated debt. When these interest rate swaps terminate, or if MassHousing exercises its elective termination option, the risk is that MassHousing will not realize the synthetic rate offered by the interest rate swaps on the underlying debt issues. The debt that is exposed to rollover risk at June 30, 2020 and 2019 is as follows:

Debt exposed to Rollover risk - June 30, 2020

Associated Debt Issuance	Debt Maturity Dates	Swap Early Termination Date
RHMRB 2002D	01/01/45	01/01/21
HB 2008A Block III (Lebanese)	05/01/48	10/18/24
HB 2009B	01/01/44	01/04/21
HB 2016I	12/01/56	12/01/25
HB 2018B	06/01/58	06/01/27
SFHRB 196	12/01/48	06/01/27
SFHRB 200	12/01/48	12/01/28
SFHRB 208	06/01/49	12/01/28

Debt exposed to Rollover risk - June 30, 2019

Associated Debt Issuance	Debt Maturity Dates	Swap Early Termination Date
RHMRB 2002D	01/01/45	07/01/18
RHMRB 2002G	01/01/46	05/01/19
HB 2008A Block III (Briston Arms)	05/01/48	06/17/19
HB 2008A Block III (Lebanese)	05/01/48	10/18/24
HB 2009B	01/01/44	07/01/19
HB 2016I	12/01/56	12/01/25
HB 2018B	06/01/58	06/01/27
SFHRB 196	12/01/48	06/01/27
SFHRB 200	12/01/48	12/01/28
SFHRB 208	06/01/49	12/01/28

Note J. Interfund Receivable (Payable) Balances and Interfund Transfers

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

The following tables provide the interfund receivable (payable) balances at June 30, 2020 and 2019 and the interfund transfers for fiscal years 2020 and 2019 (in thousands):

Interfund Receivable (Payable) Balances at June 30, 2020

	WCF & Affiliates	RHMRB Program	GRDB Program	MFHB Program	SFHRB Program	RMRB Program	Totals
WCF & Affiliates	$ -	$ (16)	$ (12)	$ (6)	$ (475)	$ (3)	$ (512)
RHMRB Program	16	-	-	-	-	-	16
GRDB Program	12	-	-	-	-	-	12
MFHB Program	6	-	-	-	-	-	6
SFHRB Program	475	-	-	-	-	-	475
RMRB Program	3	-	-	-	-	-	3
Totals	**$ 512**	**$ (16)**	**$ (12)**	**$ (6)**	**$ (475)**	**$ (3)**	**$ -**

Interfund Receivable (Payable) Balances at June 30, 2019

	WCF & Affiliates	RHMRB Program	GRDB Program	HB Program	SFHRB Program	Totals
WCF & Affiliates	$ -	$ (16)	$ (3)	$ -	$ (206)	$ (225)
RHMRB Program	16	-	-	15	-	31
GRDB Program	3	-	-	-	-	3
HB Program	-	(15)	-	-	-	(15)
SFHRB Program	206	-	-	-	-	206
Totals	**$ 225**	**$ (31)**	**$ (3)**	**$ 15**	**$ (206)**	**$ -**

Interfund Transfers for Fiscal Year 2020

	WCF & Affiliates	RHMRB Program	GRDB Program	MFHB Program	HB Program	SFHRB Program	RMRB Program	Totals
WCF & Affiliates	$ -	$ (295)	$ (1,460)	$ (2,976)	$ (13,479)	$ 4,423	$ (175)	$ (13,962)
RHMRB Program	295	-	-	-	-	-	-	$ 295
GRDB Program	1,460	-	-	-	-	-	-	$ 1,460
MFHB Program	2,976	-	-	-	-	-	-	$ 2,976
HB Program	13,479	-	-	-	-	-	-	$ 13,479
SFHRB Program	(4,423)	-	-	-	-	-	-	$ (4,423)
RMRB Program	175	-	-	-	-	-	-	$ 175
Totals	**$ 13,962**	**$ (295)**	**$ (1,460)**	**$ (2,976)**	**$ (13,479)**	**$ 4,423**	**$ (175)**	**$ -**

Interfund Transfers for Fiscal Year 2019

	WCF & Affiliates	RHMRB Program	GRDB Program	MFHB Program	HB Program	SFHRB Program	RMRB Program	Totals
WCF & Affiliates	$ -	$ (2,220)	$ 20,657	$ (3,013)	$ (39,466)	$ 3,003	$ (218)	$ (21,257)
RHMRB Program	2,220	-	-	-	-	-	-	$ 2,220
GRDB Program	(20,657)	-	-	-	23,675	-	-	$ 3,018
MFHB Program	3,013	-	-	-	-	-	-	$ 3,013
HB Program	39,466	-	(23,675)	-	-	-	-	$ 15,791
SFHRB Program	(3,003)	-	-	-	-	-	-	$ (3,003)
RMRB Program	218	-	-	-	-	-	-	$ 218
Totals	**$ 21,257**	**$ (2,220)**	**$ (3,018)**	**$ (3,013)**	**$ (15,791)**	**$ 3,003**	**$ (218)**	**$ -**

Note K. Net Position

(1) Restricted by Contractual or Statutory Agreements

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

	June 30, 2020	June 30, 2019
MassHousing Mortgage Insurance Funds (MIF)	$ 118,887	$ 113,224
Minimum net position covenants	100,000	100,000
FHLB of Boston Collateral (Helping to House New England)	18,591	20,555
Single family co-insurance	3,796	3,796
Restricted by Note Resolutions	749	1,331
WCF and Affiliates Restricted Net Position	**242,023**	**238,906**
Restricted by Bond Resolutions	598,085	552,788
Total Restricted Net Position	**$ 840,108**	**$ 791,694**

(2) Designated Unrestricted Net Position

In accordance with the accounting policy outlined in Note B, MassHousing has adopted, at its discretion, certain designations of the unrestricted net position in the WCF and Affiliates. Designated unrestricted net position at June 30, 2020 and 2019 consist of the following (in thousands):

	June 30, 2020	June 30, 2019
Opportunity Fund	$ 341,954	$ 244,331
Funding for loan purchases and advances and unrestricted net position requirements	239,678	234,624
Lease Commitments	48,690	53,655
Funding of the Construction Security Fund	14,000	14,000
Equity of Affiliates (CCRI, PADCO)	1,003	1,731
Capital Magnet Grant	2,250	-
FHLB Helping to House New England Grant	1,513	-
Funding of the CCRI	700	700
Funding of the Tenancy Preservation Project	660	660
Funding of the New Lease for Homeless Families Initiative	50	50
Total Designations	**$ 650,498**	**$ 549,751**

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

Included in the financial statements of the WCF and Affiliates are the following blended component units: MIF, PADCO and CCRI. Their condensed Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position are presented below for fiscal years 2020 and 2019 (in thousands):

Fiscal 2020	**WCF**	**MIF**	**PADCO**	**CCRI**	**Combined Totals**
STATEMENTS OF NET POSITION at June 30, 2020					
Total assets	$ 1,690,217	$ 142,107	$ -	$ 1,003	$ 1,833,327
Deferred outflow of resources	16,412	-	-	-	16,412
Total assets and deferred outflow of resources	**$ 1,706,629**	**$ 142,107**	**$ -**	**$ 1,003**	**$1,849,739**
Total liabilities	$ 923,821	$ 23,220	$ -	$ -	$ 947,041
Deferred inflow of resources	10,177	-	-	-	10,177
Total net position	772,631	118,887	-	1,003	892,521
Total liabilities, deferred inflow of resources, and net position	**$ 1,706,629**	**$ 142,107**	**$ -**	**$ 1,003**	**$1,849,739**
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION					
For the fiscal year ended June 30, 2020					
Total revenues	$ 188,054	$ 12,228	$ -	$ 735	$ 201,017
Total expenses	103,086	6,565	-	1,464	111,115
Changes in net position	**$ 84,968**	**$ 5,663**	**$ -**	**$ (729)**	**$ 89,902**

Fiscal 2019	**WCF**	**MIF**	**PADCO**	**CCRI**	**Combined Totals**
STATEMENTS OF NET POSITION at June 30, 2019					
Total assets	$ 1,527,042	$ 136,762	$ -	$ 1,731	$ 1,665,535
Deferred outflow of resources	20,171	-	-	-	20,171
Total assets and deferred outflow of resources	**$ 1,547,213**	**$ 136,762**	**$ -**	**$ 1,731**	**$1,685,706**
Total liabilities	$ 870,822	$ 23,538	$ -	$ -	$ 894,360
Deferred inflow of resources	2,689	-	-	-	2,689
Total net position	673,702	113,224	-	1,731	788,657
Total liabilities, deferred inflow of resources, and net position	**$ 1,547,213**	**$ 136,762**	**$ -**	**$ 1,731**	**$1,685,706**
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION					
For the fiscal year ended June 30, 2019					
Total revenues	$ 102,894	$ 11,075	$ -	$ 749	$ 114,718
Total expenses	66,781	2,410	-	553	69,744
Changes in net position	**$ 36,113**	**$ 8,665**	**$ -**	**$ 196**	**$ 44,974**

Note M. Employee Benefit Plans

Defined Benefit Pension Plan

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

A copy of the Pension Plan's standalone financial statements can be obtained at www.masshousingretirement.com.

Benefits Provided – The MHFAERS provides retirement, disability and death benefits to participants and their beneficiaries. Benefits vest after 10 years of a participant's service at MassHousing alone or in combination with service at certain other Massachusetts public employers. Participants are always vested in their individual contributions. An employee who leaves Agency service may withdraw his or her contributions, plus any accumulated interest. Benefit provisions and all other requirements are established by statute. Retirement eligibility is based upon the following conditions:

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

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

- age, as of last birthday
- length of creditable service
- highest 36 consecutive months of regular compensation for members hired before April 2, 2012, or highest 5 consecutive years of regular compensation for members hired on or after April 2, 2012.
- Compensation basis limited to $182,400 for members hired after January 1, 2011

On April 9, 2019, the MHFAERS Members voted to authorize a cost-of-living adjustment ("COLA") of 3% on the first $15,000 of annual benefits. On June 11, 2019 MassHousing Members approved these provisions with an effective date of July 1, 2019.

Employees covered by benefit terms. At January 1, 2019, the following employees were covered by the benefit terms:

Active Employees	323
Inactive employees or beneficiaries currently receiving benefits	168
Inactive employees entitled to but not yet receiving benefits	52
Total	543

Contributions – Active participants (current employees covered by the Plan) are required to contribute between 5% and 9% of their annual salaries (members hired after 1978 contribute an additional 2% of pay over $30,000) to the Plan, depending on their initial employment date in a Commonwealth's Public Employee Retirement Systems plan in accordance with Chapter 32. MassHousing is required to contribute the remaining amounts necessary to fund the Plan, using the actuarial basis specified by statute. Contributions to the pension plan from the Agency were $10 million in FY 2020 and $6.5 million in FY 2019.

Net Pension Liability

The Agency's net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019.

Actuarial Assumptions – The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.6%
Salary Increases	5.25 % grading down to 3.75%
Investment rate of return	7.25 %, including inflation, net of pension plan investment expense

Mortality rates for the actuarial valuation as of January 1, 2019 were based on the RP-2014 White Collar Mortality Table projected generationally from the year 2006 using MP-2016.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2018 through December 31, 2018.

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

	Target Allocation	Long-Term Expected Real Rate of Return (Geometric Average)
Asset Class		
US Equity	25%	4.7%
Developed Market Equity (non US)	10%	5.2%
Emerging Markets Equity	10%	6.3%
Private Equity	10%	6.6%
Investment Grade Bonds	10%	0.4%
Real Estate	10%	4.8%
High Yield Bonds	6%	2.5%
TIPS	6%	0.3%
Emerging Markets Bonds	5%	2.1%
Core Infrastructure	5%	4.0%
Natural Resources (Public)	3%	5.6%
Total	100%	

Discount rate - The discount rate used to measure the total pension liability for the financial statements was 7.25% for FY 2020 and 7.50% for FY 2019. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and contributions from the Agency will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The components of the net pension liability are detailed below (in thousands):

Changes in the Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Beginning Balance at 12/31/18	$ 181,427	$ 146,119	$ 35,308
Changes for the year:			
Service Cost	3,700		3,700
Interest	13,583		13,583
Change in benefit terms	1,591		1,591
Differences between expected and actual experience	3,848		3,848
Change in assumptions	5,878		5,878
Contributions - employer		10,030	(10,030)
Contributions - employee		3,449	(3,449)
Net Investment Income		27,731	(27,731)
Benefit payments, including refunds of employee contributions	(8,029)	(8,029)	-
Administrative expenses		(468)	468
Net Changes	20,571	32,713	(12,142)
Balance at 12/31/19	**$ 201,998**	**$ 178,832**	**$ 23,166**

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

The following presents the Agency's net pension liability as of December 31, 2019 calculated using the discount rate of 7.25%, as well as what the Agency's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate (in thousands):

	1% Decrease to 6.25%	Current Discount Rate (7.25%)	1% Increase to 8.25%
Net pension liability	$ 45,642	$ 23,166	$ 4,185

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the Agency reported a liability of $23.2 million for its net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019 and rolled forward to the measurement date. The Agency's net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employees, actuarially determined.

For the years ended June 30, 2020 and 2019, the Agency recognized pension expense of $9.1 million and $8.8 million, respectively, which is included in administrative expenses. At June 30, 2020 and June 30, 2019, the Agency reported deferred outflows and inflows of resources related to pensions from the following sources (in millions):

Fiscal 2020	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 3.1	$ 1.7
Change in assumptions	10.3	
Net difference between projected and actual earnings on pension plan investments		7.0
Total	**$ 13.4**	**$ 8.7**

Fiscal 2019	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience		$ 2.4
Change in assumptions	$ 8.3	
Net difference between projected and actual earnings on pension plan investments	10.1	
Total	**$ 18.4**	**$ 2.4**

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

Year ended June 30:	
2021	$ 1,852
2022	1,609
2023	2,383
2024	(1,447)
Thereafter	374

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

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

The MHFAERS financial statements for both calendar years 2020 and 2019 were audited by a different firm than the auditor of the Agency.

Deferred Compensation and Defined Contribution Plans

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

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

- Employees vested in the MassHousing pension plan (10+ years), receive a 25% match of each dollar, up to 6% of salary, contributed to the deferred compensation plan. All matching dollars from MassHousing are vested automatically assuming employment with MassHousing for more than four years.

- Employees not vested in the MassHousing pension plan, (less than 10 years) receive a 50% match of each dollar, up to 6% of salary, contributed to the deferred compensation plan. For employees with 4 or more years of service, all matching dollars from MassHousing are vested automatically. For employees with less than four years of service, matching dollars from MassHousing vest over time at 25% increments based on length of service.

Participant contributions and investment income are held in a trust for the exclusive benefit of participants and their beneficiaries. Participants may choose from among a range of fixed income and equity investment funds. Contributions and earnings thereon are not taxable to participants until they are withdrawn. Total participant contributions for FY 2020 and FY 2019 were approximately $2.2 million and $2.2 million, respectively. Total matching contributions for FY 2020 and FY 2019 were approximately $389,000 and $382,000, respectively.

Postretirement Healthcare Benefit Plan

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

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

The Trust's financial statements for both fiscal years 2020 and 2019 were audited by a different firm than the auditor of the Agency.

A copy of the Trust's standalone financial statements can be obtained at www.masshousing.com.

Employees covered by benefit terms – At June 30, 2020, the following employees were covered by the benefit terms:

Active plan members	333
Retired, Disabled, Survivors and Beneficiaries receiving benefits	172
Inactive plan members entitled to but not yet receiving benefit payments	24
Total	529

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

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

Cash contributions to the Trust from the Agency were $3.2 million for FY 2020 and $2.9 million for FY 2019. Employees are not required to contribute to the OPEB Plan.

Net OPEB Liability - MassHousing's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019.

