



MassHousing Impact Framework

Originally created in 1966, MassHousing is an independent, quasi-public agency in the Commonwealth of Massachusetts, which provides affordable mortgage loans and other assistance for low- and middle-income homebuyers, and financing to build and preserve affordable and mixed income rental housing. MassHousing achieves its mission through innovation and by focusing on the needs of the people and communities it serves. MassHousing is governed by a nine member board with a breadth of experience and expertise across mortgage banking, architecture or city or regional planning and real estate transactions, and single family residential development. MassHousing's Board partners with the Agency's senior management to govern MassHousing and to develop its robust formal policies, procedures, and programs.

Summary of Impact Highlights

- ✓ Since its inception, MassHousing has provided more than **\$29 billion** for affordable housing, including financing single family loans, down payment assistance loans, and multifamily loans.
- ✓ MassHousing is a leader in developing programs to uplift the Commonwealth's 26 **Gateway Cities** (which are cities in the Commonwealth that have struggled to attract new investment and economic opportunities for residents) with more than half of MassHousing's homeownership lending taking place in Gateway Cities and through MassHousing's Commonwealth Builder, MassDreams, Community Climate Bank, Neighborhood Stabilization, and Neighborhood Hub programs.
- ✓ The **Massachusetts Community Climate Bank (MCCB)**, created in 2023 with \$50 million in seed funding from the Department of Environmental Protection, is the first green bank in the country to focus on decarbonizing affordable housing.
- ✓ MassHousing's **Opportunity Fund** was created in 2016 to enable the Agency, on an ongoing basis, to set aside resources to use strategically as incubator financing to fulfill its mission through the allocation of capital to impactful initiatives.
- ✓ The **MassDREAMS** program provided DPA grants and additional financial support to eligible first-time homebuyers with MassHousing or Massachusetts Housing Partnership (MHP) first mortgage loans in communities disproportionately impacted by COVID-19.

Homeownership Initiatives

- ✓ MassHousing services all of its home mortgage loans through its **Mortgage Service Center**, which provides free homebuyer education courses for first-time homebuyers and counseling services to MassHousing borrowers facing financial stress, including loss mitigation options to avoid foreclosure.
- ✓ In 2004, MassHousing launched **Mortgage Insurance with MI Plus®**. This innovative mortgage insurance product provides stability, security, and peace of mind for MassHousing borrowers. MassHousing's market-leading **Mortgage Insurance Fund** provides borrowers with mortgage payment protection coverage (**MI Plus**) that pays up to six months of monthly mortgage principal

and interest in the event that a borrower becomes an “enrolled unemployed” under the Massachusetts unemployment compensation program. The added mortgage payment protection coverage is available at no additional cost to all loans with borrowers having employment income insured by MassHousing through the MassHousing *Mortgage Insurance Fund*. Since the *MI Plus* was launched, more than 3,700 borrowers have received *MI Plus* benefits, helping them remain in their homes while they seek new employment.

- ✓ MassHousing convened the *Racial Equity Advisory Council for Homeownership (REACH)* in 2018 to align stakeholders and integrate the goal of narrowing the racial homeownership gap into the policies, activities, and investments of the Commonwealth’s affordable housing ecosystem.
- ✓ The *Commonwealth Builder Program*, launched in 2019, provides funding for new homeownership and wealth-building opportunities in communities of color through subsidies to support the construction of new moderate-income homeownership opportunities in Gateway Cities, the City of Boston, and Qualified Census tracts. Since the program launched in 2019, MassHousing has committed a total of \$106.2 million to 22 projects across the Commonwealth, creating 474 new affordable homes for first-time homebuyers.
- ✓ The *Neighborhood Stabilization Program (NSP)* provides municipalities, non-profits, and community development corporations with up to \$250,000 per unit to transform blighted properties into homeownership opportunities and assist low- and moderate-income homeowners of small rental properties in need of major health and safety code-related rehabilitation and repairs.
- ✓ The MCCB committed up to \$20 million in its *Energy Saver Home Loan Program* to offer low- and moderate-income homeowners (less than 135% of Area Median Income) financing for energy-saving retrofits and home improvements to break down financial barriers to energy efficient, fossil-fuel-free homes.

Rental Housing Initiatives

- ✓ MassHousing, along with other state and federal funds has invested \$236 million in its *Workforce Housing Program* to support the creation of rental housing that is affordable for households whose incomes are too high for subsidized housing but are priced out by market rents (60% to 120% of Area Median Income).
- ✓ MassHousing *BILD (Bringing Innovation to Lending and Development)*, launched in 2024, leverages public capital to mobilize private capital toward mixed-income rental production in Massachusetts. Rental developers of new production with at least 50 total units, where at least 20% of the units are affordable to residents earning up to 80% of AMI, receive comprehensive financing solutions that blend public capital with equity financing to catalyze private capital investment in market-oriented housing.
- ✓ To help stimulate construction in economically challenged regions by underrepresented developers, the \$50 million *Equitable Developers Fund*, launched in 2024 provides financial and technical assistance to socially and economically disadvantaged developers to build organizational capacity and experience in the real estate development industry.

- ✓ Prioritizing the health of affordable housing residents, the ***Climate Ready Housing Program***, a partnership among MassHousing, Local Initiatives Support Corporation, the Commonwealth, and the Massachusetts Housing Partnership, provides financing to apartment communities that are retrofitting to reduce carbon emission.
- ✓ ***Neighborhood Hub***, a multi-agency technical assistance program, provides grants to help the 26 Gateway Cities and their local or regional partners identify and implement comprehensive revitalization projects in neighborhoods with high rates of vacant, abandoned, and deteriorating homes. The ***Neighborhood Hub*** provides small, local developers with financing that help build capacity to implement their own neighborhood-specific stabilization efforts. Projects focus on identifying vacant or foreclosed residential properties and assessing such properties for potential rehabilitation activity to improve affordable housing stock.
- ✓ MassHousing administers the ***Gateway Housing Rehabilitation Program (GHRP)*** for emerging developers, nonprofits, and municipalities, and provides assistance to rehabilitate 1-4 unit residential properties and buildings suitable for conversion to 1-4 unit residential use.
- ✓ The ***Rent Reporting and Rent Relief Pilot Program***, piloted in 2024 in partnership with fintech Esusu, provides approximately 1,300 rental home tenants access to digital platform for automatic, on-time reporting of rent payments to major credit bureaus and provides up to 26 weeks of 100% rent assistance for households facing job loss.
- ✓ MassHousing's ***Housing Stability*** initiatives include a comprehensive suite of training, programming, and investments to promote positive tenancies, reduce evictions, and advance opportunity in multifamily communities.
- ✓ The ***Tenant Assistance Program (TAP)***, a diverse resident engagement program, is available to all MassHousing rental housing developments and provides trainings, resident engagement programs, dispute resolution, hoarding consultation, and flex funds to residents and staff to strengthen affordable housing communities.

