

In the opinion of Bond Counsel, under existing law and assuming compliance with certain covenants and procedures described under “Tax Matters” herein, (a) interest on the Offered Bonds is not included in gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”); (b) interest on the Offered Bonds is not an item of tax preference for the purpose of calculating the alternative minimum tax imposed under the Code on individuals; and (c) interest on the Offered Bonds is taken into account in determining “adjusted financial statement income” for purposes of computing the alternative minimum tax imposed on “applicable corporations” for tax years beginning after December 31, 2022. In the opinion of Bond Counsel, under existing law, the Offered Bonds, their transfer, and the income therefrom, including any profits made on the sale thereof, are free from taxation by the State of New Hampshire or any political subdivision thereof, excepting inheritance, estate and gift taxes.



\$100,000,000
NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
SINGLE FAMILY MORTGAGE ACQUISITION REVENUE BONDS
2023 SERIES D (NON-AMT) (SOCIAL BONDS)

Dated Date: Date of Delivery

Due: As shown on inside front cover page

The 2023 Series D Bonds (the “Offered Bonds”) are issuable only in fully registered form, registered in global book-entry form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository (the “Securities Depository”) of the Offered Bonds. Individual purchases of the Offered Bonds will be made in book-entry form only. Beneficial Owners of the Offered Bonds will not receive certificates representing their ownership interest in the Offered Bonds. The principal of and semiannual interest on the Offered Bonds are payable by the Trustee to the Securities Depository, which in turn is required to remit such principal and interest to its Participants (as defined herein), which in turn are required to remit such principal and interest to the Beneficial Owners (as defined herein) of the Offered Bonds, all as described herein. The Offered Bonds are issuable in authorized denominations of \$5,000 or integral multiples thereof. U.S. Bank Trust Company, National Association, Boston, Massachusetts, is the Trustee.

Interest on the Offered Bonds is payable on each January 1 and July 1, commencing July 1, 2024.

The Offered Bonds are subject to redemption, including redemption at par, prior to maturity as set forth herein.

The Offered Bonds are being issued to provide funds for the New Hampshire Housing Finance Authority (“NH Housing”) to purchase certain Guaranteed Mortgage Securities backed by Mortgage Loans to finance single family housing within the State of New Hampshire for eligible persons and families (the “Offered Bonds Guaranteed Mortgage Securities”) as more particularly described under the heading “PURCHASE OF GUARANTEED MORTGAGE SECURITIES WITH PROCEEDS OF THE OFFERED BONDS” herein.

The Offered Bonds are designated as “Social Bonds” by NH Housing. See “DESIGNATION OF THE OFFERED BONDS AS SOCIAL BONDS” herein.

The Offered Bonds constitute special obligations of NH Housing payable solely from the proceeds, moneys, rights, interests and collections pledged therefor, all as more fully described in this Official Statement. Neither the faith and credit nor the taxing power of the State of New Hampshire or of any political subdivision thereof is pledged for the payment of the Offered Bonds. The State of New Hampshire is not liable for the payments of the Offered Bonds and the Offered Bonds are not a debt of the State. NH Housing has no taxing power. The Offered Bonds are not secured by any fund or account which is subject to replenishment by the State of New Hampshire.

The Offered Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of legality by McCarter & English, LLP, Boston, Massachusetts Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP, and for NH Housing by Craig, Deachman & Associates, PLLC, Manchester, New Hampshire, general counsel to NH Housing. It is expected that definitive Offered Bonds will be available for delivery to DTC on or about December 20, 2023.

RBC Capital Markets

BofA Securities

Morgan Stanley

Dated: November 16, 2023

MATURITY SCHEDULE

2023 Series D (NON-AMT) (SOCIAL BONDS)

\$13,570,000 2023 Series D Serial Bonds

Price of all Serial Bonds: 100%

Maturity	Amount	Interest Rate	CUSIP¹ (64469D)
January 1, 2025	\$615,000	3.550%	X71
July 1, 2025	625,000	3.600	X89
January 1, 2026	640,000	3.650	X97
July 1, 2026	655,000	3.700	Y21
January 1, 2027	670,000	3.750	Y39
July 1, 2027	690,000	3.800	Y47
January 1, 2028	705,000	3.850	Y54
July 1, 2028	565,000	3.875	Y62
January 1, 2029	495,000	3.900	Y70
July 1, 2029	505,000	3.950	Y88
January 1, 2030	520,000	4.050	Y96
July 1, 2030	535,000	4.100	Z20
January 1, 2031	555,000	4.100	Z38
July 1, 2031	570,000	4.100	Z46
January 1, 2032	585,000	4.150	Z53
July 1, 2032	605,000	4.200	Z61
January 1, 2033	620,000	4.250	Z79
July 1, 2033	640,000	4.300	Z87
January 1, 2034	660,000	4.350	Z95
July 1, 2034	680,000	4.350	2A8
January 1, 2035	705,000	4.400	2B6
July 1, 2035	730,000	4.400	2C4

\$86,430,000 2023 Series D Term Bonds

\$4,865,000 4.650% 2023 Series D Term Bonds maturing July 1, 2038, Price 100.000%, CUSIP¹: 64469D2D2
\$10,530,000 4.800% 2023 Series D Term Bonds maturing July 1, 2043, Price 99.122%, CUSIP¹: 64469D2E0
\$14,630,000 5.100% 2023 Series D Term Bonds maturing July 1, 2048, Price 100.000%, CUSIP¹: 64469D2F7
\$20,475,000 5.125% 2023 Series D Term Bonds maturing July 1, 2053, Price 99.320%, CUSIP¹: 64469D2G5
\$3,700,000 5.200% 2023 Series D Term Bonds maturing July 1, 2055, Price 100.000%, CUSIP¹: 64469D2H3
\$32,230,000 6.500% 2023 Series D Term (PAC) Bonds maturing July 1, 2055, Price 108.459%, CUSIP¹: 64469D2J9

TO NEW HAMPSHIRE RESIDENTS: IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF NEW HAMPSHIRE HOUSING FINANCE AUTHORITY AS ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE OFFERED BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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Caine Mitter & Associates Incorporated
Financial Advisor

No dealer, broker, salesman or other person has been authorized by the New Hampshire Housing Finance Authority or the Underwriters to give any information or to make any representations, other than as contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Offered Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth in this Official Statement has been furnished by NH Housing and obtained from other sources believed to be reliable. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information, and it is not to be construed as the promise or guarantee of the Underwriters. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

THE PRICE AT WHICH THE OFFERED BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITERS (AND THE YIELD RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES APPEARING ON THE INSIDE COVER HEREOF.

The Offered Bonds have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Commission or any state securities commission passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

This Official Statement contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect,” “project,” “budget,” “plan” and similar expressions identify forward-looking statements.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NH HOUSING DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED, OCCUR.

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**OFFICIAL STATEMENT
OF
NEW HAMPSHIRE HOUSING FINANCE AUTHORITY**

Relating to

**\$100,000,000
SINGLE FAMILY MORTGAGE ACQUISITION REVENUE BONDS
2023 SERIES D (NON-AMT) (SOCIAL BONDS)**

INTRODUCTION

This Official Statement (including the cover page, inside cover page and appendices) is being distributed by the New Hampshire Housing Finance Authority (“NH Housing”) in order to furnish information in connection with the issuance of NH Housing’s Single Family Mortgage Acquisition Revenue Bonds, 2023 Series D (Non-AMT) (Social Bonds) (the “Offered Bonds”), upon the terms and conditions set forth in the Series Resolution (as defined below). The obligation of the Underwriters (as defined below) to accept delivery of or pay for the Offered Bonds is subject to, among other conditions, the entire principal amount of the Offered Bonds being issued.

NH Housing was created on July 1, 1981, pursuant to Public Act No. 466 of the Laws of New Hampshire enacted by the General Court of the State of New Hampshire at the 1981 Session and codified as Chapter 204-C of the Revised Statutes Annotated of New Hampshire (the “Act”). For additional information regarding NH Housing, see “APPENDIX A—NH HOUSING.”

The Offered Bonds will be issued pursuant to the Act under the 2022 General Single Family Mortgage Acquisition Revenue Bond Resolution, adopted by NH Housing on August 25, 2022 (the “General Resolution”) and the Series Resolution authorizing the issuance and sale of the Offered Bonds (the “Series Resolution,” and, collectively with the General Resolution, the “Resolution”). U.S. Bank Trust Company, National Association (“U.S. Bank”), Boston, Massachusetts, is the Trustee pursuant to the General Resolution.

The Offered Bonds are the fifth series of bonds being issued under the General Resolution. NH Housing may issue additional series of Bonds pursuant to and secured under the General Resolution (the “Additional Bonds”) on a parity with the Offered Bonds and other Additional Bonds or subordinate thereto in accordance with one or more series resolutions as described herein. The Offered Bonds and any Additional Bonds which may be issued under the General Resolution are herein referred to as the “Bonds.” NH Housing expects to issue Additional Bonds under the General Resolution.

The summaries or references to the Act, the General Resolution, the Series Resolution and the description of the Offered Bonds which are included in this Official Statement do not purport to be comprehensive or definitive, and such summaries, references, and descriptions are qualified in their entireties by reference to each such statute, document or instrument. Terms used in this Official Statement shall have the meanings ascribed to such terms in the body of this Official Statement or in Appendix C hereto. Each capitalized term used herein and not otherwise defined shall have the same meaning as in the Resolution.

The General Resolution authorizes Bonds to be issued to provide funds for NH Housing to purchase mortgage loans and mortgage backed securities to finance single family housing (one-to-four dwelling units) within the State for eligible persons and families, to provide moneys for deposit into the various funds and accounts established under the General Resolution and to refund Bonds. NH Housing will require that

each mortgage loan and mortgage backed security financed by NH Housing under the General Resolution and pledged to secure the Bonds (the “Mortgage Loans” and the “Guaranteed Mortgage Securities,” respectively) comply with the requirements of the General Resolution, as supplemented by the series resolutions with respect to such Bonds. The General Resolution permits the characteristics of Mortgage Loans and Guaranteed Mortgage Securities to be financed by a series of Bonds to be established in or pursuant to the series resolution authorizing the issuance of such Bonds. See “APPENDIX E—SINGLE FAMILY PROGRAM” for a description of the requirements applicable to the Mortgage Loans backing the Guaranteed Mortgage Securities.

Proceeds of the Offered Bonds, together with other available funds, are expected to be used to provide funds for: (a) the purchase of mortgage-backed securities (the “Offered Bonds Guaranteed Mortgage Securities”) backed by Mortgage Loans and issued or guaranteed by the Government National Mortgage Association (“GNMA”), the Federal National Mortgage Association (“FNMA”), or the Federal Home Loan Mortgage Corporation (“FHLMC”); (b) finance down-payment assistance loans; and (c) pay cost of issuance with respect to the Offered Bonds, including, without limitation, the Underwriters’ compensation. See Appendix E for a description of NH Housing’s lending program and Appendix G for a description of mortgage-backed securities issued or guaranteed by GNMA, FNMA and FHLMC. NH Housing will be the issuer of any Offered Bonds Guaranteed Mortgage Securities guaranteed by GNMA and FNMA. NH Housing provides servicing for mortgage loans, including mortgage loans pooled into Guaranteed Mortgage Securities, through an outside sub-servicer, Dovenmuehle Mortgage Inc. See “APPENDIX E—SINGLE FAMILY PROGRAM—Loan Servicing” hereto for additional information regarding servicing of the Mortgage Loans.

The recent practice of NH Housing has been (a) to finance new single family mortgage loans using a conventional line of credit and to then sell conventional loans to FNMA or to issue GNMA mortgage backed securities and sell those securities in the secondary market; and (b) to issue single family refunding bonds for the purpose of debt service savings. Based on market conditions, NH Housing has decided to issue single family bonds for the purpose of financing new single family Mortgage Loans and Guaranteed Mortgage Securities backed by such Mortgage Loans. However, NH Housing also expects to continue to finance new single family mortgage loans using a conventional line of credit and to then sell conventional loans to FNMA or to issue GNMA mortgage backed securities and sell those securities in the secondary market on a concurrent basis. See the second paragraph of “APPENDIX E—SINGLE FAMILY PROGRAM.” NH Housing may at any time, on the basis of any factor NH Housing deems relevant including without limitation change in market conditions, change its practice and issue either tax-exempt or taxable Bonds or use alternative sources as described above as a significant, primary or exclusive means of financing new Mortgage Loans and Guaranteed Mortgage Securities.

NH Housing is authorized to issue bonds, the outstanding balance of which cannot exceed \$2,000,000,000, under the laws of the State of New Hampshire (the “State”); however, the State Legislature has the right to increase or decrease the authorization from time to time. As of October 31, 2023, NH Housing has an outstanding balance of such bonds in the aggregate principal amount of \$568,837,000. As of October 31, 2023, the balance of NH Housing’s Outstanding Bonds (excluding the Offered Bonds) under the General Resolution was \$149,815,000. For information regarding outstanding Bonds of NH Housing (including the Offered Bonds), see “APPENDIX B—CERTAIN NH HOUSING FINANCIAL INFORMATION AND OPERATING DATA.”

The General Resolution establishes a Mortgage Reserve Fund. For further information concerning the Mortgage Reserve Fund and the Mortgage Reserve Fund Requirement, see “SECURITY FOR THE OFFERED BONDS—Mortgage Reserve Fund.”

The Offered Bonds are subject to redemption, including redemption at par, under the circumstances, at the times, at the prices and upon the conditions, all as described herein. See “THE OFFERED BONDS.”

The Offered Bonds are designated as “Social Bonds” by NH Housing. See “DESIGNATION OF THE OFFERED BONDS AS SOCIAL BONDS” herein.

All Bonds issued and to be issued under the General Resolution including the Offered Bonds, are special obligations of NH Housing, payable solely from and secured by a pledge of the proceeds of the sale of the Offered Bonds, moneys received from or on the account of NH Housing from Mortgage Loans and Guaranteed Mortgage Securities, and moneys and securities held in any fund or account (except the Rebate Fund) established by the General Resolution.

Neither the faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of or the interest on the Offered Bonds. The State is not liable for the payment of the Offered Bonds, and the Offered Bonds are not a debt of the State. NH Housing has no taxing power. The Offered Bonds are not secured by any fund or account which is subject to replenishment by the State.

DESIGNATION OF THE OFFERED BONDS AS SOCIAL BONDS

NH Housing is designating the Offered Bonds as Social Bonds based on the intended use of the proceeds of the Offered Bonds to finance Guaranteed Mortgage Securities backed by Mortgage Loans made to finance the purchase of single family housing located in the State. NH Housing’s Social Bonds designation reflects the use of proceeds of the Offered Bonds in a manner that is consistent with the “Social Bond Principles” as promulgated by the International Capital Markets Association (“ICMA”). By reference to the ICMA’s “Green and Social Bonds: High-Level Mapping to the Sustainable Development Goals,” NH Housing has determined that NH Housing’s Social Bonds designation reflects the use of the proceeds of the Offered Bonds in a manner that is consistent with “Goal 1: No Poverty,” “Goal 8: Decent Work and economic Growth,” “Goal 10: Reduced Inequalities,” and “Goal 11: Sustainable Cities and Communities” of the United Nations 17 Sustainable Development Goals (referred to as “UNSDGs” generally and “SDG 1,” “SDG 8,” “SDG 10,” and “SDG 11,” specifically). According to the United Nations, the UNSDGs were adopted by the United Nations General Assembly in September 2015 as part of its 2030 Agenda for Sustainable Development. According to the United Nations, SDG 1 is focused on ending poverty in all its forms everywhere, SDG 8 is focused on sustainable and inclusive growth, SDG 10 is focused on the needs of disadvantaged and marginalized populations, and SDG 11 is focused on making cities and communities inclusive, safe, resilient and sustainable. The ICMA’s “Green and Social Bonds: High-Level Mapping to the Sustainable Development Goals” maps SDG 1.4 to ICMA Social Bond Principles “Affordable Housing,” “Socioeconomic Advancement and Empowerment,” and “Access to Essential Services”; maps SDG 8.10 to ICMA Social Bond Principle “Access to Essential Services”; maps SDG 10.2 to ICMA Social Bond Principles “Socioeconomic Advancement and Empowerment” and “Access to Essential Services”; and maps SDG 11.1 to ICMA Social Bond Principles “Affordable Housing” and “Affordable Basic Infrastructure.”

NH Housing works to ensure that all New Hampshire residents have access to affordable homeownership and affordable rental housing, keep people in safe and healthy homes, and build livable and sustainable communities. NH Housing finances affordable homeownership through a variety of channels, one of which is its program of financing single family Mortgage Loans with proceeds of tax-exempt bonds (its “Bond Funded Single Family Program”), which advances NH Housing’s mission by financing mortgage loans to first-time homebuyers of low-to-moderate income, and provides down-payment assistance. See “APPENDIX E—SINGLE FAMILY PROGRAM” hereto for additional

information regarding NH Housing’s Bond Funded Single Family Program. Recent data for NH Housing’s Single Family Program is provided below.

Recent Single Family Program Data

From July 1, 2019, through June 30, 2023, pursuant to its Single Family Program, NH Housing has provided affordable housing to 4,165 families in 208 cities in all 10 counties across the State. Of these 4,165 loans financed since July 1, 2019, 46% of the loans provided financing for households with incomes from 50% to 80% of Area Median Income (“AMI”) and 13.8% of the loans provided financing for households with incomes below 50% of AMI. Additionally, over this time period, NH Housing provided down-payment assistance to over 59% of these borrowers, in amounts ranging from \$1,183 to \$20,800, with an average amount of \$7,812 per loan, to help ease the burden of homeownership. The borrowers had an average annual income of \$74,046 and an average purchase price of \$253,726. It

NH Housing Single Family Program (July 1, 2019 – June 30, 2023 ¹)			
First Lien Loans (\$)	First Lien Loans (#)	Cities	Counties
\$1,180,679,197	4,165	208	10
Program Loan Statistics			
Average Mortgage Loan Size			\$242,114
Average Purchase Price			\$253,726
Average Household Income			\$74,046
DPA Loans Provided			2,490
% of Borrowers Receiving DPA			59.76%
Average DPA Amount Provided			\$7,812
DPA Provided (% of Purchase Price)			3.08%

¹ During the period of July 1, 2019 – October 31, 2022, first lien single family mortgage loans financed by NH Housing were not subject to mortgage revenue bond income limits or purchase price limits.

should be noted for the above information that NH Housing did not finance new single family mortgage loans with bond proceeds between July 1, 2019 and November 30, 2022 and thereby did not require the single family mortgage loans financed during this period to meet mortgage revenue bond income limits or purchase price limits. Mortgage Loans financed with proceeds of the Offered Bonds under its Bond Funded Single Family Program will be subject to mortgage revenue bond requirements pursuant to the Code.

Borrowers under the Bond Funded Single Family Program are required to take a homebuyer education class, either online or in person. NH Housing offers online education through a course available on its website and NH Housing coordinates with other entities to offer homeownership education classes around the State; such homeownership education classes include information on (a) improving credit; (b) saving for a down-payment; (c) navigating the home buying process; and (d) special homebuyer assistance programs to lower down-payment, closing costs and monthly payments.

Determination of Social Bonds Designation

NH Housing’s determination of the Social Bonds designation for the Offered Bonds is based on the following:

Use of Proceeds. The proceeds of the Offered Bonds will be used primarily to finance newly-originated Mortgage Loans made to low and moderate income first-time homebuyers for owner-occupied, single family affordable housing for low-to-moderate income households throughout the State through the purchase of the Offered Bonds Guaranteed Mortgage Securities backed by such Mortgage Loans, pursuant to the Bond Funded Single Family Program. See “APPENDIX E—SINGLE FAMILY PROGRAM” hereto.