Actuarial Assumptions - The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.5%, average including inflation
Investment rate of return	7.25%, including inflation, net of OPEB plan investment expense
Healthcare cost trend rate	7% - 9% initial, graded down to 5% in 2046

Mortality rates for the actuarial valuation as of January 1, 2019 was based on the RP-2014 White Collar Mortality Table projected generationally from the year 2006 using MP-2016.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2018 through December 31, 2018. The components of the net OPEB liability are detailed below (in thousands):

Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning Balance at 7/1/19	$ 57,901	$ 34,389	$ 23,512
Changes for the year:			
Service Cost	1,137		1,137
Interest	4,232		4,232
Differences between expected and actual experience	(534)		(534)
Change in assumptions	(1,044)		(1,044)
Contributions - employer		3,421	(3,421)
Net Investment Income		1,190	(1,190)
Benefit payments	(1,327)	(1,327)	-
Administrative expenses		(22)	22
Net Changes	2,464	3,262	(798)
Balance at 6/30/20	**$ 60,365**	**$ 37,651**	**$ 22,714**

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

The following presents the Agency's net OPEB liability at June 30, 2020 calculated using the healthcare cost trend rates that are 1-percentage-point lower (8% initial graded down to 4% in 2046) or 1-percentage-point higher (10% initial graded down to 6% in 2046) than the current healthcare trend rates (in thousands):

	1% decrease (8% initial graded down to 4% in 2046)	**Healthcare Cost Trend Rates (9% initial graded down to 5% in 2046)**	**1% increase (10% initial graded down to 6% in 2046)**
Net OPEB liability	$ 12,860	$ 22,714	$ 32,464

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

The following presents the Agency's net OPEB liability at June 30, 2020 calculated using the discount rate of 7.25%, as well as what the Agency's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate (in thousands):

	1% Decrease to 6.25%	Discount Rate (7.25%)	1% Increase to 8.25%
Net OPEB liability	$ 30,330	$ 22,714	$ 14,456

Discount rate - The discount rate used to measure the total OPEB liability was 7.25% for the January 1, 2019 Actuarial Valuation. The projection of cash flows used to determine the discount rate assumed that MassHousing contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the Trust's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Trust's investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

	Target Allocation	Long Term Expected Real Rate of Return (Geometric Average)
Asset Class		
Domestic Equity Assets	24%	4.68%
Investment Grade Bond Assets	20%	0.39%
International Developed Markets Equity (Large) Assets	16%	5.17%
International Emerging Markets Equity Assets	15%	6.34%
High Yield Bond Assets	15%	2.53%
Treasury Inflation Protection Securities	10%	0.29%
Total	100%	

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

At June 30, 2020, the Agency reported a liability of $22.7 million for its net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019. The Agency's net OPEB liability was based on a projection of the Agency's long-term share of the cost of health insurance, actuarially determined.

At June 30, 2019, the Agency reported a liability of $23.5 million for its net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019. The Agency's net OPEB liability was based on a projection of the Agency's long-term share of the cost of health insurance, actuarially determined.

The Agency recognized OPEB expenses of $3.1 million in FY 2020 and $3.2 million in FY 2019, which is included in administrative expenses. At June 30, 2020 and 2019, the Agency reported deferred outflows and inflows of resources related to OPEB from the following sources (in thousands):

Fiscal 2020	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience		$ 639
Change in assumptions	$ 572	856
Net difference between projected and actual earnings on OPEB plan investments	1,453	
Total	**$ 2,025**	**$ 1,495**

Fiscal 2019	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience		$ 264
Change in assumptions	$ 750	
Net difference between projected and actual earnings on OPEB plan investments	494	
Total	**$ 1,244**	**$ 264**

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

Year ended June 30:		
2021	$	251
2022		251
2023		171
2024		15
2025		(159)
Thereafter		-

The next actuarial report is required as of January 1, 2021.

The Trust's Financial Statements – The Trust's financial statements are prepared using the accrual basis of accounting, in accordance with the GASB pronouncements. The Trust's Statements of Net Position and Statements of Changes in Net Position for fiscal years 2020 and 2019 are presented in the separate OPEB financial statements.

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

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

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

Note N. Commitments and Contingencies

MassHousing Mortgage Insurance Fund ("MIF")

MassHousing established MIF within the WCF to provide an additional source of primary mortgage insurance for certain borrowers. In both fiscal years 2020 and 2019, MassHousing made no transfers to MIF. From the inception of MIF in fiscal year 1989 through fiscal year 2010, MassHousing transferred a total of $30.6 million to MIF. The transfers and MIF's regular operations have resulted in total net position of approximately $118.9 million and $113.2 million at June 30, 2020 and 2019, respectively, which is included in a separate account within the WCF. At June 30, 2020 and 2019, approximately $77.8 million and $72.9 million, respectively, of these totals served as collateral for insurance coverage relating to insured loans. Reinsurance agreements with unrelated insurers (described below) provide additional resources for the settlement of claims. A reserve for claims totaling $4.7 million and $1.6 million at June 30, 2020 and 2019, respectively, is included in WCF's other liabilities.

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

The following table summarizes the MIF claims activity at June 30, 2020 and 2019 (in thousands):

	June 30, 2020		June 30, 2019	
	Claims	MI Plus Claims	Claims	MI Plus Claims
Claims Paid	$ 863	$ 422	$ 529	$ 126
Number of Claims	18	414	10	123

MassHousing, on behalf of MIF, has reinsurance agreements with the Mortgage Guaranty Insurance Corporation ("MGIC"), United Guaranty Residential Insurance Corporation ("UG"), Genworth Mortgage Insurance Corporation ("GMIC") and Willis Re, acting as a broker for Everest Reinsurance Company, Partner Reinsurance Europe ZE (Zurich Branch), and Partner Reinsurance Company of the U.S. These agreements provide reinsurance of MassHousing's HomeOwnership loans and, in certain cases, other conventional mortgage loans purchased by MassHousing, loans which were made to persons and families of low- and moderate-income and which were originated by other mortgage lenders on Massachusetts one-to-four unit, owner-occupied residential dwellings, as well as other bank portfolio loans held by Massachusetts banks. Under each reinsurance agreement, the MIF retains a 10% share of the insurance coverage written on any reinsured loan; the reinsurer provides reinsurance for the remaining 90% of the coverage. In addition to MIF's 10% share, MIF receives a ceding commission ranging from 20% to 37% of the reinsurance premiums paid under the MGIC, UG, GMIC, and Willis Re agreements. The net benefits to MIF under the agreements range from 26.3% to 43.3% of the premiums for the assumption of 10% of the mortgage risk. The first contract with Genworth includes an excess of loss coverage which costs 1.7% of gross premiums written.

The following table summarizes the MIF reinsurance balances at June 30, 2020 and 2019 (in millions):

	June 30, 2020	June 30, 2019
Willis RE	$ 1,830	$ 1,993
GMIC	73	106
MGIC	21	29
UG	9	11
Total loans with reinsurance	**$ 1,933**	**$ 2,139**

Center for Community Recovery Innovations, Inc. ("CCRI")
CCRI has been funded with contributions from MassHousing since fiscal year 1995. In both fiscal years 2020 and 2019, MassHousing contributed $700,000 and has committed to fund $700,000 in fiscal year 2021.

Opportunity Fund

On March 8, 2016, MassHousing Members voted to create a segregated revolving fund to be known as the Opportunity Fund within the Agency's WCF for programs and initiatives that increase housing opportunities and otherwise support the Agency's mission, subject to all applicable requirements of the Agency's enabling act. MassHousing Members further voted to make a cash investment of $156 million and to transfer $4 million from previously committed and reserved cash assets in the WCF to such Opportunity Fund.

MassHousing Members also voted to transfer previously committed non-cash assets in the Working Capital Fund from the Priority Development Fund ("PDF") and Agency funds invested in the AHTF, with any payments received from such assets to remain in the Opportunity Fund.

In January 2004, MassHousing announced the creation of the PDF to help increase the production of rental housing in Massachusetts.

The AHTF was established by the General Court of Massachusetts (the state legislature) under Section 227 of Chapter 159 of the Acts of 2000, now codified as Chapter 121D of the Massachusetts General Laws ("Chapter 121D"). Chapter 121D provides that the AHTF shall be sited at the Department of Housing and Community Development ("DHCD") and administered by MassHousing, in accordance with guidelines promulgated by DHCD in consultation with the advisory committee established under the legislation ("AHTF Guidelines"). MassHousing has been administering the AHTF since 2001. The AHTF Guidelines were last revised in March 2007.

As part of the Opportunity Fund, MassHousing Members voted to designate and reserve $50 million of such Opportunity Fund for programs and investments related to the preservation of the Commonwealth's Section 13A portfolio and $100 million of such Opportunity Fund for programs and investments related to the creation of workforce housing. Since inception, MassHousing Members voted to contribute an additional $47.7 million of WCF earnings into the Opportunity Fund. On May 14, 2019, MassHousing Members voted to designate and reserve an additional $10 million of Opportunity Fund cash for the creation of workforce housing. The Opportunity Fund is a designated unrestricted net position of the WCF and is included in the financial statements of the WCF and Affiliates.

On April 13, 2020, the Agency received $86.2 million of Workforce Production Funds from the Commonwealth to expand the state's workforce housing supply. These funds were deposited into the Opportunity Fund. The Agency has designated $60 million of these funds for the CommonWealth Builder program, which will provide grants for the new construction of workforce homeownership units for first-time homebuyers. The Agency has also designated $14.5 million to facilitate the proposed mixed-use rental residential and commercial development at 31 Elm Street in Springfield, MA, which is a priority Gateway City development and a key component of Springfield's Court Square Urban Renewal Plan. The Agency has designated the remaining funds of $11.7 million to provide either additional funding for the CommonWealth Builder program and/or for workforce rental developments.

On May 29, 2020, the Agency received $2.5 million from the Commonwealth's FY 2019 Supplemental Budget for its down payment assistance program. These funds were deposited into the Opportunity Fund. The Agency has designated these funds for its

Workforce Advantage Program, which is a down payment assistance loan program available to income eligible, first-time homebuyers.

Helping to House New England Program
On December 24, 2019 the Agency received $2 million from the FHLB in the form of a grant under the Helping to House New England Program. The Agency intends to use approximately $1.5 million of these proceeds to fund affordable sober housing and support services through the Agency's Center for Community Recovery Innovations, and approximately $500 thousand will be used to promote multi-family residential housing for persons of low and moderate income. As of June 30, 2020, $487 thousand of these funds had been disbursed.

Capital Magnet Funds
On May 1, 2020, the Agency was awarded $2.25 million of Capital Magnet Funds from the federal government's Community Development Financial Institutions Fund. The Agency has designated these funds to provide down payment assistance loans to income eligible, first-time homebuyers.

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

Lease Commitments
MassHousing is subject to an operating office lease with One Beacon Street Limited Partnership. This lease consists of building space of approximately 106,382 rentable square feet and is effective through March 31, 2030.

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

The following is a summary of the future minimum lease payments under these leases (in thousands):

Fiscal Year	Total Future Minimum Lease Payments	
2021	$	5,009
2022		4,921
2023		4,811
2024		4,891
2025		4,922
2026-2031		24,136
Total future minimum lease payments	**$**	**48,690**

Rent expense under all non-cancelable leases with terms in excess of one year totaled $5.4 million and $5.4 million in fiscal years 2020 and 2019, respectively.

Other

MassHousing's WCF has pledged to indemnify its municipal bond insurers in the event an insurer incurs losses under certain policies the insurer has issued. Those policies guarantee that bondholders of certain bond series and maturities will receive scheduled principal and interest payments. The indemnified amounts at June 30, 2020, by bond program are noted below (in thousands):

RHMRB Program	$	22,185
GRDB Program		565
SFHRB Program		13,160
	$	**35,910**

At June 30, 2020, MassHousing had commitments to provide approximately $240.5 million for undisbursed portions of existing and new permanent and construction mortgage loans.

Risk-Sharing Program

MassHousing serves as an approved lender under the Housing Finance Agency Risk-Sharing Program for Insured Affordable Multi Family Project Loans ("Risk-Sharing Program"), authorized by Section 542(c) of the Housing and Community Development Act of 1992, which is administered by HUD. Under the Risk-Sharing Program, MassHousing acts as the servicer for these loans, and bears a percentage of risk loss ranging from 10-50% of each loan with the balance of risk loss borne by HUD in the event of a claim. As of June 30, 2020, MassHousing has 282 loans with an unpaid principal balance of $2.8 billion, which is subject to a maximum loss exposure up to $1.3 billion. MassHousing utilizes strict underwriting standards to minimize exposure to risk loss. Following default on a risk-share loan, MassHousing may obtain an initial claim payment from HUD of 100% of the loan's unpaid principal balance and accrued interest (subject to certain adjustments). After a period during which MassHousing works toward curing the default, foreclosure or resale of the related project, losses (if any) are calculated and apportioned between MassHousing and HUD according to the applicable risk-sharing percentage for the loan, and MassHousing reimburses HUD (with interest on the initial claim payment) for its share of the loss, with such reimbursement to be made by debentures maturing over a period of five years (unless extended by HUD). In addition to using this program to insure mortgage loans pledged to secure bonds, MassHousing from time to time has sold 100% participation interests in mortgage loans secured under this program. In these cases, MassHousing is the original mortgagee and holds legal title to certain mortgage loans insured under this program for which 100% beneficial ownership has been transferred to participant owners. Since the inception of the Risk-Sharing Program, the Agency has suffered two partial claims, totaling approximately $5 million.

Additionally, MassHousing has risk sharing agreements with four independent insurers whereby MassHousing co-insures single-family primary mortgage loans. The following table provides the risk sharing exposure balances at June 30, 2020 and 2019 (in thousands):

	June 30, 2020	June 30, 2019
Balance of loans with co-insurance	$ 4,276	$ 5,040
Risk exposure of loans with co-insurance coverage	1,469	1,686
MassHousing claim liability	3,796	3,796
Co-insurers claim liability	1,316	1,316
MassHousing collateral on deposit	1,312	1,295

Note O. Events Subsequent to June 30, 2020

Loan Commitments

Through the September 8, 2020 meeting of the Members of MassHousing, the Agency issued new mortgage and bridge loan commitments totaling $178 million for multifamily developments.

Unscheduled Debt Redemptions

The following table summarizes the unscheduled debt redemption activity subsequent to June 30, 2020 (in thousands):

Bond Program	Series	Redemption Date	Amount
CLN	2017B	7/8/2020	13,290
GRDB Program	2014A	7/15/2020	33
GRDB Program	2014B	7/15/2020	43
Direct Purchase CLN	Issue 4 Block 2018 A	8/3/2020	7,100
GRDB Program	2014A	8/15/2020	21
GRDB Program	2014B	8/15/2020	33
HB Program	2015I	8/26/2020	25,000
GRDB Program	2014A	9/15/2020	21
GRDB Program	2014B	9/15/2020	43
Total unscheduled debt redemptions subsequent to June 30, 2020			**$ 45,584**

Debt

The following table summarizes the new debt issues subsequent to June 30, 2020 (in thousands):

Issue Name	Issue Date	Final Maturity Date		Original Principal Amount		New Debt [8]		Refunded Debt [9]
Direct Purchase CLN, Issue 4 Blk 2020A (taxable)	9/3/2020	9/1/2023	$	32,282	$	32,282		
Direct Purchase CLN, Issue 4 Blk 2020B (taxable)	9/3/2020	9/1/2023		4,465		4,465		
Total Direct Purchase CLN Issues			**$**	**36,747**	**$**	**36,747**	**$**	**-**
HB Series 2020C 1	9/17/2020	12/1/2062	$	29,615	$	29,615		
HB Series 2020C 2	9/17/2020	6/1/2023		28,015		28,015		
HB Series 2020C 3	9/17/2020	6/1/2063		26,410		26,410		
HB Series 2020C 4	9/17/2020	12/1/2023		10,020		10,020		
Total HB Issues			**$**	**94,060**	**$**	**94,060**	**$**	**-**
SFHRB Series 217	9/17/2020	12/1/2022	$	2,815			$	2,815
SFHRB Series 218	9/17/2020	12/1/2050		64,360	$	18,792		45,568
Total SFHRB Issues			**$**	**67,175**	**$**	**18,792**	**$**	**48,383**
			$	**197,982**	**$**	**149,599**	**$**	**48,383**

8 Funds used to finance new mortgage loans
9 Funds used to refund and/or replace outstanding bonds.

Agreements

On July 20, 2020, MassHousing executed a ninth amendment to the Annual Contributions Contract ("ACC") as Performance-Based Contract Administration ("PBCA") administrator to HUD. The term of the ACC remains at January 31, 2021 with the option by HUD to further extend the contract for up to two additional and successive extension terms of six calendar months each, subject to the availability of sufficient appropriations. This amendment makes certain changes to the scope of work to be performed and compensation to be received, which in MassHousing's assessment will not significantly affect its operations or financial position.