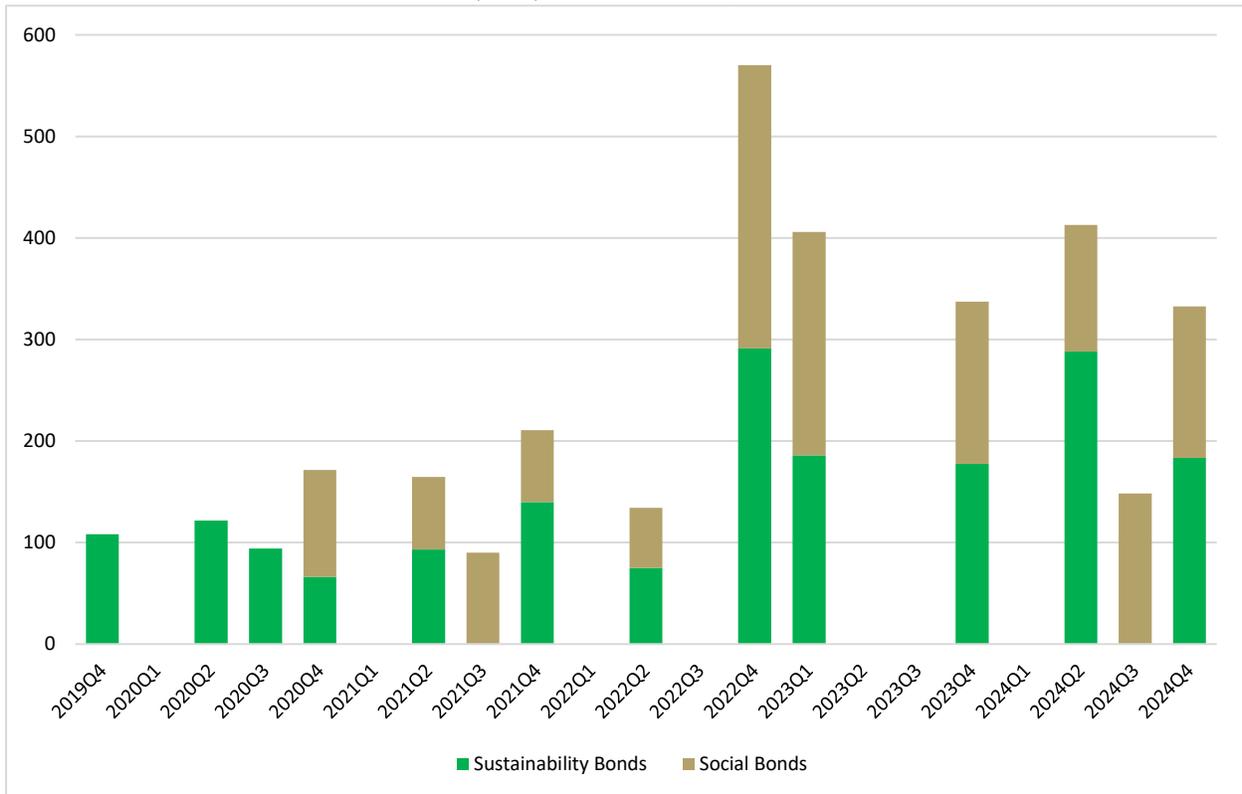
MassHousing Social and Sustainability Bond Issuances

MassHousing provides financing for affordable housing through the sale of mortgages and by issuing bonds and notes to finance single family and multifamily mortgage loans. MassHousing designates certain bonds as **Social Bonds** or **Sustainability Bonds** to highlight to investors the social and environmental aspects of MassHousing’s programs. MassHousing issuance to date includes:

Home Ownership Program (Single Family)	Rental Housing Program (Multifamily)
Provides single family homeownership loans to low- to moderate-income first-time homebuyers	Provides mortgage loans to finance the development of rental housing units for low-income renters
<ul style="list-style-type: none"> ✓ \$1.5 billion MassHousing Social Bonds issued from December 1, 2020 to December 31, 2024 (12 issuances) ✓ Inaugural Social Bonds issuance – 2020 	<ul style="list-style-type: none"> ✓ \$1.8 billion MassHousing Sustainability Bonds issued from November 1, 2019 to December 31, 2024 (13 issuances) ✓ Inaugural Sustainability Bonds issuance – 2019

The following chart summarizes \$3.3 billion in publicly offered **Sustainability** and **Social** Bonds issued by MassHousing from 2019 through 2024Q4.

Summary of Publicly Offered MassHousing Social and Sustainability Bonds
(\$MM) as of December 31, 2024



MassHousing Programs and Alignment to the MassHousing Impact Framework

As summarized below, MassHousing’s **Social Bonds** are aligned with the four core components of the International Capital Market Association’s (“ICMA”) Social Bond Principles, and its **Sustainability Bonds** are aligned with the four core components of the ICMA’s Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines. Both programs align with several of the United Nations Sustainable Development Goals (“SDGs”).

MassHousing Impact Framework		
Lending Program	Home Ownership Program (Single Family)	Rental Housing Program (Multifamily)
Resolution	Single Family Housing Revenue Bond Resolution	Housing Bond Resolution
ESG Designation	Social Bonds	Sustainability Bonds
ICMA Alignment	Social Bond Principles (2023)	Green Bond Principles (2021 with June 2022 Appendix I) Social Bond Principles (2023) Sustainability Bond Guidelines (2021)
<i>Use of Proceeds</i>	- Finance single family loans for low-to moderate income first-time homebuyers, includes down payment assistance loans	- Finance affordable multifamily rental housing projects benefiting from LIHTC allocation and that include energy efficiency features
<i>Process for Project Evaluation and Selection</i>	- MassHousing Home Ownership Programs Policies and Procedures	- Massachusetts Executive Office of Housing and Livable Communities (EOHLC) Qualified Allocation Plan (QAP) - MassHousing Loan Underwriting Standards under Multifamily Loan Closing Standards
<i>Management of Proceeds</i>	Proceeds are deposited in segregated accounts and invested in investment obligations until disbursed to finance mortgage loans or MBS	Proceeds are deposited in segregated accounts and invested in investment obligations until disbursed to finance multifamily projects
<i>Reporting</i>	Annual (as of June 30 th)	Annual (as of June 30 th)
UN SDGs		
UN SDG Targets	1.4, 8.10, 10.2, 11.1	1.4, 7.3, 11.1, 12.4

The following pages provide additional detail on: I. MassHousing's Home Ownership Program, II. MassHousing's Rental Housing Program, III. Governance, and IV. the Second Party Opinion from S&P Global Ratings on the MassHousing Impact Framework.