The holders of Social Bonds do not assume any specific risk with respect to the Offered Bond funded loans and the security and sources of payment for Social Bonds (including the Offered Bonds) are the same as any other Bonds.

NH Housing's designation of the Offered Bonds as Social Bonds is based upon the anticipated use of proceeds of the Offered Bonds in a manner that is consistent with the current and historic use of proceeds as described under "—Recent Single Family Program Data." Such current and historical use is consistent with the "Social Bond Principals" as promulgated by the ICMA. NH Housing, however, does not in any way guarantee that the use of proceeds of the Offered Bonds will be consistent either with historical loans funded by NH Housing from Bond and other proceeds or with the ICMA principles.

Project Evaluation and Selection. The Mortgage Loans backing the Offered Bonds Guaranteed Mortgage Securities will be consistent with the Single Family Program, as described in "APPENDIX E—SINGLE FAMILY PROGRAM" herein.

Management of Proceeds. Net of certain transaction costs, the proceeds of the Offered Bonds will be invested in Investment Obligations until disbursed to finance the Mortgage Loans through the purchase of the Offered Bonds Guaranteed Mortgage Securities. Such disbursements will be tracked by NH Housing. See Appendix D under the caption "Summary of Certain Provisions of the General Resolution—Investment of Funds and Accounts Held by the Trustee" hereto.

Post-Issuance Reporting. With respect to the Offered Bonds, NH Housing expects to prepare annual updates, as of the last day of each fiscal year commencing with the fiscal year 2024, regarding the Mortgage Loans funded from the Offered Bond proceeds (the specific form and content of which are in the absolute discretion of NH Housing). NH Housing expects that such annual update will consist of the information outlined in the Form of Social Bonds Annual Reporting in "APPENDIX K—FORM OF SOCIAL BONDS ANNUAL REPORTING" in this Official Statement. Once all the Offered Bonds Guaranteed Mortgage Securities have been financed and all the proceeds of the Offered Bonds have been spent from the 2023 Series D Program Account, no further updates will be provided with regards to the Offered Bonds.

NH Housing expects to post such annual updates as a voluntary filing on the Electronic Municipal Market Access System ("EMMA") of the MSRB. Although NH Housing intends to provide such annual update(s), NH Housing is not required to provide such annual update pursuant to the Disclosure Agreement (as hereinafter defined) or any other agreement to provide continuing disclosure, and the failure to do so will not constitute an event default thereunder or under the Resolution.

Risks Relating to Social Bonds

The information set forth herein concerning the designation of the Offered Bonds as "Social Bonds" has been furnished by NH Housing and by other sources that are believed to be reliable. It should be noted that there is currently no clearly articulated definition (legal, regulatory, or otherwise), nor market consensus as to what constitutes a "social bond" or an equivalently-labeled program. Nor is there an agreed upon standard as to what precise attributes are required for a particular program to be designated as "social" or such other equivalent label. No assurance can be given that a clear definition will develop over time, or that, if developed, will include the programs to be financed with the proceeds of the Offered Bonds. Accordingly, no assurance is or can be given to investors that any uses of the Offered Bonds will meet investor expectations, or will be sufficient for any investor purposes, regarding "social" or other equivalently-labeled performance objectives.

THE OFFERED BONDS

General

The Offered Bonds will be dated their date of delivery, will mature on the dates in the principal amounts and will bear interest from their dated date to their respective maturities or prior redemption at the applicable rates, payable semiannually on each January 1 and July 1, commencing on July 1, 2024, all as set forth on the cover and inside front cover pages hereof. Interest on the Offered Bonds is calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Offered Bonds will constitute special obligations of NH Housing, payable from and secured by funds pledged under the General Resolution. For information on the pledge of the General Resolution, Guaranteed Mortgage Securities, investment of Funds and Accounts, the Mortgage Reserve Fund, and Additional Bonds, see “Security for the Offered Bonds.”

Redemption

The Offered Bonds are subject to Sinking Fund, Optional and Special Redemption as described below in accordance with the provisions of the Resolution, upon notice as provided in the Resolution. The Offered Bonds shall be redeemed in authorized denominations of \$5,000. If less than all of the Offered Bonds of a maturity are being redeemed, the amount of the interest of each bondholder in such maturity will be redeemed by lot pursuant to DTC’s practices. See “APPENDIX F—CERTAIN INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY.”

Sinking Fund Redemption. The Offered Bonds maturing on July 1, 2038 are subject to mandatory redemption in part by lot on January 1, 2036 and each July 1 and January 1 thereafter to and including July 1, 2038, at a redemption price equal to the principal amount thereof redeemed, plus accrued interest to the date of redemption thereof, in the principal amount set forth for the applicable date in the following table from mandatory Sinking Fund Installments:

Year	Principal Amount (January 1)	Principal Amount (July 1)
2036	\$745,000	\$775,000
2037	795,000	825,000
2038	850,000	875,000 [†]

[†] Maturity.

[Remainder of page intentionally left blank]

The Offered Bonds maturing on July 1, 2043 are subject to mandatory redemption in part by lot on January 1, 2039 and each July 1 and January 1 thereafter to and including July 1, 2043, at a redemption price equal to the principal amount thereof redeemed, plus accrued interest to the date of redemption thereof, in the principal amount set forth for the applicable date in the following table from mandatory Sinking Fund Installments:

Year	Principal Amount (January 1)	Principal Amount (July 1)
2039	\$ 905,000	\$ 935,000
2040	965,000	1,000,000
2041	1,030,000	1,065,000
2042	1,100,000	1,140,000
2043	1,175,000	1,215,000 [†]

[†] Maturity.

The Offered Bonds maturing on July 1, 2048 are subject to mandatory redemption in part by lot on January 1, 2044 and each July 1 and January 1 thereafter to and including July 1, 2048, at a redemption price equal to the principal amount thereof redeemed, plus accrued interest to the date of redemption thereof, in the principal amount set forth for the applicable date in the following table from mandatory Sinking Fund Installments:

Year	Principal Amount (January 1)	Principal Amount (July 1)
2044	\$1,255,000	\$1,295,000
2045	1,340,000	1,385,000
2046	1,430,000	1,480,000
2047	1,530,000	1,585,000
2048	1,640,000	1,690,000 [†]

[†] Maturity.

The Offered Bonds maturing on July 1, 2053 are subject to mandatory redemption in part by lot on January 1, 2049 and each July 1 and January 1 thereafter to and including July 1, 2053, at a redemption price equal to the principal amount thereof redeemed, plus accrued interest to the date of redemption thereof, in the principal amount set forth for the applicable date in the following table from mandatory Sinking Fund Installments:

Year	Principal Amount (January 1)	Principal Amount (July 1)
2049	\$1,750,000	\$1,810,000
2050	1,875,000	1,935,000
2051	2,005,000	2,075,000
2052	2,140,000	2,220,000
2053	2,295,000	2,370,000 [†]

[†] Maturity.

The Offered Bonds maturing on July 1, 2055 and bearing interest at a rate of 5.20% per annum are subject to mandatory redemption in part by lot on January 1, 2054 and each July 1 and January 1 thereafter to and including July 1, 2055, at a redemption price equal to the principal amount thereof redeemed, plus accrued interest to the date of redemption thereof, in the principal amount set forth for the applicable date in the following table from mandatory Sinking Fund Installments:

Year	Principal Amount (January 1)	Principal Amount (July 1)
2054	\$2,455,000	\$880,000
2055	180,000	185,000 [†]

[†] Maturity.

The Offered Bonds maturing on July 1, 2055 and bearing interest at a rate of 6.50% per annum (the “PAC Bonds”) are subject to mandatory redemption in part by lot on July 1, 2028 and each January 1 and July 1 thereafter to and including July 1, 2055, at a redemption price equal to the principal amount thereof redeemed, plus accrued interest to the date of redemption thereof, in the principal amount set forth for the applicable date in the following table from mandatory Sinking Fund Installments:

Year	Principal Amount (January 1)	Principal Amount (July 1)
2028	\$ --	\$ 160,000
2029	250,000	260,000
2030	265,000	275,000
2031	280,000	290,000
2032	300,000	310,000
2033	320,000	330,000
2034	340,000	350,000
2035	360,000	370,000
2036	385,000	395,000
2037	410,000	420,000
2038	435,000	450,000
2039	465,000	480,000
2040	495,000	510,000
2041	530,000	545,000
2042	565,000	580,000
2043	600,000	620,000
2044	640,000	665,000
2045	685,000	710,000
2046	735,000	760,000
2047	785,000	810,000
2048	840,000	870,000
2049	900,000	930,000
2050	960,000	995,000
2051	1,025,000	1,060,000
2052	1,100,000	1,135,000
2053	1,175,000	1,215,000
2054	1,255,000	450,000
2055	90,000	95,000 [†]

[†] Maturity.

The amounts accumulated for each Sinking Fund Installment may, and, at the direction of NH Housing, shall, be applied by the Trustee prior to the forty-fifth day preceding the due date of such Sinking Fund Installment, to the purchase of the Offered Bonds to be redeemed from such Sinking Fund Installments at prices (including any brokerage and other charges) not exceeding the applicable redemption price plus accrued interest to the date of purchase. Upon any purchase or redemption of Offered Bonds for which Sinking Fund Installments shall have been established, other than by application of Sinking Fund Installments, an amount equal to the applicable redemption prices thereof shall be credited toward a part or all of any one or more of such Sinking Fund Installments, as directed by NH Housing, or failing such direction by May 15 and November 15 of each year, toward such Sinking Fund Installments in the same ratio as the total amount of such Offered Bonds so purchased or redeemed bears to the total amount of all such Sinking Funds Installments to be so credited.

NH Housing has covenanted with respect to the PAC Bonds to credit redemptions of such Bonds, other than by application of Sinking Fund Installments, on a pro rata basis, towards all remaining Sinking Fund Installments for the PAC Bonds beginning on the first January 1 or July 1 at least six months after such redemptions.

Optional Redemption. The Offered Bonds are subject to redemption at the option of NH Housing, at any time on and after July 1, 2032, in whole or in part, from moneys in the General Redemption Fund at par, except the PAC Bonds, which will be redeemed at a premium that maintains the same yield through January 1, 2033 as the original price thereof, plus accrued interest to the redemption date. Proceeds of any voluntary sale of non-defaulted Offered Bonds Guaranteed Mortgage Securities may only be used to optionally redeem the Offered Bonds in accordance with this paragraph, see “—General Redemption Provisions.”

Special Redemption From Recoveries of Principal and Excess Revenues. The Offered Bonds are subject to redemption, at the option of NH Housing, in amounts representing any (a) Recoveries of Principal from Offered Bonds Guaranteed Mortgage Securities (including, without limitation, Recaptured Down-payment Assistance) or any Mortgage Loans or Guaranteed Mortgage Securities deemed to be purchased with the proceeds of prior or future series of Bonds, and amounts withdrawn from the Mortgage Reserve Fund which are in excess of the aggregate Mortgage Reserve Fund Requirement, and (b) excess revenues accumulated in the Revenue Fund in connection with the Offered Bonds or any other Bonds. “Recaptured Down-payment Assistance” is the amount received by NH Housing from borrowers participating in the down-payment assistance/zero points program who prepay their Mortgage Loans relating to the Offered Bonds Guaranteed Mortgage Securities.

In the event of any redemption described above, NH Housing may direct the maturity or maturities of eligible Offered Bonds subject to redemption from such sources and the amounts thereof to be redeemed, except that (i) a priority exists for the application of certain Recoveries of Principal, as described below under “—Redemption of PAC Bonds”; and (ii) the PAC Bonds are subject to redemption in amounts representing Recoveries of Principal and excess revenues only as described below under “—Redemption of PAC Bonds.”

Special Redemption From Unexpended Proceeds. The Offered Bonds are subject to special redemption prior to their respective Maturity Dates, as a whole or in part, at the option of NH Housing, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, except that the PAC Bonds shall be redeemed at a Redemption Price that maintains the original yield on the PAC Bonds (as calculated by NH Housing, which calculation, once made and the Redemption Prices communicated to the Trustee, shall be conclusive on all parties), plus accrued interest to the date of redemption, on any date from amounts equal to moneys transferred from the 2023 Series D Program Account to the General Redemption Fund. Such amounts, if any, are expected to be

transferred not later than May 1, 2024 for the redemption of the Offered Bonds (the “Delivery Period”), unless such Delivery Period is extended as described in the below paragraph. The Offered Bonds to be redeemed will be selected by NH Housing in its sole discretion subject to the above limitations; provided, however that the PAC Bonds may not be redeemed in amounts in excess of their proportionate amounts of all Offered Bonds Outstanding.

Extension of Delivery Period. The Resolution permits NH Housing to extend the Delivery Period date to a later date or dates as to all or any part of such moneys, if (a) such date is no later than 42 months from the date of issue of the Offered Bonds (see “APPENDIX H—TAX CODE REQUIREMENTS—Required Redemptions”); and (b) NH Housing has filed with the Trustee a certificate of an Authorized Officer specifying such later date or dates for such withdrawal, accompanied by a Cash Flow Certificate (unless the principal amount and term of such extension are covered by a previous Cash Flow Certificate).

Special Redemption From Tax-Restricted Proceeds. The Code establishes certain requirements which must be met subsequent to the date of issuance of the Offered Bonds in order that interest on the Offered Bonds continues to be excluded from gross income for federal income tax purposes. These Code requirements include that certain Recoveries of Principal and scheduled principal repayments of Mortgage Loans financed by tax-exempt bonds must be applied to pay the principal of bonds either at maturity or by redemption (the “10-Year Rule”). (See “APPENDIX H—REQUIREMENTS OF THE CODE—Required Redemptions”). The 10-Year Rule applies to Mortgage Loan Recoveries of Principal and scheduled principal repayments, in excess of a de minimis amount, received, generally, 10 years after the date of issuance of the tax-exempt bonds that financed such Mortgage Loans (the “Offered Bonds Restricted Principal”). To the extent that the amount of the Offered Bonds Restricted Principal exceeds the principal amount of the Offered Bonds maturing or being redeemed from Sinking Fund Installments, the Code requires NH Housing to redeem Offered Bonds. NH Housing also has the right to use Recoveries of Principal and scheduled principal repayments of Mortgage Loans, including Mortgage Loans, to redeem Offered Bonds in excess of the amounts required by the Code, except as described below under “—Outstanding Amounts.”

General Redemption Provisions. In the Series Resolution, NH Housing covenanted that the proceeds from the voluntary sale of any Offered Bonds Guaranteed Mortgage Securities, pursuant to the provisions described in “APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION—Sale of Mortgage Loans and Guaranteed Mortgage Securities (Section 708)” hereto, will be used to redeem Offered Bonds only in accordance with the provisions described under the subheading “—Optional Redemption.”

In scheduling the maturities and the amounts and dates of Sinking Fund Installments for the Offered Bonds, NH Housing has not estimated any Recoveries of Principal being received; however, NH Housing expects to receive Recoveries of Principal and apply any Recoveries of Principal to redeem Bonds. For information concerning the application and use of amounts in the Recovery of Principal Redemption Account, see “APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION.”

Outstanding Amounts. As discussed above, the PAC Bonds are subject to redemption based on their Outstanding amounts relative to the amounts set forth in the table below (the “PAC Outstanding Amounts” and the “Other Offered Bond Outstanding Amounts,” respectively). The specific calculations in determining the Outstanding amounts for any semiannual period are as follows: (a) the aggregate Outstanding principal amount of all PAC Bonds, less the principal amount of the PAC Bonds coming due, during such semiannual period either at maturity or as a result of the application of Sinking Fund Installments; and (b) the aggregate Outstanding principal amount of all other Offered Bonds, less the

principal amount of the other Offered Bonds coming due, during such semiannual period either at maturity or as a result of the application of Sinking Fund Installments.

Redemption of PAC Bonds. The PAC Bonds are subject to mandatory redemption from Recoveries of Principal received with respect to Offered Bonds Guaranteed Mortgage Securities, other than Recaptured Down-payment Assistance (“Offered Bonds Recoveries of Principal”), to the extent such moneys are not required to pay debt service on Bonds (“Available Offered Bonds Recoveries of Principal”). The PAC Bonds shall be redeemed in an aggregate amount during each semiannual period equal to the lesser of the amount of Available Offered Bonds Recoveries of Principal, and the positive difference between (a) the Outstanding principal amount of PAC Bonds, less the next semiannual Sinking Fund Installment for such PAC Bonds; and (b) the PAC Outstanding Amount for such semiannual period. To the extent such redemption is required, such redemption may occur at any time, but must occur at least once during each semiannual period ending on a January 1 or July 1.

The PAC Bonds are subject to redemption at the option of NH Housing at any time in amounts equal to Recoveries of Principal received with respect to Mortgage Loans or Guaranteed Mortgage Securities (other than Offered Bonds Recoveries of Principal) and excess revenues whenever the Outstanding principal amount of the PAC Bonds is greater than the PAC Outstanding Amount for such period. The PAC Bonds are subject to mandatory redemption from Sinking Fund Installments as discussed below under “—Sinking Fund Redemption.”

The PAC Bonds are also subject to redemption, at the option of NH Housing, at any time, from Available Offered Bonds Recoveries of Principal in any semiannual period in which the aggregate Outstanding principal amount of all Offered Bonds (other than the PAC Bonds), less the principal amount of the Offered Bonds (other than the PAC Bonds) coming due during such semiannual period either at maturity or as a result of the application of Sinking Fund Installments, is equal to or less than the Other Offered Bonds Outstanding Amount for such semiannual period. Such PAC Bonds redeemed in each semiannual period shall be in an amount not to exceed the product of the Available Offered Bond Recoveries of Principal not previously applied to the redemption of the Offered Bonds, multiplied by a fraction, the numerator of which is the Outstanding principal amount of PAC Bonds and the denominator of which is the Outstanding principal amount of the Offered Bonds.

Any redemption described under this subheading shall be at a redemption price equal to 100% of the principal amount of the PAC Bonds, plus accrued interest thereon to the redemption date.

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Semiannual Period Ending	PAC Outstanding Amounts	Other Offered Bonds Outstanding Amounts
December 20, 2023	\$32,230,000	\$67,770,000
July 1, 2024	32,055,000	67,130,000
January 1, 2025	31,355,000	64,090,000
July 1, 2025	30,110,000	59,340,000
January 1, 2026	28,355,000	53,170,000
July 1, 2026	26,115,000	46,030,000
January 1, 2027	23,590,000	38,945,000
July 1, 2027	21,140,000	33,000,000
January 1, 2028	18,785,000	28,075,000
July 1, 2028	16,515,000	24,015,000
January 1, 2029	14,330,000	20,690,000
July 1, 2029	12,225,000	18,035,000
January 1, 2030	10,200,000	15,925,000
July 1, 2030	8,255,000	14,285,000
January 1, 2031	6,385,000	13,065,000
July 1, 2031	4,590,000	12,170,000
January 1, 2032	2,865,000	11,565,000
July 1, 2032	1,205,000	11,205,000
January 1, 2033	--	10,665,000
July 1, 2033	--	9,160,000
January 1, 2034	--	7,855,000
July 1, 2034	--	6,725,000
January 1, 2035	--	5,745,000
July 1, 2035	--	4,900,000
January 1, 2036	--	4,180,000
July 1, 2036	--	3,550,000
January 1, 2037	--	3,015,000
July 1, 2037	--	2,540,000
January 1, 2038	--	2,145,000
July 1, 2038	--	1,795,000
January 1, 2039	--	1,495,000
July 1, 2039	--	1,245,000
January 1, 2040	--	1,025,000
July 1, 2040	--	840,000
January 1, 2041	--	680,000
July 1, 2041	--	550,000
January 1, 2042	--	425,000
July 1, 2042	--	325,000
January 1, 2043	--	240,000
July 1, 2043	--	165,000
January 1, 2044	--	105,000
July 1, 2044	--	60,000
January 1, 2045	--	20,000
July 1, 2045	--	--*

* And each July 1 and January 1 thereafter.