Note P. Litigation

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

Required Supplemental Schedule 1
Unaudited

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

	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Total Pension Liability						
Service Cost	$ 3,700	$ 3,566	$ 3,437	$ 3,247	$ 3,129	$ 2,695
Interest	13,583	12,908	11,895	11,623	10,443	9,984
Changes in Benefit Terms *	1,592	-	-	-	-	-
Differences between expected and actual experience	3,848	-	(3,670)	-	(265)	-
Changes of assumptions **	5,878	-	8,772	-	7,362	-
Benefit payments, including refunds of employee contributions	(8,029)	(7,182)	(6,920)	(5,958)	(5,161)	(5,134)
Net change in total pension liability	20,572	9,292	13,514	8,912	15,508	7,545
Total pension liability - beginning	181,426	172,134	158,620	149,708	134,200	126,655
Total pension liability - ending (a)	$ 201,998	$ 181,426	$ 172,134	$ 158,620	$ 149,708	$ 134,200
Plan fiduciary net position						
Contributions - employer	$ 10,031	$ 6,527	$ 6,491	$ 6,093	$ 6,065	$ 3,946
Contributions - employee	3,449	3,483	3,552	3,274	3,219	3,497
Net Investment Income	27,731	(5,544)	18,139	11,087	(3,352)	4,114
Benefit payments, including refunds of employee contributions	(8,029)	(7,182)	(6,920)	(5,958)	(5,161)	(5,134)
Adminstrative expenses	(468)	(446)	(378)	(380)	(366)	(419)
Net change in plan fiduciary net position	32,714	(3,162)	20,884	14,116	405	6,004
Plan fiduciary net position - beginning	146,118	149,280	128,396	114,280	113,875	107,871
Plan fiduciary net position - ending (b)	$ 178,832	$ 146,118	$ 149,280	$ 128,396	$ 114,280	$ 113,875
Net Pension Liability - ending (a)-(b)	$ 23,166	$ 35,308	$ 22,854	$ 30,224	$ 35,428	$ 20,325
Plan fiduciary net position as a percentage of total pension liability	88.5%	80.5%	86.7%	80.9%	76.3%	84.9%
Covered Payroll (as of measurement date)	$ 34,362	$ 34,506	$ 33,250	$ 33,641	$ 32,430	$ 28,044
Net Pension Liability as a percentage of covered payroll	67.4%	102.3%	68.7%	89.8%	109.2%	72.5%

*Changes in Benefit Terms - The COLA Base was increased from $13,000 to $15,000. This increased the Net Pension Liability by $1.6 million.
** Changes in assumptions - The discount rate was reduced from 7.50% to 7.25%, and the salary scale was increased by 0.25% in all years. The combined net effect of these changes increased the Net Pension Liability by $5.9 million.

Please see Note M for further disclosure

Required Supplemental Schedule 2
Unaudited

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

	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Actuarial Determined Contribution	$ 10,031	$ 6,527	$ 6,491	$ 6,093	$ 6,065	$ 3,946
Contributions made	10,031	6,527	6,491	6,093	6,065	3,946
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll (as of fiscal year end)	$ 35,050	$ 35,154	$ 33,878	$ 34,264	$ 33,035	$ 28,044
Contribution as a percentage of covered payroll	28.6%	18.6%	19.2%	17.8%	18.4%	14.1%

Notes to Schedule

Methods and assumption used to determine contribution rates:

Actuarial cost method	Entry age, normal
Amortization method	Level payment, closed
Remaining amortization period	7 years
Asset valuation method	Fair value adjusted by accounts receivable and accounts payable
Inflation	2.6 percent
Salary Increases	5.25 percent grading down to 3.75 percent
Investment rate of return	7.25 percent, including inflation, net of pension plan investment expense
Mortality	RP-2014 White Collar Mortality Table projected generationally from the year 2006 using MP-2016.
Measurement Date	December 31, 2019
Valuation Date	January 1, 2019
Changes in assumptions	In FY 2020, the discount rate used to measure the total pension liability was reduced to 7.25% from 7.50% and the salary scale was increased by .25 bp in all years.
Changes in benefit terms	The COLA base was increased from $13,000 to $15,000.

Please see Note M for further disclosure

Required Supplemental Schedule 3
Unaudited

Massachusetts Housing Finance Agency OPEB Trust
Schedules of Required Supplementary Information
Schedule of changes in the Agency's Net OPEB Liability and related ratios
(Dollar amounts in thousands)

	FY 2020	FY 2019	FY 2018
Total OPEB Liability			
Service Cost	$ 1,137	$ 1,294	$ 1,430
Interest	4,232	3,925	3,670
Differences between expected and actual experience	(534)	(326)	-
Changes of assumptions *	(1,044)	929	-
Benefit payments	(1,327)	(1,531)	(1,175)
Net change in total OPEB liability	2,464	4,291	3,925
Total OPEB liability - beginning	57,901	53,610	49,685
Total OPEB liability - ending (a)	$ 60,365	$ 57,901	$ 53,610
Plan fiduciary net position			
Contributions - employer (including implicit subsidy)	$ 3,421	$ 3,459	$ 3,115
Net Investment Income	1,195	1,970	1,614
Benefit payments	(1,327)	(1,531)	(1,175)
Adminstrative expenses	(27)	(40)	(31)
Net change in plan fiduciary net position	3,262	3,858	3,523
Plan fiduciary net position - beginning	34,389	30,531	27,008
Plan fiduciary net position - ending (b)	$ 37,651	$ 34,389	$ 30,531
Net OPEB Liability - ending (a)-(b)	$ 22,714	$ 23,512	$ 23,079
Plan fiduciary net position as a percentage of total OPEB liability	62.4%	59.4%	57.0%
Covered Payroll	$ 33,592	$ 32,614	$ 34,715
Net OPEB Liability as a percentage of covered payroll	67.6%	72.1%	66.5%

* Changes in assumptions - Valuation of the Cadillac Tax removed from assumptions. This change in assumptions resulted in a $1,043,702 decrease to Net OPEB Liability in FY 2020.

Please see Note M for further disclosure

Required Supplemental Schedule 4
Unaudited

Massachusetts Housing Finance Agency OPEB Trust
Schedule of Agency Contributions
(Dollar amounts in thousands)

	FY 2020	FY 2019	FY 2018
Actuarial Determined Contribution	$ 3,421	$ 3,459	$ 3,115
Contributions in relation to the Actuarially Determined Contribution	3,421	3,459	3,115
Contribution deficiency (excess)	$ -	$ -	$ -
Covered Payroll	$ 33,592	$ 32,614	$ 34,715
Contribution as a percentage of covered payroll	10.2%	10.6%	9.0%

Notes to Schedule

Actuarially Determined Contributions consist of:

	FY 2020	FY 2019	FY 2018
Cash Contribution	$ 3,160	$ 2,897	$ 2,901
Implicit Subsidy	261	562	214
Actuarial Determined Contribution	$ 3,421	$ 3,459	$ 3,115

Methods and assumption used to determine contribution rates:

Actuarial cost method	Projected Unit Credit Level Dollar cost method
Amortization method	Level percentage of pay, closed basis
Remaining amortization period	17 years
Asset valuation method	Market value
Salary Increases	3.5 percent
Healthcare cost trend rates	7 to 9% initial graded down to 5% in 2046
Investment rate of return	7.25 percent, net of OPEB plan investment expense
Retirement Age	Based on Tier classification, gender and hire dates
Mortality	RP-2014 Mortality Table at 2006 White collar projected with MP-2016
Changes in assumptions	Valuation of the Cadillac Tax removed from assumptions

Please see Note M for further disclosure

SCHEDULE 1: INVESTMENTS AND CASH EQUIVALENTS

		Investment Maturities (In Years) In thousands of dollars				
		Total Cost, Amortized Cost, or Fair Value	**Less Than 1**	**1-5**	**6-10**	**More Than 10**
Working Capital Fund and Affiliates						
	Cash Equivalents	$ 530,469	$ 530,469			
	Government Sponsored Enterprises (GSEs)	81,848	1,269	$ 43,990	$ 6,997	$ 29,592
	U.S. Treasuries	37,231	11,845	25,386		
	Commercial Paper	7,909	7,909			
	Certificates of Deposit	15,163	10,696	4,467		
	Government & Government Agency Obligations	1,716		1,716		
	Total Investments and Cash Equivalents	$ 674,336	$ 562,188	$ 75,559	$ 6,997	$ 29,592
Rental Housing Mortgage Revenue Bond Program						
	Cash Equivalents	$ 3,758	$ 3,758			
	Total Investments and Cash Equivalents	$ 3,758	$ 3,758			$ -
General Rental Development Bond Program						
	Cash Equivalents	$ 5,414	$ 5,414			
	Guaranteed Investment Contracts (GIC's)	119			$ 119	
	Total Investments and Cash Equivalents	$ 5,533	$ 5,414		$ 119	
Multi-Family Housing Bond Program						
	Cash Equivalents	$ 28,854	$ 28,854			
	Total Investments and Cash Equivalents	$ 28,854	$ 28,854			

SCHEDULE 1: INVESTMENTS AND CASH EQUIVALENTS

		Investment Maturities (In Years) In thousands of dollars				
		Total Cost, Amortized Cost, or Fair Value	**Less Than 1**	**1-5**	**6-10**	**More Than 10**
Housing Bond Program						
	Cash Equivalents	$ 458,589	$ 458,589			
	U.S. Treasuries	94,080	59,085	$ 34,995		
	Government & Government Agency Obligations	3,373		3,373		
	Total Investments and Cash Equivalents	$ 556,042	$ 517,674	$ 38,368		
Single Family Housing Revenue Bond Program						
	Cash Equivalents	$ 69,244	$ 69,244			
	GSEs	834,355	16,916	$ 8,037	$ 1,224	$ 808,178
	U.S. Treasuries	60,309	55,456	4,853		
	Commercial Paper	16,837	16,837			
	Government & Government Agency Obligations	105		105		
	Total Investments and Cash Equivalents	$ 980,850	$ 158,453	$ 12,995	$ 1,224	$ 808,178
Residential Mortgage Revenue Bond Program						
	Cash Equivalents	$ 44	$ 44			
	GSEs	43,441	1,176			$ 42,265
	Total Investments and Cash Equivalents	$ 43,485	$ 1,220			$ 42,265
Combined Totals Memorandum Only						
	Cash Equivalents	$ 1,096,372	$ 1,096,372			
	GSEs	959,644	19,361	$ 52,027	$ 8,221	$ 880,035
	U.S. Treasuries	191,620	126,386	65,234		
	Commercial Paper	24,746	24,746			
	Certificates of Deposit	15,163	10,696	4,467		
	Government & Government Agency Obligations	5,194		5,194		
	GICs	119			119	
	Total Investments and Cash Equivalents	$ 2,292,858	$ 1,277,561	$ 126,922	$ 8,340	$ 880,035

SUPPLEMENTAL SCHEDULE 2: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS

Project Name	Interest Rate	Maturity Date	Mortgage Obligation (In thousands)	Advances Construction/ Mortgage Loans (In thousands)	Balance of Commitment (In thousands)	Notes
Working Capital Fund and Affiliates						
11 Long Point Road	5.550%	01/01/2029	$ 84			
1199 Hixville Road	5.350%	08/01/2026	60			
120 Centre Court	0.000%	11/01/2042	683			
120 Centre Court	0.000%	11/01/2038	460			
2 Pierce Lane	5.350%	07/01/2026	60			
2101 Washington Street	3.750%	06/01/2059	3,999			
225 Centre Street	0.000%	08/01/2054	5,600			
246-248 Norwell Street	0.000%	06/01/2059	600			
246-248 Norwell Street	0.000%	07/09/2059	781			
28 Austin Street	0.000%	04/01/2060	1,300			
3 Flintlock Lane	5.550%	12/01/2026	66			
38 Winfield Street	5.350%	08/01/2026	62			
706 Huntington Ave.	0.000%	11/01/2049	357			
808 Memorial Drive	3.000%	11/01/2021	788			
808 Memorial Drive	2.810%	07/01/2023			$ 8,900	
808 Memorial Drive	3.830%	07/01/2063			61,500	
98 Essex	1.500%	04/01/2055	996			
98 Essex	0.000%	04/01/2055	600			
A.O. Flats At Forest Hills	1.680%	12/01/2020		$ 6,190		
A.O. Flats At Forest Hills	5.000%	06/01/2060	7,596		504	
Academy Hill School	3.750%	04/30/2058	1,492			
Academy Hill School	3.020%	04/30/2058	218			
AEI Group Homes-Braintree	5.350%	08/01/2026	92			
AEI Group Homes-Centerville	5.350%	07/01/2026	82			
AEI Group Homes-Kingston	5.550%	02/01/2027	94			
AEI Group Homes-Marshfield	5.550%	05/01/2028	105			
Ames Privilege Unit 2	2.600%	10/01/2054	118			
Appleton Mills Redevelopment Phase 1B	6.350%	04/01/2052	165			
Arlington Park	4.000%	02/01/2037	884			
Arlington Point	5.490%	07/01/2060	1,250			
Arlington Point	0.000%	12/18/2060	1,900			
Aurora Hotel	2.600%	03/01/2056	398			
Barstow Village	0.010%	07/01/2053	877			
Bedford Village	2.000%	07/01/2060	4,500			
Bedford Village	3.240%	09/15/2020		7,100		
Brooks School	8.000%	01/01/2028	5,227			
Brooks School	0.000%	01/01/2028	122			
Brown Kaplan Townhomes	0.000%	08/25/2049	475			
Burbank Gardens	2.590%	07/01/2059	4,617			
Burbank Gardens Acquisition	0.000%	07/01/2059	452			
Cable Gardens	4.500%	01/01/2036	7,533			
Camden Apartments	4.038%	01/01/2021		8,160		
Canal Bluffs III	5.320%	01/01/2060	3,381			
Canal Bluffs III	2.500%	09/01/2059	700			
Canton Village	6.490%	06/01/2046	436			
Casselman House	0.000%	05/01/2044	206			
Central Grammar	0.000%	04/01/2053	695			
Chapman House	3.290%	04/10/2064	1,590			
Chatham West I	0.000%	06/01/2058	4,500			
Chatham West II	0.000%	06/01/2027	8,333			

SUPPLEMENTAL SCHEDULE 2: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS

Project Name	Interest Rate	Maturity Date	Mortgage Obligation (In thousands)	Advances Construction/ Mortgage Loans (In thousands)	Balance of Commitment (In thousands)	Notes
Cheriton Heights Senior Housing	0.000%	11/22/2053	$ 1,000			
Chestnut Park	0.000%	12/01/2058	5,000			
Cobbet Hill	2.260%	12/23/2066	1,000			
Colonial Village	0.000%	12/01/2059	945			
Covenant House I & II	0.570%	07/01/2045	1,012			
Curtain Lofts	0.000%	11/01/2052	783			
Franklin Highlands	4.500%	12/01/2059	27,502			
Franklin Hill Revitalization Phase 2A	6.000%	05/01/2059	1,350			
Franklin Hill Revitalization Phase 2B	0.100%	12/31/2059	1,000			
Franklin School	5.250%	12/31/2049	3,433			
Gateway Residences On Washington	0.000%	10/01/2058	1,600			
Glen Meadow Apartments	0.000%	05/01/2057	1,750			
Granite Lena Park Apts	4.440%	05/01/2022		$ 31	$ 2,169	
Greenway Apartments	3.850%	06/01/2053	1,000			
Habitat for Humanity - Boston, Inc.	0.000% to 2.500%		649			
Hampton Court	3.120%	06/20/2064	17,891			
Hanover House	0.000%	12/18/2029	1,092			
Hanover Woods	1.890%	08/01/2066	7,029			
Haynes House	4.920%	07/01/2061			9,000	
Haynes House	3.330%	07/01/2021		16,969	4,171	
Hayward Landing	2.570%	11/04/2065	19,169			
Hebronville Mill	8.000%	12/01/2016	16			
Hebronville Mill	9.616%	02/01/2020	4,702			
Hebronville Mill	8.500%	06/01/2018	1,166			
Heritage Common	0.700%	06/01/2050	10,095			
Heritage Common	0.000%	06/16/2051	1,500			
Heywood Wakefield Village	4.790%	12/31/2041	15,159			
Highland Apartments	3.040%	07/01/2054	5,896			
Hillside Village	0.000%	07/01/2059	600			
Holmes Beverly	0.000%	11/01/2058	1,600			
Holmes Beverly	0.000%	05/11/2024	600			
Houghton Village	2.700%	06/01/2058	7,262			
Houghton Village	0.000%	06/01/2058	1,545			
Kennedy Building Apartments	0.000%	01/01/2064	1,250			
King James Court	0.000%	04/01/2043	495			
King Pine	4.038%	01/01/2021		1,100		
King Pine	5.038%	01/01/2021		750		
Landfall Community Associates Ii	0.000%	01/01/2060	134			
Latin Academy	0.000%	06/01/2050	642			
Leyden Woods Apartments	3.850%	10/01/2037	1,982			
Lincoln Woods	2.740%	07/01/2057	1,200			
Lincoln Woods	0.000%	08/01/2057	291			
Linwood Mill	0.010%	07/01/2053	1,000			
Littlebrook	2.450%	06/19/2063	1,693			
Loring Towers	1.000%	12/20/2049	406			
LPI Portfolio	3.240%	12/31/2020		18,000		
Madison Melnea Cass Apts	2.880%	03/01/2060	1,900			
Majestic Apartments	0.000%	01/01/2044	95			
Mansfield Meadows	3.250%	09/19/2063	10,384			
Maple Ridge Phase I	0.000%	06/01/2052	2,000			
Mariner's Hill	3.240%	05/15/2064	2,066			
Mashpee Village	7.000%	06/01/2056	1,500			