I. MASSHOUSING’S HOME OWNERSHIP PROGRAM

The following section details: (A) MassHousing First-Time Homebuyer Program, (B) MassHousing Down Payment Assistance (DPA) Programs, (C) Mortgage Insurance Fund - MI Plus, (D) Energy Saver Home Loan Program, (E) Homebuyer Education and Counseling, (F) MassHousing Mortgage Service Center, (G) Bonds Alignment with the ICMA’s Social Bonds Principles, and (H) Bonds Alignment with United Nations Sustainable Development Goals.

A. MassHousing First-Time Homebuyer Program

MassHousing’s Home Ownership Program includes a variety of lending programs that provide financing for affordable, owner-occupied home mortgage loans for low- and moderate-income first-time homebuyers in the Commonwealth.

MassHousing determines eligibility, in part, based on requirements as set forth in the Internal Revenue Code of 1986 (the “Code”), which includes purchase price restrictions and area median income (AMI) limits. AMI limits are published annually by the U.S. Department of Housing and Urban Development (HUD) Office of Policy Development and Research. As permitted by the Code, MassHousing uses the greater of the statewide or area limits. When issuing tax-exempt bonds to finance the purchase of single family, first-time homebuyer mortgage loans, the income limit is 115% of AMI for households of 3 or more persons, or 100% for 1-2 person households. In Targeted Areas,¹ income limits may not exceed 140% of AMI for households of 3 or more persons, or 120% for a 1-2 person household. In addition, MassHousing may issue taxable bonds to finance mortgage loans to first-time homebuyers with incomes exceeding the Code’s AMI limits.

From 2021 to 2024, 91% of MassHousing’s bond-financed single family mortgage loans provided financing for households with incomes below 100% of AMI, and 58% provided financing for households with incomes below 80% of AMI. As of June 30, 2024, loans originated under the Home Ownership Programs total \$3.8 billion across 25,000 loans with \$1.2 billion funded through **Social Bonds** proceeds.

To mitigate barriers to homeownership, a portion of MassHousing’s lending activity takes place in Gateway Cities – midsize urban centers that anchor regional economies around the state.² As defined by the Massachusetts Legislature, a “Gateway Municipality” has a “population greater than 35,000 and less than 250,000, with a median household income below the Commonwealth’s average and a rate of educational attainment of a bachelor’s degree or above that is below the Commonwealth’s average.”³ MassHousing believes that the stability of Gateway Cities is central to generating equitable growth, as these communities are home to immigrants and first-time homebuyers of color, whose families have historically faced discrimination in the Massachusetts housing markets.⁴ The following tables provide a summary

¹ “Targeted Areas” is defined as (i) a census tract in which 70% or more of the families have an income which is 80% or less of the Massachusetts-wide median family income and such other areas as MassHousing may designate in accordance with the Code or (ii) an Area of Chronic Economic Distress, which is an area designated by the Commonwealth and approved by the Secretary of the Treasury and the HUD Secretary.

² “About the Gateway Cities,” MassINC Research Brief - The Gateway Cities Innovation Institute (2020), at <https://massinc.org/our-work/policy-center/gateway-cities/about-the-gateway-cities/>

³ Mass. General Law, Part I, Title II, Chapter 23A, Section 3A
<https://malegislature.gov/laws/generallaws/parti/titleii/chapter23a/section3a>

⁴ As of December 2024, the following cities are Gateway Cities in the Commonwealth: Attleboro, Barnstable, Brockton, Chelsea, Chicopee, Everett, Fall River, Fitchburg, Haverhill, Holyoke, Lawrence, Leominster, Lowell, Lynn, Malden, Methuen, New Bedford, Peabody, Pittsfield, Quincy, Revere, Salem, Springfield, Taunton, Westfield, and Worcester.

describing historical loan origination activity and borrower profile for mortgage loans financed by MassHousing under its Single Family Housing Revenue Bond Resolution (SFHRB), from January 1, 2021 through December 31, 2024. Additional information is available on MassHousing’s website.

MassHousing SFHRB Borrower Profile (2021-2024)	
<i>Loans Funded from SFHRB Bond Proceeds</i>	
First Mortgages (\$)	\$1,411,066,750
First Mortgages (#)	4,633
Average Mortgage Size (\$)	\$304,569
Average Purchase Price (\$)	\$336,103
Average Household Income (\$)	\$89,095
% Receiving MI Plus	80.47%
% Minority	46.51%
% in Gateway Cities	52.14%
Total DPA (\$)	\$34,712,227
Total DPA (#)	2,216
Average DPA (\$)	\$15,665
% of Borrowers Receiving DPA	47.83%
Note: DPA amounts presented reflect DPA associated with bond funded First Mortgage Loans. A portion of the DPA may have been funded from sources other than bond proceeds.	

MassHousing Bond Financed First Mortgage Loans										
Mortgage Loans Originated by Borrower Income as a % of Area Median Income (“AMI”)⁽¹⁾										
(\$MM)	2021		2022		2023		2024		Total ⁽²⁾	
AMI Band	\$	%	\$	%	\$	%	\$	%	\$	%
20% - 29%	\$0.2	0.1	\$0.5	0.2	\$0.3	0.1	\$0.5	0.1	\$1.5	0.1
30% - 39%	5.7	2.8	10.8	3.8	12.8	2.8	9.6	2.3	38.9	2.9
40% - 49%	13.5	9.2	38.0	16.8	41.5	11.6	33.2	10.0	126.2	11.8
50% - 59%	12.3	15.0	52.2	34.5	59.5	24.3	56.7	23.0	180.7	24.6
60% - 69%	31.2	29.7	53.8	52.8	64.3	37.9	58.5	36.5	207.8	39.3
70% - 79%	41.5	49.4	56.6	72.0	86.5	56.3	79.7	54.8	264.3	58.1
80% - 89%	55.8	75.8	51.2	89.4	67.3	70.6	70.0	70.9	244.3	75.4
90% - 99%	44.3	96.8	22.7	97.1	66.5	84.8	83.3	90.0	216.8	90.8
100% - 109%	6.8	100.0	8.1	99.8	35.7	92.4	21.6	95.0	72.2	95.9
110% - 119%	-	100.0	0.4	100.0	36.0	100.0	21.7	100.0	58.1	100.0
Total⁽²⁾	\$211.1		\$294.3		\$470.7		\$435.1		\$1,411	

Note: 2021, 2022, 2023, 2024, and Total percentages are presented cumulatively.

(1) MassHousing determines AMI based on the requirements of the Code, which AMI limits are published for the State and by area (county or MSA), annually by the U.S. Department of Housing and Urban Development’s (HUD’s) Office of Policy Development and Research (PD&R). As permitted by the Code, MassHousing uses the greater of the statewide or area limits. In areas of chronic economic distress, the maximum income limit for a 1-2 person household is 110% of AMI.