Assumptions Used in Calculating the PAC Outstanding Amounts and Other Offered Bonds Outstanding Amounts

The PAC Outstanding Amounts (subject to adjustment as described above) have been calculated based upon assumptions (the “PAC Bond Assumptions”) that include, among other assumptions, the receipt of Recoveries of Principal with respect to the Mortgage Loans backing the Offered Bonds Guaranteed Mortgage Securities at a rate equal to 100% of The Securities Industry and Financial Markets Association (formerly the Public Securities Association) standard prepayment model for 30-year mortgage loans (“SIFMA Standard Prepayment Model” or “PSA”), as further described below. The Other Offered Bonds Outstanding Amounts (subject to adjustment as described above) have been calculated based upon assumptions (the “Other Offered Bonds Assumptions”) that include, among other assumptions, Offered Bonds Guaranteed Mortgage Securities are purchased in an approximate principal amount of \$100,000,000, the Mortgage Loans pooled into such Offered Bonds Guaranteed Mortgage Securities bear interest at a weighted average interest rate of approximately 6.779%, and the receipt of Recoveries of Principal with respect to the Mortgage Loans backing the Offered Bonds Guaranteed Mortgage Securities at a rate equal to approximately 400% of PSA and that NH Housing will direct any Recoveries of Principal received with respect to Offered Bonds Guaranteed Mortgage Securities to redeem Offered Bonds within six months of receipt.

The PAC Bond Assumptions and the Other Offered Bonds Assumptions regarding the expected rate of prepayments may differ, and the other PAC Bond Assumptions and Other Offered Bonds Assumptions may differ, from the assumptions contained in the Cash Flow Statement to be delivered in connection with the issuance of the Offered Bonds. NH Housing makes no representation that actual experience will conform to the PAC Bond Assumptions or the Other Offered Bonds Assumptions. Mortgage loan age and interest rates are factors which can affect the speeds at which a mortgage loan prepays.

SIFMA Standard Prepayment Model or PSA

Prepayments on mortgage loans are commonly measured relative to a prepayment standard or model. The standard used in this Official Statement is the SIFMA Standard Prepayment Model. The SIFMA Standard Prepayment Model represents an assumed monthly rate of prepayment of the then outstanding principal balance of a pool of mortgage loans. The SIFMA Standard Prepayment Model does not purport to be either a historical description of the prepayment experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans, including the Mortgage Loans backing the Offered Bonds Guaranteed Mortgage Securities. “100% PSA” assumes prepayment rates of 0.2% per year of the then unpaid principal balance of such pool of mortgage loans in the first month of the life of such mortgage loans and an additional 0.2% per year in each month thereafter (for example, 0.4% per year in the second month) until the thirtieth month. Beginning in the thirtieth month and in each month thereafter during the life of the mortgage loans in such pool, 100% PSA assumes a constant prepayment rate of the mortgage loans in such pool of 6% per year. Multiples will be calculated from this prepayment rate sequence, e.g., “200% PSA” assumes prepayment rates will be 0.4% per year in month one, 0.8% per year in month two, reaching 12% per year in month 30 and remaining constant at 12% per year thereafter. “0% PSA” assumes no prepayments of principal of a pool of mortgage loans will occur for the life of the pool of mortgage loans.

Weighted Average Lives of PAC Bonds. Set forth in the following table are the projected weighted average lives (in years) of the PAC Bonds based upon various rates of prepayment of the Mortgage Loans backing the Offered Bonds Guaranteed Mortgage Securities expressed as percentages of the SIFMA Standard Prepayment Model or PSA. NH Housing has made no projections as to the weighted average lives of the PAC Bonds at rates of prepayment of the Mortgage Loans backing the Offered Bonds

Guaranteed Mortgage Securities exceeding 500% of PSA. The table below assumes inter alia, that (a) all Mortgage Loans backing the Offered Bonds Guaranteed Mortgage Securities will be prepaid on a constant basis at the percentage of PSA indicated in the table; (b) all scheduled principal and interest payments and Recoveries of Principal on the Mortgage Loans backing the Offered Bonds Guaranteed Mortgage Securities will be timely received and NH Housing experiences no foreclosure losses on the Mortgage Loans backing the Offered Bonds Guaranteed Mortgage Securities; (c) the Offered Bonds will be redeemed pursuant to the Special Redemption provisions described above and no Optional Redemption provisions will be exercised; and (d) redemptions of PAC Bonds, other than by application of Sinking Fund Installments, will be credited against all remaining Sinking Fund Installments for the respective Offered Bonds on a pro rata basis. Notwithstanding such assumptions, NH Housing has the right to redeem the PAC Bonds pursuant to the provisions described under “Special Redemption” above, including redemption using moneys available under the Resolution (including moneys from the other Series of Bonds), and under “Optional Redemption.” Some or all of the assumptions used in preparing the table below are unlikely to reflect actual experience.

Prepayment Speed (Expressed as a Percentage of PSA)	PAC Bonds Projected Weighted Average Life (in years)
0%	21.0
25	12.4
50	7.6
75	5.7
100	5.0
150	5.0
200	5.0
250	5.0
300	5.0
350	5.0
400	5.0
450	4.7
500	4.5

The SIFMA Standard Prepayment Model or PSA does not purport to be a prediction of the anticipated rate of prepayment of the Mortgage Loans backing the Offered Bonds Guaranteed Mortgage Securities, and there is no assurance that such Recoveries of Principal will conform to any of the assumed prepayment rates. NH Housing makes no representation as to the percentage of the principal balance of the Mortgage Loans backing the Offered Bonds Guaranteed Mortgage Securities that will be paid as of any date or as to the overall rate of prepayments.

Each set of projected weighted average lives reflects a projected average of the periods of time for which the PAC Bonds are Outstanding. Such projected weighted average lives do not reflect the period of time which any one PAC Bond will remain Outstanding. At each prepayment speed, some PAC Bonds will remain Outstanding for periods of time shorter than the applicable projected weighted average life, while some will remain Outstanding for longer periods of time.

Notice of Redemption

While the Offered Bonds are in global book-entry form, notice of redemption shall be given not less than 30 days nor more than 60 days prior to the redemption date. According to DTC’s procedures, The Depository Trust Company, New York, New York (“DTC”) will send notices to its Participants, and

Participants will send notices to Beneficial Owners, as described in “APPENDIX F—CERTAIN INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY.”

Global Book-Entry

The Offered Bonds will be available in global book-entry form only through the services of DTC. Owners of the Offered Bonds will not receive certificates representing their interests in the Offered Bonds purchased. For information regarding DTC and its procedures regarding Offered Bonds held in global book entry form, see “APPENDIX F—CERTAIN INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY.”

Certain Bondholder Risks

Certain Bondholder risks are set forth below and elsewhere in this Official Statement (including, but not limited to, under “TAX MATTERS—The Offered Bonds—*Certain Additional Federal Tax Consequences With Respect to the Offered Bonds*” and in Appendix A under “NH HOUSING—Business Disruption Risk” herein, including the subheading “—*Cybersecurity*”); bondholders may face additional risks. To make an informed decision, investors should read the Official Statement in its entirety for a detailed description of NH Housing, the Offered Bonds and related programs, and consult with their financial advisor.

Certain General Program Risks. Many factors influence the ability of NH Housing to use proceeds of Bonds to finance Mortgage Loans pooled into Guaranteed Mortgage Securities and receive repayments pursuant to the Guaranteed Mortgage Securities. Changing interest rate environments, adverse general and local economic conditions, crises and calamities (including pandemics), market disruption and changes in federal and state law, can all impact the origination of Mortgage Loans and the repayments pursuant to the Guaranteed Mortgage Securities. These risks cannot be controlled by NH Housing and their impact on the financing of Mortgage Loans pooled into Guaranteed Mortgage Securities and the repayment thereof cannot be predicted.

Special Considerations Relative to Mortgage Loan/Guaranteed Mortgage Securities Origination. There are numerous reasons why the entire amount on deposit in any Program Account for a particular Series of Bonds (including for the Offered Bonds) may not be used to acquire, or to reimburse NH Housing for its costs of acquiring, Guaranteed Mortgage Securities backed by Mortgage Loans in accordance with the Resolution. One of the principal factors in originating real estate loans is the availability of funds to make such loans at interest rates and on other terms that prospective borrowers can afford. NH Housing has determined that there is at the present time a shortage of funds in the State to make such loans on terms competitive with those terms specified for the Mortgage Loans expected to back the Guaranteed Mortgage Securities. This condition could change during the origination period for such Mortgage Loans. For example, prevailing interest rates for mortgages in the State could decrease and make such Mortgage Loans less attractive to potential applicants.

In the event that sufficient Mortgage Loans have not been originated, acquired and pooled into Guaranteed Mortgage Securities so that the costs of such Mortgage Loans do not equal the amounts in a particular Program Account, such amounts in the Program Account which cannot be used to acquire, or to reimburse NH Housing for its costs of acquiring, Guaranteed Mortgage Securities backed by Mortgage Loans as certified by NH Housing may be used to redeem the Offered Bonds, as described under “THE OFFERED BONDS—Redemption—Special Redemption From Unexpended Proceeds.”

Recycling. To the extent that regular repayments of debt service on Guaranteed Mortgage Securities or Recoveries of Principal are not necessary for the satisfaction of principal and interest

requirements on the Offered Bonds, for mandatory or sinking fund redemptions, or to maintain the periodic PAC Outstanding Amounts listed in the table under “THE OFFERED BONDS—Redemption—Redemption of PAC Bonds” above, such regular payments or Recoveries of Principal may, in NH Housing’s discretion, be recycled into new Mortgage Loans to be pooled into new Guaranteed Mortgage Securities held under the Resolution.

Refinancing Programs. Among the factors potentially affecting the amount and timing of prepayments of the Mortgage Loans backing the Offered Bonds Guaranteed Mortgage Securities are programs in the private sector and at federal and state levels that facilitate the refinancing of single family mortgages. For example, NH Housing operates and may expand an initiative that provides loans that may be used for such refinancing.

Cross-Calling. Subject to certain restrictions in the General Resolution and each series resolution, and at the option of NH Housing, Outstanding Bonds under the Resolution are subject to redemption from (a) Recoveries of Principal allocable to any series of Bonds, (b) amounts withdrawn from the Mortgage Reserve Fund which are in excess of the aggregate Mortgage Reserve Fund Requirement, and (c) excess revenues accumulated in the Revenue Fund in connection with any series of Bonds. See “THE OFFERED BONDS—Redemption—Special Redemption From Recoveries of Principal and Excess Revenues” above. The use of Recoveries of Principal, released Mortgage Reserve Fund amounts, and excess revenues, as each source may be allocable to one series of bonds to call bonds of another series is commonly referred to as “cross-calling” bonds. NH Housing may opt to utilize cross-calling to redeem higher interest rate Bonds prior to lower interest rate Bonds. However, there can be no assurance that NH Housing will do so or that in any particular case NH Housing will not choose or be required to redeem Bonds on some other basis. Various refinancing strategies, federal tax law and other considerations may lead NH Housing to redeem lower interest rate Bonds prior to redeeming higher interest rate Bonds Outstanding under the Resolution.

PURCHASE OF GUARANTEED MORTGAGE SECURITIES WITH PROCEEDS OF THE OFFERED BONDS

Proceeds of the Offered Bonds are expected to be used to purchase Offered Bonds Guaranteed Mortgage Securities in the approximate aggregate principal amount of \$100,000,000. The Offered Bonds Guaranteed Mortgage Securities are expected to be comprised of GNMA Guaranteed Mortgage Securities and FNMA Guaranteed Mortgage Securities. A description of the general characteristics of NH Housing’s program of financing Mortgage Loans and Guaranteed Mortgage Securities is set forth in “APPENDIX E—SINGLE FAMILY PROGRAM.” See Appendix G for additional information regarding the different types of Guaranteed Mortgage Securities and their respective guarantors.

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ESTIMATED SOURCES AND USES OF FUNDS

The sources of funds and the uses thereof in connection with the Offered Bonds are expected to be approximately as set forth below:

Sources

Proceeds From Sale of Offered Bonds	
Principal Amount of Offered Bonds	\$100,000,000.00
Net Bond Premium.....	2,494,652.30
NH Housing Contribution to 2023 Series D	<u>1,604,314.62</u>
Total	\$104,098,966.92

Uses

Deposit to 2023 Series D Program Account ¹	\$103,267,857.88
Cost of Issuance	171,900.00
Underwriters' Compensation	<u>659,209.04</u>
Total	\$104,098,966.92

¹ \$1,010,000.00 of such deposit is anticipated to finance down-payment assistance loans.

ESTIMATED REVENUES, OPERATING EXPENSES AND DEBT SERVICE REQUIREMENTS

NH Housing has estimated that Pledged Receipts and Recoveries of Principal to be received with respect to the Guaranteed Mortgage Securities (including the Offered Bonds Guaranteed Mortgage Securities), together with other moneys in the funds and accounts established under the General Resolution and the investment earnings thereon, will be sufficient to pay the principal of, or Sinking Fund Installments for, and interest on the Offered Bonds, when due.

In establishing the maturities and Sinking Fund Installments of the Offered Bonds, NH Housing has made several assumptions, including:

- (a) the Offered Bonds Guaranteed Mortgage Securities will be purchased by NH Housing with proceeds of the Offered Bonds by May 1, 2024.
- (b) reserved;
- (c) that Mortgage Loans backing the Offered Bonds Guaranteed Mortgage Securities will be paid in accordance with their terms;
- (d) that investment income will be received in accordance with the current estimates of NH Housing. NH Housing expects that amounts attributable to the Offered Bonds deposited in the Mortgage Reserve Fund, the Recovery of Principal Fund, the Debt Service Fund, the General Redemption Fund, the Revenue Fund and the Rebate Fund will be invested in Investment Obligations;
- (e) that time delays between delinquency in payments on Mortgage Loans backing the Offered Bonds Guaranteed Mortgage Securities and receipt of the cash advance will not be in excess of NH Housing estimates and will therefore not cause disruption in the flow of revenues available to pay debt service on the Offered Bonds;

(f) that NH Housing will not suffer extensive losses on defaults on or foreclosure of Mortgage Loans backing the Offered Bonds Guaranteed Mortgage Securities;

(g) reserved;

(h) reserved;

(i) reserved;

(j) that the annual fee paid to the Trustee in connection with the Offered Bonds shall be a fixed annual amount;

(k) certain reinvestment rates for amounts on deposit in the Funds and Accounts established under the Resolution in connection with the Offered Bonds; and

(l) that in addition to the Pledged Receipts and Recoveries of Principal to be received with respect to the Offered Bonds Guaranteed Mortgage Securities, there will be additional Pledged Receipts and Recoveries available to pay the scheduled principal and interest on the Offered Bonds.

Such assumptions can be adversely affected by events outside the control of NH Housing, such as NH Housing not being able to invest in Mortgage Loans to pool into Offered Bonds Guaranteed Mortgage Securities in accordance with its present commitments with respect to the proceeds attributable to the Bonds. In addition, the ability to pay the principal of, or Sinking Fund Installments for, and interest on the Offered Bonds when due may be affected by many other factors, including the issuance of Additional Bonds and by losses with respect to Mortgage Loans backing Guaranteed Mortgage Securities financed by Bonds.

At present, NH Housing expects to use all Recoveries of Principal with respect to Offered Bonds Guaranteed Mortgage Securities which are not required to be applied to redeem Offered Bonds to redeem Bonds (which may include Bonds other than Offered Bonds) pursuant to special optional redemptions. Notwithstanding the foregoing, NH Housing may elect to not use such Recoveries of Principal for such purposes if it determines to not do so.

SECURITY FOR THE OFFERED BONDS

Pledge of the General Resolution

The Offered Bonds are equally and ratably secured with each other and with any Additional Bonds that may be hereafter issued under the General Resolution, as well as any Hedge Agreements. The Bonds will constitute special obligations of NH Housing, payable solely from and secured by the proceeds, moneys, rights, interests and collections pledged under the General Resolution, subject only to the terms of the General Resolution permitting the use or application thereof to and for the purposes and on the terms set forth in the General Resolution, including the payments to the Trustee, Paying Agents and Depositories of reasonable compensation and expenses.

The Bonds and any Hedge Agreements are entitled to the first lien created by the pledge of the General Resolution, as supplemented by the series resolutions, on:

(a) the proceeds of the sale of Bonds;

(b) moneys in all Funds and Accounts established by the Resolution (except the Rebate Fund and any Special Program Fund) and any Fund or Account established by a Series

Resolution or a Supplemental Resolution and, if limited therein, for the purposes and the time period set forth in said Series Resolution or Supplemental Resolution, including the investments, if any, thereof, and;

(c) the rights and interests of NH Housing in and to the Mortgage Loans and Guaranteed Mortgage Securities purchase with proceeds of Bonds or otherwise pursuant to the Resolution and the proceeds and collections of NH Housing therefrom consisting of Pledged Receipts and Recoveries of Principal.

Upon certain terms and conditions provided in the General Resolution, amounts may be released to NH Housing free and clear of the lien of the General Resolution. See the information set forth under “Revenue Fund” and “General Redemption Fund” under the caption “APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION.”

Guaranteed Mortgage Securities

Certain information regarding the Guaranteed Mortgage Securities pledged or to be pledged as security for the Offered Bonds, including the Offered Bonds Guaranteed Mortgage Securities, is set forth in “APPENDIX E—SINGLE FAMILY PROGRAM.” See also, “PURCHASE OF GUARANTEED MORTGAGE SECURITIES WITH PROCEEDS OF THE OFFERED BONDS” herein.

Investment of Funds and Accounts

Amounts held in the various funds and accounts established under the General Resolution are required to be invested as set forth in “APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION—Investment of Funds and Accounts Held by the Trustee.” Additional information regarding the actual investments made with moneys held in the funds and accounts established under the General Resolution is set forth in “ESTIMATED REVENUES, OPERATING EXPENSES AND DEBT SERVICE REQUIREMENTS” and “APPENDIX B—CERTAIN NH HOUSING FINANCIAL INFORMATION AND OPERATING DATA—Certain Investments.”

Mortgage Reserve Fund

The General Resolution establishes a Mortgage Reserve Fund and requires that, upon delivery of any series of Bonds, NH Housing deposit in such Mortgage Reserve Fund such amounts, if any, as are necessary to make the amount on deposit in such fund at least equal to the aggregate of all of the Mortgage Reserve Fund Requirements. The minimum Mortgage Reserve Fund Requirement is established in the Resolution as (a) 2.0% of the sum of the aggregate outstanding principal amount of Mortgage Loans not intended to be pooled into Guaranteed Mortgage Securities and financed by the related Bonds, and (b) the principal amount set aside under the General Resolution for, but not yet applied to, the purchase of such Mortgage Loans. The funds in the Mortgage Reserve Fund (if any) are to be available, as described in the paragraph below, as security for all series of Offered Bonds issued or to be issued under the General Resolution. The current Mortgage Reserve Fund balance is \$0.00. There will not be a deposit to the Mortgage Reserve Fund in connection with the issuance of the 2023 Series D Bonds.