SUPPLEMENTAL SCHEDULE 2: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS

Project Name	Interest Rate	Maturity Date	Mortgage Obligation (In thousands)	Advances Construction/ Mortgage Loans (In thousands)	Balance of Commitment (In thousands)	Notes
Mass Mills I	3.120%	07/01/2049	$ 742			
Mass Mills II	3.120%	07/01/2049	818			
Matheson Apartments	3.850%	04/01/2022			$ 4,000	
Matheson Apartments	4.600%	04/01/2022			1,850	
Merrimack Valley Apts	0.000%	08/01/2044	281			
Middlebury Arms	3.320%	09/30/2055	3,986			
Mill House	2.870%	10/16/2064	833			
Mill Valley Estates	2.550%	11/18/2060	10,840			
Mt Pleasant Apts	7.700%	12/01/2048	517			
Museum Square	2.720%	07/24/2065	15,164			
New Codman Square Apartments	2.640%	01/01/2054	840			
Newcastle Saranac	0.000%	07/01/2062	2,250			
Oak Woods	0.000%	12/01/2053	678			
Old Colony Phase Three A 4%	4.540%	08/31/2021		$ 407	29,433	
Old Colony Phase Three A 9%	4.030%	02/01/2062		1,680	2,790	
Oxford House at Queeney Square	2.720%	01/01/2050	4,411			
Parmelee Court	3.070%	08/31/2064	1,102			
Pelham I Apartments	5.086%	12/01/2064	5,559			
Peter Sanborn Place	0.000%	08/01/2043	378			
Pilot Grove Hill	0.000%	12/01/2049	294			
Pine Crest	0.000%	01/01/2044	250			
Pleasant Plaza	3.025%	01/01/2065	11,162			
Pondside at Littleton	3.141%	09/01/2064	12,332			
Powdermill Village	4.500%	03/01/2021	2,720			
Residences at Canal Bluffs	5.250%	06/01/2051	1,850			
Residences At Fairmount Station	0.000%	09/01/2049	300			
Rindge Apts (402)	2.610%	07/01/2058	1,506			
Riverboat Village	5.010%	12/01/2033	6,350			
Riverview Meadows	2.180%	03/16/2065	4,968			
Rock Harbor Vlge	5.000%	07/01/2052	55			
Rogers Hall	0.063%	05/01/2044	336			
Roxbury Corners	4.000%	01/01/2050	886			
Roxbury Corners	0.000%	01/01/2050	1,196			
S.C. Hamilton Apts	4.680%	12/01/2021			2,310	
S.S.C.R.II-Bridgewater	5.550%	03/01/2027	79			
S.S.C.R.II-Mattapoisett	5.550%	10/01/2026	68			
S.S.C.R.II-Stoughton	5.550%	03/01/2027	70			
School House Brookledge	0.010%	12/04/2048	1,000			
School House Kenilworth	0.010%	06/01/2049	1,000			
Shillman House	0.000%	11/01/2051	2,604			
Shillman House	0.000%	12/17/2051	971			
Ships Watch	2.780%	07/24/2063	6,787			
Single Family Gateway City Loans	1.000% to 2.000%		1,615			
Single Family Home Improvement Loans	4.250% to 6.750%		881			
Single Family Long Term Assets	0.000% to 7.375%		9,773			
Single Family Mass Advantage Loans	0.000%		1,709			
Single Family Modification Loans	0.000%		265			
Single Family Mortgage (Warehouse) Loans	1.000% to 4.500%		56,643			
Single Family Tax Credit Loans	5.250% to 5.750%		13			
Single Family Veterans Assistance Loans	0.000% to 2.000%		852			
Single Family Work Force Advantage Loans	1.000%		30			
Sitkowski School Apartments	2.000%	07/01/2056	1,645			

SUPPLEMENTAL SCHEDULE 2: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS

			In thousands			
Project Name	**Interest Rate**	**Maturity Date**	**Mortgage Obligation**	**Advances Construction/ Mortgage Loans**	**Balance of Commitment**	**Notes**
Solemar Apts	2.750%	06/01/2052	$ 1,148			
Stratton Hill	0.000%	08/01/2059	2,430			
Susan Bailis Assisted Living	5.730%	07/01/2043	1,464			
Temple Landing	0.000%	02/01/2043	1,260			
The Central Building	0.000%	03/01/2060	1,400			
The Close Building	3.240%	12/01/2020		$ 6,500		
The Close Building	4.520%	12/01/2020		1,800		
The Commons at Boston Road	0.000%	11/30/2038	28			
The Coolidge	4.460%	06/30/2051	750			
The Millery	2.970%	09/01/2049	659			
The Preserve	6.450%	01/01/2046	2,757			
The Settlement	7.160%	05/01/2013	2,200			
The Tannery	3.680%	12/17/2021		8,500		
The Tannery	4.430%	12/17/2021		8,500		
The Tannery	0.000%	01/01/2062	4,000			
The Watson	1.000%	12/01/2059	7,000			
Van Ness Terrace	3.120%	06/24/2064	8,123			
Village at Mansfield Depot I	3.570%	09/01/2064	8,111			
Village at Mansfield Depot II	3.212%	09/01/2064	9,834			
Voke Lofts	3.400%	01/01/2055	200			
Voke Lofts	0.000%	01/01/2055	695			
Wakefield Place	8.250%	12/31/2034	21,077			
Walker School	2.800%	06/30/2022			$ 8,750	
Walker School	2.960%	06/30/2062			750	
Warren House	3.500%	12/01/2023		2,992		
West Newton Rutland Apartments	4.920%	12/01/2061			7,760	
West Newton Rutland Apartments	3.390%	11/01/2021		13,553	17,437	
Whitney Carriage Park	0.000%	11/01/2069	4,093			
Whitney Carriage Park	2.210%	11/01/2069	18,827			
Whitney Carriage Park	3.502%	11/01/2069	653			
Sub-total			**$ 520,236**	**$ 102,232**	**$ 161,324**	**(a)**
Rental Housing Mortgage Revenue Bond Program Adopted December 31, 1994						
Broadway Tower	5.850%	12/01/2022	$ 670			
Kimball Court II	7.270%	09/18/2023	17,488			
Neptune Towers	6.250%	03/01/2022	137			
Plantation Tower	6.000%	04/01/2047	4,398			
Seabury Heights	5.548%	04/01/2022	1,017			
SEMASS Housing I-Raynham	6.650%	10/01/2025	68			
SEMASS Housing I-Somerset	6.650%	09/01/2025	66			
SEMASS Housing I-Taunton	6.650%	10/01/2025	72			
South End Tenants Houses II	6.190%	12/01/2045	4,114			
South Shore-Easton	6.650%	06/01/2025	71			
South Shore-Pembroke	6.650%	03/01/2025	76			
Trinity Terrace	7.700%	01/31/2035	$ 1,141			
Sub-total			**$ 29,318**			
General Rental Development Bond Program Adopted April 13, 2004						
113 Spencer	7.150%	05/01/2050	$ 1,871			

SUPPLEMENTAL SCHEDULE 2: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS

			In thousands			
Project Name	Interest Rate	Maturity Date	Mortgage Obligation	Advances Construction/ Mortgage Loans	Balance of Commitment	Notes
Barstow Village	5.500%	06/01/2053	$ 1,152			
Blackstone	4.500%	07/01/2053	29,629			
Clinton Housing Authority	5.200%	01/01/2026	264			
Curtain Lofts	7.250%	11/01/2052	1,054			
Franklin Square House	4.500%	09/01/2053	32,365			
Greenway Apartments	6.720%	06/01/2053	1,147			
Joseph's House	6.300%	09/01/2050	5,877			
Linwood Mill	6.180%	07/01/2053	951			
Machado House @ Peter's Grove	5.300%	07/01/2053	6,137			
Maple Ridge Phase II	6.500%	02/01/2053	1,141			
Mill Road Apartments (variable rate)	0.680%	11/01/2033	23,276			
Nazing Court	6.720%	07/01/2044	7,096			
Ocean Shores at Marshfield	7.250%	07/01/2052	1,920			
Oliver Lofts	7.250%	03/01/2052	1,333			
Princeton at Westford (variable rate)	0.150%	01/01/2034	31,225			
Providence House	6.350%	01/01/2045	8,052			
Regency Towers I	1.000%	04/01/2040	430			
Rita Hall	5.250%	11/01/2053	6,158			
Rock Harbor Village	5.300%	05/01/2053	6,179			
School House Kenilworth	8.000%	06/01/2049	1,198			
Tecumseh Mill	5.250%	02/01/2054	6,708			
Temple Landing	6.500%	02/01/2043	1,892			
Tri-Town Landing Apartments	6.700%	12/01/2051	1,363			
Victory Gardens Plaza	5.070%	04/01/2054	7,845			
Village at Hospital Hill II	6.830%	03/01/2050	1,329			
Winchendon Housing Authority	5.190%	01/01/2026	300			
Sub-total			**$ 187,892**			
Multi-Family Housing Bond Program Adopted November 10, 2009						
225 Centre Street	3.600%	01/01/2055	$ 14,877			
225 Centre Street	5.500%	01/01/2055	718			
Castle Square	5.100%	01/01/2053	40,969			
Cedar Glen	4.850%	01/01/2051	13,648			
Central Grammar	5.250%	04/01/2053	2,707			
Charlesview Redevelopment	4.800%	10/01/2054	43,525			
Charlesview Redevelopment	0.000%	06/30/2055	240			
Cheriton Grove	5.070%	05/01/2053	4,723			
Chestnut Glen	4.850%	01/01/2051	12,835			
Glen Grove	4.850%	01/01/2051	18,383			
Gosnold Grove	4.850%	01/01/2053	1,961			
Heritage Apartments	4.610%	02/01/2053	18,439			
Heritage Green	4.850%	01/01/2051	10,236			
Inman/Cast 2 Apartments	4.500%	07/01/2052	12,812			
Kensington Court at Lakeville	0.000%	08/01/2050	2,243			
Longfellow Glen	4.850%	01/01/2051	11,682			
Lower Mills Apartments	4.750%	08/01/2052	8,285			
Nehoiden Glen	4.850%	01/01/2051	9,221			
Noonan Glen	4.850%	01/01/2051	1,993			
Norton Glen	4.660%	01/01/2051	14,667			
Old Mill Glen	4.850%	01/01/2051	5,768			

SUPPLEMENTAL SCHEDULE 2: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS

Project Name	Interest Rate	Maturity Date	Mortgage Obligation (In thousands)	Advances Construction/ Mortgage Loans (In thousands)	Balance of Commitment (In thousands)	Notes
Regency Towers I	0.000%	04/01/2040	$ 950			
Tri-Town Landing Apartments	0.000%	12/01/2051	1,317			
Westminster Village	4.500%	10/01/2051	40,742			
Sub-total			**$ 292,941**			
Housing Bond Program Adopted February 19, 2003						
113 Spencer	0.000%	05/01/2050	$ 1,000			
27 Jackson Street	0.000%	07/01/2048	3,039			
808 Memorial Drive	2.060%	07/01/2023		$ 5,094	$ 10,906	
A.O Flats at Forest Hills	4.120%	06/01/2060		13,090		
Academy Hill School	3.020%	04/30/2058	953			
Academy Homes I	5.850%	07/01/2040	5,809			
Adams Templeton	3.870%	12/01/2057	12,261			
Allen Park Apartments I	7.750%	01/01/2035	2,873			
Allen Park Apartments II	7.750%	01/01/2026	800			
Ames Privilege	8.250%	06/01/2024	940			
Ames Privilege - Unit 2	4.800%	10/01/2054	1,333			
Amory Street Residences	3.000%	07/01/2045	845			
Amy Lowell House	5.900%	07/28/2039	7,713			
Anderson Park	3.870%	08/01/2058	21,562			
Appleton Mills Redevelopment Phase IA	6.300%	04/01/2052	1,378			
Appleton Mills Redevelopment Phase IA	0.010%	07/01/2051	1,640			
Asher's Path	6.910%	11/01/2048	691			
Asher's Path	0.000%	11/01/2048	487			
Auburn Court	3.530%	06/01/2048	13,840			
Avalon at Chestnut Hill	5.320%	10/01/2047	36,701			
Back of the Hill	5.400%	10/01/2048	6,631			
Beachmont Apartments	6.500%	05/01/2049	1,983			
Beacon House	5.500%	07/01/2054	13,327			
Beacon House	3.500%	07/01/2024	1,172			
Bedford Village	4.740%	07/01/2060		8,157	117	
Berkshire Peak	3.470%	04/01/2058	4,061			
Binnall House	0.438%	04/01/2043	467			
Bixby Brockton Apartments	6.150%	01/01/2046	642			
Blackstone	5.000%	07/01/2052	501			
Boott Mills Apartments	3.000%	10/01/2058	2,325			
Boott Mills Apartments	5.900%	01/01/2046	1,302			
Bowdoin Apartments	6.250%	08/01/2042	1,386			
Brandy Hill	3.900%	10/01/2058	10,803			
Bridle Path Apartments	5.430%	01/01/2049	8,964			
Briston Arms	4.640%	03/01/2057	34,708			
Brown School Residences	6.950%	08/01/2048	2,059			
Burbank Gardens	4.420%	07/01/2059	3,768			
Camden Apartments	4.920%	01/01/2061		3,549	2,351	
Capitol Square	7.500%	11/01/2045	1,060			
Casa Maria	5.500%	12/01/2048	4,004			
Central Annex	5.250%	07/01/2055	5,209			
Chauncy House	5.050%	07/01/2057	8,976			
Chelsea Village	7.000%	04/01/2048	1,334			
Cheriton Heights Senior Housing	6.000%	08/01/2053	1,404			

SUPPLEMENTAL SCHEDULE 2: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS

Project Name	Interest Rate	Maturity Date	Mortgage Obligation (In thousands)	Advances Construction/ Mortgage Loans (In thousands)	Balance of Commitment (In thousands)	Notes
Chestnut Gardens	5.400%	01/01/2049	$ 5,248			
Clarendon Hill	6.030%	03/01/2052	20,037			
Cleaves Dimock-Bragdon Apts	4.000%	03/01/2057	9,764			
Cobbet Hill	4.290%	12/01/2058	7,489			
Codman Square Apartments	5.500%	01/01/2054	1,043			
Cohen Residences	4.420%	02/01/2060	28,303			
Columbia West Apartments	5.340%	12/31/2052	300			
Columbia West Apartments	5.900%	03/01/2045	384			
Conant Village	0.000%	05/01/2057	1,109			
Conway Court	4.150%	11/01/2053	2,051			
Cordovan at Haverhill Station	6.760%	09/01/2048	6,878			
Counting House Lofts	6.000%	12/01/2045	2,144			
Cromwell Court	5.360%	01/01/2052	5,545			
Davenport Commons	4.920%	08/01/2031	21,546			
Dom Polski	5.400%	12/01/2048	2,252			
Eastgate Apartments	5.400%	01/01/2049	7,559			
Fairweather Apartments	5.450%	12/01/2048	15,818			
Fitchburg Green	6.870%	01/01/2048	1,081			
Florence Apartments	7.310%	08/01/2050	1,445			
Forest Park Apartments	7.500%	03/01/2041	882			
Forestvale	7.380%	08/01/2050	1,492			
Fort Hill Gardens/Esperanza Trust Apts	3.860%	06/01/2061		$ 23,552	$ 1,698	
Founders Court Apts.	3.600%	10/01/2057	1,834			
Founders Court Apts.	6.650%	01/01/2026	24			
Franklin Highlands	4.550%	12/01/2026	6,415			
Franklin Hill Revitalization Phase 2A	7.000%	10/01/2050	1,855			
Franklin Hill Revitalization Phase 2B	6.000%	10/01/2050	1,106			
Gateway Residences On Washington	4.100%	10/01/2058	9,908			
Georgetown Homes I	4.520%	05/01/2056	69,587			
Georgetown Homes II	4.520%	05/01/2056	42,752			
Golda Meir House II	3.900%	04/01/2059	37,331			
Goldman Residences	0.374%	11/01/2042	706			
Granite Lena Park Apts	3.850%	04/01/2062		6,430	9,870	
Granite Lena Park Apts	3.690%	05/01/2022			7,075	
Hadley Building Apartments	0.000%	01/31/2048	2,199			
Haley House	6.250%	05/01/2029	406			
Hamilton Wade Douglas	4.100%	01/01/2057	12,529			
Hamilton Wade Douglas	3.500%	01/01/2057	5,463			
Harborview Towers	4.200%	07/01/2052	6,139			
Hemenway Apts	6.930%	08/01/2047	1,300			
Heritage at Bedford Springs	4.725%	08/01/2048	24,694			
Heritage House	6.750%	08/01/2047	608			
High Rock Homes	5.650%	05/01/2050	2,461			
High Rock Homes	0.000%	05/01/2050	1,500			
Historic South End Apartments	5.250%	06/01/2055	21,957			
Hope Gardens	6.850%	07/01/2047	825			
Hotel Raymond	5.950%	01/01/2044	1,659			
Island Creek East - I	6.850%	12/01/2048	429			
Island Creek Village North- Age Restricted	4.500%	05/01/2058	3,628			
Jaclen Tower	4.150%	11/01/2053	8,723			
Jas Consolidation	4.670%	01/01/2060	10,064			
Kennedy Building Apartments	4.760%	01/01/2059	1,704			