(2) Totals may not add up due to rounding.

In addition, between 2021 and 2024, more than half of MassHousing’s first mortgage lending activity took place in Gateway Cities. More specifically, MassHousing funded 2,343 Mortgage Loans in the amount of \$735.7 million to borrowers in all 26 of the Commonwealth’s Gateway Cities between 2021 and 2024, as broken out in the table below.

Bond Financed First Mortgage Loans Originated in Gateway Cities (2021-2024)					
Gateway City	Loan Count	Original Principal	Gateway City	Loan Count	Original Principal
Attleboro	37	11,888,243	Lynn	175	72,276,475
Barnstable	7	1,959,890	Malden	35	12,563,116
Brockton	116	44,933,168	Methuen	41	15,868,691
Chelsea	26	9,784,714	New Bedford	138	45,548,963
Chicopee	120	28,642,624	Peabody	30	12,265,664
Everett	21	9,078,750	Pittsfield	70	14,321,871
Fall River	113	35,663,069	Quincy	30	10,642,408
Fitchburg	107	31,295,996	Revere	41	18,364,991
Haverhill	94	33,598,432	Salem	40	14,644,499
Holyoke	70	15,370,925	Springfield	376	89,127,588
Lawrence	72	27,360,828	Taunton	84	27,906,882
Leominster	76	21,695,228	Westfield	60	14,103,657
Lowell	158	53,064,662	Worcester	206	63,720,052
			Total	2,343	735,691,386

B. MassHousing Down Payment Assistance Programs

Together with mortgage loans, MassHousing offers DPA loans for income-eligible, first-time homebuyers. MassHousing DPA programs are available to income-eligible homebuyers purchasing a single family dwelling, a two- to four- family dwelling, or a condominium in Massachusetts. DPA loans are made available in conjunction with a first mortgage loan funded by MassHousing. MassHousing offers two types of DPA loans, each of which is described below.

1. Traditional Down Payment Assistance Mortgage Loan

Starting in 2018, eligible borrowers received down payment assistance in an amount of up to the lesser of (i) five percent (5%) of the purchase price, or (ii) \$15,000 to eligible borrowers. As of March 18, 2024, MassHousing’s traditional DPA program provides a flat amount of \$25,000 in down payment and closing costs assistance, repayable over a 15-year term with an interest rate of two percent (2%) over the term of the loan. Eligible properties are one- to four-family unit properties including condominiums for first-time homebuyers who earn up to 100% of AMI, or up to 135% of AMI for borrowers who are purchasing a property in the City of Boston, Framingham, Randolph, or in a Gateway City.

2. MassHousing Workforce Advantage

MassHousing Workforce Advantage (WFA) is an alternative DPA loan program available to income-eligible (less than 80% of AMI based on household size) first-time homebuyers looking to purchase a single family dwelling, a two-family dwelling, or a condominium located in the Commonwealth. Prior to

March 18, 2024, the DPA loans were made available in conjunction with a first mortgage loan funded by MassHousing for a principal amount of up to (i) ten percent (10%) of the purchase price, or (ii) \$50,000, whichever is less, for properties located in a Gateway City (discussed further below) or in the cities of Boston, Framingham, and Randolph (\$30,000 for properties located in the remainder of the Commonwealth). As of March 18, 2024, MassHousing offers a flat WFA DPA Loans in an amount of \$30,000. Regardless of when it was issued, the DPA loan is a subordinate mortgage loan at 0% interest, deferred until the sale, transfer, refinance, or payoff of the first mortgage loan. The sources of these funds were grants received by MassHousing from appropriations from the Commonwealth, the Federal Home Loan Bank (FHLB) of Boston's Helping to House New England Program, the Capital Magnet Fund (CMF), MassHousing's Opportunity Fund, and proceeds for issuance of bonds.

3. Operation Welcome Home

Through Operation Welcome Home, MassHousing provides military personnel and their families, including members of the National Guard or Reserves, up to \$2,500 of closing cost assistance in addition to the MassHousing DPA mortgage loans.

C. Mortgage Insurance Fund - MI Plus®

MI Plus® is MassHousing's proprietary mortgage insurance program. Created in 2004, MI Plus helps homeowners pay their mortgage if they lose their job by providing up to \$4,000 per month (up to \$2,000/month for loans that were approved for mortgage insurance before July 1, 2024) to cover principal and interest payments for up to six months. The benefit is offered at no additional cost on all loans with borrowers having employment income insured by MassHousing, as well as portfolio loans made by MassHousing partner community banks that are insured through the MassHousing Mortgage Insurance Fund, which can elect to utilize MI Plus for their borrowers' mortgage insurance, if the borrowers meet eligibility criteria.

The job-loss protections provided by MI Plus are unique in the mortgage insurance industry. Typically, mortgage insurance is paid for by the borrower but only protects the lender in cases of default. MI Plus was created with the understanding that unemployment is usually temporary, and that supporting a borrower while they look for a new job serves them better over the long term. Knowing their mortgage is covered, borrowers are able to be patient in their job search and find the right opportunity. Between January 1, 2023 and December 31, 2024, 2,165 MassHousing borrowers received MI Plus benefits, helping them remain in their homes despite losing their job.

D. Energy Saver Home Loan Program

The Energy Saver Home Loan Program (ESHLP), the first consumer loan product offered by the Massachusetts Community Climate Bank (MCCB) in 2024, helps eligible homeowners make clean energy improvements to their homes to cut energy use and reduce or eliminate their reliance on fossil fuels. Through a local network of originating lenders, the program finances low-interest rate, second mortgage loans ranging from \$10,000 - \$100,000 in home improvements including improvement costs eligible for clean energy rebates, utility incentives, and tax credits with no upfront cash payments. The program is open to all income-qualified 1-4 family homeowners with a primary residence in the home earning less than 135% of AMI. Eligible homeowners may use Energy Saver loans to finance health and safety improvements, such as roof replacement and oil tank removal, home weatherization, electrical system upgrades, heat pumps, new efficient appliances and fixtures, and installation of rooftop solar panels, battery

storage and EV charging stations. To receive financing through the program, home improvements must reduce total energy usage by at least 20%.

The ESHLP reflects MassHousing’s belief that providing affordable financing for homeownership does not stop with the purchase of a home but continues with providing affordable financing for home improvement and maintenance. Understanding that low- and moderate-income families bear a disproportionate burden in energy costs and climate impacts, the Energy Saver Home Loan Program makes clean energy improvements more accessible to consumers who need them the most. The ESHLP, first established with \$20 million from the MCCB, seeks to provide up to 1,000 loans through 2026 and is designed to be scaled up with federal Inflation Reduction Act resources.