Pursuant to the General Resolution, moneys in the Mortgage Reserve Fund shall be transferred by the Trustee (a) to the Rebate Fund if the amount in the Rebate Fund should be less than the Rebate Requirement to the extent necessary to make good the deficiency; and (b) semiannually in each year after June 15 and before July 1 and after December 15 and before January 1, respectively, to the Debt Service Fund in the amount necessary to increase the amounts in the Interest Account and Principal Installment Account so that they equal the interest and Principal Installment due and payable on the Offered Bonds on

such July 1 and such January 1, respectively. The General Resolution also permits transfers of amounts in excess of the Mortgage Reserve Requirement to other funds and accounts, the effect of which can be to permit the release of such amounts to NH Housing free and clear of the pledge and lien of the General Resolution or to call Offered Bonds (including Bonds) for special optional redemption prior to their maturity. See “THE OFFERED BONDS—Redemption.”

Additional Bonds

Additional Bonds, including Bonds to refund Offered Bonds or Bonds, may be issued as provided in the General Resolution on a parity with the Offered Bonds of all other series, entitled to the equal benefit, protection and security of the pledge, provisions, covenants and agreements of the General Resolution. No series of Bonds may be issued if the principal amount of all Offered Bonds issued or to be issued will exceed any limitation imposed by law. NH Housing has reserved the right to issue other obligations not secured or payable from the proceeds, moneys, rights and collections pledged to the payment of Bonds. Subsequent series of Bonds may have maturity dates and interest payment dates other than January 1 and July 1 and such dates may occur more frequently than semiannually.

TAX MATTERS

The Offered Bonds were sold at substantially the same time, were sold pursuant to the same plan of financing, and are payable from the same source of funds, and, as such, will be treated as part of the same issue for purposes of the Code.

The Offered Bonds

The Code provides that interest on obligations of a governmental unit such as NH Housing issued to finance single family residences or improvements to such residences is not included in gross income for federal income tax purposes only if such obligations constitute “qualified mortgage bonds.” Under Section 143 of the Code, a qualified mortgage bond is a bond of an issue the proceeds of which are used to finance owner-occupied residences and which meets certain requirements with respect to terms, amount and purpose of the obligations, arbitrage earnings, the use of funds generated by the issuance of such obligations, the nature of the residence and the loan and the eligibility of the borrower executing the loan. Section 143 requires that NH Housing establish reasonable procedures to assure compliance with such requirements. These requirements and procedures have been described in “APPENDIX H—REQUIREMENTS OF THE CODE.” In its opinion letter with respect to the Offered Bonds, Bond Counsel will state that it has examined the program documents pursuant to which NH Housing purchased or will purchase Mortgage Loans financed by the Offered Bonds, and it has examined the documents pursuant to which NH Housing will issue the Offered Bonds, and that, in its opinion, those documents establish procedures under which such requirements can be met.

Assuming that NH Housing complies with its covenants in the General Resolution, the Series Resolution and the Rules of NH Housing (its “Rules”; see “APPENDIX E—SINGLE FAMILY PROGRAM—Rules of NH Housing” for a brief description of such Rules), including covenants to correct nonqualifying mortgage loans and to use proceeds attributable to the Offered Bonds to make mortgage loans which meet the requirements of Section 143 at the time such mortgage loans are executed, in the opinion of Bond Counsel, under existing law (a) interest on the Offered Bonds is not included in gross income for federal income tax purposes pursuant to Section 103 of the Code (the “Federal Gross Income Exclusion”); (b) interest on the Offered Bonds is not an item of tax preference for the purpose of calculating the alternative minimum tax imposed under the Code on individuals; (c) interest on the Offered Bonds is taken into account in determining “adjusted financial statement income” for purposes of computing the alternative minimum tax imposed on “applicable corporations” for the tax years beginning after

December 31, 2022; and (d) the Offered Bonds, their transfer, and the income therefrom, including any profits made on the sale thereof, are free from taxation by the State of New Hampshire or any political subdivision thereof, excepting inheritance, estate and gift taxes.

Certain Additional Federal Tax Consequences With Respect to the Offered Bonds. The following is a brief discussion of certain federal income tax matters with respect to the Offered Bonds under existing statutes. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of an Offered Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of Offered Bonds.

Owners of Offered Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and certain foreign corporations), financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, and individuals otherwise eligible for the earned income tax credit and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes.

In general, if an owner acquires an Offered Bond for a purchase price or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Offered Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that Offered Bond (a “Premium Bond”) will have bond premium. In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond determined on the basis of constant yield principles. An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period, under the owner’s regular method of accounting, against the bond premium allocable to that period. In the case of a tax-exempt bond such as a Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. The owner of any Premium Bond should consult its own tax advisors with respect to the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, and disposition of such Premium Bond.

For federal and New Hampshire tax purposes, interest includes original issue discount. Original issue discount with respect to an Offered Bond is equal to the excess, if any, of the stated redemption price at maturity of such Offered Bond over the initial offering price thereof to the public, excluding underwriters and other intermediaries, at which price a substantial amount of the Offered Bonds with the same maturity were sold (such Offered Bond constituting an “OID Bond”). Original issue discount accrues actuarially over the term of an OID Bond.

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Offered Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor”

generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing an Offered Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Offered Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

Prospective owners of the Offered Bonds should be aware that certain requirements and procedures contained or referred to in the documents with respect to the Offered Bonds or to any Offered Bonds Mortgage Loan, or other relevant documents, may be changed and certain actions (including, without limitation, defeasance of the Offered Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Offered Bonds may adversely affect the value of, or the tax status of interest on, the Offered Bonds (each said action taken (or not taken) or event occurring (or not occurring) constituting a "Post-Issuance Circumstance," such as the enactment into law of federal tax legislation (a "Tax Law Legislative Enactment")). For example, and without limitation to the preceding discussion, it is possible that if one or more Post-Issuance Circumstances cause the Offered Bonds to be deemed to be currently refunded for federal income tax purposes (a "Reissuance"), a Tax Law Legislative Enactment could cause interest on the Offered Bonds to lose the Federal Gross Income Exclusion on and after the date of the Reissuance.

Any federal, state or local legislation, administrative pronouncement or court decision (any such legislation, administrative pronouncement or court decision constituting a "Governmental Action") may affect (a) the tax status (whether or not discussed herein or addressed in the opinion of Bond Counsel) of the Offered Bonds (including without limitation any exemption under applicable federal, state or local law from otherwise applicable taxes with respect to the (i) interest on the Offered Bonds; (ii) gain from the sale or other disposition of the Offered Bonds; or (iii) value of the Offered Bonds (any aforesaid exemption with respect to tax status, whether in connection with the Offered Bonds or other tax-exempt obligations of NH Housing, constituting the "Tax Exemption Status")); or (b) the market price or marketability of the Offered Bonds. The impact of any Governmental Action on such Tax Exemption Status, or on said market price or marketability, including, without limitation, a Tax Law Legislative Enactment, cannot be predicted. Owners of the Offered Bonds are encouraged to consult their personal or institutional tax and financial advisors with respect to the tax and financial aspects of ownership of the Offered Bonds.

State Tax Matters

In the opinion of Offered Bond Counsel, under existing law, the Offered Bonds, their transfer, and the income therefrom, including any profits made on the sale thereof, are free from taxation by the State of New Hampshire or any political subdivision thereof, excepting inheritance, estate and gift taxes.

Bond Counsel Opinion

On the date of delivery of the Offered Bonds, the Underwriters will be furnished with an opinion of Offered Bond Counsel substantially in the form attached hereto as Appendix L.

NO LITIGATION

No litigation is pending where service of process has been received by the designated recipient at NH Housing or, to the knowledge of NH Housing, otherwise is pending or threatened in any court in any way affecting the existence of NH Housing or the title of its officers to their respective offices, or seeking to restrain or to enjoin the issuance or delivery of the Offered Bonds, or the collection of receipts or assets of NH Housing pledged or to be pledged to pay the principal of and interest on the Offered Bonds or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Offered Bonds, the General Resolution or the series resolutions with respect to the Offered Bonds or the Outstanding Bonds.

LEGALITY FOR INVESTMENT

The Act provides that, in the State, the obligations of NH Housing shall be legal investments in which all public officers and public bodies and authorities of the State, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, banking institutions including savings and loan associations, building and loan associations, trust companies, savings banks and savings associations, credit unions, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are authorized to invest in bonds, notes or in other state obligations, may properly and legally invest funds, including capital, in their control or belonging to them. Such obligations of NH Housing are also securities which may properly and legally be deposited with and received by all public officers and public bodies of the State or any agency or political subdivision of the State and all municipalities and public corporations for any purpose for which the deposit of bonds, notes or other State obligations is authorized by law and are eligible as collateral with respect to deposits of State moneys, if any, required to be collateralized.

APPROVAL OF LEGALITY

All legal matters related to the authorization, issuance, sale and delivery of the Offered Bonds are subject to the approval of McCarter & English, LLP, Boston, Massachusetts, Bond Counsel. The unqualified approving opinion of Bond Counsel will be delivered with the Offered Bonds in substantially the form appearing in Appendix L. Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP, and for NH Housing by Craig, Deachman & Associates, PLLC, Manchester, New Hampshire, general counsel to NH Housing.

UNDERWRITING

RBC Capital Markets, LLC, BofA Securities, Inc., and Morgan Stanley & Co. Incorporated (collectively, the “Underwriters”) have agreed, subject to certain conditions, to purchase the Offered Bonds from NH Housing at the respective initial offering prices set forth on the inside front cover page (including any applicable original issue premium) and will receive an underwriting fee and expense reimbursement of \$659,209.04. The Underwriters’ obligations are subject to certain conditions precedent, and they will be obligated to purchase all such Offered Bonds if any Offered Bonds are purchased. The initial public offering prices of the Offered Bonds may be changed, from time to time, by the Underwriters. The Underwriters may offer and sell the Offered Bonds to certain dealers and banks (including dealers depositing such Offered Bonds into investment trusts, certain of which may be sponsored or managed by the Underwriters) and others at prices lower than the initial public offering prices stated on the inside front cover page and may change the public offering prices from time to time. The Underwriters may assign their right to purchase the Offered Bonds to other investors; provided that any such assignment will not relieve the Underwriters of their obligations under the purchase contract with respect to such Offered Bonds. The Underwriters are not acting as placement agents with respect to the Offered Bonds.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the underwriters and their affiliates may have certain creditor and/or other rights against NH Housing and its affiliates in connection with such activities.

In the various course of their business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of NH Housing (directly as collateral securing other obligations or otherwise) and/or persons and entities with relationships with NH Housing.

The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

This paragraph was provided by BofA Securities, Inc., one of the underwriters of the Offered Bonds. BofA Securities, Inc. has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Offered Bonds.

This paragraph was provided by Morgan Stanley & Co. LLC, one of the underwriters of the Offered Bonds. Morgan Stanley & Co. LLC, an underwriter of the Offered Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Offered Bonds.

RATING OF THE OFFERED BONDS

The Underwriters’ obligation to purchase the Offered Bonds is conditioned upon Moody’s assigning all of the Offered Bonds a rating of “Aaa.” Any explanation of the significance of such rating may only be obtained from Moody’s. NH Housing has furnished Moody’s certain information and materials concerning the Offered Bonds. There is no assurance that such rating will remain for any given period of time or that it may not be lowered or withdrawn entirely by Moody’s if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of any of such rating may have an adverse effect on the market price of the Offered Bonds.

FINANCIAL STATEMENTS OF NH HOUSING

The financial statements of NH Housing as of and for the year ended June 30, 2023, included in this Official Statement as Appendix I reflect amounts derived from all of NH Housing’s outstanding bonds, issued under several resolutions. Other than amounts held in the General Funds of NH Housing, all such amounts are subject to the lien of and are pledged under the applicable resolution. Such amounts in the

General Funds are not pledged and are not subject to the liens of the General Resolution or any resolution which relates to bonds which finance mortgage loans.

INDEPENDENT AUDITORS

The financial statements of the New Hampshire Housing Finance Authority as of and for the year ended June 30, 2023, included in this Official Statement, have been audited by Baker Newman & Noyes, LLC, independent auditor, as stated in its report appearing herein.

Baker Newman & Noyes, LLC, independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Baker Newman & Noyes, LLC, also has not performed any procedures relating to this Official Statement.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the “Rule”), NH Housing has undertaken to provide certain updated financial information and operating data annually, and to provide timely notice of specified events (collectively, the “Continuing Disclosure Information”) to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board. Continuing Disclosure Information filed with EMMA may be obtained at www.emma.msrb.org. The undertakings to provide Continuing Disclosure Information are summarized in “APPENDIX J—SUMMARY OF CERTAIN PROVISIONS OF THE CONTINUING DISCLOSURE AGREEMENT” (the “2023 Series D Undertakings”). NH Housing has entered into similar undertakings to provide Continuing Disclosure Information with respect to its other outstanding bonds issued pursuant to various general bond resolutions (collectively, the “Prior Disclosure Undertakings” and with the 2023 Series D Undertakings, the “Aggregate Disclosure Undertakings”). NH Housing has engaged Digital Assurance Certification, L.L.C. (“DAC”) as the disclosure dissemination agent (the “Dissemination Agent”) in connection with the 2023 Series D Undertakings.

There have been instances in the previous five years in which filings were not made by NH Housing within the required time period (a) relating to bonds issued pursuant to its 1995 General Single Family Mortgage Acquisition Revenue Bond Resolution adopted on March 23, 1995, and its 2009 General Single Family Mortgage Acquisition Revenue Bond Resolution (Non-MBS) adopted on June 25, 2009 (together, the “Single Family Bonds”); and (b) two series of multi-family bonds issued pursuant to NH Housing’s separate General Multi-Family Housing Revenue Bond Resolution adopted on April 27, 2000 (the “2000 Resolution Multi-Family Bonds”).

With regards to its Single Family Bonds, NH Housing’s filing of its financial information and operating data for the Fiscal Year ended June 30, 2020 was not linked to the CUSIP numbers for NH Housing’s Single Family Mortgage Acquisition Revenue Bonds, 2009 Series B and 2009 Series C (the “2009 Series B and C Single Family Bonds”) on EMMA. NH Housing has since amended that filing by associating it with the appropriate CUSIP numbers for the 2009 Series B and C Single Family Bonds. All series of the Single Family Bonds issued pursuant to the 1995 General Single Family Mortgage Acquisition Revenue Bond Resolution received a rating upgrade on June 21, 2021; the notice of such upgrade was posted to EMMA on July 13, 2021. NH Housing’s filing of its audited financial statements for the year ended June 30, 2021 were not linked to the CUSIP numbers for its Single Family Bonds. NH Housing has since associated such audited financial statements with the appropriate CUSIP numbers for its Single Family Bonds. Certain notices of financial obligation filed on EMMA in December 2021 and January 2022 were not linked to the CUSIP numbers for NH Housing’s Single Family Mortgage Acquisition Revenue

Refunding Bonds, 2021 Series A (the “2021 Series A Single Family Bonds”) on EMMA. NH Housing has since associated such notices of financial obligation with the CUSIP numbers for its 2021 Series A Single Family Bonds.

With regards to the Multi-Family Bonds, the continuing disclosure agreement for two series of the bonds issued pursuant to the General Multi-Family Housing Bond Resolution adopted on December 14, 2000 (Series 2004-1 and Series 2004-2) required an annual filing of occupancy information by March 31. The occupancy report for the year ended December 31, 2019 was filed on April 9, 2020. A related notice of late filing was not filed with EMMA. NH Housing’s filing of its audited financial statements for the year ended June 30, 2021 was not linked to the CUSIP numbers for some of the bond issues in its General Multi-Family Housing Bond Resolution adopted on April 27, 2000 and some of the bond issues in its General Multi-Family Housing Bond Resolution adopted on September 28, 2017. NH Housing has since associated the audited financial statements with the appropriate CUSIP numbers for all its Multi-Family Bonds.

NH Housing is now current on all of its filings and has instituted written procedures to ensure the timely and complete filing of such information in the future.

In order to strengthen further its program to achieve timely compliance with its Aggregate Disclosure Undertakings, NH Housing regularly reviews at the senior staff level its compliance protocols with respect to its Aggregate Disclosure Undertakings.

ADDITIONAL INFORMATION

Pursuant to the General Resolution, NH Housing has covenanted to keep proper books of record and account in which complete and correct entries will be made of its transactions under the General Resolution and to cause such books to be audited for each fiscal year. The General Resolution requires that such books will at all times be open to inspection by the Trustee and the holders of an aggregate of not less than 5% in principal amount of the then Outstanding Bonds or their representatives and will be available for inspection by the holder of any Outstanding Bond at the office of the Trustee. In accordance with the General Resolution, NH Housing will furnish a copy of the auditor’s report, when available, free of charge, upon the written request of the holder of any Outstanding Bond.

NH Housing periodically prepares information regarding its outstanding single family bonds, which it currently files with EMMA. NH Housing, however, has not committed to continue to prepare and distribute information regarding its outstanding single family bonds, or to distribute such information to the same recipients, except as described above under “CONTINUING DISCLOSURE.”

The references herein to the Act, the Code, the General Resolution, the Series Resolution, the series resolutions with respect to Outstanding Bonds, and the Continuing Disclosure Agreement are brief outlines of certain provisions thereof. The references herein to the Mortgage Loan Purchase Agreements, the Servicing Agreements, and the Rules are brief outlines of certain provisions which are included therein. Such outlines do not purport to be complete or definitive, and reference is made to such statutes, the General Resolution, the Series Resolution, the series resolutions with respect to Outstanding Bonds, the Continuing Disclosure Agreement, the applicable mortgage loan purchase agreements, the applicable servicing agreements, and the Rules for complete and definitive statements of such provisions. The agreements of NH Housing with the holders of the Offered Bonds are fully set forth in the General Resolution, the Series Resolution, and the series resolutions with respect to Outstanding Bonds, and this Official Statement is not to be construed as a contract with the registered owners or Beneficial Owners of the Offered Bonds. To the extent that any statements are made in this Official Statement involving matters of opinion, whether or not expressly stated as such, they are intended merely as such and not as representations of fact. The

information in this Official Statement is subject to change without notice, and no inference should be derived from the sale of the Offered Bonds that there has been no change in the affairs of NH Housing from the date hereof. Copies of the Act, the General Resolution and the Series Resolution are available for inspection at the offices of the Trustee.

Additional information may be obtained from NH Housing at its offices.

Dated: November 16, 2023

NEW HAMPSHIRE HOUSING FINANCE
AUTHORITY

By /s/ David Sargent
Managing Director, Finance/CFO

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APPENDIX A

NH HOUSING

General

NH Housing is authorized to issue bonds, the outstanding balance of which cannot exceed \$2,000,000,000, under the laws of the State of New Hampshire (the “State”); however, the State Legislature has the right to increase or decrease the authorization from time to time. NH Housing has issued bonds for both single family housing and multi-family housing; as of October 31, 2023, NH Housing has an outstanding balance of such bonds in the aggregate principal amount of \$568,837,000.

NH Housing’s office is located at 32 Constitution Drive, Bedford, New Hampshire 03110. Its telephone number is (603) 472-8623. Its mailing address is Post Office Box 5087, Manchester, New Hampshire 03108.

Members and Management Staff

The powers of NH Housing are vested in nine members who are appointed by the Governor of the State with the advice and consent of the Executive Council. Under the Act, members are appointed for staggered terms of five years, and each member may serve until a successor is appointed.