SUPPLEMENTAL SCHEDULE 2: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS

			In thousands			
Project Name	**Interest Rate**	**Maturity Date**	**Mortgage Obligation**	**Advances Construction/ Mortgage Loans**	**Balance of Commitment**	**Notes**
Kensington Court at Lakeville	7.310%	08/01/2050	$ 3,971			
King Pine	4.920%	07/01/2060	9,800			
Kings Landing	5.000%	06/01/2054	4,079			
Kurlat House	3.900%	01/01/2049	55,337			
Landfall Community Associates II	4.570%	01/01/2060	5,769			
Landmark at Fall River	5.850%	08/01/2039	3,592			
LBB Housing	3.400%	01/01/2054	3,663			
Lebanese Community Housing	5.750%	10/01/2049	2,524			
Leisure Towers	5.250%	07/01/2054	17,211			
Leyden Woods Apartments	3.850%	10/01/2057	25,426			
Lincoln Woods	3.750%	08/01/2057	12,194			
Lionhead Apartments	4.540%	12/27/2055	6,817			
Loring Towers	5.400%	01/01/2050	8,876			
Louis Barett Residences	4.600%	03/01/2057	15,217			
LPI Portfolio	4.540%	10/01/2060		$ 16,775	$ 9,225	
Lucerne Gardens	9.000%	07/01/2024	345			
Madison Melnea Cass Apts	4.420%	03/01/2060	11,125			
Madison Park III	4.090%	01/01/2058	20,471			
Majestic Apartments	5.950%	01/01/2044	1,397			
Maple Commons	9.740%	10/01/2022	1,418			
Maple Commons	9.740%	06/01/2023	166			
Maple Commons	8.150%	06/01/2023	290			
Maple Ridge Phase I	7.000%	06/01/2052	3,790			
Marcus Garvey Gardens	8.000%	01/01/2021	310			
Mary Colbert Apartments	5.500%	07/01/2055	3,124			
Mashpee Village	4.900%	05/01/2056	3,951			
Mason Place	6.050%	04/01/2044	4,682			
Mason Place	5.680%	04/01/2024	2,526			
Mass Mills III	4.500%	04/01/2048	3,374			
Matheson Apartments	3.760%	12/01/2061		4,137	1,863	
Mattapan Heights II	5.850%	02/01/2046	1,023			
Mattapan Heights Ii	2.000%	02/01/2046	2,000			
Mattapan Heights III	5.330%	03/01/2048	2,735			
Maverick Landing Phase I	6.300%	11/01/2035	2,048			
Maverick Landing Phase II	7.000%	11/01/2035	1,146			
Maverick Landing Phase III	7.100%	01/01/2037	1,582			
Maverick Landing Phase IV	5.940%	06/01/2037	1,429			
Melville Towers	5.750%	01/01/2048	1,199			
Metropolitan (Rental)	7.900%	06/01/2045	11,163			
Middlebury Arms	5.250%	09/01/2055	1,249			
Mission Park	7.050%	02/01/2040	38,731			
Mohawk Forest Apartments	4.780%	08/01/2039	1,608			
Mohawk Forest Apartments	5.225%	08/01/2039	1,209			
Moorings at Squantum I	5.650%	05/01/2048	10,474			
Moorings at Squantum I	4.730%	01/01/2046	2,849			
Moorings at Squantum II	7.050%	05/01/2048	4,986			
Morgan Woods	5.550%	01/01/2048	4,306			
Mtn View Terrace	5.500%	07/31/2050	13,479			
Mystic Place	5.000%	05/01/2051	28,065			
New Girls Latin Academy	6.960%	07/01/2038	1,025			
New Port Antonio Apartments	4.000%	12/01/2027	25,000			
Newcastle Saranac	3.830%	07/01/2062		435	17,165	

SUPPLEMENTAL SCHEDULE 2: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS

Project Name	Interest Rate	Maturity Date	Mortgage Obligation (In thousands)	Advances Construction/ Mortgage Loans (In thousands)	Balance of Commitment (In thousands)	Notes
Newcastle Saranac	2.060%	07/01/2022		$ 10,500		
Nor-Al	5.250%	01/01/2055	$ 5,681			
Nor-Al	5.250%	01/01/2034	2,006			
North Village at Webster	4.650%	01/01/2056	5,313			
Norton Glen	5.400%	11/01/2025	1,440			
Oak Terrace	4.290%	06/01/2058	12,303			
Ocean Shores	6.850%	06/01/2048	17,777			
Orchard Hill	6.680%	07/01/2027	617			
Palmer Green Est	3.320%	05/01/2058	11,211			
Palmer Green Est	3.250%	07/01/2036	3,475			
Pequot Highlands	4.140%	05/01/2059	40,847			
Pine Commons	7.800%	12/01/2037	828			
Pine Commons	6.900%	12/01/2043	1,492			
Pine Gardens	7.800%	12/01/2037	578			
Pine Gardens	7.350%	09/01/2044	721			
Powdermill Village	7.750%	01/01/2042	1,020			
Power Town	3.750%	11/01/2056	6,643			
Quincy Heights	2.290%	06/01/2041	14,815			
Quincy Tower	4.290%	01/01/2059	20,673			
Regency Towers I	0.000%	04/01/2040	5,151			
Residences At Canal Bluffs	7.640%	06/01/2051	766			
Rindge Apts	4.250%	07/01/2058	20,699			
River Place Towers	4.125%	04/01/2055	15,213			
Rolfe House	6.500%	01/01/2047	317			
Sc Hamilton Apts	4.100%	06/01/2061		1,476	$ 5,124	
School House Brookledge	7.200%	01/01/2049	1,501			
Seabury Heights	5.340%	02/01/2043	11,667			
Seabury Heights	5.548%	04/01/2022	369			
Shillman House	6.500%	11/01/2051	11,992			
Silver Leaf Terrace	5.730%	12/01/2040	11,411			
Sitkowski School Apartments	5.000%	07/01/2056	1,691			
Smith House	3.750%	12/01/2058	13,186			
South End Apartments	6.760%	06/01/2043	3,750			
South End Tenants Houses II	6.190%	12/01/2045	11,124			
South End Tenants Houses II	5.250%	12/01/2023	1,427			
Spring Gate	7.250%	07/01/2056	5,284			
St Mathieus School	4.000%	06/01/2053	1,793			
St Stephen'S Tower	3.600%	01/01/2034	15,627			
Stratton Hill	4.560%	06/01/2059	9,801			
Summer Hill Glen	4.150%	11/01/2053	11,289			
Susan S Bailis Assisted Living	6.500%	07/01/2043	1,913			
Sycamore Village	6.810%	08/01/2050	948			
Taurus At Ftn Hill	8.000%	07/01/2021	263			
Taurus At Ftn Hill	9.625%	07/01/2021	20			
The Carruth	5.850%	10/01/2048	5,104			
The Close Building	4.690%	03/01/2060	9,280			
The Commons at Boston Road (variable rate)	0.140%	11/30/2038	14,315			
The Commons at Drum Hill (variable rate)	0.140%	08/31/2038	9,286			
The Coolidge	5.300%	07/01/2050	3,622			
The Coolidge	4.460%	08/01/2049	2,410			
The Fairways At Lebaron Hills	7.000%	02/01/2051	376			
The Stearns Apartment	6.400%	02/01/2042	6,082			

SUPPLEMENTAL SCHEDULE 2: MORTGAGE / CONSTRUCTION LOAN OBLIGATIONS AND COMMITMENTS

			In thousands			
Project Name	**Interest Rate**	**Maturity Date**	**Mortgage Obligation**	**Advances Construction/ Mortgage Loans**	**Balance of Commitment**	**Notes**
The Stearns Apartment	6.575%	02/01/2021	$ 853			
The Tannery	4.100%	01/01/2062		$ 14,492	$ 13,808	
The Watson	4.150%	12/01/2059	29,231			
Traditions of Dedham	6.650%	03/01/2044	9,205			
Treehouse at Easthampton Meadow	7.100%	09/01/2037	590			
Tribune Apartments	4.290%	05/01/2058	4,261			
Trinity Terrace	7.700%	01/31/2035	408			
UE Apartments	5.500%	01/01/2053	4,127			
Uphams Corner Market	6.470%	12/01/2042	1,326			
Valebrook	5.000%	04/01/2051	7,997			
Van Der Hayden	8.000%	09/01/2021	164			
Village at Hospital Hill II	4.000%	01/20/2050	1,300			
Voke Lofts	3.400%	01/01/2055	2,000			
Wait Street	8.800%	11/01/2021	445			
Warren House	6.947%	12/01/2023	1,491			
Washington Park Apartments	3.400%	01/01/2055	3,069			
Waterway Apartments	5.000%	02/01/2052	5,210			
Waverley Woods	6.980%	07/01/2049	1,619			
Waverley Woods	0.000%	07/01/2049	1,750			
Weeks School Apartments	6.720%	06/01/2047	1,033			
Wellington Community	4.570%	01/01/2060	16,339			
Westland Avenue Apartments	6.050%	02/01/2046	9,081			
Wilbraham Commons	7.000%	03/19/2048	958			
Wilkins Glen	4.150%	11/01/2053	10,488			
Willow Apartments	5.300%	05/01/2047	3,066			
Woodbourne Apartments	5.600%	07/01/2049	283			
Woodland Station Apartments	5.650%	01/01/2048	3,605			
Woodland Station Apartments	0.000%	01/01/2048	270			
Woods @ Wareham	5.500%	07/01/2054	8,705			
Worcester Loomworks Phase I	4.900%	01/01/2056	1,311			
Worcester Loomworks Phase II	6.000%	01/01/2056	1,042			
Zelma Lacey House Of Charlestown	5.900%	11/01/2044	5,528			
Sub-total			**$ 1,530,750**	**$ 107,687**	**$ 79,202**	
Single Family Housing Revenue Bond Program Adopted September 12, 1985						
Home Improvement Loans	1.000% - 2.00%		$ 11,747			
Single Family Mortgages Receivable	2.875% - 8.500%		299,488			
Sub-total			**$ 311,235**			
Total			**$ 2,872,372**	**$ 209,919**	**$ 240,526**	

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

SCHEDULE 3: BONDS PAYABLE

In thousands of dollars

	Final Maturity Date	Next Scheduled Principal Payment Date	Interest % Rate Range From	Interest % Rate Range To	Debt Type	Outstanding June 30, 2019	Issued and Compounded	Retired or Exchanged	Outstanding June 30, 2020	Unamortized Bond/Note Discount/Premium	Adjusted Totals
Rental Housing Mortgage Revenue Bond Program											
2002 Series D (var)	01/01/2045	07/01/2020	.4300	2.6600	Underwritten	$ 12,650		$ 8,145	$ 4,505		$ 4,505
2002 Series G (var)	01/01/2046		1.9100	2.6600	Private Placement	7,830		7,830	-		-
2003 Series A (var)	07/01/2043	07/01/2020	.4300	2.6600	Private Placement	17,985		305	17,680		17,680
Sub-total						**$ 38,465**	**$ -**	**$ 16,280**	**$ 22,185**	**$ -**	**$ 22,185**
General Rental Development Bond Program											
2005 Series AC	01/01/2026	01/01/2021	4.3750	4.5000	Underwritten	$ 302		$ 38	$ 264		$ 264
2005 Series AW	01/01/2026	01/01/2021	4.3750	4.5000	Underwritten	343		42	301		301
2012 Issue One	06/01/2053	12/01/2020	2.3750	4.6250	Underwritten	12,480		130	12,350		12,350
2012 Series A	06/01/2053	12/01/2020	4.0000	4.0000	Private Placement	62,910		785	62,125		62,125
2014 Series A	01/15/2046	07/15/2020	4.3750	4.3750	Underwritten	15,421		245	15,176		15,176
2014 Series B	04/15/2054	07/15/2020	4.5000	4.5000	Underwritten	43,387		438	42,949		42,949
VRHB 2015A (var)	01/01/2034	01/01/2034	.1300	6.5200	Underwritten	31,850		625	31,225		31,225
2018 Mill Road (var)	11/01/2048	11/01/2020	.6600	5.7500	Underwritten	23,560		235	23,325		23,325
Sub-total						**$ 190,253**	**$ -**	**$ 2,538**	**$ 187,715**	**$ -**	**$ 187,715**
Multi-Family Housing Bond Program											
2009 Series A, Subseries 1	12/01/2051	12/01/2038	3.0100	3.0100	Private Placement	$ 85,280			$ 85,280		$ 85,280
2009 Series A, Subseries 2	12/01/2051	06/01/2033	3.5500	3.5500	Private Placement	50,170			50,170		50,170
2009 Series A, Subseries 3	12/01/2051	06/01/2035	2.5800	2.5800	Private Placement	42,830			42,830		42,830
2009 Series A, Subseries 4	12/01/2051	12/01/2020	2.3200	2.3200	Private Placement	14,640		$ 260	14,380		14,380
2010 Series A	12/01/2038	12/01/2020	3.6500	5.3000	Underwritten	58,240		1,870	56,370		56,370
2011 Series A	12/01/2032	12/01/2020	3.0000	4.8750	Underwritten	14,060		765	13,295		13,295
2011 Series B	12/01/2053	12/01/2020	2.8000	5.1250	Underwritten	27,140		850	26,290		26,290
Sub-total						**$ 292,360**	**$ -**	**$ 3,745**	**$ 288,615**	**$ -**	**$ 288,615**
Housing Bond Program											
2003 Series F (var)	12/01/2037	12/01/2020	.3900	5.3400	Underwritten	$ 340		$ 25	$ 315		$ 315
2003 Series H	06/01/2043	12/01/2020	4.8750	5.1250	Underwritten	1,405		30	1,375		1,375
2008 Series A (var)	05/01/2048	07/01/2020	.4100	3.0600	Private Placement	81,275		1,050	80,225		80,225
2009 Series B (var)	01/01/2044	07/01/2020	.1900	3.0400	Underwritten	11,408		200	11,208		11,208
2009 Series C	12/01/2049	12/01/2020	3.8000	5.3500	Underwritten	31,515		12,445	19,070		19,070
2009 Series D	06/01/2040		4.0500	5.0500	Underwritten	10,655		10,655	-		-
2010 Series A	12/01/2022		4.0000	4.2500	Underwritten	6,215		6,215	-		-
2010 Series B	06/01/2041		3.9500	5.5000	Underwritten	5,495		5,495	-		-
2010 Series C	12/01/2042		4.3000	5.3500	Underwritten	29,050		29,050	-		-
2010 Series D	12/01/2042		4.7820	7.0180	Underwritten	5,070		5,070	-		-
2010 Series E	06/01/2053		3.4500	5.1250	Underwritten	11,755		11,755	-		-
2011 Series A	12/01/2041	12/01/2020	3.7000	5.3000	Underwritten	14,755		360	14,395	$ (16)	14,379
2012 Series A	12/01/2031	12/01/2020	2.0000	3.5000	Underwritten	24,220		1,640	22,580		22,580
2012 Series B	06/01/2053	12/01/2020	2.0000	4.0200	Underwritten	37,280		595	36,685		36,685
2012 Series C	06/01/2043	12/01/2020	2.8070	4.8360	Underwritten	31,870		17,925	13,945		13,945
2012 Series E	12/01/2054	12/01/2020	1.7500	3.7500	Underwritten	23,040		525	22,515		22,515
2012 Series F	06/01/2043	12/01/2020	1.7500	3.5000	Underwritten	570		15	555		555
2013 Series A	12/01/2041	12/01/2020	2.3130	5.0860	Underwritten	18,000		4,420	13,580		13,580
2013 Series B	06/01/2056	12/01/2020	2.2000	4.5000	Underwritten	112,750		1,385	111,365	61	111,426
2013 Series C	12/01/2049	12/01/2020	2.4000	5.3500	Underwritten	22,415		265	22,150		22,150
2013 Series E	12/01/2054	12/01/2020	2.1500	5.2500	Underwritten	28,525		275	28,250	(61)	28,189
2013 Series F (var)	12/01/2038	12/01/2020	.1200	5.7500	Underwritten	24,380		660	23,720		23,720
2014 Series A	12/01/2055	12/01/2020	1.7500	4.6000	Underwritten	21,460		815	20,645		20,645
2014 Series B	12/01/2047	12/01/2020	2.1500	4.7000	Underwritten	63,140		2,735	60,405		60,405
2014 Series C	12/01/2045	12/01/2020	2.5960	5.0000	Underwritten	1,690		335	1,355		1,355
2014 Series D	12/01/2054	12/01/2020	1.5500	4.2500	Underwritten	28,610		415	28,195		28,195
2014 Series E	12/01/2045	12/01/2020	1.9000	4.3500	Underwritten	3,790		85	3,705		3,705
2015 Series A	12/01/2048	12/01/2020	2.1500	4.5000	Underwritten	45,110		380	44,730		44,730
2015 Series B	12/01/2053	12/01/2020	2.4080	4.6140	Underwritten	29,635		790	28,845		28,845
2015 Series C	06/01/2055	12/01/2020	1.8500	4.2500	Underwritten	20,420		285	20,135		20,135
2015 Series D	12/01/2045	12/01/2020	1.7000	4.3000	Underwritten	34,970		350	34,620		34,620
2015 Series E	12/01/2045	12/01/2020	1.5500	4.2000	Underwritten	27,145		650	26,495		26,495
2015 Series G	12/01/2050	12/01/2020	1.5000	4.1000	Underwritten	49,500		920	48,580		48,580
2015 Series H	12/01/2050	12/01/2020	1.5000	4.1000	Underwritten	20,005		370	19,635		19,635
2015 Series I	12/01/2050	06/01/2022	3.4500	3.4500	Underwritten	25,000		-	25,000		25,000
2016 Series A	12/01/2055	12/01/2020	1.2000	4.1000	Underwritten	24,370		280	24,090		24,090
2016 Series B	12/01/2048	12/01/2020	1.5500	4.2500	Underwritten	13,040		215	12,825		12,825
2016 Series C	12/01/2055	12/01/2020	2.4500	5.0000	Underwritten	22,205		4,210	17,995		17,995
2016 Series D	12/01/2048	12/01/2027	2.9000	3.4500	Underwritten	48,530		-	48,530		48,530
2016 Series E	12/01/2027	12/01/2020	1.8000	3.2000	Underwritten	11,805		1,315	10,490		10,490
2016 Series F	06/01/2057	12/01/2020	1.0500	3.6250	Underwritten	72,960		1,065	71,895		71,895
2016 Series G	12/01/2058	12/01/2020	3.8500	3.8500	Private Placement	9,895		105	9,790		9,790
2016 Series H	12/01/2046	12/01/2020	1.7000	4.4000	Underwritten	51,285		1,130	50,155		50,155
2016 Series I (var)	12/01/2056	06/01/2047	1.4249	2.8136	Private Placement	25,000		-	25,000		25,000
2017 Series A	12/01/2049	12/01/2020	1.6500	4.5500	Underwritten	70,640		3,535	67,105		67,105
2017 Series B	12/01/2028	12/01/2020	2.2000	3.8500	Underwritten	7,650		5,480	2,170		2,170
2017 Series C	12/01/2052	12/01/2020	1.1500	4.0500	Underwritten	43,280		710	42,570		42,570
2017 Series D	06/01/2059	12/01/2020	1.4000	4.0000	Underwritten	106,445		600	105,845		105,845
2018 Series A	06/01/2046	12/01/2020	1.8000	3.8500	Underwritten	27,475		80	27,395		27,395
2018 Series B (var)	06/01/2058	06/01/2046	1.1700	2.7300	Private Placement	25,000		-	25,000		25,000
2018 Series C	06/01/2040	12/01/2020	3.0380	4.7210	Underwritten	78,345		36,670	41,675		41,675
2018 Series D	12/01/2058	06/01/2021	1.9500	4.4500	Underwritten	51,235		-	51,235		51,235
2019 Series A	06/01/2061	06/01/2021	1.4000	3.6250	Underwritten	70,855			70,855		70,855
2019 Series B, Subseries 1	12/01/2056	12/01/2020	1.2000	3.3000	Underwritten		$ 71,940	770	71,170		71,170
2019 Series B, Subseries 2	06/01/2023	06/01/2023	1.6000	1.6000	Underwritten		20,060		20,060		20,060
2019 Series B, Subseries 3	12/01/2059	12/01/2056	3.3000	3.3000	Private Placement		8,340		8,340		8,340
2019 Series B, Subseries 4	12/01/2022	12/01/2022	1.5000	1.5000	Private Placement		8,750		8,750		8,750
2019 Series C, Subseries 1	06/01/2062	12/01/2022	1.2500	3.3500	Underwritten		92,920		92,920		92,920