E. Homebuyer Education and Counseling

To ensure financial preparedness, all first-time homebuyers who receive a MassHousing Mortgage Loan are required to take a MassHousing approved homebuyer education course. Classes are available online and in-person at various locations throughout the Commonwealth. A full list of education provider agencies can be found on MassHousing’s website. Many listed providers also offer post-purchase education about how to be a successful homeowner, as well as classes about owning a multifamily home and being a landlord. All listed courses are approved by the Massachusetts Homeownership Collaborative, a designation indicating the provider meets high standards for comprehensive homebuyer education and ethics.

F. MassHousing Mortgage Service Center

MassHousing services its loans through the MassHousing Mortgage Service Center (“MSC”), a dedicated division within MassHousing’s Home Ownership business line. The MSC has ongoing communication with its borrowers and provides borrowers with continuing support. The MassHousing Home Ownership Retention Department has been in place within the MSC since 1996 and provides counseling services at no cost to MassHousing borrowers facing financial stress. The Home Ownership Retention Department also works closely with HUD approved non-profits to offer an expanded set of counseling services at no cost. To assist borrowers, the MSC maintains multiple options for loss mitigation which enable borrowers to stay in their homes should they be faced with financial difficulties. These options include special forbearance relief, modifications, and liquidation plans.

From March 17, 2020 through December 31, 2022, in response to COVID, the MSC was able to assist 2,862 borrowers with forbearance requests. The MSC provided many borrowers who faced financial hardship access to mortgage counselors during this critical period when many borrowers faced financial hardship. The MSC assists borrowers with options to exit any COVID-19 forbearance and reinstate their mortgage loans. These options include Government-Sponsored Enterprise (GSE) Deferred Payment, Federal Housing Administration (FHA) emergency partial claim, and loan modifications that include capitalization of arrearage, interest rate reduction, and term extension. All of these reinstatement options are designed to enable homeownership that is sustainable for MassHousing borrowers.

G. Bonds Alignment with the ICMA's Social Bonds Principles

MassHousing's **Social Bonds** align with the four core components of the ICMA's Social Bonds Principles: (1) Use of Proceeds, (2) Process for Project Evaluation and Selection, (3) Management of Proceeds, and (4) Transparency through Ongoing Reporting.

1. Use of Proceeds

The proceeds of MassHousing **Social Bonds** are used to finance Mortgage Loans, including Down Payment Assistance Loans, to first-time homebuyers for owner-occupied residential housing for persons and families of low and moderate income in the Commonwealth.

2. Process for Project Evaluation and Selection

MassHousing has implemented its Home Ownership Programs in accordance with the provisions of a Master Loan Purchase Agreement, which incorporates the guidelines specified in MassHousing's Program (collectively, the Program Documents). The eligibility criteria and procedures set forth in the Program Documents have been established by MassHousing after thorough consideration of the standards and requirements of Fannie Mae (FNMA), Federal Home Loan Mortgage Corp. (FHLMC), Ginnie Mae, and other major secondary mortgage market institutions. As part of the loan underwriting process, eligible lenders evaluate various risks, including environmental and social risks. Additional details on Eligible Borrowers, Eligible Loans, and Eligible Mortgage Lenders are provided below.

i. Eligible Borrowers

To qualify for a loan made under MassHousing's Home Ownership Programs, a borrower must satisfy the eligibility guidelines set forth in the Program Documents, including meeting applicable income limits and size of household established by MassHousing for the geographic area in which the residence is located.

ii. Eligible Loans

Any loan for the acquisition and/or rehabilitation or improvement of a one- to four-family, owner-occupied residence located in the Commonwealth may be purchased with the proceeds of bonds and other amounts available under MassHousing's bond resolutions. As of September 20, 2024, loans eligible for purchase under MassHousing's Home Ownership Programs include 30-year fixed rate direct-reduction first mortgage loans. MassHousing also offers DPA loans that are second mortgage loans. The interest rates for loans purchased under the Home Ownership Programs are established by MassHousing, subject to the requirements of the Code, after consideration of program objectives, prevailing rates in the conventional mortgage market and the cash flow requirements of the SFHRB Resolution or the Residential Mortgage Revenue Bond Indenture, as applicable.

In accordance with the Code, MassHousing has established purchase price limits for residential dwellings financed under the SFHRB Program. Purchase price limits vary depending on the number and location of dwelling units. For new construction, only one- and two-family residences may be financed. Purchase price limits established for the Home Ownership Programs are revised from time to time by MassHousing, subject to the requirements of the Code. MassHousing's current policy is for its loans not to exceed the maximum loan amount for conforming mortgages acquired by FNMA or FHLMC.

iii. Eligible Mortgage Lenders

MassHousing mortgage loans funded by **Social Bonds** are originated by eligible mortgage lenders that have met MassHousing's lender eligibility requirements, and that are consistent with MassHousing's Home Ownership Programs Policies and Procedures. Each mortgage lender must meet certain eligibility requirements, including authorization to engage in business in the Commonwealth, and must be an approved seller or servicer of conventional or VA-guaranteed or FHA-insured mortgage loans or mortgage loans purchased by FHLMC or FNMA, or be a member of the FHLB system or have previously sold mortgage loans for MassHousing under its homeownership housing programs.

3. Management of Proceeds

Net of certain transaction costs, the proceeds of **Social Bonds** are deposited in a separate purchase account and invested in Investment Obligations, as defined in and permitted by the SFHRB Resolution, until disbursed to finance new mortgage loans including DPA loans. All disbursements are tracked by MassHousing.

4. Ongoing Reporting

MassHousing voluntarily provides annual updates, reflecting data as of the last day of each fiscal year, regarding the disbursement of the proceeds of **Social Bonds** for the financing of new Mortgage Loans, including Down Payment Assistance Loans, substantially in the form shown below. Once all proceeds of a particular series of **Social Bonds** have been spent, no further **Social Bonds** Annual Reporting is provided with respect to the series.

FORM OF SOCIAL BONDS ANNUAL REPORTING

**Massachusetts Housing Finance Agency
Single Family Housing Revenue Bonds
Series [] (Non-AMT) (Social Bonds)**

The tables below constitute the Social Bonds Annual Reporting for the above-captioned bonds (the “Bonds”) for the fiscal year ended June 30, 20[] (the “Report Date”).