The officers of NH Housing consist of a Chair appointed by the Governor of the State and a Vice Chair, each of whom is a member, and such other officers as the members shall determine. The members of NH Housing also appoint the Executive Director who serves at the pleasure of the members. The Act provides that the Executive Director of NH Housing shall also serve as the Secretary of NH Housing.

The present members of NH Housing and their backgrounds are as follows:

Christopher Norwood, Chair. Mr. Norwood is the President of NAI Norwood Group and his primary focus since becoming licensed in 2000 has been commercial real estate sales. Working with a team of full-time practitioners, he assists buyers, sellers, landlords and tenants with office, industrial, retail and investment needs. Mr. Norwood is a Certified Commercial Investment Member (CCIM) and served for two years as the local chapter president of New England CCIM. He is a Board member of the New Hampshire Association of Realtors for which he chairs the Public Policy Committee. Mr. Norwood’s volunteer activities also include the Board of Directors of the Daniel Webster Council of the Boy Scouts of America and the Advisory Board for Manchester Community College. Mr. Norwood’s term as a member of NH Housing expires on July 1, 2025.

Sarah Marchant, Vice Chair. Ms. Marchant is the Chief of Staff for the New Hampshire Community Loan Fund and is responsible for business management, executive communications, and cross-organizational strategic initiatives. Ms. Marchant served as the Director of Community Development for the City of Nashua, New Hampshire from 2014 – 2021 where she was responsible for the budget and leadership of the Community Development Division, comprised of six departments as well as various commissions, boards and programs. Ms. Marchant serves on the American Planning Association’s AICP Commission for Region 5 and serves as the Professional Development Officer for the Northern New England Chapter of the American Planning Association (“NNECAPA”), having served as president from 2015 to 2021. She volunteers as Senior Strategist for the Center for Strategic Governance and serves on the Executive Committee of the New Hampshire Planners Association (“NHPA”), after serving as President from 2010 – 2014. Ms. Marchant received her bachelor’s degree from the University of New Hampshire

and her master's degree from the University of Connecticut. Ms. Marchant's term as a member of NH Housing expires on July 1, 2024.

Derek Ferland, Member. Mr. Ferland is the County Manager of Sullivan County, New Hampshire. As such, he is the chief executive and financial officer for a 315-person organization and an annual operating budget of over \$38 million. During his tenure, Sullivan County has established the first transitional/sober housing facility in the county, successfully managed a \$1.7 million county-wide lead paint abatement program, and is currently 9 months into a 3-year, \$75 million project to renovate the county's nursing home. Prior to his appointment as Sullivan County Manager in March 2017, Mr. Ferland served 22 years in the U.S. Air Force as a civil engineer officer and attained the rank of Colonel before retiring in January 2017. His distinguished career included assignments and deployments around the world including England, Kuwait, and Uzbekistan in addition to numerous stateside locations. Mr. Ferland serves on the International County/City Manager's Association Veterans' Advisory Committee, he is Board member for both Southwestern Community Services and the Claremont Development Authority, Treasurer of Discover Sugar River Region Foundation, Vice President and Trail Administrator for Shugah Valley Snow Riders, and a past Chair of the Claremont Energy Advisory Committee. He earned a bachelor's degree in civil/environmental engineering from the United States Air Force Academy, a master's degree in engineering and environmental management from the Air Force Institute of Technology, and a master's degree in security studies/international affairs from the Naval Postgraduate School. He resides in his hometown of Claremont. Mr. Ferland's term as a Member of the Authority expires on July 1, 2028.

Donna Marsh, Member. Ms. Marsh is an investment management marketing consultant with Nationwide Financial. Ms. Marsh previously served as the Interim Director for Home for All/United Way Greater Seacoast, a coalition to end homelessness, after serving four years as the Executive Director and Development Director for New Generation, Inc., a family-oriented shelter for homeless pregnant women and women with small children. Before joining New Generation, Ms. Marsh worked for over 25 years in management, operations and communications roles at various-sized businesses and nonprofits in New England and nationally, including Pax World Investments in Portsmouth, NH, and Fidelity Investments and Standard and Poor's in Boston. She has served as a volunteer or board member with many non-profits in New Hampshire including Connor's Climb, CASA New Hampshire, New Hope for Adoption and On Belay. Ms. Marsh's term as a member of NH Housing expires on July 1, 2026.

Patricia Morin, Member. Ms. Morin is the President/Owner of Tarkka Homes, Inc., a custom homebuilder serving central and southern New Hampshire since 1989. She was also a partner in The Abacus Group, a lobbying firm specializing in government relations for small businesses and organizations affiliated with the residential construction industry. Ms. Morin has been an advocate for builder issues and continues to be a leader with respect to balanced regulation of the housing industry. Ms. Morin has dedicated herself to public service, including the Boy Scouts of America, the National Brain Tumor Association, the NH REALTORS Association, the NH Home Builders Association ("NHHBA"), the National Association of Home Builders, and multiple local historical associations and chambers of commerce. She has served in multiple leadership roles for the NHHBA and was recognized as the NHHBA Builder of the Year in 2007. She also received the Seacoast Realtors Association President's Award for her work as an educator on real estate ethics and her community service. Ms. Morin's term as a member of NH Housing expires on July 1, 2026.

Anthony Poore, Member. Mr. Poore has worked in support of transformative change and equitable and sustainable communities for 30 years as a community organizer and economic development practitioner; academic; workforce housing and public health advocate; policy analyst; researcher; and executive addressing the needs of New Hampshire's urban and rural low- and moderate-income communities. Mr. Poore launched AP Consulting Group in 2021, working with traditional and non-traditional financial institutions and community-based organizations to identify and develop mutually

beneficial public-private community economic development projects. Previously, Mr. Poore served as the Executive Director of New Hampshire Humanities, an affiliated organization of the National Endowment for the Humanities; he worked with Federal Reserve Bank of Boston in a variety of leadership roles, directing research and policy initiatives of the Boston Fed's Regional and Community Outreach Department; and he served as the Assistant Dean for Southern New Hampshire University's School of Economic Development. Mr. Poore currently serves on the Board of Directors of New Hampshire Listens, a civic engagement initiative of the Carsey School of Public Policy at the University of New Hampshire. Mr. Poore's term as a member of NH Housing expires on July 1, 2025.

Michael Scala, Member. Mr. Scala is the Director of Economic Development for the City of Rochester, NH, his hometown. Mr. Scala previously served as the Executive Director of the Coos Economic Development Corporation following five years as a special assistant to former U.S. Senator Kelly Ayotte. Previously, he had worked in the food service industry and as a quality assurance manager in manufacturing. Michael earned both his bachelor's degree and his master's degree in business administration from the University of New Hampshire. Mr. Scala's term as a member of NH Housing expires on July 1, 2027.

Michael J. Skelton, Member. Mr. Skelton is the President and CEO of the Business & Industry Association of New Hampshire, the leading business advocacy organization in New Hampshire, representing more than 400 leading employers in a variety of industries. Mr. Skelton previously served as the President and CEO of the Greater Manchester Chamber of Commerce ("GMCC") where he was responsible for overall management of the organization; oversaw the development and implementation of GMCC's strategic plan, programs and budgets; and was GMCC's key spokesperson and an advocate for the greater Manchester business community. Mr. Skelton has significant experience in public relations, media relations and government affairs and prior to joining GMCC in 2014, he served as the media spokesperson for Public Service of New Hampshire (now Eversource), the State's largest electric utility, and he had previously served as GMCC's Vice President of Economic Development and Advocacy. Mr. Skelton is a member of the Board of Directors of Amoskeag Industries, a member of the Board of Trustees of Manchester's Palace Theatre and he was named to the Union Leader's 2014 class of New Hampshire's "40 Under Forty" young leaders. Mr. Skelton's term as a member of NH Housing expires on July 1, 2028.

Evelyn Whelton, Member. Ms. Whelton is the Senior Vice President, Retail Lending Sales Manager for Bank of New Hampshire. She has 35 years of banking experience with the majority of those years spent in mortgage sales and operations. Ms. Whelton has a long-term involvement in the housing community in New Hampshire, having been a founding member, former chair and current board member of the Mount Washington Valley Housing Coalition. She is a past president of the Mortgage Bankers & Brokers Association of New Hampshire, organized the formation of the White Mountain Board of Realtors Affiliates Committee and she is a member of the New Hampshire Association of REALTORS Lifetime Honor Society. She has been a member of the NH Housing Lender Advisory Committee since 2013. Evelyn has served in numerous community posts including Conway Village Chamber of Commerce President and a Trustee of Trust Funds for the Town of Madison. Evelyn earned her bachelor's degree in business management and leadership from Granite State College in 2004 and is a graduate of the New England School for Financial Studies banking program. Ms. Whelton's term as a member of NH Housing expires on July 1, 2027.

As of September 30, 2023, NH Housing employs approximately 135 full-time persons in the areas of finance, accounting, planning and development, business technology, homeownership, program management and Section 8 subsidized housing programs, including new construction, substantial rehabilitation, moderate rehabilitation and existing housing.

The management staff of NH Housing includes the following individuals:

Robert B. Dapice, Executive Director/CEO. Mr. Dapice became Executive Director/CEO of NH Housing on January 1, 2022. Prior to becoming Executive Director, Mr. Dapice served as the Managing Director, Management and Development since July 1, 2019, having joined NH Housing in 2014. Mr. Dapice holds a Master's degree in Business Administration from the University of New Hampshire and a bachelor's degree from Dartmouth College. Prior to joining NH Housing, Mr. Dapice was a project manager with commercial and multi-family construction firms and served five years in the United States Army. Mr. Dapice received an honorable discharge while holding the rank of Captain.

Benjamin Frost, Deputy Executive Director and Chief Legal Officer. Mr. Frost joined NH Housing in 2006, and prior to assuming his current role in February 2022 served in several roles, most recently as the Managing Director, Policy, Planning & Communications. Mr. Frost received his B.A. in geography from Colgate University, his M.A. in geography from Syracuse University and his J.D. from Cornell Law School with a concentration in business law and regulation. Prior to joining NH Housing, Mr. Frost served as the Senior Planner for the New Hampshire Office of Energy and Planning.

Julie Jussif, Managing Director, Homeownership Division. Ms. Jussif joined NH Housing in 2008, and prior to assuming her current role in February 2022 served in several roles, most recently as the Director, Secondary Markets and Financial Analysis. Ms. Jussif received her Master in Public Administration from the University of New Hampshire and she received both her MBA and her Bachelor of Science in Accounting and Finance from Southern New Hampshire University.

Ignatius Maclellan, Managing Director, Multifamily Housing Division. Mr. MacLellan joined NH Housing in November 2011 as the Managing Director, Homeownership Division and served in that position until January 2022. He is an attorney admitted to practice in New Hampshire after receiving his J.D. from the University of Maine School of Law and a B.A. from Boston College. Prior to joining NH Housing, Mr. MacLellan served as a Vice President, Public Affairs for the Northern New England Housing Investment Fund, and he was previously employed by both Fannie Mae and the U.S. Department of Housing and Urban Development.

David B. Sargent, Managing Director, Finance / Chief Financial Officer. Mr. Sargent joined NH Housing in 1991 and served as its Controller until assuming his current position in July 2011. Mr. Sargent is a certified public accountant. He received an MBA with a concentration in accounting and finance from Cornell University and a B.A. in economics and government from Bowdoin College. Prior to his employment with NH Housing, Mr. Sargent was employed as a senior manager with the public accounting firm of Deloitte & Touche. Mr. Sargent plans to retire in January, 2024; NH Housing is engaged in a search for his replacement.

General Counsel

NH Housing has retained Craig, Deachman & Associates, PLLC, Manchester, New Hampshire, as general counsel.

Business Disruption Risk

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt NH Housing's ability to conduct its business. A prolonged disruption in NH Housing's operations could have an adverse effect on NH Housing's financial condition and results of operations. To plan for and mitigate the impact such an event may have on its operations, NH Housing has developed a Business Continuity Plan (the

“Plan”). The Plan is designed to (a) provide for the continued execution of the mission-essential functions of NH Housing and minimize disruption if an emergency threatens, interrupts or incapacitates NH Housing’s operations; (b) provide NH Housing leadership with timely direction, control and coordination before, during and after an emergency; and (c) facilitate the return to normal operating conditions as soon as practical based on the circumstances surrounding any given emergency. No assurances can be given that NH Housing’s efforts to mitigate the effects of an emergency or other event will be successful in preventing any and all disruptions to its operations in the event of an emergency.

Cybersecurity. NH Housing relies on a complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, NH Housing faces multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware, phishing, business e-mail compromise, and other attacks on computers and other sensitive digital networks, systems, and assets. Housing finance authorities and other public finance entities have been targeted by outside third parties, including technically sophisticated and well-resourced actors, attempting to misappropriate assets or information or cause operational disruption and damage. Further, third parties, such as hosted solution providers, that provide services to NH Housing, could also be a source of security risk in the event of a failure of their own security systems and infrastructure. NH Housing staff regularly reviews its operations, policies, and programs to assess new and changing cybersecurity risks and compliance requirements.

NH Housing has an Information Security Program and integrates its cyber management efforts into its overall information security and risk management plans. NH Housing uses a layered approach towards its management of cybersecurity that employs sound operational policies, procedures, and strategies and security technology solutions to secure against, detect, identify, report, and mitigate the effects of cyber threats on its infrastructure and information assets. NH Housing conducts regular information security and privacy awareness training that is mandatory for all NH Housing staff and regularly conducts risk assessments and tests of its cybersecurity systems and infrastructure. NH Housing’s Managing Director, Business Technology and its Security Manager focus on and lead the efforts of NH Housing to identify risks and keep its cyber assets secure. A portion of NH Housing’s risk identification and cybersecurity information security protection efforts is conducted and/or reviewed by third party consultants and auditors. Annual reports containing an executive summary of NH Housing’s cybersecurity identification and mitigation efforts are delivered to its Board of Directors.

Despite its efforts, no assurances can be given that NH Housing’s security and operational control measures will be successful in guarding against any and each cyber threat and attack, especially because the techniques used are increasingly sophisticated, change frequently, are complex, and are often not recognized until launched. To date, cyberattacks have not had a material impact on our financial condition, results or business; however, NH Housing is not able to predict the severity of these attacks. The results of any attack on NH Housing’s computer and information technology systems could impact its operations for an unknown period of time, damage NH Housing’s digital networks and systems, and damage NH Housing’s reputation, financial performance, and customer or vendor relationships. Such an attack could also result in litigation or regulatory investigations or actions, including regulatory actions by state and federal governmental authorities. The costs of remedying any such damage could be substantial and such damage to NH Housing’s reputation and relationships could adversely affect NH Housing’s ability to make loans and issue Bonds in the future.

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APPENDIX B

CERTAIN NH HOUSING FINANCIAL INFORMATION AND OPERATING DATA

The Offered Bonds are the fifth series of Bonds to be issued pursuant to NH Housing's General Single Family Mortgage Acquisition Revenue Bond Resolution, adopted by NH Housing on August 25, 2022 (the "General Resolution"). NH Housing also has issued bonds under other resolutions to provide funds for the purchase of single family mortgage loans to provide housing within the State for eligible persons and families as determined by NH Housing.

Certain Information regarding Guaranteed Mortgage Securities Held Under the General Resolution; Unexpended Proceeds; Investments Held Under the General Resolution and Investment Providers

Guaranteed Mortgage Securities Held Under the General Resolution.

The following table sets forth certain information regarding the outstanding balances of the Guaranteed Mortgage Securities under the General Resolution as of September 30, 2023:

	Balance ⁽¹⁾	Percentage
GNMA	\$71,586,391	99.1%
FNMA	<u>618,157</u>	<u>0.9</u>
TOTAL	\$72,204,548	100.0%

⁽¹⁾ The amounts shown represent the principal balances outstanding, and do not represent the fair market value of the Guaranteed Mortgage Securities.

An electronic file containing a list of all the Guaranteed Mortgage Securities held under the General Resolution through and including September 30, 2023 is available upon request from the Underwriters.

Unexpended Proceeds.

The table below sets forth amounts relating to prior Series of Bonds that were available to purchase Guaranteed Mortgage Securities as of November 1, 2023:

Bond Series	Date of Issuance	Original Amount Available to Purchase Guaranteed Mortgage Securities	Principal Amount of Guaranteed Mortgage Securities Purchased	Remaining Amount Available to Purchase Guaranteed Mortgage Securities
2023 Series B*	08/23/2023	\$45,000,000	\$37,220,017	\$ 7,779,983
2023 Series C**	10/25/2023	<u>45,000,000</u>	<u>5,619,201</u>	<u>39,380,799</u>
Total:		\$90,000,000	\$42,839,218	\$47,160,782

* The remaining available proceeds associated with 2023 Series B have been reserved, and NH Housing anticipates utilizing all such remaining proceeds for purchase of Guaranteed Mortgage Securities on or before December 1, 2023, but cannot provide any assurances this expectation will be met.

** A significant portion of the remaining available proceeds associated with 2023 Series C have been reserved, and NH Housing anticipates utilizing all such remaining proceeds for purchase of Guaranteed Mortgage Securities on or before January 1, 2024, but cannot provide any assurances this expectation will be met.

Investments Held Under the General Resolution and Investment Providers.

The following table summarizes certain information as of September 30, 2023 regarding existing investments in connection with the General Resolution:

<u>Bond Issue</u>	<u>Provider Code</u> ⁽²⁾⁽³⁾	<u>Float Fund</u> ⁽¹⁾		<u>Program Account</u>	
		<u>Rate</u>	<u>Maturity</u>	<u>Rate</u>	<u>Maturity</u>
2022 Series A	A&B	(4)(5)	(4)(5)	N/A	N/A
2023 Series A	B	(4)	(4)	N/A	N/A
2023 Series B	B, A&B	(4)	(4)	(4)(5)	(4)(5)

- (1) The Float Fund includes all funds and all accounts, other than the Mortgage Reserve Fund (if any) and the Program Account, into which monies allocable to the 2023 Series D Bonds are expected to be deposited.
- (2) If more than one Provider Code is indicated, the first represents the Float Fund and the second represents the Program Account.
- (3) (A) U.S. Treasury Notes and Bills, (B) Fidelity Governmental Money Market Fund.
- (4) Fidelity Governmental Money Market Fund investments; such investments are subject to daily fluctuating interest rates and do not have fixed maturity dates.
- (5) U.S. Treasury Bills with maturity dates of October 24, 2023 and December 28, 2023, and yields to maturity of 5.293% and 5.361%, respectively.

The following table summarizes the financial strength of the investment providers in connection with the General Resolution:

<u>Investment Provider</u>	<u>Ratings</u> ⁽¹⁾⁽²⁾⁽³⁾		
	<u>Fitch</u> ⁽⁴⁾	<u>Moody's</u> ⁽⁵⁾	<u>S&P</u> ⁽⁶⁾
U.S. Treasury Notes and Bills ⁽⁷⁾	AA+	Aaa	N/R
Fidelity Governmental Money Market Fund	N/R	Aaa-mf	AAAm

- (1) The ratings set forth above were drawn from the following websites: www.fitchratings.com, www.moody's.com and www.standardandpoors.com, as of October 18, 2023. NH Housing has not independently verified these ratings. There is no assurance that the current ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2023 Series D Bonds.
- (2) Recent rating agency actions regarding investment providers may be indicative of some future inability of these investment providers to fulfill their obligations under the investment contracts. NH Housing makes no representation regarding the financial condition of any of the investment providers.
- (3) N/R indicates that the respective entity is not rated by the rating agency.
- (4) "Fitch" refers to Fitch Ratings, Ltd.
- (5) "Moody's" refers to Moody's Investor Services, Inc.
- (6) "S&P" refers to Standard and Poor's Rating Group.
- (7) Backed by the full faith and credit of the United States government.