SCHEDULE 3: BONDS PAYABLE

In thousands of dollars

	Final Maturity Date	Next Scheduled Principal Payment Date	Interest % Rate Range From	To	Debt Type	Outstanding June 30, 2019	Issued and Compounded	Retired or Exchanged	Outstanding June 30, 2020	Unamortized Bond/Note Discount/Premium	Adjusted Totals
2019 Series C, Subseries 2	06/01/2023	06/01/2023	1.4500	1.4500	Underwritten		$ 1,280		$ 1,280		$ 1,280
2019 Series D	06/01/2061	12/01/2021	1.9500	3.8400	Underwritten		13,860		13,860	$ (53)	13,807
2020 Series A-1	06/01/2060	12/01/2022	.8000	3.1000	Underwritten		94,710		94,710	317	95,027
2020 Series A-2	12/01/2052	12/01/2020	.4500	3.0000	Underwritten		11,550		11,550	54	11,604
2020 Series A-3	12/01/2023	12/01/2023	.8750	.8750	Underwritten		27,000		27,000		27,000
2020 Series B	12/01/2040	12/01/2020	.8500	3.3500	Underwritten		21,355		21,355		21,355
Sub-total						**$ 1,662,478**	**$ 371,765**	**$ 174,350**	**$ 1,859,893**	**$ 302**	**$ 1,860,195**
Single Family Housing Revenue Bond Program											
Series 76 (var)	12/01/2030	12/01/2020	.7800	3.0100	Underwritten	$ 13,885		$ 725	$ 13,160		$ 13,160
Series 151	12/01/2027	12/01/2026	4.1000	4.1000	Underwritten	375		145	230		230
Series 152	12/01/2020	12/01/2020	3.0500	3.2500	Underwritten	2,520		1,660	860		860
Series 153	12/01/2020	12/01/2020	3.8000	4.0000	Underwritten	3,500		2,780	720		720
Series 155	12/01/2028	12/01/2020	3.5500	5.0000	Underwritten	2,470		1,775	695	$ 81	776
Series 156	06/01/2029	12/01/2020	3.0000	4.5000	Underwritten	3,675		1,635	2,040	33	2,073
Series 157	12/01/2023	12/01/2023	3.0000	3.9000	Underwritten	6,860		4,665	2,195		2,195
Series 159	12/01/2032	12/01/2020	2.3500	4.0500	Underwritten	7,025		1,775	5,250		5,250
Series 160	06/01/2034	12/01/2020	2.5500	3.7500	Underwritten	8,950		1,845	7,105	95	7,200
Series 161	12/01/2042	12/01/2020	2.0500	3.8750	Underwritten	2,100		920	1,180		1,180
Series 162	12/01/2042	12/01/2020	1.7000	3.5000	Underwritten	81,280		3,450	77,830	224	78,054
Series 163	12/01/2033	12/01/2020	2.2500	4.0000	Underwritten	28,665		2,645	26,020	341	26,361
Series 165	12/01/2043	12/01/2020	1.8000	4.0000	Underwritten	21,735		6,545	15,190		15,190
Series 166	12/01/2026	12/01/2020	1.9280	3.7910	Underwritten	15,675		2,110	13,565		13,565
Series 167	12/01/2043	12/01/2020	2.3000	4.0000	Underwritten	10,850		3,565	7,285	642	7,927
Series 168	12/01/2026	12/01/2020	1.7000	3.7500	Underwritten	16,375		1,685	14,690		14,690
Series 169	12/01/2044	06/01/2021	2.5500	4.0000	Underwritten	8,790		3,065	5,725	657	6,382
Series 170	12/01/2020	12/01/2020	2.6080	3.1920	Underwritten	3,305		2,840	465		465
Series 171	12/01/2044	12/01/2020	1.6500	4.0000	Underwritten	24,715		7,680	17,035	711	17,746
Series 172	06/01/2045	06/01/2028	3.3000	4.0000	Underwritten	32,685		7,090	25,595	1,461	27,056
Series 173	12/01/2026	12/01/2025	3.0000	3.1000	Underwritten	3,080			3,080		3,080
Series 174	12/01/2025	12/01/2020	1.9500	3.4000	Underwritten	16,415		2,405	14,010		14,010
Series 175	12/01/2045	06/01/2039	4.0000	4.1000	Underwritten	9,850		545	9,305	1,213	10,518
Series 176	12/01/2025	12/01/2024	2.9500	3.0000	Underwritten	3,120			3,120		3,120
Series 177	06/01/2039	12/01/2020	2.1000	4.0000	Underwritten	30,965		6,315	24,650		24,650
Series 178	06/01/2042	06/01/2031	3.5000	3.7000	Underwritten	46,765		12,735	34,030	1,738	35,768
Series 179	12/01/2025	12/01/2022	2.3000	2.9000	Underwritten	12,800			12,800		12,800
Series 180	12/01/2028	12/01/2020	1.8500	3.5000	Underwritten	13,570		5,235	8,335		8,335
Series 181	12/01/2044	06/01/2030	3.2500	4.0000	Underwritten	33,395		6,195	27,200	1,058	28,258
Series 182	12/01/2028	12/01/2020	1.5000	3.3000	Underwritten	17,695		1,555	16,140		16,140
Series 183	12/01/2046	06/01/2027	2.8000	3.5000	Underwritten	31,990		4,235	27,755	1,275	29,030
Series 184	06/01/2027	12/01/2020	1.2000	2.6250	Underwritten	8,790		995	7,795		7,795
Series 185	06/01/2046	06/01/2021	2.1000	4.2000	Underwritten	36,525		1,065	35,460	1,406	36,866
Series 186	06/01/2039	12/01/2020	1.8500	4.0000	Underwritten	29,675		7,660	22,015		22,015
Series 187	12/01/2037	12/01/2026	2.4000	3.5500	Underwritten	51,920		6,050	45,870	2,041	47,911
Series 188	06/01/2043	12/01/2020	1.5000	4.0000	Underwritten	37,375		6,190	31,185		31,185
Series 189	12/01/2047		1.5000	1.5000	Underwritten	25,000		25,000	-		-
Series 190	12/01/2048	12/01/2028	2.7000	4.0000	Underwritten	61,195		4,235	56,960	1,509	58,469
Series 191	12/01/2028	12/01/2020	1.8500	3.1500	Underwritten	15,225		1,385	13,840		13,840
Series 192	12/01/2022	12/01/2022	.0000	.0000	Private Placement	14,800			14,800		14,800
Series 193	12/01/2043	12/01/2020	2.7500	4.4000	Underwritten	17,500		785	16,715	671	17,386
Series 195	12/01/2048	12/01/2020	1.8500	4.0000	Underwritten	15,965		1,335	14,630		14,630
Series 196 (var)	12/01/2048	06/01/2030	.4700	2.0310	Underwritten	15,000			15,000		15,000
Series 197	06/01/2030	12/01/2020	3.0500	4.0500	Underwritten	8,300		30	8,270	693	8,963
Series 198	12/01/2034	06/01/2021	2.0500	3.8500	Underwritten	8,810		775	8,035		8,035
Series 199	12/01/2048	06/01/2036	3.8000	4.0000	Underwritten	16,915		1,875	15,040		15,040
Series 200 (var)	12/01/2048	12/01/2034	.5000	2.0610	Underwritten	15,000		-	15,000		15,000
Series 201	12/01/2037	12/01/2020	3.0500	4.7000	Underwritten	12,335		255	12,080	734	12,814
Series 202	06/01/2034	12/01/2020	2.2500	4.0500	Underwritten	3,530		440	3,090		3,090
Series 203	12/01/2048	12/01/2020	4.5000	4.5000	Underwritten	12,325		630	11,695		11,695
Series 204 (var)	12/01/2048	06/01/2038	.4400	5.5300	Underwritten	10,000			10,000		10,000
Series 205	06/01/2035	12/01/2020	2.4500	3.8000	Underwritten	18,000		125	17,875	1,298	19,173
Series 206	12/01/2036	06/01/2021	1.7500	3.4500	Underwritten	6,610		710	5,900		5,900
Series 207	06/01/2049	12/01/2036	3.1500	4.0000	Underwritten	19,890		385	19,505		19,505
Series 208 (var)	06/01/2049	06/01/2037	.1200	6.0000	Underwritten	15,000			15,000		15,000
Series 209	06/01/2034	12/01/2020	1.7500	3.0000	Underwritten		$ 14,000	-	14,000	1,457	15,457
Series 210	12/01/2036	06/01/2021	1.2500	3.0000	Underwritten		9,150	595	8,555		8,555
Series 211	12/01/2049	12/01/2036	2.6000	3.5000	Underwritten		20,290	-	20,290		20,290
Series 212 (var)	12/01/2049	12/01/2037	1.4500	1.4500	Underwritten		15,000		15,000		15,000
Series 213	12/01/2023	12/01/2020	1.2500	1.7000	Underwritten		4,495	120	4,375	4,021	8,396
Series 214	12/01/2049	12/01/2023	1.3500	5.0000	Underwritten		73,710		73,710		73,710
Series 215	12/01/2050	12/01/2020	.6500	4.0000	Underwritten		42,145		42,145	2,035	44,180
Series 216 (var)	12/01/2050	06/01/2033	1.8500	1.8500	Underwritten		25,000		25,000		25,000
Sub-total						**$ 990,765**	**$ 203,790**	**$ 158,460**	**$ 1,036,095**	**$ 25,394**	**$ 1,061,489**
Residential Mortgage Revenue Bond Program											
2012 Series A	10/01/2042		3.0270	3.0270	Underwritten	$ 26,035		$ 5,014	$ 21,021	$ 982	$ 22,003
2012 Series B	12/01/2042		2.5270	2.5270	Underwritten	25,589		6,365	19,224	498	19,722
Sub-total						**$ 51,624**	**$ -**	**$ 11,379**	**$ 40,245**	**$ 1,480**	**$ 41,725**
						$ 3,225,945	**$ 575,555**	**$ 366,752**	**$ 3,434,748**	**$ 27,176**	**$ 3,461,924**

SCHEDULE 4: NOTES AND OTHER INDEBTEDNESS

	Scheduled Redemption Date	Interest Rate Range From	Interest Rate Range To	Debt Type	Outstanding June 30, 2019	Issued and Compounded	Retired	Outstanding June 30, 2020	Unamortized Bond/Note Discount/Premium	Adjusted Totals
					In thousands of dollars					
Working Capital Fund										
General Obligation Notes Payable										
Construction Loan Notes										
2017 Series A	06/01/2020	1.8500	1.8500	Underwritten	$ 22,550		$ 22,550	$ -		$ -
2017 Series B	12/01/2021	2.0500	2.0500	Underwritten	66,125		19,190	46,935		46,935
2017 Series C	06/01/2020	2.3500	2.3500	Underwritten	9,790		9,790	-		-
Total					**$ 98,465**	**$ -**	**$ 51,530**	**$ 46,935**	**$ -**	**$ 46,935**
Direct Purchase Construction Loan Notes										
DIRECT PURCHASE IS 4 BLK 2018A	06/18/2021	4.2700	4.2700	Direct Purchase	$ 26,676		$ 2,325	$ 24,351		$ 24,351
DIRECT PURCHASE IS 4 BLK 2018B	06/18/2021	4.2700	4.2700	Direct Purchase	4,175		4,175	-		-
DIRECT PURCHASE IS 4 BLK 2018C	12/20/2021	4.1700	4.1700	Direct Purchase	8,345	$ 17,666		26,011		26,011
DIRECT PURCHASE IS 5 BLK 2018A	12/20/2021	4.1900	4.1900	Direct Purchase	14,901	15,499		30,400		30,400
DIRECT PURCHASE IS 5 BLK 2019A	06/27/2022	3.2600	3.2600	Direct Purchase	9,073	1,737		10,810		10,810
DIRECT PURCHASE IS 5 BLK 2019B	06/27/2022	4.1000	4.1000	Direct Purchase	8,500			8,500		8,500
DIRECT PURCHASE IS 6 BLK 2019A	10/03/2022	3.5500	3.5500	Direct Purchase		50		50		50
DIRECT PURCHASE IS 6 BLK 2019B	09/30/2021	4.2000	4.2000	Direct Purchase		17,807		17,807		17,807
Total					**$ 71,670**	**$ 52,759**	**$ 6,500**	**$ 117,929**	**$ -**	**$ 117,929**
Housing Bond Program										
2018 IS 2 BLK 2018A NOTES (var)	07/24/2020	0.6170	2.8460	Underwritten	$ 250			$ 250		$ 250
Total					**$ 250**	**$ -**	**$ -**	**$ 250**	**$ -**	**$ 250**
Grand Total					**$ 170,385**	**$ 52,759**	**$ 58,030**	**$ 165,114**	**$ -**	**$ 165,114**

SCHEDULE 5: DEBT SERVICE REQUIREMENTS

In thousands of dollars

	2021		2022		2023		2024		2025		2026-2030		2031-
	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Working Capital Fund *	$ 6,588	$ 49,608	$ 5,369	$ 190,435	$ 324	$ 13,570							
Rental Housing Mortgage Revenue Bond Program **	95	445	93	475	91	500	$ 89	$ 540	$ 87	$ 575	$ 389	$ 3,545	$ 297
General Rental Development Bond Program**	5,840	1,310	5,798	1,363	5,752	1,431	5,705	1,495	5,655	1,571	27,454	8,625	25,826
Multi-Family Housing Bond Program	10,388	3,915	10,236	4,105	10,070	4,295	9,887	4,505	9,693	4,715	45,053	27,180	37,935
Housing Bond Program**	62,314	29,210	61,939	30,435	61,145	64,425	59,788	62,575	58,739	35,265	276,610	205,025	240,290
Single Family Housing Revenue Bond Program **	31,747	39,070	30,842	37,170	29,926	56,495	28,733	44,530	27,535	36,725	122,343	153,325	93,133
Residential Mortgage Revenue Bond Program	1,122	1,176	1,122		1,122		1,122		1,122		5,610		5,610
Totals ***	$ 118,094	$ 124,734	$ 115,399	$ 263,983	$ 108,430	$ 140,716	$ 105,324	$ 113,645	$ 102,831	$ 78,851	$ 477,459	$ 397,700	$ 403,091

*The following Direct Purchase Construction Loan Notes (DP CLN) are being drawn down in increments based on the draw schedules in the Schedule of Advances in the Block Certificates: Issue Four Block 2018C, Issue Five Block 2018A, Issue Five Block 2019A, Issue Six Block 2019A, Issue Six Block 2019B. As of June 30, 2020, the amount of DP CLN outstanding is $117,929. However, the schedule above includes additional advances of $88,749, which will be completed by December 1, 2021.