Bond Proceeds Summary		
Total as of issue date	Spent* as of Report Date	Unspent as of Report Date
\$[]	\$[]	\$[]

First Mortgage Loans Originated from Bond Proceeds By Borrower Income as a % of Area Median Income (“AMI”) as of Report Date**			
% of AMI:	\$ of Loans	# of Loans	Cumulative % of Proceeds
<50%			
50% - 59%			
60% - 69%			
70% - 79%			
80% - 89%			
90% - 100%			
> 100%			
Total			

Down Payment (“DPA”) Assistance Loans Originated from Bond Proceeds Provided as of Report Date	
DPA Provided (\$) (Bond Proceeds only)	\$
DPA Provided (#) (Bond Proceeds only)	loans

DPA Loans and Grants Originated from all Sources in Conjunction With Series [] First Mortgage Loans	
Total DPA Provided (\$) (other sources)	\$
Total DPA Provided (#) (other sources)	loans
% of Borrowers Receiving DPA (%)	%
Average DPA Provided per Borrower (\$)	\$
Average DPA Provided (% of Purchase Price)	%

This reporting is separate from MassHousing’s continuing disclosure obligations provided on the Electronic Municipal Market Access (EMMA). Failure by MassHousing to provide such updates is not a default or an event of default under the SFHRB or any continuing disclosure agreement.

H. Bonds Alignment with United Nations Sustainable Development Goals

By reference to the ICMA's *Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals*, which links the ICMA Social Bond Principles to the framework provided by the United Nations 17 Sustainable Development Goals (“SDGs”), MassHousing’s homebuyer programs and the intended use of proceeds of the Single Family **Social Bonds** are relevant to the following SDGs:

- *Goal No. 1 (No Poverty)* is focused on ending poverty in all its forms everywhere. Target 1.4 maps to the SDG categories of Affordable Housing, Access to Essential Services, and Socioeconomic Advancement and Empowerment.
- *Goal No. 8 (Decent Work and Economic Growth)* is focused on promoting sustainable, and inclusive economic growth. Target 8.10 maps to the SDG category of Access to Essential Services.
- *Goal No. 10 (Reduced Inequalities)* is focused on reducing inequality and promoting social and economic inclusion for all. Target 10.2 maps to the SDG categories of Access to Essential Services and Socioeconomic Advancement and Empowerment.
- *Goal No. 11 (Sustainable Cities and Communities)* is focused on making cities and human settlements inclusive, safe, resilient and sustainable. Target 11.1 maps to the SDG category of Affordable Housing and Affordable Basic Infrastructure.

The SDGs were adopted by the United Nations General Assembly on September 25, 2015, as part of its 2030 Agenda for Sustainable Development.

II. MASSHOUSING’S RENTAL HOUSING PROGRAM

The following section details: (A) MassHousing Multifamily Lending Program, (B) MassHousing Green Standards, (C) EOHLIC’s Sustainable Development Principles, (D) New Construction Projects, (E) Preservation Projects, (F) Bonds Alignment with the ICMA’s Green Bonds Principles, Social Bonds Principles, and Sustainability Bonds Guidelines, and (G) Bonds Alignment with United Nations Sustainable Development Goals.

A. MassHousing Multifamily Lending Program

MassHousing’s Multifamily Program finances mortgage loans to supply well-planned and well-designed apartment units in multifamily developments for low- and moderate-income persons or families, including the elderly, in locations in the Commonwealth where there is a need for such housing. Most multifamily rental units financed by MassHousing benefit from Low Income Housing Tax Credits (LIHTC). The Massachusetts Executive Office of Housing and Livable Communities (EOHLC) is the designated tax credit allocating agency for Massachusetts and is responsible for preparing the annual Qualified Allocation Plan (“QAP”). Any MassHousing project that includes the use of LIHTC must satisfy the QAP.

Furthermore, all MassHousing projects receiving LIHTC assistance must have 20% or more units for households earning no more than 50% of AMI, or 40% or more units for households earning no more than 60% of AMI. In addition, under the QAP, 10% of the total units must be reserved for persons or families earning less than 30% of AMI.

MassHousing designates certain bonds used to finance or refinance multifamily rental housing developments that provide affordable housing *and* include energy efficiency standards and features **Sustainability Bonds**. MassHousing multifamily projects benefitting from LIHTC must comply with MassHousing’s “Green Standards,” which incorporates the EOHLIC Sustainable Development Principles. Both the Green Standards and the Sustainable Development Principles are discussed below.

B. MassHousing Green Standards

Applicants applying for MassHousing multifamily development financing must demonstrate that the project will satisfy MassHousing’s Multifamily Loan Closing Standards, which include one or more energy efficiency standards and features, including utilizing ENERGY STAR® components (or similar components approved by MassHousing) and incorporate other available energy efficient and/or green and sustainable building materials into the scope of work to the maximum extent feasible.

Projects must comply with all environmental laws, rules, and regulations including the National Environmental Policy Act, the Massachusetts Environmental Policy Act, the Massachusetts Clean Water Act, the Massachusetts Water Resources Authority Act, and Title 5 of the Massachusetts Environmental Code.

Minimum requirements generally include:

- High efficacy lighting
- Implementation of water-saving techniques including water-conserving fixtures
- Improvement to insulation and building envelope
- Creation of green landscaping for eco-friendly, sustainable landscaping

- Facilitation of radon mitigation
- Implementing practices to lower drainage coefficient and treat runoff water where feasible
- Consideration of on-site alternative energy generation and storage

C. EOHLC's Sustainable Development Principles

Section 42 of the Internal Revenue Code—the federal statute governing the LIHTC program—requires that tax credit allocating agencies must include the following in their QAP:

- Selection criteria for projects receiving tax credit allocations
- Preference for projects serving the lowest income tenants and for projects serving tenants for the longest period of time
- Preference for projects located in qualified census tracts, the development of which will contribute to a concerted community revitalization plan

Each project funded by MassHousing **Sustainability Bonds** receives LIHTC from EOHLC, and therefore must satisfy the QAP. EOHLC uses the following ten sustainable development principles, in effect since 2007, as part of its threshold evaluation for tax credit applications:

1. Concentrate development and mix uses - Support the revitalization of city and town centers and neighborhoods by promoting development that is compact, conserves land, protects historic resources, and integrates uses. Encourage remediation and reuse of existing sites, structures, and infrastructure rather than new construction in undeveloped areas. Create pedestrian friendly districts and neighborhoods that mix commercial, civic, cultural, educational, and recreational activities with open spaces and homes.

2. Advance equity - promote equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning and decision making to ensure social, economic, and environmental justice. Ensure that the interests of future generations are not compromised by today's decisions.

3. Make efficient decisions - make regulatory and permitting processes for development clear, predictable, coordinated, and timely in accordance with smart growth and environmental stewardship.

4. Protect land and ecosystems - Protect and restore environmentally sensitive lands, natural resources, agricultural lands, critical habitats, wetlands and water resources, and cultural and historic landscapes. Increase the quantity, quality and accessibility of open spaces and recreational opportunities.

5. Use natural resources wisely - Construct and promote the developments, buildings, and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, and materials.