Line of Credit

NH Housing has established a \$60 million revolving line of credit with a bank for the purpose of acquiring single family mortgage loans, mortgage-backed securities and funding multi-family construction loans. Proceeds of bonds can be used to acquire single family mortgage loans or Guaranteed Mortgage Securities which NH Housing purchased using moneys drawn under such line of credit, thereby providing funds to repay such draws. No other moneys pledged under the General Resolution are available to repay amounts due under such line of credit.

Recycling

NH Housing has the ability to apply prepayments on mortgage loans backing Guaranteed Mortgage Securities financed with the proceeds of its single family bonds to the making of additional mortgage loans under its various programs subject to specific series resolution requirements. To the extent that it does not apply such prepayments to finance mortgage loans, NH Housing applies such prepayments to the redemption prior to their maturity of NH Housing bonds.

Sale of Guaranteed Mortgage Securities to Secondary Market

In addition to financing its single family mortgage production by issuing bonds, over the past eleven years NH Housing has primarily sold its Guaranteed Mortgage Securities in the secondary market and its conventional loans to Fannie Mae. From July 2012, through September 30, 2023, NH Housing has sold approximately \$1,721,000,000 of Guaranteed Mortgage Securities in the open market and \$746,000,000 of loans to Fannie Mae.

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APPENDIX C

DEFINITIONS OF CERTAIN TERMS USED IN THE GENERAL RESOLUTION AND THE SERIES RESOLUTION

“Accountant’s Certificate” shall mean a certificate signed by a firm of independent certified public accountants of recognized national standing, selected from time to time by NH Housing, who may be the accountant or firm of accountants who regularly audit the books of NH Housing.

“Capital Appreciation Amount” shall mean, with respect to a Capital Appreciation Bond, the principal amount, together with interest compounded semiannually on each January 1 and July 1 from the date of delivery to maturity or redemption or such earlier date as provided therein, which is payable at the maturity or redemption of the Capital Appreciation Bond.

“Cash Flow Certificate” shall mean the cash flow certificate in the form provided for in the Series Resolution.

“Code” shall mean the Internal Revenue Code of 1986, as amended. References to provisions of the Code shall include any applicable successor provisions, and references to the Code shall include any applicable successor codification of the internal revenue laws of the United States.

“Compound Accreted Value” shall mean, with respect to a Discount Bond, the amount, expressed as a percentage of the principal amount of such Discount Bond, which, together with imputed interest thereon at a rate equal to the initial public offering yield of the Discount Bonds, if paid and compounded semiannually on each January 1 and July 1 from the date of issuance, would at the maturity date of such Discount Bond be equal to the principal amount thereof.

“Compounded Interest Amount” shall mean, with respect to a Compound Interest Bond or similar security, the principal amount together with interest compounded semiannually on each January 1 and July 1 from the date of delivery, which is payable at the maturity or earlier redemption of the Compound Interest Bond or similar security.

“Counsel’s Opinion” shall mean an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal securities selected by NH Housing.

“Debt Service” shall mean, with respect to any particular fiscal year and any series of Bonds, an amount equal to the sum of (a) all interest payable during such fiscal year on such Bonds Outstanding plus (b) the Principal Installment or Installments during such fiscal year on such Bonds Outstanding, all calculated on the assumption that Bonds Outstanding on the day of calculation will cease to be Outstanding by reason of, but only by reason of, payment upon maturity and application of all Sinking Fund Installments in accordance with the Series Resolution establishing such Sinking Fund Installments.

“Depository” shall mean any bank, trust company or national banking association selected by NH Housing and approved in writing by the Trustee as a depository of moneys and securities held under the provisions of the Resolution, and may include the Trustee and any Paying Agent.

“Designated Series Resolution” shall mean a Series Resolution certified by an Authorized Officer as a Designated Series Resolution.

“Designated Transaction” shall mean one or more Series of Bonds certified by an Authorized Officer as a Designated Transaction. A Designated Transaction may include, without limitation, one or

more Series of Bonds associated with a Hedge Agreement, one or more Series of Bonds associated with a pass-through structure and any other one or more Series of Bonds with respect to which an Authorized Officer has certified to the effect that is appropriate to modify the flow of funds described in the General Resolution.

“*FHLMC*” shall mean the Federal Home Loan Mortgage Corporation, a/k/a Freddie Mac, and any successor thereto.

“*FNMA*” and “Fannie Mae” shall mean the Federal National Mortgage Association, and any successor thereto.

“*Fiscal Year*” shall mean each 12-month period ending June 30, except that for purposes of the Statement of Projected Revenues, “Fiscal Year” shall mean each 12-month period ending December 31.

“*GNMA*” shall mean the Government National Mortgage Association and any successor thereto.

“*Guaranteed Mortgage Securities*” shall mean mortgage backed securities issued by or guaranteed as to timely payment of principal and interest by GNMA, FNMA, FHLMC or, to the extent set forth in a Supplemental Resolution, any other agency or instrumentality of or chartered by the United States to which the powers of GNMA, FNMA or FHLMC have been transferred or which have similar powers.

“*Hedge Agreement*” shall mean a payment exchange agreement, swap agreement, forward purchase agreement or any other hedge agreement entered into by NH Housing providing for payments between the parties based on levels of, or changes in, interest rates or other indices or contracts to exchange cash flows or a series of payments or contracts, including, without limitation, interest rate floors, or caps, options, puts or calls, which allows NH Housing to manage or hedge payment, rate, spread or similar risk with respect to all or a portion of any Series of Bonds or any assets pledged under the General Resolution.

“*Holder*” shall mean any person who shall be the registered owner of any Bond or Bonds.

“*Interest*” or “*interest*” shall mean, with respect to any Bonds, the amount of interest specified with respect thereto by the Supplemental Indenture authorizing the issuance thereof, and, in reference to debt service on the Bonds, shall include regular payments (but not termination payments or other fees or expenses) required of NH Housing for any related Hedge Agreement to the extent so specified in the Designated Series Resolution authorizing the same.

“*Investment Obligations*” shall mean any of the following securities, if and to the extent the same are at the time legal for investment of NH Housing funds:

- (a) direct general obligations of the United States of America;
- (b) obligations the payment of the principal of and interest on which is unconditionally guaranteed by the United States of America;
- (c) direct and general obligations of any state within the United States of America or of any political subdivision of such state; provided that at the time of purchase such obligations are rated in either of the two highest categories by the Rating Agency;
- (d) Bonds, debentures, participation certificates, notes or other obligations issued or unconditionally guaranteed by any of the following: Federal Home Loan Banks; Federal Land Banks; Federal Farm Credit System (including Bank of Cooperatives, Federal Land Banks, Federal

Farm Credit Banks and Federal Intermediate Credit Banks); FNMA; Farmer's Home Administration (or its successor, the Rural Housing and Community Development Service); FHLMC; GNMA; Small Business Administration; Resolution Funding Corporation; or any other agency or corporation which has been or may hereafter be created by or pursuant to an Act of the Congress of the United States as an agency or instrumentality thereof or sponsored thereby;

(e) repurchase agreements; provided that such obligation is (i) rated in one of the three highest rating categories by any Rating Agency then rating the Bonds, or (ii) continuously and fully collateralized by such securities as are described above in clauses (a) through (c), inclusive, which shall have a market value at all times equal to at least the principal amount of such obligation;

(f) money market funds with ratings in the highest category of the Rating Agency;

(g) unsecured certificates of deposit, time deposits, bankers' acceptances, repurchase agreements, and commercial paper having maturities of not more than 365 days; provided that such obligations are rated in the highest short term category of the Rating Agency then rating the Bonds;

(h) deposits that are fully insured by the Federal Deposit Insurance Corporation;

(i) stripped securities; principal-only strips and interest-only strips of noncallable obligations issued by the U.S. Treasury, and REFCORP securities stripped by the Federal Reserve Bank of New York; and

(j) guaranteed investment contracts or similar deposit agreements with insurance companies, banks or other financial institutions, provided the ratings on the general unsecured obligations of such an institution at the time of entering into such contract or agreement are not lower than one rating below the rating on the Bonds by the Rating Agency;

provided, that it is expressly understood that the definition of Investment Obligations shall be, and shall be deemed to be, expanded, or new definitions and related provisions shall be added to the General Resolution by a Series Resolution or a Supplemental Resolution, thus permitting investments with different characteristics from those permitted which the Board of Directors of NH Housing deems from time to time to be in the interests of NH Housing to include as Investment Obligations if at the time of inclusion such inclusion will not, in and of itself, impair, or cause the Bonds to fail to retain, the then-existing rating assigned to them by the Rating Agency.

"Letter of Credit" shall mean an irrevocable letter of credit issued by a banking institution whose senior debt obligations are rated in one of the two highest categories by the Rating Agency rating the Bonds, issued in favor of the Trustee for the purpose of providing Supplemental Mortgage Coverage to NH Housing in the event of losses realized on or delinquencies in the payment of Mortgage Loans purchased with the proceeds of a Series of Bonds. Each such Letter of Credit shall initially be issued in a stated amount equal to that percent as provided in the applicable Series Resolution of the amount originally deposited in the Mortgage Loan Purchase Account to be applied to the purchase of Mortgage Loans in connection with the related Series of Bonds and shall be accompanied by an opinion of counsel acceptable to NH Housing to the effect that such Letter of Credit constitutes the legal, valid, binding and enforceable obligation of the issuer thereof. Following expenditure of the amount originally deposited in the applicable Mortgage Loan Purchase Account to be applied to the purchase of Mortgage Loans, and on each July 1 thereafter, the stated amount of the applicable Letter of Credit shall be adjusted to be an amount equal to that percent as provided in the applicable Series Resolution of the then outstanding aggregate principal balance of the Mortgage Loans purchased in connection with such series of Bonds; provided, however,

such adjusted stated amount shall not be adjusted to less than the stated amount required to maintain the rating on the Bonds by the Rating Agency rating the Bonds.

“Mortgage Loan” shall mean an interest-bearing obligation secured by a mortgage on single family housing (as defined by NH Housing from time to time) meeting the conditions enumerated in the General Resolution.

“Mortgage Loan Purchase Agreements” shall mean all agreements and affidavits of NH Housing, a Mortgage Lender, the Servicer or a mortgagor, relating to the application to obtain, commitment to purchase, purchase or servicing of a Mortgage Loan, including, but not limited to, agreements entitled *“Mortgage Loan Application and Commitment,” “Mortgage Loan Purchase Agreement,” “Mortgage Loan Servicing Agreement,” “Master Servicing Agreement for Guaranteed Mortgage Securities,”* if any; *Mortgagor(s) Affidavit* and *“Affidavit of Seller,”* as such agreements and affidavits shall from time to time be amended, substituted or supplemented.

“Mortgage Pool Insurance Policy” shall mean a mortgage pool insurance policy or policies, if any, or any replacement policy or policies therefor obtained by NH Housing pursuant to Section 716 of the General Resolution, and may also include a Letter of Credit.

“Mortgage Reserve Fund Requirement” shall mean, for each series of Bonds, the requirement, if any, provided in the Series Resolution for each series of Bonds as the Mortgage Reserve Fund Requirement and, overall, the aggregate of the Mortgage Reserve Fund Requirements established with respect to all Series of Bonds, as the context requires.

“Outstanding” shall mean, when used with reference to Bonds, as of any date of computation, Bonds theretofore or thereupon being delivered under the General Resolution except:

- (a) any Bonds canceled by the Trustee at or prior to such date;
- (b) Bonds for the payment or redemption of which moneys, equal to the principal amount or redemption price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the General Resolution and set aside for such payment or redemption (whether at or prior to the maturity or redemption date);
- (c) Bonds in lieu of or in substitution for which other Bonds shall have been executed and delivered pursuant to the General Resolution; and
- (d) Bonds deemed to have been paid as provided in the General Resolution.

The status of any Bond as being beneficially owned by NH Housing shall not be a sufficient condition for the classification of said Bond as not being Outstanding unless (i) an Authorized Officer provides written notice to the Trustee that said Bond shall not be Outstanding, and (ii) such written notice specifies the date on which said Bond shall not be Outstanding.

“Paying Agent” shall mean the bank or trust company designated as paying agent for the Bonds of any series, and its successor or successors appointed in the manner provided in the Resolution.

“Pledged Receipts” shall mean (a) the scheduled amortization payments (monthly or otherwise) of principal and interest called for by any mortgage loan from the date of purchase by NH Housing, paid from any source to NH Housing or received or held in trust for NH Housing by the Servicer of such mortgage loan for NH Housing, including both timely and delinquent payments, less the amount thereof retained by

the Servicer of any such mortgage loan as compensation for its services, and any moneys received or recovered by NH Housing with respect to any mortgage loan after the payment or provision for payment of the final Principal Installment of the Bonds of a series, the proceeds of which were used to purchase such mortgage loan or Recoveries of Principal deposited in the Program Account established for such Bonds which were used to purchase such mortgage loan; but shall not include the Rebate Fund, or any commitment fee or like charge held or collected by NH Housing from a lending institution with respect to NH Housing's agreement to purchase a mortgage loan or enter into mortgage loan purchase agreements, or payments of ground rents, if any, taxes, assessments, mortgage, fire or other hazard insurance premiums called for by any mortgage loan, premiums on a private mortgage insurance policy, administrative fees, if any, of NH Housing, or any other like payments other than the payments referred to herein; and (b) the scheduled amortization payments of principal and interest on Guaranteed Mortgage Securities from the date of purchase.

"Principal Installment" shall mean, as of any date of computation and with respect to any Series, so long as any Bonds thereof are Outstanding, the amount payable in any fiscal year on account of (a) the principal amount of Bonds of such Series maturing in such fiscal year net of the aggregate of Sinking Fund Installments, if any, established with respect to Bonds of such Series and maturity, plus (b) the unsatisfied balance of any Sinking Fund Installments due in such fiscal year with respect to Bonds of such Series; provided, however, that with respect to any Discount Bonds, *Principal Installment* shall mean the Compound Accreted Value thereof, and provided further that with respect to any Compound Interest Bonds or similar securities, *Principal Installment* shall mean the Compounded Interest Amount thereof, and that with respect to any capital appreciation bonds, *Principal Installment* shall mean the Capital Appreciation Amount thereof.

"Qualified Insurer" shall mean any insurance provider acceptable to NH Housing, qualified to provide insurance on Mortgage Loans in the State and which is rated in a category which will not adversely affect the rating on the Bonds by the Rating Agency.

"Rating Agency" shall mean a national recognized statistical rating organization which is registered with the United States Securities and Exchange Commission in accordance with the Credit Rating Agency Reform Act of 2006, providing a rating on the Bonds at the request of NH Housing. Other than as set forth in a Series Resolution, the two highest rating categories of Moody's Investors Service Inc. shall be deemed to be "Aaa," "Aa1," "Aa2," and "Aa3."

"Rebate Requirement" shall mean, with respect to a particular series of Bonds, the amount specified as the Rebate Requirement, if any, in the Series Resolution authorizing the issuance of such series of Bonds. The Rebate Requirement for the Bonds will be an amount of each payment required to be made to the Internal Revenue Service so that the Bonds will comply with the requirements of Section 148(f) of the Code and the Treasury Regulations thereunder (each such payment to be made on or before the time specified in such Section and Treasury Regulations).

"Record Date" shall mean, so long as DTC is the sole Registered Owner of the Offered Bonds, the close of business one Business Day before the date on which any payment of principal of or interest on the Offered Bonds is due; and if DTC is no longer the sole Registered Owner of the Offered Bonds, the close of business 21 days before the date on which any such payment of principal or interest is due.

"Recoveries of Principal" shall mean all:

- (a) moneys, other than Pledged Receipts, received or recovered by NH Housing or received or held in trust for NH Housing by the servicer of any mortgage loan for NH Housing on

account of such mortgage loan purchased from the proceeds of the Bonds of a Series or Recoveries of Principal received with respect thereto:

- (i) from any prepayment of principal on any such mortgage loan, including any prepayment penalty, fee, premium or other additional charge as is provided in any such mortgage loan in the case of prepayment;
 - (ii) through condemnation of the mortgaged premises or foreclosure of the mortgaged premises or other proceedings taken in the event of default by the mortgagor;
 - (iii) from any hazard insurance policy covering mortgaged premises;
 - (iv) from any mortgage insurance or guaranty proceeds, including moneys received from debentures or certificates issued pursuant to a contract of insurance, including proceeds of any private mortgage insurance policy, a Letter of Credit, or a Mortgage Pool Insurance Policy; and
 - (v) from the sale, assignment, endorsement or other disposition of any such mortgage loan.
- (b) moneys other than Pledged Receipts, received or recovered by NH Housing or received or held in trust for NH Housing of such Guaranteed Mortgage Security purchased from the proceeds of the Bonds of a Series or Recoveries of Principal received with respect thereto:
- (i) from any prepayment of principal on any such Guaranteed Mortgage Security; and
 - (ii) from the sale, assignment, endorsement or other disposition of all or part of any such Guaranteed Mortgage Security.

Nothing in the preceding sentences shall be construed to constitute a Recovery of Principal in the event that NH Housing makes a good faith substitution of all or a part of any mortgage loan or all or part of a Mortgage Guaranteed Security for all or a part of another mortgage loan or all or part of another Mortgage Guaranteed Security in the event NH Housing authorizes a mortgagor to apply the proceeds of hazard insurance to restore the mortgage premises. Recoveries of Principal shall not include any moneys received or recovered by NH Housing with respect to any mortgage loan or Guaranteed Mortgage Security after payment of the final Principal Installment of the Bonds of a Series, the proceeds of which were used to purchase such mortgage loan or Guaranteed Mortgage Security or Recoveries of Principal deposited in the Program Account established for such Bonds which were used to purchase such mortgage loan or Guaranteed Mortgage Security.

“Self Insurance Fund” shall mean the Self Insurance Fund, if any, established pursuant to a Series Resolution.

“Self Insurance Fund Requirement” or *“SIF Requirement”* shall mean, for each series of Bonds, the requirement established for each series of Bonds in the applicable Series Resolution.

“Series” or *“series”* shall mean all of the Bonds authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter delivered in lieu of or in substitution for such Bonds pursuant to the General Resolution, regardless of variations in maturity, interest rate, Sinking Fund Installments, or other provisions.

“*Series Resolution*” shall mean a Supplemental Resolution of NH Housing authorizing the issuance of any Series of Bonds under the General Resolution.

“*Sinking Fund Installment*” shall mean, with respect to any series of Bonds, an amount so designated which will be established pursuant to the applicable series resolution.

“*Statement of Projected Revenues*” shall mean a certificate of NH Housing stating: (a) for the current and each future Fiscal Year: (i) the amount of scheduled or estimated Pledged Receipts to be received in each such Fiscal Year; (ii) if scheduled for such series of Bonds, the amount of estimated Recoveries of Principal to be received in each such Fiscal Year; (iii) the amount of estimated earnings from investments of funds in the Mortgage Reserve Fund in each such Fiscal Year together with the maturing principal amounts, if any, of such investment funds available for Debt Service in such Fiscal Year; (iv) the amount of any other revenues, investment income, including earnings from the investment of moneys in the applicable Mortgage Loan Purchase Account, or other fund reasonably estimated by NH Housing to be available for the payment of Debt Service; (v) the sum of clauses (a) through (d) above, if scheduled; and (vi) the Debt Service for each such Fiscal Year with respect to all series of Bonds to be Outstanding (A) if such certification is made in connection with the issuance of a series of Bonds, immediately after the delivery of the series of Bonds being issued; and (B) in all other cases, immediately after the issuance of the certification; (b) in each such Fiscal Year, the difference between: (i) the amount referred to in clause (a)(v) above; and (ii) the Debt Service referred to in clauses (a)(vi) above; and (c) that the amounts referred to in clause (a)(v) above are, on a cumulative basis, in each such Fiscal Year, in excess of the Debt Service referred to in clause (a)(vi) above for each such Fiscal Year.