** The bond programs indicated above include weekly variable rate debt in some or all of the outstanding principal balance. For purposes of the table above, interest is calculated at the rate in effect on June 30, 2020. Most of the variable rate debt is subject to weekly redetermination by the remarketing agent, while some series are based on LIBOR (London Interbank Offer Rate) and SIFMA index rates.

*** The total Principal amount shown excludes any amounts for unamortized bond / note discount / premium. In addition, the future principal and interest payments have been adjusted for contractual amounts or scheduled payments paid during the first quarter of FY 2021 for notices received by the Agency as of June 30,2020.

In thousands of dollars

-2035	2036-2040		2041-2045		2046-2050		2051-2055		2056-2060		2061-2065		Scheduled Maturity	
Principal	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**
													$ 12,281	$ 253,613
$ 4,950	$ 181	$ 5,635	$ 43	$ 5,520	$ -	$ -							$ 1,365	$ 22,185
42,040	23,681	13,740	21,170	17,475	14,988	42,201	$ 8,472	$ 56,464					$ 150,341	$ 187,715
34,330	29,624	43,410	21,619	57,680	11,856	72,970	1,880	31,510					$ 198,241	$ 288,615
243,460	193,960	277,970	142,085	292,073	87,038	280,425	43,021	203,560	$ 11,982	$ 123,120	$ 459	$ 12,600	$ 1,299,370	$ 1,860,143
217,490	58,192	181,000	30,955	159,890	7,360	107,485	42	2,915					$ 460,808	$ 1,036,095
	5,610		2,699	39,069									$ 25,139	$ 40,245
$ 542,270	$ 311,248	$ 521,755	$ 218,571	$ 571,707	$ 121,242	$ 503,081	$ 53,415	$ 294,449	$ 11,982	$ 123,120	$ 459	$ 12,600	$ 2,147,545	$ 3,688,611

SCHEDULE 6: Mortgage Backed Securities ("MBS") Forward Contracts - Hedging Derivative Instruments

Forward Contracts to sell To Be Announced ("TBA") MBS	Notional Amount Jun. 30, 2020	Trade Date	Delivery Date	Coupon Rate	Fair Value Jun. 30, 2020	Counterparty Credit Rating
Federal National Mortgage Association ("FNMA") TBA JUL 2020 [1]	$ 5,000,000	5/11/2020	7/21/2020	2.50%	$ (51,563)	Aaa
FNMA TBA JUL 2020 [1]	5,143,045	5/11/2020	7/21/2020	3.00%	(25,715)	Aaa
FNMA TBA AUG 2020	5,000,000	5/13/2020	8/13/2020	2.50%	(43,750)	Aaa
FNMA TBA AUG 2020	30,000,000	5/20/2020	8/13/2020	2.50%	(239,063)	Aaa
FNMA TBA JUL 2020	15,000,000	5/26/2020	7/14/2020	2.50%	(140,039)	Aaa
Federal Home Loan Mortgage Corporation ("FHLMC") TBA AUG 2020	5,000,000	5/28/2020	8/13/2020	2.50%	(48,438)	Aaa
FHLMC TBA AUG 2020	2,000,000	6/1/2020	8/13/2020	3.00%	(6,250)	Aaa
FNMA TBA AUG 2020	5,000,000	6/1/2020	8/13/2020	2.50%	(37,109)	Aaa
FHLMC TBA AUG 2020	5,000,000	6/2/2020	8/13/2020	2.50%	(32,031)	Aaa
FHLMC TBA AUG 2020	5,000,000	6/4/2020	8/13/2020	2.50%	(43,555)	Aaa
FHLMC TBA SEP 2020	15,000,000	6/11/2020	9/14/2020	2.50%	(25,781)	Aaa
FHLMC TBA SEP 2020	5,000,000	6/12/2020	9/14/2020	2.50%	(14,844)	Aaa
FNMA TBA JUL 2020 [1]	4,304,665	6/15/2020	7/21/2020	2.50%	(9,416)	Aaa
FNMA TBA AUG 2020 [1]	5,000,000	6/15/2020	8/20/2020	2.50%	(17,183)	Aaa
FNMA TBA SEP 2020	10,000,000	6/17/2020	9/14/2020	2.50%	(50,781)	Aaa
FHLMC TBA AUG 2020	5,000,000	6/19/2020	8/13/2020	2.50%	(22,656)	Aaa
FNMA TBA SEP 2020	10,000,000	6/24/2020	9/14/2020	2.50%	(35,938)	Aaa
FNMA TBA AUG 2020	20,000,000	6/25/2020	8/13/2020	2.50%	(65,625)	Aaa
FNMA TBA SEP 2020	5,000,000	6/25/2020	9/14/2020	2.50%	(16,406)	Aaa
FHLMC TBA AUG 2020	2,000,000	6/26/2020	8/13/2020	3.00%	(1,875)	Aaa
FHLMC TBA AUG 2020	10,000,000	6/30/2020	8/13/2020	2.50%	(10,938)	Aaa
FNMA TBA SEP 2020	5,000,000	6/30/2020	9/14/2020	2.50%	2,539	Aaa
FNMA TBA SEP 2020 [1]	3,000,000	6/30/2020	9/14/2020	2.50%	-	Aaa
Total	$ 181,447,710				$ (936,417)	

[1] These MBS forward contracts relate to Government National Mortgage Association ("Ginnie Mae") MBS to be issued. The Housing and Urban Development ("HUD") loans that eventually back the Ginnie Mae MBS are on a forward contract between MassHousing and FNMA.

SCHEDULE 6: MBS Forward Contracts - Hedging Derivative Instruments

Forward Contracts to sell TBA MBS	Notional Amount Jun. 30, 2019	Trade Date	Delivery Date	Coupon Rate	Fair Value Jun. 30, 2019	Counterparty Credit Rating
FHLMC TBA JUL 2019	$ 4,000,000	4/11/2019	7/15/2019	3.50%	$ (51,250)	Aaa
FHLMC TBA JUL 2019	5,000,000	4/22/2019	7/15/2019	3.50%	(86,328)	Aaa
FHLMC TBA JUL 2019	5,000,000	5/2/2019	7/15/2019	3.50%	(78,125)	Aaa
FHLMC TBA JUL 2019	5,000,000	6/10/2019	7/15/2019	3.50%	(7,813)	Aaa
FHLMC TBA JUL 2019	5,000,000	4/24/2019	7/15/2019	3.50%	(73,828)	Aaa
FNMA TBA JUL 2019	5,000,000	4/9/2019	7/15/2019	4.00%	(37,500)	Aaa
FNMA TBA JUL 2019	5,000,000	4/12/2019	7/15/2019	4.00%	(51,172)	Aaa
FNMA TBA JUL 2019 [1]	1,247,500	6/14/2019	7/22/2019	4.00%	(2,339)	Aaa
FHLMC TBA AUG 2019	5,000,000	6/7/2019	8/13/2019	3.50%	(3,125)	Aaa
FNMA TBA AUG 2019	5,000,000	5/17/2019	8/13/2019	3.50%	(47,656)	Aaa
FNMA TBA AUG 2019	5,000,000	5/13/2019	8/13/2019	3.50%	(52,344)	Aaa
FNMA TBA AUG 2019	2,000,000	5/22/2019	8/13/2019	3.50%	(21,563)	Aaa
FNMA TBA AUG 2019	4,000,000	5/22/2019	8/13/2019	4.00%	(25,625)	Aaa
FNMA TBA SEP 2019	5,000,000	6/27/2019	9/12/2019	3.00%	976	Aaa
FNMA TBA SEP 2019	5,000,000	6/13/2019	9/12/2019	3.50%	(9,375)	Aaa
Total	$ 66,247,500				$ (547,067)	

[1] These MBS forward contracts relate to Ginnie Mae MBS to be issued. The HUD loans that eventually back the Ginnie Mae MBS are on a forward contract between MassHousing and FNMA.

Supplemental Schedule 7

Massachusetts Housing Finance Agency and Affiliates

COMBINING STATEMENTS OF NET POSITION

June 30, 2020

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	June 30, 2020
Assets									
Current assets									
Cash and cash equivalents	$ 551,319	$ 3,758	$ 5,414	$ 28,854	$ 460,035	$ 69,349	$ 44		$ 1,118,773
Investments	31,719				59,085	89,209	1,176		181,189
Interest and fees receivable on construction and mortgage loans, net	760	170	578	1,177	6,412	920			10,017
Current portion of loans receivable, net	111,771	1,410	2,445	3,953	27,276	12,639			159,494
Interfund accounts receivable (payable)	512	(16)	(12)	(6)		(475)	(3)		
Other assets	9,718	4	1		611	2,442	114	$ (41)	12,849
Total current assets	**705,799**	**5,326**	**8,426**	**33,978**	**553,419**	**174,084**	**1,331**	**(41)**	**1,482,322**
Non-current assets									
Investments	112,148		119		38,368	822,397	42,265		1,015,297
Non-current portion of loans receivable, net	321,352	27,908	185,018	288,038	1,598,626	295,892			2,716,834
Escrowed funds	638,637		25		55				638,717
Investment derivative instruments					24				24
Other assets	55,391		7			1,293			56,691
Total non-current assets	**1,127,528**	**27,908**	**185,169**	**288,038**	**1,637,073**	**1,119,582**	**42,265**		**4,427,563**
Total assets	**1,833,327**	**33,234**	**193,595**	**322,016**	**2,190,492**	**1,293,666**	**43,596**	**(41)**	**5,909,885**
Deferred outflow of resources									
Pension and OPEB	15,476								15,476
Hedging derivative instruments	936	14,802			7,193				22,931
Total deferred outflow of resources	**16,412**	**14,802**			**7,193**				**38,407**
Total assets and deferred outflow of resource	**$ 1,849,739**	**$ 48,036**	**$ 193,595**	**$ 322,016**	**$ 2,197,685**	**$ 1,293,666**	**$ 43,596**	**$ (41)**	**$ 5,948,292**
Liabilities									
Current liabilities									
Current portion of long term debt, net	$ 37,641	$ 445	$ 1,310	$ 3,915	$ 29,210	$ 39,070	$ 1,176		$ 112,767
Obligation line of credit	35,000								35,000
Accrued interest payable	728	118	396	868	5,305	2,752	94		10,261
Other liabilities	16,190		240		28		41	$ (41)	16,458
Hedging derivative instruments	936								936
Total current liabilities	**90,495**	**563**	**1,946**	**4,783**	**34,543**	**41,822**	**1,311**	**(41)**	**175,422**
Non-current liabilities									
Non-current portion of long term debt, net	127,223	21,740	186,405	284,700	1,831,235	1,022,419	40,549		3,514,271
Long term- loan	16,363								16,363
Net pension and OPEB liability	45,880								45,880
Other liabilities	28,443				760				29,203
Escrowed funds payable	638,637		25		55				638,717
Hedging derivative instruments		14,802			7,193				21,995
Investment derivative instruments		62			146	5,450			5,658
Total non-current liabilities	**856,546**	**36,604**	**186,430**	**284,700**	**1,839,389**	**1,027,869**	**40,549**		**4,272,087**
Total liabilities	**947,041**	**37,167**	**188,376**	**289,483**	**1,873,932**	**1,069,691**	**41,860**	**(41)**	**4,447,509**
Deferred inflow of resources									
Pension and OPEB	10,177								10,177
Total deferred inflow of resources	**10,177**								**10,177**
Total liabilities and deferred inflow of resources	**957,218**	**37,167**	**188,376**	**289,483**	**1,873,932**	**1,069,691**	**41,860**	**(41)**	**4,457,686**
Commitments and contingencies									
Net position									
Restricted by bond resolutions		10,869	5,219	32,533	323,753	223,975	1,736		598,085
Restricted by contractual or statutory agreements	242,023								242,023
Unrestricted	650,498								650,498
Total net position	**$ 892,521**	**$ 10,869**	**$ 5,219**	**$ 32,533**	**$ 323,753**	**$ 223,975**	**$ 1,736**		**$ 1,490,606**

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

For the fiscal year ended:
June 30, 2020

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	Fiscal 2020
Operating revenues									
Interest on loans	$ 14,750	$ 2,073	$ 7,860	$ 13,712	$ 75,001	$ 13,414			$ 126,810
Investment earnings:									
Interest income	11,386	183	79	334	7,199	31,095	$ 1,454		51,730
Net increase (decrease) in fair value of investments	2,764	(40)			666	22,308	1,474		27,172
Fee income	76,973		141	490	2,327				79,931
Grant income	92,950								92,950
Miscellaneous income	2,194				276	608		$ (1,217)	1,861
Total operating revenues	**201,017**	**2,216**	**8,080**	**14,536**	**85,469**	**67,425**	**2,928**	**(1,217)**	**380,454**
Operating expenses									
Interest on bonds and notes, net of discount/premium	6,936	1,605	6,477	10,507	64,116	29,945	654		120,240
Financing costs	154				5,003	2,315			7,472
Administrative expenses	84,053	34	17	7	1,446	4,261	19		89,837
Grant expenses	7,925							(700)	7,225
Miscellaneous expenses (expense recoveries)	1,561					533		(517)	1,577
Total operating expenses	**100,629**	**1,639**	**6,494**	**10,514**	**70,565**	**37,054**	**673**	**(1,217)**	**226,351**
Operating income before provision for (reduction to) loan losses	**100,388**	**577**	**1,586**	**4,022**	**14,904**	**30,371**	**2,255**		**154,103**
Provision for (reduction to) loan losses	10,486				(5,522)	(22)			4,942
Total Provision for (reduction to) loan losses	**10,486**				**(5,522)**	**(22)**			**4,942**
Operating income after provision for (reduction to) loan losses	**89,902**	**577**	**1,586**	**4,022**	**20,426**	**30,393**	**2,255**		**149,161**
Special Items									
Change in net position	**89,902**	**577**	**1,586**	**4,022**	**20,426**	**30,393**	**2,255**		**149,161**
Interfund transfers	13,962	(295)	(1,460)	(2,976)	(13,479)	4,423	(175)		
Net position at the beginning of the fiscal year	788,657	10,587	5,093	31,487	316,806	189,159	(344)		1,341,445
Net position at the end of the fiscal year	**$ 892,521**	**$ 10,869**	**$ 5,219**	**$ 32,533**	**$ 323,753**	**$ 223,975**	**$ 1,736**		**$ 1,490,606**