6. Expand housing opportunities - Support the construction and rehabilitation of homes to meet the needs of people of all abilities, income levels, and household types. Build homes near jobs, transit, and where services are available. Foster the development of housing, particularly multifamily and smaller single family homes, in a way that is compatible with a community's character and vision and providing new housing choices for people of all means.

7. Provide transportation choice - Maintain and expand transportation options that maximize mobility, reduce congestion, conserve fuel, and improve air quality. Prioritize rail, bus, boat, rapid and surface transit, shared-vehicle and shared-ride services, bicycling, and walking. Invest strategically in existing and new passenger and freight transportation infrastructure that supports sound economic development consistent with smart growth objectives.

8. Increase job and business opportunities - Attract businesses and jobs to locations near housing, infrastructure, and transportation options. Promote economic development in industry clusters. Expand access to education, training, and entrepreneurial opportunities. Support the growth of local businesses, including sustainable natural resource-based businesses, such as agriculture, forestry, clean energy technology, and fisheries.

9. Promote clean energy - Maximize energy efficiency and renewable energy opportunities. Support energy conservation strategies, local clean power generation, distributed generation technologies, and innovative industries. Reduce greenhouse gas emissions and consumption of fossil fuels.

10. Plan regionally - Support the development and implementation of local and regional, state and interstate plans that have broad public support and are consistent with these principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term costs and benefits to the Commonwealth.

The QAP emphasizes environmentally sensitive and sustainable design and scope. For example, the 2022-23 QAP employs a competitive scoring system, totaling 182 points, to evaluate all tax credit applications in accordance with certain criteria. Competitive criteria are divided into two categories: (1) Fundamental Project Characteristics (100 points), and (2) Special Project Characteristics (82 points). Fundamental Project Characteristics consists of five categories, each allocated a maximum of 20 points. The “Design” category requires an applicant to submit a one-page narrative prepared by the project architect describing the team’s approach to green, sustainable, and climate resilient design. Sponsors seeking LIHTC are also required to evaluate the design components of their projects to ensure consistency with the goals expressed in the current Enterprise Green Communities standards (EGC) for new construction and rehabilitation.

Design elements and the proposed scope of work for each MassHousing LIHTC project are reviewed by architects and/or cost estimators under contract to EOHLIC, who evaluate the architectural aspects of each project to determine, among other things, whether a project is consistent with the goals of Enterprise Green Communities standards, incorporates energy conservation measures that meet or exceed those required by the applicable Massachusetts Energy Building Code, complies with standards for energy efficient fixtures and appliances, such as building envelope/air sealing standards and the U.S. Environmental Protection Agency’s ENERGY STAR[®] guidelines, exceeds state and local code-mandated regulations for water conservation requirements, or has properly installed efficiency measures to ensure building envelope testing.

All MassHousing units receiving LIHTC assistance must have 20% or more households earning no more than 50% of AMI, or 40% or more households earning no more than 60% of AMI. In addition, 10% of the total units must be reserved for persons or families earning less than 30% of AMI.

D. New Construction Projects

New construction projects seeking MassHousing financing may satisfy requirements under

MassHousing Green Standards by conforming to the requirements under the following programs:

Massachusetts Green Communities Initiative - Projects may participate in Enterprise Green Communities (EGC) Criteria, if applicable based on the construction timeframe. Choosing this strategy requires full participation in EGC Criteria, which utilizes ENERGY STAR® programs applicable for evaluating energy efficiency.

Massachusetts Stretch Codes - In 2009, Massachusetts adopted an above-code appendix to the “base” building energy code (the “Stretch Code.”) The Stretch Code, which emphasizes energy performance, as opposed to prescriptive requirements, is designed to result in cost-effective construction that is more energy efficient than that built to the “base” energy code.

The Specialized Municipal Opt-in Code – In 2023, the Stretch Code was updated to include a new opt-in option that includes net-zero building performance standards and is designed to achieve state greenhouse gas emission limits and sublimits. This code is expected to help Massachusetts meet its goal of 50% greenhouse gas emissions reduction from the 1990 baseline levels by 2030.

EPA WaterSense - Projects may include the use of WaterSense products which are required to meet the EPA specifications for water efficiency and performance, and are backed by independent, third-party certification. WaterSense products perform as well or better than their less efficient counterparts, are 20% more water efficient than average products in that category, realize water savings on a national level, provide measurable water savings results, and achieve water efficiency through several technology options.

MassSave - Through MassSave, the Massachusetts Residential New Construction Program provides monetary incentives to program participants who implement certain energy conservation measures at new construction projects.

MassCEC - The Massachusetts Clean Energy Center offers funding awards to applicants who apply under the Commercial-Scale Air-Source Heat Pump Program and install qualifying variable refrigerant flow systems to provide highly efficient heating and cooling.

Alternative Standards - MassHousing may choose to approve projects that prefer to implement standards set by other nationally-recognized leaders in the sustainability and energy efficiency industry, provided that they can demonstrate that the project meets or exceeds the Massachusetts Building Energy Code criteria or more stringent local municipal codes. Such alternative standards include: Leadership in Energy and Environmental Design (LEED) – US Green Building Council LEED Rating System; Passive House Institute US (PHIUS) or Passive House Institute (PHI) and EGC certification (as defined above).

E. Preservation Projects

Preservation projects seeking MassHousing financing may satisfy requirements under MassHousing Green Standards by conforming to the requirements under the following programs:

National Standards for Energy Efficiency. Applicants for financing of multifamily housing preservation projects can choose one of the energy efficiency programs listed below that would be applicable to existing buildings. All recommended practices applicable to the building systems used in a project’s design must be incorporated. Applicants must certify to MassHousing that the project has been

designed in accordance with the standard selected and meets or exceeds the criteria set forth in the Massachusetts Building Energy Code or other more stringent local municipal codes.

The five nationally recognized energy conservation standards are as follows:

- U.S. Environmental Protection Agency (EPA) ENERGY STAR® Programs – Existing Buildings
- Enterprise Green Communities (EGC) Criteria for Existing Buildings
- Leadership in Energy and Environmental Design (LEED) for Existing Buildings
- National Green Building Standard for Remodeling Projects
- Passive House Institute United States (PHIUS) or Passive House Institute (PHI)

F. Bonds Alignment with the ICMA’s Green Bonds Principles, Social Bonds Principles, and Sustainability Bonds Guidelines

MassHousing’s **Sustainability Bonds** are aligned with the four core components of the ICMA’s Green Bonds Principles, Social Bonds Principles, and Sustainability Bonds Guidelines, and focus on: (1) Use of Proceeds, (2) Process for Project Evaluation and Selection, (3) Management of Proceeds, and (4) Transparency through Ongoing Reporting.