“*Subordinated Bonds*” shall mean any Series of Bonds not subject to the parity pledge of the General Resolution.

“*Supplemental Resolution*” shall mean any resolution supplemental to or amendatory of the General Resolution, adopted by NH Housing in accordance with the General Resolution, and may also include a Series Resolution and a Designated Series Resolution.

“*Trustee*” shall mean U.S. Bank Trust Company, National Association, its successor or any other corporation which may at any time be submitted in its place pursuant to the Resolution.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION

The General Resolution, as supplemented by the Series Resolution, contains various covenants and security provisions, certain of which are summarized below. Reference should be made to the General Resolution for a full and complete statement of its provisions. Capitalized terms used below and not otherwise defined herein are defined in Appendix C or shall have the same meaning as in the General Resolution.

Contract With Bondholders (Section 103)

The provisions of the General Resolution constitute a contract among NH Housing, the Trustee and the holders of the Bonds, and the provisions thereof are for the equal benefit, protection and security of the holders of any and all of the Bonds.

Provisions for Issuance of Bonds (Sections 201, 202 and 712)

The General Resolution authorizes Bonds to be issued from time to time in accordance with its terms without limitation as to amount except as provided in the General Resolution or as may be limited by law. The Bonds of a series may be authenticated and delivered only upon receipt by the Trustee of, among other things (provided, however, the Trustee shall not be required to receive any of the following that an Authorized Officer of NH Housing certifies is not applicable to a particular series of Bonds):

(a) A Counsel's Opinion to the effect, among other things, that the Bonds of such series are valid and binding special obligations of NH Housing enforceable in accordance with their terms, except that no opinion need be expressed as to the effect upon such enforceability of bankruptcy, insolvency, reorganization, moratorium and other laws enacted for the relief of debtors, and secured by the lien on and pledge of the proceeds, moneys, rights, interests and collections described in Section 501 of the General Resolution;

(b) The amount of the proceeds of such series to be deposited in any fund or account established in the General Resolution;

(c) Except in the case of a refunding issue, a certificate of an authorized officer of NH Housing stating that NH Housing is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the General Resolution; and

(d) A certificate of an authorized officer of NH Housing stating that for the current and each future Fiscal Year the amount of scheduled and estimated Pledged Receipts and the amount of estimated Recoveries of Principal to be received in each such Fiscal Year, and any other revenues, investment income or funds estimated by NH Housing to be available for the payment of Debt Service for each such Fiscal Year with respect to all series of Bonds to be Outstanding immediately after delivery of the series of Bonds then being issued are in excess of Debt Service for each such Fiscal Year.

NH Housing is not permitted to issue any bonds or other evidences of indebtedness, other than the Bonds, secured by a pledge of the proceeds, moneys, rights, interests and collections pledged under the General Resolution and shall not create or cause to be created any lien or charge on such proceeds, moneys, rights, interests and collections equal or superior to the lien created by the General Resolution; however,

NH Housing may issue evidences of indebtedness secured by a pledge of such proceeds, moneys, rights, interests and collections on and after such date as such pledge shall be discharged and satisfied as provided in the General Resolution, or notes or bonds of NH Housing secured by assets and revenues of NH Housing other than the proceeds, moneys, rights, interests and collections pledged in the General Resolution.

Provisions for Refunding Issues (Section 202)

One or more series of Refunding Bonds may be issued to refund any Outstanding Bonds. Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee of, among other things, irrevocable instructions to give notice of the redemption of all Bonds to be refunded and to give notice as required for the redemption of such Bonds and either (a) moneys sufficient to effect payment at the applicable redemption price of the Bonds to be refunded, together with interest accrued to the redemption date; or (b) those investments described in clause (a) or (b) under the heading “APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION—Investment of Funds and Accounts Held by the Trustee” herein below, which by their terms will provide moneys sufficient to provide for the payment of such redemption price and accrued interest. Any such moneys, obligations or certificates are required to be held in trust pursuant to the terms of the General Resolution.

Regulations With Respect to Exchanges and Transfers (Section 306)

For every exchange or transfer of Bonds, whether temporary or definitive, pursuant to the General Resolution, NH Housing or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and, except for the first exchange or transfer of any such Bonds, may charge a sum sufficient to pay the cost of issuing each new Bond issued upon such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Neither NH Housing nor the Trustee is required (a) to make any such exchange or transfer of Bonds of any series during the 20 days next preceding an interest payment date on the Bonds of such series or next preceding any selection of Bonds to be redeemed or thereafter until after the first notice of such redemption; or (b) to transfer or exchange any Bonds called for redemption.

Funds and Accounts (Section 502)

The General Resolution establishes the following funds and accounts which are held by the Trustee:

- (a) Bond Proceeds Fund:
 - (i) Program Accounts (for each series of Bonds);
 - (ii) Capitalized Interest Accounts (when required by the applicable Series Resolution); and
 - (iii) Temporary Accounts (created as may be from time to time required);
- (b) Revenue Fund;
- (c) Recovery of Principal Fund:
 - (i) Recovery of Principal Accounts (for each series of Bonds); and
 - (ii) Recovery of Principal Redemption Accounts (for each series of Bonds);

- (d) Debt Service Fund:
 - (i) Interest Account; and
 - (ii) Principal Installment Account;
- (e) Mortgage Reserve Fund;
- (f) General Redemption Fund;
- (g) Rebate Fund;
- (h) Designated Transaction Fund;
- (i) Special Program Fund; and
- (j) such other funds or accounts as may be established by the applicable Series Resolution.

Bond Proceeds Fund (Section 503)

Upon the issuance, sale and delivery of any series of Bonds, there shall be established within the Bond Proceeds Fund a Program Account for such series of Bonds, into which amounts required to be so paid by the provisions of a Series Resolution and moneys transferred from the Recovery of Principal Fund will be paid.

Amounts in any Program Account shall be expended and applied only (a) for the purchase of mortgage loans and Guaranteed Mortgage Securities; (b) for the payment of costs of issuance of the series of Bonds the proceeds of which were deposited in such account; (c) for the payment of the initial premium of any mortgage insurance policy purchased by NH Housing to insure a mortgage loan purchased from moneys in such account; (d) for the payment of principal or redemption price, if any, and interest when due on any notes of NH Housing issued for the purpose of funding NH Housing's single family mortgage program; (e) for deposit into the Debt Service Fund for payment of Principal Installments of and interest on Bonds when due; and (f) for deposit in any Recovery of Principal Redemption Account for redemption or purchase of any series of Bonds.

Unless otherwise directed by NH Housing, the Trustee shall transfer any moneys in a Program Account remaining in such account for a period of 36 months from the date of deposit therein, and NH Housing may at any time direct the Trustee to transfer any moneys in a Program Account to the Recovery of Principal Redemption Account designated by NH Housing for redemption or purchase of any series of Bonds.

Immediately before the transfers required to be made to the Revenue Fund in each month, the Trustee shall transfer from each Capitalized Interest Account to the Interest Account amounts equal to one-sixth of the amount required by the applicable Series Resolution to be transferred to the Interest Account on or before the next succeeding interest payment date. As of the last interest payment date for which such Capitalized Interest Account was established, any excess therein, together with amounts which constitute interest earned and gains realized by the investments of moneys held in such Capitalized Interest Account, shall be transferred by the Trustee to, and deposited as Pledged Receipts into, the Revenue Fund.

Revenue Fund (Section 504)

NH Housing shall cause all Pledged Receipts (other than Pledged Receipts from a Designated Transaction) and all Recoveries of Principal (other than Recoveries of Principal from a Designated Transaction) to be promptly deposited on or before the fifteenth day of every month with the Trustee or Depositories, to the credit of the Revenue Fund.

Upon receipt of a Statement of Account for the preceding month, the Trustee, for each Series of Bonds, shall deposit each Recovery of Principal received during the preceding month in the Principal Installment Account until the amount deposited in the Principal Installment Account during the current calendar year equals the amount which the applicable Series Resolution scheduled for deposit therein during such year, and any excess thereafter the Trustee shall deposit in the Recovery of Principal Account established for such series.

Immediately after making the aforementioned transfer of Recoveries of Principal and the transfer from the Capitalized Interest Account into the Interest Account or the Revenue Fund, the Trustee shall deposit the moneys received as Pledged Receipts into the following Funds and Accounts as follows and in the following order (except that, a Series Resolution authorizing a series of Bonds with principal or interest payments due on day(s) other than January 1 or July 1 may also amend clauses Third and Fourth below to provide for deposits to the Interest Account and/or Principal Installment Account, as applicable, in order to provide for payment of such interest and principal as due):

FIRST, deposit into the Rebate Fund to be credited to each separate account established for a particular series of Bonds in the Rebate Fund, if and to the extent required so that the balance in each said account shall equal the Rebate Requirement for such series of Bonds;

SECOND, pay, upon delivery to the Trustee of a requisition, the amount of the Mortgage Pool Insurance Policy premiums payable within the next 30 days on policies insuring mortgage loans purchased from moneys in any Program Account or fees payable in connection with any letter of credit obtained by NH Housing in connection with mortgage loans purchased from moneys in any Program Account;

THIRD, deposit into the Debt Service Fund to be credited to the Interest Account, an amount which when added to the amount transferred during such month to such account from any Capitalized Interest Account equals (a) one-sixth of the interest due and payable on all Bonds Outstanding on the next succeeding interest payment date; or (b) the amount necessary to increase the amount in the Interest Account so that it will equal interest on the Outstanding Bonds accrued and unpaid on the next succeeding interest payment date, whichever is less; provided that if the amounts deposited or transferred into the Debt Service Fund in the preceding month from any source did not equal either (a) or (b) then the amount required to be deposited into the Debt Service Fund as set forth in this Clause Third shall be increased to include the difference between the amount deposited in such preceding month and the amount required to be deposited in such preceding month;

FOURTH, deposit into the Debt Service Fund to be credited to the Principal Installment Account, an amount which when added to the amount of Recoveries of Principal transferred during such month equals the sum of (a) the lesser of (i) one-twelfth of the Principal Installment due and payable on the next succeeding January 1st with respect to all Outstanding Bonds maturing on such January 1; or (ii) the amount necessary to increase the amount in such Account so that it equals such Principal Installment due and payable on the next succeeding January 1st with respect to all Outstanding Bonds maturing on such January 1st; and (b) the lesser of (i) one-twelfth of the

Principal Installment due and payable on the next succeeding July 1st with respect to all Outstanding Bonds maturing on July 1st, or (ii) the amount necessary to increase the amount in such Account so that it equals such Principal Installment due and payable on the next succeeding July 1 with respect to all Outstanding Bonds maturing on such July 1; provided that if the amounts deposited or transferred into the Debt Service Fund in the preceding month from any source did not equal either (a)(i) or (ii) or (b)(i) or (ii), as the case may be, then the amount required to be deposited into the Debt Service Fund as set forth in this Clause Fourth shall be increased to include the difference between the amount deposited in such preceding month or months and the amount required to be deposited in such preceding month or months; and

FIFTH, deposit into the Mortgage Reserve Fund, the amount, if any, necessary to increase the amount in the Mortgage Reserve Fund so that it equals the Mortgage Reserve Fund Requirement.

Any balance remaining after making the deposit described above shall be deposited into the Special Program Fund or paid, free and clear of any trust, lien or pledge created by the General Resolution, as directed by NH Housing for any lawful purpose of NH Housing (including the redemption of the Bonds in accordance with the provisions of the Series Resolution) upon delivery to the Trustee of (A) a requisition; (B) a certificate signed by an authorized officer of NH Housing stating the purpose of such requisition and that such purpose is a lawful purpose of NH Housing and is consistent with the covenant of NH Housing relating to arbitrage; and (C) a Cash Flow Certificate showing that following payment of such amount to NH Housing out of the Revenue Fund pursuant to such Requisition, the assets available under the General Resolution for payment of the Bonds are equal to or greater than the amounts required for payment of principal and interest on the Bonds. Any balance remaining in the Revenue Fund after the application of the Revenue Fund provisions may be invested as provided in the General Resolution.

Recovery of Principal Fund (Section 505)

If necessary, upon the direction of NH Housing, the Trustee shall transfer moneys in the Recovery of Principal Account of the Recovery of Principal Fund to pay principal installments of, and interest on, the Bonds when due.

NH Housing, by delivery to the Trustee of a statement signed by an authorized officer of NH Housing may direct the Trustee to utilize moneys in a Recovery of Principal Account for a series of Bonds to be (a) transferred by the Trustee to the Bond Proceeds Fund to be credited to the Program Account for such series of Bonds, (b) transferred by the Trustee to the Recovery of Principal Redemption Account for such or any other series of Bonds, or (c) retained in such Recovery of Principal Account and invested by the Trustee as directed by NH Housing and as permitted in the General Resolution for the maximum benefit of the Bondholders but in all cases in compliance with NH Housing's covenant relating to arbitrage.

In giving the statement set forth in the preceding paragraph, NH Housing may select that alternative which it deems shall best protect the interests of Bondholders and instruct the Trustee to adopt such alternative.

Upon deposit of such moneys in any Recovery of Principal Redemption Account or within 30 days thereafter, NH Housing may give written direction to the Trustee signed by an authorized officer of NH Housing, of the redemption date or the maturity or maturities of the Bonds of such tenor and of such or any other series to be purchased or redeemed with such moneys and of the principal amounts of each tenor and maturity or maturities to be purchased or redeemed, subject to any limitations with respect thereto contained in the General Resolution and the Series Resolution authorizing such series.

Upon the payment of all Outstanding Bonds of a particular series, the Trustee shall transfer any moneys remaining in the Recovery of Principal Redemption Account established for such Bonds to the General Redemption Fund.

Debt Service Fund (Section 506)

The Trustee shall pay out of the Debt Service Fund to the respective paying agents (a) out of the Interest Account, on the day preceding each interest payment date for any of the Bonds, the amount required for the interest payable on Bonds on such date; (b) out of the Principal Installment Account, on the day preceding each principal installment date, the amount required for the Principal Installment payable on such due date; and (c) out of the Interest Account, on the day preceding any redemption date, the amount required for the payment of accrued interest on the Bonds then to be redeemed unless the payment of such accrued interest shall be otherwise provided for and such amounts shall be applied by the paying agents on and after the due date thereof.

The amount accumulated in the Principal Installment Account (or from moneys from a source described in an applicable Series Resolution) for each Sinking Fund Installment may (unless otherwise set forth in a Series Resolution), and, if so directed by NH Housing, shall be applied (together with amounts accumulated in the Interest Account with respect to interest on the Bonds for which such Sinking Fund Installment was established) by the Trustee prior to the forty-fifth day preceding the due date of such Sinking Fund Installment as follows:

- (a) to the purchase of Bonds of the series, maturity and tenor for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the redemption price payable from Sinking Fund Installments for such Bonds when such Bonds are redeemable by application of said Sinking Fund Installments plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as the Trustee shall determine, interest accrued on the Bonds so purchased to the date of delivery to the Trustee to be paid from moneys credited to the Interest Account; or
- (b) to the redemption, pursuant to the General Resolution, of such Bonds if then redeemable by their terms at their redemption prices.

As soon as practicable after the forty-fifth day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption, pursuant to the General Resolution, on such due date Bonds of the series, maturity and tenor for which such Sinking Fund Installment was established in such amount as shall be necessary to complete the retirement of the principal amount, specified for such Sinking Fund Installment, of the Bonds of such series, maturity and tenor.

Mortgage Reserve Fund (Section 507)

The General Resolution establishes a Mortgage Reserve Fund and requires that, upon delivery of any series of Bonds, NH Housing deposit in such Mortgage Reserve Fund such amounts, if any, as are necessary to make the amount on deposit in such fund at least equal to the aggregate of all of the Mortgage Reserve Fund Requirements. The Mortgage Reserve Fund Requirement is established for a series of Bonds in the related Series Resolution. The Series Resolution will provide that the Mortgage Reserve Fund be funded in an amount which will cause the aggregate amount on deposit in such Fund to equal the Requirement. See “SECURITY FOR THE BONDS—Mortgage Reserve Fund.”

Moneys in the Mortgage Reserve Fund shall be transferred in each year by the Trustee (a) to the Rebate Fund if the amount in the Rebate Fund should be less than the Rebate Requirement to the extent

necessary to make good the deficiency; and (b) to the Debt Service Fund in the amount necessary to increase the amounts in the Interest Account and Principal Installment Account so that they equal the interest and Principal Installment due and payable on the Bonds on such July 1 and such January 1, respectively except that a Series Resolution authorizing Bonds with interest and/or principal due on date(s) other than January 1 and/or July 1 may also amend this clause (b) to provide for increases to the Interest Account and/or Principal Installment Account in the amount(s) necessary to increase the amounts in such Accounts so that they equal the interest and/or Principal Installment due and payable on such alternate payment dates. The General Resolution also permits transfers of amounts in excess of the Requirement to other funds and accounts, the effect of which can be to permit the release of such amounts to NH Housing free and clear of the pledge and lien of the General Resolution or to call Bonds for special optional redemption prior to their maturity. See “THE BONDS—Redemption.”

General Redemption Fund (Section 508)

Upon direction of NH Housing, the Trustee shall transfer moneys in the General Redemption Fund not otherwise committed for redemption or purchase of Bonds to the Debt Service Fund to pay Principal Installments of and interest on Bonds when due.

NH Housing, by delivery to the Trustee of a statement signed by an authorized officer of NH Housing, may at any time direct the Trustee to transfer any moneys in the General Redemption Fund to any other fund or account or to pay any such moneys to NH Housing to its order free and clear of any trust, lien or pledge effected by the General Resolution upon delivery to the Trustee of a requisition and certificate signed by an authorized officer of NH Housing stating the purpose of such requisition and that such purpose is a lawful purpose of NH Housing and is consistent with NH Housing’s covenant in the General Resolution relating to arbitrage.

Subject to the provisions of any Series Resolution and to the redemption provisions of the Bonds of each series, NH Housing may, by delivery to the Trustee of a statement signed by an authorized officer of NH Housing, direct the Trustee to apply specified amounts in the General Redemption Fund for the purchase or redemption of Bonds (accrued interest on such Bonds to be paid from the Interest Account). In such event, NH Housing shall direct in such statement the selection of the Bonds to be purchased and the purchase price thereof, within the limits provided by law, and the amount and redemption date of the Bonds to be redeemed. Such purchases shall be made in such manner as the Trustee shall determine, and such redemption shall be made in the manner provided in the General Resolution.

Rebate Fund (Section 509)

The General Resolution establishes a Rebate Fund, which Rebate Fund is not pledged to the Holders of the Bonds. Amounts on deposit in the Rebate Fund in each separate account established for a particular series of Bonds shall be applied as provided in the Series Resolution providing for the issuance of such series of Bonds in accordance with the Rebate Requirement. See “APPENDIX C—DEFINITIONS OF CERTAIN TERMS USED IN THE GENERAL RESOLUTION AND THE SERIES RESOLUTION.”