COMBINING STATEMENTS OF CASH FLOWS

For the fiscal year ended:
June 30, 2020

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	Fiscal 2020
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS									
Cash flows from operating activities:									
Collections on mortgage loans, construction loan repayments and loan sales	$ 894,656	$ 3,406	$ 10,320	$ 17,657	$ 156,932	$ 56,494			$ 1,139,465
Loan advances to borrowers	(937,498)				(151,156)	(79,501)			(1,168,155)
Interest collections on construction loans	3,964								3,964
Fees collected	74,965		141	490	2,462				78,058
Cash payments to employees for services	(34,765)								(34,765)
Cash payments to other suppliers of goods and services	(43,951)	(34)	(79)	(1)	(866)	(4,256)	$ (16)		(49,203)
Grants received	92,950								92,950
Grants disbursed	(7,919)							700	(7,219)
Miscellaneous receipts (disbursements)	(6,825)	(16)	66		459			(700)	(7,016)
Escrow funds, net	(85,530)		(10)		(1)				(85,541)
Escrow funds payable, net	85,530		10		1				85,541
Net cash provided by (used for) operating activities	**35,577**	**3,356**	**10,448**	**18,146**	**7,831**	**(27,263)**	**(16)**		**48,079**
Cash flows from non-capital financing activities:									
Sale of bonds and notes and draw down on line of credit	62,759				372,081	211,609			646,449
Bond issuance / redemption costs	(154)				(5,003)	(2,195)			(7,352)
Retirement of bonds and notes and pay down on line of credit	(83,030)	(16,280)	(2,538)	(3,745)	(174,350)	(158,460)	(11,379)		(449,782)
Interest on bonds and notes	(6,880)	(1,660)	(6,555)	(10,517)	(64,315)	(33,319)	(1,292)		(124,538)
Fund transfers	33,011	(295)	(1,459)	(2,976)	(32,271)	4,180	(190)		
Net cash provided by (used for) non-capital financing activities	**5,706**	**(18,235)**	**(10,552)**	**(17,238)**	**96,142**	**21,815**	**(12,861)**		**64,777**
Cash flows from investing activities:									
Purchase of investments	(105,232)	(781)			(137,069)	(274,358)			(517,440)
Proceeds from sales of investments	147,776	3,108			252,341	235,019	11,379		649,623
Investment earnings, net of rebate	11,541	254	88	380	7,324	30,803	1,486		51,876
Net cash provided by (used for) investing activities	**54,085**	**2,581**	**88**	**380**	**122,596**	**(8,536)**	**12,865**		**184,059**
Net increase (decrease) in cash and cash equivalents	95,368	(12,298)	(16)	1,288	226,569	(13,984)	(12)		296,915
Cash and cash equivalents at the beginning of the fiscal year	455,951	16,056	5,430	27,566	233,466	83,333	56		821,858
Cash and cash equivalents at end of the fiscal year	**$ 551,319**	**$ 3,758**	**$ 5,414**	**$ 28,854**	**$ 460,035**	**$ 69,349**	**$ 44**		**$ 1,118,773**

Supplemental Schedule 7

Massachusetts Housing Finance Agency and Affiliates

COMBINING STATEMENTS OF CASH FLOWS (continued)

For the fiscal year ended:

June 30, 2020

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	Fiscal 2020
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES									
Operating income	**$ 89,902**	**$ 577**	**$ 1,586**	**$ 4,022**	**$ 20,426**	**$ 30,393**	**$ 2,255**		**$ 149,161**
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:									
Amortization of bond original discount (premium) and deferred issue costs, net					11	(3,308)	(612)		(3,909)
Depreciation and amortization	27,045								27,045
Provision for (reduction to) losses on loans, net	10,486				(5,522)	(22)			4,942
Recognition of fee income	(4,075)				(28)				(4,103)
Investment earnings	(11,386)	(183)	(79)	(334)	(7,199)	(31,095)	(1,454)		(51,730)
Change in fair value of investments	(2,764)	40			(666)	(22,308)	(1,474)		(27,172)
Interest expense on bonds and notes	6,936	1,605	6,477	10,507	64,105	33,253	1,266		124,149
Financing expenses	154				5,003	2,315			7,472
Changes in assets and liabilities:									
Decrease (increase) in loans and other receivables and mortgage-backed securities	(53,929)	1,325	2,566	3,930	(69,042)	(36,833)			(151,983)
Decrease (increase) in interest and fees receivable on loans	77	7	12	15	(163)	100			48
Decrease (increase) in interfund balances	(1,140)	(15)	9	6	745	392	3		
Decrease (increase) in other assets and other receivables	(107,573)		(6)		161	(48)			(107,466)
Increase (decrease) in accounts payable and other liabilities	81,844		(117)			(102)			81,625
Total adjustments	**(54,325)**	**2,779**	**8,862**	**14,124**	**(12,595)**	**(57,656)**	**(2,271)**		**(101,082)**
Net cash provided by (used for) operating activities	**$ 35,577**	**$ 3,356**	**$ 10,448**	**$ 18,146**	**$ 7,831**	**$ (27,263)**	**$ (16)**		**$ 48,079**

COMBINING STATEMENTS OF NET POSITION
June 30, 2019

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	June 30, 2019
Assets									
Current assets									
Cash and cash equivalents	$ 455,951	$ 16,056	$ 5,430	$ 27,566	$ 233,466	$ 83,333	$ 56		$ 821,858
Investments	77,174				189,970	58,510	1,399		327,053
Interest and fees receivable on construction and mortgage loans, net	837	176	590	1,192	6,250	1,020			10,065
Current portion of loans receivable, net	89,514	1,326	2,428	3,770	27,926	11,790			136,754
Interfund accounts receivable (payable)	225	(31)	(3)		15	(206)			
Other assets	10,871	153	10	46	1,219	2,643	147	$ (56)	15,033
Total current assets	**634,572**	**17,680**	**8,455**	**32,574**	**458,846**	**157,090**	**1,602**	**(56)**	**1,310,763**
Non-current assets									
Investments	106,141	2,327	119		21,563	788,181	51,948		970,279
Non-current portion of loans receivable, net	315,157	29,318	187,602	292,152	1,505,349	259,886			2,589,464
Escrowed funds	553,107		14		55				553,176
Investment derivative instruments					40				40
Other assets	56,558				161	1,245			57,964
Total non-current assets	**1,030,963**	**31,645**	**187,735**	**292,152**	**1,527,168**	**1,049,312**	**51,948**		**4,170,923**
Total assets	**1,665,535**	**49,325**	**196,190**	**324,726**	**1,986,014**	**1,206,402**	**53,550**	**(56)**	**5,481,686**
Deferred outflow of resources									
Pension and OPEB	19,624								19,624
Hedging derivative instruments	547	10,791			3,588				14,926
Total deferred outflow of resources	**20,171**	**10,791**			**3,588**				**34,550**
Total assets and deferred outflow of resources	**$ 1,685,706**	**$ 60,116**	**$ 196,190**	**$ 324,726**	**$ 1,989,602**	**$ 1,206,402**	**$ 53,550**	**$ (56)**	**$ 5,516,236**
Liabilities									
Current liabilities									
Current portion of long term debt, net	$ 32,340	$ 1,565	$ 1,350	$ 3,745	$ 34,815	$ 45,795	$ 1,399		$ 121,009
Obligation line of credit	50,000								50,000
Accrued interest payable	673	251	473	879	5,610	2,862	120		10,868
Other liabilities	15,766		357		29	102	56	$ (56)	16,254
Hedging derivative instruments	547								547
Total current liabilities	**99,326**	**1,816**	**2,180**	**4,624**	**40,454**	**48,759**	**1,575**	**(56)**	**198,678**
Non-current liabilities									
Non-current portion of long term debt, net	137,795	36,900	188,903	288,615	1,627,888	965,853	52,319		3,298,273
Long term- loan	16,363								16,363
Net pension and OPEB liability	58,820								58,820
Other liabilities	28,949				788				29,737
Escrowed funds payable	553,107		14		55				553,176
Hedging derivative instruments		10,791			3,588				14,379
Investment derivative instruments		22			23	2,631			2,676
Total non-current liabilities	**795,034**	**47,713**	**188,917**	**288,615**	**1,632,342**	**968,484**	**52,319**		**3,973,424**
Total liabilities	**894,360**	**49,529**	**191,097**	**293,239**	**1,672,796**	**1,017,243**	**53,894**	**(56)**	**4,172,102**
Deferred inflow of resources									
Pension and OPEB	2,689								**2,689**
Total deferred inflow of resources	**2,689**								**2,689**
Total liabilities and deferred inflow of resources	**897,049**	**49,529**	**191,097**	**293,239**	**1,672,796**	**1,017,243**	**53,894**	**(56)**	**4,174,791**
Commitments and contingencies									
Net position									
Restricted by bond resolutions		10,587	5,093	31,487	316,806	189,159	(344)		552,788
Restricted by contractual or statutory agreements	238,906								238,906
Unrestricted	549,751								549,751
Total net position	**$ 788,657**	**$ 10,587**	**$ 5,093**	**$ 31,487**	**$ 316,806**	**$ 189,159**	**$ (344)**		**$ 1,341,445**

Supplemental Schedule 7

Massachusetts Housing Finance Agency and Affiliates

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

For the fiscal year ended:
June 30, 2019

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	Fiscal 2019
Operating revenues									
Interest on loans	$ 13,027	$ 2,986	$ 8,296	$ 13,886	$ 76,107	$ 15,066			$ 129,368
Investment earnings:									
Interest income	14,387	362	169	573	8,253	28,981	$ 1,756		54,481
Net increase (decrease) in fair value of investments	3,949	(1,151)			764	27,031	1,808		32,401
Fee income	78,117		98	490	2,512				81,217
Miscellaneous income	5,238				256	467		$ (1,052)	4,909
Total operating revenues	**114,718**	**2,197**	**8,563**	**14,949**	**87,892**	**71,545**	**3,564**	**(1,052)**	**302,376**
Operating expenses									
Interest on bonds and notes, net of discount/premium	6,611	1,898	6,821	10,622	63,529	28,632	928		119,041
Financing costs	373		238		4,130	1,592			6,333
Administrative expenses	82,254	29	14	1	606	4,095	16		87,015
Grant expenses	2,037							(700)	1,337
Miscellaneous expenses (expense recoveries)	(179)					130		(352)	(401)
Total operating expenses	**91,096**	**1,927**	**7,073**	**10,623**	**68,265**	**34,449**	**944**	**(1,052)**	**213,325**
Operating income before provision for (reduction to) loan losses	**23,622**	**270**	**1,490**	**4,326**	**19,627**	**37,096**	**2,620**		**89,051**
Provision for (reduction to) loan losses	(21,352)			(276)	(6,021)	56			(27,593)
Total Provision for (reduction to) loan losses	**(21,352)**			**(276)**	**(6,021)**	**56**			**(27,593)**
Operating income after provision for (reduction to) loan losses	**44,974**	**270**	**1,490**	**4,602**	**25,648**	**37,040**	**2,620**		**116,644**
Special Items		(1,764)							(1,764)
Change in net position	**44,974**	**(1,494)**	**1,490**	**4,602**	**25,648**	**37,040**	**2,620**		**114,880**
Interfund transfers	21,257	(2,220)	(3,018)	(3,013)	(15,791)	3,003	(218)		
Net position at the beginning of the fiscal year	722,426	14,301	6,621	29,898	306,949	149,116	(2,746)		1,226,565
Net position at the end of the fiscal year	**$ 788,657**	**$ 10,587**	**$ 5,093**	**$ 31,487**	**$ 316,806**	**$ 189,159**	**$ (344)**		**$ 1,341,445**

Supplemental Schedule 7
Massachusetts Housing Finance Agency and Affiliates

COMBINING STATEMENTS OF CASH FLOWS

For the fiscal year ended:
June 30, 2019

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**	**Fiscal 2019**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS									
Cash flows from operating activities:									
Collections on mortgage loans, construction loan repayments and loan sales	$ 1,077,441	$ 29,626	$ 25,618	$ 17,577	$ 231,850	$ 57,148		$ 7,100	$ 1,446,360
Loan advances to borrowers	(1,133,587)				(62,476)	(9,932)			(1,205,995)
Interest collections on construction loans	2,284								2,284
Fees collected	74,528			490	2,968				77,986
Cash payments to employees for services	(34,714)		98						(34,616)
Cash payments to other suppliers of goods and services	(36,390)	(28)	(73)	(1)	(759)	(4,049)	$ (16)		(41,316)
Grants disbursed	(2,037)							700	(1,337)
Miscellaneous receipts (disbursements)	6,478	12	59		7			(7,800)	(1,244)
Escrow funds, net	(13,624)		(14)		(1)				(13,639)
Escrow funds payable, net	13,624		14		1				13,639
Net cash provided by (used for) operating activities	**(45,997)**	**29,610**	**25,702**	**18,066**	**171,590**	**43,167**	**(16)**		**242,122**
Cash flows from non-capital financing activities:									
Sale of bonds and notes and draw down on line of credit	98,003		23,675		226,158	150,118			497,954
Bond issuance / redemption costs	(363)		(238)		(4,130)	(1,691)			(6,422)
Retirement of bonds and notes and pay down on line of credit	(163,725)	(34,400)	(17,715)	(3,565)	(230,438)	(118,770)	$ (8,051)		(576,664)
Interest on bonds and notes	(6,571)	(2,006)	(6,843)	(10,631)	(63,865)	(31,082)	(1,545)		(122,543)
Fund transfers	61,862	(2,220)	(26,690)	(3,013)	(32,717)	3,003	(225)		
Net cash provided by (used for) non-capital financing activities	**(10,794)**	**(38,626)**	**(27,811)**	**(17,209)**	**(104,992)**	**1,578**	**(9,821)**		**(207,675)**
Cash flows from capital financing activities:									
Acquisition of capital assets	(3,832)								(3,832)
Net cash (used for) capital financing activities	**(3,832)**								**(3,832)**
Cash flows from investing activities:									
Purchase of investments	(79,229)	(7,380)			(254,897)	(265,985)			(607,491)
Proceeds from sales of investments	75,433	8,788	312		166,695	115,152	8,051		374,431
Investment earnings, net of rebate	13,670	400	169	557	6,404	27,952	1,779		50,931
Net cash provided by (used for) investing activities	**9,874**	**1,808**	**481**	**557**	**(81,798)**	**(122,881)**	**9,830**		**(182,129)**
Net increase (decrease) in cash and cash equivalents	(50,749)	(7,208)	(1,628)	1,414	(15,200)	(78,136)	(7)		(151,514)
Cash and cash equivalents at the beginning of the fiscal year	506,700	23,264	7,058	26,152	248,666	161,469	63		973,372
Cash and cash equivalents at end of the fiscal year	**$ 455,951**	**$ 16,056**	**$ 5,430**	**$ 27,566**	**$ 233,466**	**$ 83,333**	**$ 56**		**$ 821,858**

Supplemental Schedule 7

Massachusetts Housing Finance Agency and Affiliates

COMBINING STATEMENTS OF CASH FLOWS
(continued)

For the fiscal year ended:
June 30, 2019

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	Fiscal 2019
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES									
Operating income	**$ 44,974**	**$ 270**	**$ 1,490**	**$ 4,602**	**$ 25,648**	**$ 37,040**	**$ 2,620**		**$ 116,644**
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:									
Amortization of bond original discount (premium) and deferred issue costs, net					8	(2,748)	(599)		(3,339)
Depreciation and amortization	25,337								25,337
Provision for (reduction to) losses on loans	(21,352)			(276)	(6,021)	56			(27,593)
Loss on property dispositions	6								6
Recognition of fee income	(3,997)				(28)				(4,025)
Investment earnings	(14,387)	(362)	(169)	(573)	(8,253)	(28,981)	(1,756)		(54,481)
Change in fair value of investments	(3,949)	1,151			(764)	(27,031)	(1,808)		(32,401)
Interest expense on bonds and notes	6,611	1,898	6,821	10,622	63,521	31,380	1,527		122,380
Financing expenses	373		238		4,130	1,592			6,333
Changes in assets and liabilities:									
Decrease (increase) in loans and other receivables and mortgage-backed securities	(60,329)	26,477	17,766	3,677	92,377	31,550			111,518
Decrease (increase) in interest and fees receivable on loans	(148)	160	79	14	561	109			775
Decrease (increase) in interfund balances	(15)	16	(6)		(16)	21			
Decrease (increase) in other assets and other receivables	(48,074)				427	150			(47,497)
Increase (decrease) in accounts payable and other liabilities	28,953		(517)			29			28,465
Total adjustments	**(90,971)**	**29,340**	**24,212**	**13,464**	**145,942**	**6,127**	**(2,636)**		**125,478**
Net cash provided by (used for) operating activities	**$ (45,997)**	**$ 29,610**	**$ 25,702**	**$ 18,066**	**$ 171,590**	**$ 43,167**	**$ (16)**		**$ 242,122**