1. Use of Proceeds

MassHousing **Sustainability Bonds** are used to finance the construction, preservation, and redevelopment of affordable, multifamily rental housing developments in the Commonwealth that are recipients of federal LIHTC and include energy efficiency standards, as discussed in detail below. MassHousing expects that multifamily projects financed with **Sustainability Bonds** pursuant to this Impact Framework will be similar to and consistent with previously financed multifamily projects as disclosed in MassHousing’s existing **Sustainability Bonds** Annual Reports. MassHousing will only utilize a **Sustainability Bonds** designation for bonds expected to finance developments that MassHousing believes align with the ICMA Green Bond Principles.

2. Project Evaluation and Selection

As part of its multifamily program and loan commitment process, projects undergo a robust underwriting process, which includes an evaluation of risks, including environmental and social risks. MassHousing evaluates whether a project is expected to provide safe, quality housing at rent levels which low- and moderate-income individuals and families can afford. In selecting rental development for financing, MassHousing considers, among other factors:

- the extent of the demand for the proposed housing in the market area
- the quality and location of the proposed site
- the design and manner of construction of the proposed development
- the marketability of the proposed units
- the experience and stability of the development team
- the quality and experience of property management

- the sufficiency of projected revenues to pay anticipated debt service and operating expenses

As discussed in subsections (B)-(E) above, MassHousing’s design standards may, in some instances, exceed federal minimum property standards in an attempt to foster better housing design and energy conservation, to contain construction and operational costs, and to meet the needs of residents in the Commonwealth.

In addition, each multifamily **Sustainability Bonds** project receiving LIHTC must satisfy MassHousing’s Multifamily Loan Closing Standards. Those standards require, among other things:

- a budget and relocation plan for residents if the development is occupied while undergoing construction work
- a commitment that work performed on the project shall be subject to State Prevailing Wage if required by Massachusetts law
- a sustainability narrative by the project architect
- a capital needs assessment
- an accessibility transition plan
- an affirmative fair housing marketing plan

See MassHousing’s website for more information on its Multifamily Loan Closing Standards.

3. Management of Proceeds

Net of certain transaction costs, the proceeds of **Sustainability Bonds** are deposited in segregated accounts under the Housing Bond Resolution (the “Resolution”) and invested in Investment Obligations, as defined in, and permitted by the Resolution, until disbursed to finance multifamily projects.

4. Ongoing Reporting

MassHousing voluntarily provides annual reports reflecting data as of the last day of each fiscal year, regarding the disbursement of the proceeds of **Sustainability Bonds** in substantially the form set forth below. Once all proceeds allocable to a project have been disbursed, the project will be removed from subsequent Sustainability Bonds Annual Reports and no further updates with respect to such project will be made.

FORM OF SUSTAINABILITY BONDS ANNUAL REPORTING

Massachusetts Housing Finance Agency
Housing Bonds
Series [] (Sustainability Bonds)

This Sustainability Bonds Annual Report is as of the fiscal year ended June 30, 20__ (the "Report Date"). Set forth below, for each project financed with proceeds of the above-captioned Sustainability Bonds, are the project name, the amount of bond proceeds deposited under the Resolution as of the date of issuance of such bonds and the amount of such allocated bond proceeds that have been disbursed as of the Report Date.

<u>Project Name</u>	Bond Proceeds Deposited at Issuance	Proceeds Disbursed as of June 30, 20__ (\$)	Proceeds Disbursed as of June 30, 20__ (%)
Project 1	\$__	\$__	[]%
Project 2	\$__	\$__	[]%

Additionally, attached to the above Sustainability Bonds Annual Report are tables, updated as of the Report Date, containing information of substantially the same type and level of detail as that contained for each such project in the tables below:

Sustainability Project Descriptions					
Project Name (Acquisition/ Construction/ Rehabilitation)	Address	Estimated Total Development Cost (TDC)	Expected Time to Project Completion (from issue date)	Permanent Mortgage Loan Amount	Amortization Period
Project 1			__ months		__ years
Project 2			__ months		__ years

Sustainability Project Summaries													
Project Name	Physical Structure	Revenue Generating Units	Expected Unit Set-Aside Breakdown at or Below								Allocation of LIHTC	Subsidy Programs	Expected Green Building Standards and Features
			30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	90% AMI	100% AMI	110% AMI			
Project 1													
Project 2													

This reporting is provided on EMMA and is separate from MassHousing’s post-issuance continuing disclosure obligations. Failure by MassHousing to provide such updates is not a default or event of default under any continuing disclosure agreement.

G. Bonds Alignment with United Nations Sustainable Development Goals

By reference to the ICMA’s *Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals*, which links the ICMA Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines to the framework provided by the United Nations Sustainable Development Goals (“SDGs”), MassHousing’s multifamily lending program and the intended use of proceeds of its **Sustainability Bonds** are relevant to the following SDGs:

- *Goal No. 1 (No Poverty)* is focused on ending poverty in all its forms everywhere. Target 1.4 maps to the SDG categories of Affordable Housing, Access to Essential Services, and Socioeconomic Advancement and Empowerment
- *Goal No. 7 (Affordable and Clean Energy)* is focused on ensuring access to affordable, reliable, sustainable, and modern energy for all. Target 7.3 maps to the SDG category of Energy Efficiency.
- *Goal No. 11 (Sustainable Cities and Communities)* is focused on making cities and human settlements inclusive, safe, resilient, and sustainable. Target 11.1 maps to the SDG category of Affordable Housing and Affordable Basic Infrastructure.
- *Goal No. 12 (Responsible Consumption and Production)* is focused on ensuring that affordable housing projects financed with such proceeds are intended to include the characteristics of energy efficiency. Target 12.4 maps to the SDG category of Renewable Energy

III. GOVERNANCE

In addition to the governance standards described throughout MassHousing's Impact Framework, below we provided additional governance details under: (A) Membership, and (B) Advisory Committees.

A. Membership

MassHousing is governed by nine Members including:

- Secretary for Administration and Finance,
- Secretary of the Executive Office of Housing and Livable Communities, ex officio,
- Seven (7) other Members appointed by the Governor

Three of the seven appointees are required to have expertise in mortgage banking, architecture or city or regional planning and real estate transactions, and two appointees are required to have experience in single family residential development. Another appointee is required to be a representative of organized labor appointed from a list of at least five names submitted by the Massachusetts State Labor Council, AFL-CIO. Each appointive Member serves for a term of seven years and until his or her successor is appointed and duly qualified.

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

B. Advisory Committees

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

IV. SECOND PARTY OPINION

MassHousing has engaged an independent third party, S&P Global Ratings, to evaluate its **Social Bonds** and **Sustainability Bonds** Frameworks within its Impact Framework. As discussed in detail in its Second Party Opinion, S&P Global Ratings has concluded that MassHousing's Impact Framework aligns with the Green Bonds Principles, Social Bonds Principles, and Sustainability Bonds Guidelines, and aligns with the United Nations Sustainable Development Goals.