Designated Transaction Fund (Section 510)

NH Housing shall cause all Pledged Receipts from a Designated Transaction, and all Recoveries of Principal from a Designated Transaction, to be promptly deposited on or before the fifteenth day of every month, or on or before the dates specified in the applicable Designated Series Resolution, to the Designated Transaction Fund. Said Pledged Receipts and Recoveries of Principal shall be applied in accordance with the applicable Designated Series Resolution; provided that any flow of funds in such Designated Series Resolution shall be consistent with the pledge of the General Resolution.

Special Program Fund (Section 511)

The General Resolution establishes a Special Program in which NH Housing may be deposit, at any time, any available funds not pledged under the Resolution or not intended to receive the parity pledge of the Resolution, including, but not limited to, proceeds of a Series of Bonds not intended to receive the parity pledge of the Resolution, or other funds previously pledged under a general resolution securing obligations satisfied and discharged by the issuance of a Series of Refunding Bonds, if such proceeds or other funds are not needed to accomplish such satisfaction and discharge. Money so deposited shall be held in a general account in the Special Program Fund and, until disbursed or committed to be disbursed as provided below, shall be available to restore deficiencies in other Funds and Accounts, as provided in the General Resolution.

Subject to the foregoing, amounts in the general account in the Special Program Fund shall be disbursed or transferred, as directed by a certificate of an Authorized Officer, to effectuate (a) loans by NH Housing to provide special assistance to eligible sponsors, mortgagors or occupants of housing for persons and families of low and moderate income in paying the cost of development, rental or ownership of such housing; or (b) reappropriations to any fund or account under the control of NH Housing (including without limitation any fund or account not subject to the lien of a bond resolution) pertaining to any other program for any purpose authorized by the Act.

The full amount committed at any time by NH Housing for a special assistance loan shall be transferred by the Trustee to a separate restricted account in the Special Program Fund. Such loans shall be disbursed from the restricted account at times and in amounts directed by a certificate of an Authorized Officer, and repayments thereof shall be credited upon receipt to the general account. NH Housing also may direct the Trustee to establish one or more separate restricted accounts for any lawful purpose of NH Housing, including security for any obligation of NH Housing. Funds held in a restricted account or disbursed pursuant to reappropriation shall no longer be available for transfer to any other Fund or Account, except as provided in the directions to the Trustee relating to the establishment of such restricted account.

Unless otherwise set forth in a Series Resolution or a certificate of an Authorized Officer, at such time as any Series of Bonds is no longer outstanding and the related Series Resolution has been discharged, all moneys, assets and investments allocated to such Series (other than any cash and investments held by the Trustee in connection with a defeasance of such Series) shall be credited to the Special Program Fund.

Depositories (Section 601)

All moneys received by the Trustee under the provisions of the General Resolution shall be deposited with the Trustee or one or more depositories in trust for the Trustee. All moneys deposited under the provisions of the General Resolution with the Trustee or any depository shall be continuously secured for the benefit of NH Housing and the holders of the Bonds and held in trust and applied only in accordance with the provisions of the General Resolution, and each of the funds and accounts established by the Resolution shall be a trust fund for the purposes thereof. The Trustee and NH Housing shall not permit the deposit of any moneys subject to the pledge of the General Resolution with any depository in an amount exceeding 50% of the amount which an officer of such depository shall certify to the Trustee and NH Housing as the combined capital and surplus of such depository.

Investment of Funds and Accounts Held by the Trustee (Section 602)

Except as otherwise provided in the General Resolution, NH Housing may direct the Trustee to invest moneys in the funds and accounts held by the Trustee in Investment Obligations, the maturity or redemption date at the option of the holder of which shall coincide as nearly as practicable with the times

at which moneys in such respective Fund or Account will be required for the purposes provided in the General Resolution.

In addition to the above provisions, the Trustee shall, upon written direction of an authorized officer of NH Housing, deposit moneys held by it under the General Resolution (a) in certificates of deposit or interest bearing time deposits, or shall make other similar banking arrangements between it or a bank or banks or institution or institutions which is or the accounts in which are insured by the Federal Deposit Insurance Corporation or by the National Credit Union Administration; provided that the Trustee and NH Housing shall receive from the recipient of such deposit a written certificate that upon the making of each such deposit or arrangement, the interest to be earned thereon will be in excess of the interest, income or increment that would be earned by the investment of such moneys in Investment Obligations at the then current market prices and provided further that such deposits or other similar arrangements shall be continuously secured as to both principal and interest by (i) Investment Obligations, (ii) Bonds or notes of NH Housing, (iii) direct and general obligations of any state of the United States or of any political subdivision of the State rated in one of the two highest rating categories by Moody's Investors Service, Inc., all of which shall have a market value equal at all times to the amount of such deposits, or (iv) mortgages insured or guaranteed by the Federal Housing Administration or the Veterans Administration; or (b) in collateralized repurchase agreements with, or guaranteed by, banks or institutions which are members of the Federal Deposit Insurance Corporation, and with, or guaranteed by, members of the Association of Primary Dealers in U.S. Government Securities, the underlying securities of which are of the type described in clauses (i) and (ii) of the preceding paragraph, and pursuant to which a designated third party shall hold the collateral; provided, however, that the maturity date or redemption date at the option of the holder of any deposit of moneys under clause (a) or (b) of this paragraph shall coincide as nearly as practicable with the times at which moneys will be required for the purposes provided in the General Resolution; and provided further that prior to directing the Trustee to deposit moneys under clause (a) or (b) of this paragraph NH Housing shall have received confirmation from the Rating Agency that the making of such deposits will not, in and of themselves, impair, or cause the Bonds to fail to retain, the then-existing rating assigned to them by the Rating Agency. NH Housing shall furnish a copy of such confirmation from the Rating Agency to the Trustee.

Payment of Bonds (Section 701)

NH Housing covenants that it shall duly and punctually pay or cause to be paid, from the proceeds, moneys, rights, interests and collections pledged therefor, the principal or redemption price, if any, of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and meaning thereof and shall duly pay or cause to be paid the Sinking Fund Installments, if any, becoming payable with respect to any series of Bonds.

Power As to Bonds and Pledge (Section 705)

NH Housing covenants that prior to the issuance of any Bonds NH Housing will be duly authorized under applicable laws to create and issue the Bonds and to adopt the General Resolution and to pledge the proceeds, moneys, rights, interests and collections purported to be pledged in the manner and to the extent provided therein. NH Housing shall at all times, to the extent permitted by law, defend, preserve and protect such pledge of the proceeds, moneys, rights, interests and collections and all the rights of the holders of the Bonds under the General Resolution against all claims and demands of all persons whomsoever.

Sale of Mortgage Loans and Guaranteed Mortgage Securities (Section 708)

NH Housing may at any time, sell, assign or otherwise dispose of a Mortgage Loan:

- (a) in order to realize the benefits of federal insurance or guarantee or private insurance, including the Mortgage Pool Insurance Policy, with respect to such Mortgage Loan or any covenant of a mortgage lender under a Mortgage Loan Purchase Agreement;
- (b) in order to provide funds to purchase another Mortgage Loan having more favorable terms than the remainder of such Mortgage Loan;
- (c) in order to provide funds for the redemption or purchase of a principal amount of Bonds corresponding to the unpaid principal amount of such Mortgage Loan; or
- (d) if a Statement of Projected Revenues shall be filed with the Trustee giving effect to the proposed sale thereof and application of the proceeds of such sale.

NH Housing may at any time, sell, assign or otherwise dispose of all or part of a Guaranteed Mortgage Security if a Statement of Projected Revenues shall be filed with the Trustee giving effect to the proposed sale thereof and application of the proceeds of such sale.

Accounts and Reports (Section 711)

NH Housing shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions and the funds and accounts established by the General Resolution, such books, and all other books and papers of NH Housing and such funds and accounts shall at all times be subject to the inspection by the Trustee and the holders of an aggregate of not less than 5% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

NH Housing shall, within 120 days after the close of each Fiscal Year, file with the Trustee and with each Rating Agency which has rated the Bonds, and otherwise as provided by law, a copy of an annual report for such year, accompanied by an Accountant's Certificate, including the following statement in reasonable detail: a statement of assets and liabilities as of the end of such year; a statement of income, expenses and changes in fund balances for such year; and a statement of cash receipts and expenditures for such year (the "Statement of Account").

Arbitrage and Tax Covenant (Section 713)

NH Housing shall not permit at any time or times any of the proceeds of the Bonds or any other funds of NH Housing to be used directly or indirectly to acquire any property the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Code, or which would cause any Bond to violate any of the restrictions contained in Section 143 of the Code or which would cause the interest on any Bond to fail to be excluded from federal gross income under Section 103 of the Code.

NH Housing shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by NH Housing on the Bonds shall, for the purposes of federal income tax, be exempt from all income taxation under any valid provision of law.

Personnel and Servicing of Programs (Section 714)

NH Housing shall at all times appoint, retain and employ competent personnel for the purpose of carrying out its respective programs and shall establish and enforce reasonable rules, regulations, tests and standards governing the employment of such personnel at reasonable compensation, salaries, fees and charges and all persons employed by NH Housing shall be qualified for their respective positions.

Legislative Alteration of Rights of Holders of Bonds (Section 715)

The State will not limit or alter the rights vested in NH Housing by the Act, as amended and supplemented to the date of adoption of the General Resolution, to fulfill the terms of any agreements made with holders of Bonds or notes of NH Housing or in any way impair the rights and remedies of holders of Bonds or notes of NH Housing until such Bonds or notes, together with interest thereon, with interest or any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding or on behalf of holders of Bonds or notes of NH Housing, are fully met and discharged.

Mortgage Insurance or Similar Coverage of Mortgage Loans (Section 716)

In connection with the issuance of a series of Bonds, NH Housing may at its discretion obtain or fund one or more of (a) a Mortgage Pool Insurance Policy; (b) a Letter of Credit; (c) a Self Insurance Fund; or (d) an arrangement or set-aside of funds, including, but not limited to, a risk-sharing arrangement with a Qualified Insurer, for the purpose of covering losses resulting from defaults on Mortgage Loans from one or more Series of Bonds. Any such mortgage loan coverage, if any, shall be in such amount or amounts, if any, as provided in the applicable Series Resolution and, subject to confirmation of the rating on the Bonds by the Rating Agency, may cover defaults on Mortgage Loans purchased with the proceeds of one or more series of Bonds as provided in the applicable Series Resolution.

Bonds May Be Secured by Guaranteed Mortgage Securities (Section 717)

All Series of Bonds may be secured by Guaranteed Mortgage Securities if so provided by the Series Resolution authorizing the issuance of such Bonds.

Vesting in Trustee Powers of Statutory Trustee (Section 801)

The Trustee is vested with all of the rights, powers and duties of a trustee appointed by the holders of Bonds pursuant to the Act and, pursuant to the Act, the right of the holders of Bonds to appoint a trustee is abrogated by the General Resolution.

Remedies (Section 802)

The Trustee is entitled to all of the rights and remedies provided in the Act, in any other law, and in the General Resolution. Upon the occurrence and continuance of an Event of Default set forth in clause (c) under the heading “—Events of Default” below, the Trustee may proceed, and upon the written request of the holders of not less than 100% of the principal amount of the Outstanding Bonds shall proceed, to protect and enforce its rights and the rights of the holders of Bonds. Upon the occurrence and continuance of any other Event of Default, the Trustee may proceed and upon the written request of the holders of not less than 25% of the principal amount of Outstanding Bonds, shall proceed to protect and enforce its rights and the rights of the holders of Bonds.

Remedies available to the Trustee include, but are not limited to, bringing suit to require NH Housing to receive and collect Pledged Receipts and Recoveries of Principal adequate to carry out the

pertinent covenants in the General Resolution with respect thereto; bringing suit upon the Bonds; bringing suit to require an accounting by NH Housing; bringing suit to enjoin any acts which may be unlawful or in violation of the rights of the holders of the Bonds; and declaring all Bonds due and payable. The Trustee is to use such remedy as it, being advised by counsel, deems most effectual.

When enforcing any rights and remedies established by the General Resolution, the Trustee is entitled to enforce payment of any amount then due from NH Housing under the General Resolution or a Series Resolution, with interest on the overdue payments at the rates specified in the Bonds, together with any costs and expenses of any collection or proceedings hereunder, without prejudice to any other right or remedy of the Trustee or holders of Bonds. The Trustee may enforce any judgment or decree against NH Housing in any manner provided by law.

Events of Default (Section 803)

Each of the following events is an “Event of Default” under the General Resolution:

- (a) if default shall be made in the due and punctual payment of the Principal Installment or redemption price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;
- (b) if default shall be made in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable, and such default shall continue for a period of 30 days;
- (c) if default shall be made by NH Housing in the performance or observance of any other of the covenants, agreements or conditions on its part in the General Resolution or in the Bonds contained, and such default shall continue for a period of sixty days after written notice thereof to NH Housing by the Trustee or to NH Housing and to the Trustee by the holders of not less than 20% in principal amount of the Bonds Outstanding;
- (d) if NH Housing shall file a petition seeking a composition of indebtedness under the Federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State; or
- (e) if the State has limited or altered the rights of NH Housing pursuant to the Act, as amended, to the date of the General Resolution, to fulfill the terms of any agreements made with holders of Bonds or in any way impaired the rights and remedies of holders of Bonds while any Bonds are Outstanding.

Restrictions on Bondholders’ Action (Section 808)

No holder of any Bond has any right to institute any action to enforce any remedy provided under the General Resolution unless either of the following two conditions are met: (a)(i) such holder has given written notice to NH Housing and the Trustee of the Event of Default leading to the action; (ii) after the Event of Default, written request is made by the holders of not less than 25% in the principal amount of the Outstanding Bonds with respect to an Event of Default set forth in clause (c) under the heading “—Events of Default” above) and there has been offered to the Trustee security and indemnity satisfactory to it against the costs and liabilities incurred by them in instituting such action; and (iii) the Trustee has refused or neglected to institute the action within a reasonable time; or (b)(i) the holder had previously obtained the written consent of the Trustee to institute such action, and (ii) such action is brought for the ratable benefit of all the holders of Bonds and coupons.

No holder of any Bond has any right to affect, disturb or prejudice by his action any moneys, rights, interests or funds established by the General Resolution, or, except in the manner and on the conditions provided in said Section, to enforce any right or duty under the General Resolution.

Application of Revenues and Other Moneys After Default (Section 809)

NH Housing covenants that if an Event of Default shall happen and shall not have been remedied, NH Housing, upon demand of the Trustee, shall pay over to the Trustee (a) forthwith, all moneys, securities, revenues, funds and payments then held by NH Housing in any Fund (except for the Rebate Fund) under the General Resolution, as soon as practicable after receipt thereof, all Pledged Receipts, Recoveries of Principal and other moneys received on account of mortgage loan purchase agreements; and (b) shall assign to the Trustee all rights and interests of NH Housing in all mortgage loans and Guaranteed Mortgage Securities and all mortgage loan purchase agreements.

During the continuance of an Event of Default, the Trustee shall apply such moneys, security funds and other receipts and the income therefrom as follows:

- (a) to the payment of the reasonable and proper charges and expenses of the Trustee;
- (b) to the payment of mortgage insurance premiums on policies insuring mortgage loans purchased from moneys in any Program Account or fees in connection with any Letter of Credit; and
- (c) to the payment of the interest and principal or redemption price then due on the Bonds as follows:
 - (i) unless the principal of all of the Bonds shall have become or have been declared due and payable:

FIRST, to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

SECOND, to the payment to the persons entitled thereto of the unpaid principal or redemption price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then, to the payment thereof ratably, according to the amounts of principal or redemption price due on such date, to the persons entitled thereto, without any discrimination or preference; and

- (ii) if the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Removal of Trustee (Section 908)

The Trustee may be removed at any time (a) except during the continuation of an Event of Default, by NH Housing for such cause as shall be determined in the sole discretion of NH Housing by filling with the Trustee an instrument signed by an Authorized Officer, or, if agreed to by NH Housing and the Trustee in writing, at any time without cause; or (b) by an instrument or concurrent instruments in writing signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of NH Housing, notification thereof having been given to NH Housing.

Powers of Amendment (Sections 1001, 1002, 1003 and 1102)

NH Housing may, without the consent of any holders of Bonds, amend the General Resolution by a supplemental resolution, among other things: to add additional covenants and agreements of NH Housing; to prescribe further conditions or provisions relating to the delivery of Bonds and the issuance of other indebtedness by NH Housing; to authorize Bonds of a series; to make changes which do not, in the judgment of NH Housing, based on a Counsel's Opinion, materially adversely affect the interests of the holders of the Bonds or to modify any of the provisions of the General Resolution in any other respects; provided that no such amendment shall be effective until after all Bonds Outstanding as of the date of adoption of such amendment cease to be Outstanding; with the consent of the Trustee, to cure any ambiguity or supply any omission, or cure or correct any error, defect or inconsistent provision in the General Resolution or provide for additional duties of the Trustee in connection with mortgage loans and Guaranteed Mortgage Securities or to make any additions, deletions or modifications to the General Resolution as long as the additions, deletions or modifications, as the case may be, will not, in and of themselves, result in a reduction or withdrawal of the then current rating on the Bonds by the Rating Agency.

The General Resolution and the rights and obligations of NH Housing and the holders of the Bonds may be modified or amended in any other regard with the consent, given as provided in the General Resolution, of the holders of at least two-thirds in principal amount of the Bonds Outstanding which are affected by such modification or amendment; provided, however, that no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect any such modification or amendment, without the consent of the holders of each Bond affected.

Defeasance (Section 1201)

All Outstanding Bonds of any series and all coupons appertaining to such Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, NH Housing shall have given to the Trustee in form satisfactory to it irrevocable instructions as provided in the General Resolution to give notice of redemption of such Bonds on said date; (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be; and (c) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, NH Housing shall have given the Trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable, notice to the holders of such Bonds and coupons that the deposit required by clause (b) above has been made with the Trustee and that said Bonds and coupons are deemed to have been

paid in accordance with the General Resolution and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds. Neither Investment Obligations nor moneys deposited with the Trustee pursuant to the General Resolution nor principal or interest payments on any such Investment Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Investment Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Investment Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to NH Housing, as received by the Trustee, free and clear of any trust, lien or pledge. For the purposes of Section 1201, Investment Obligations shall mean and include only those investments described in clauses (i) and (ii) under the heading “APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION—Investment of Funds and Accounts Held by the Trustee,” and such Investment Obligations shall not be subject to redemption prior to maturity.

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APPENDIX E

SINGLE FAMILY PROGRAM

General

NH Housing operates a program of financing single family mortgage loans for eligible persons and families in the State in accordance with the Act (the “Single Family Program”). From 1981 to 2012, NH Housing funded its purchase of single family mortgage loans from lending institutions in the State through the issuance of bonds, in the aggregate amount of approximately \$3,400,000,000. From July 2012 until October 2022, NH Housing financed single family mortgage loans through the sale of Guaranteed Mortgage Securities in the “to be announced” (“TBA”) market and the sale of whole loans to Fannie Mae, collectively in the aggregate amount of approximately \$2,300,000,000. From October 2022 on, NH Housing intends to finance its Single Family Program through (a) the TBA market, (b) the sale of loans to Fannie Mae, and (c) the issuance of bonds. Single family mortgage loans pooled into Guaranteed Mortgage Securities to be sold in the TBA market or to be sold to Fannie Mae will have different borrower qualifications than those pooled in Guaranteed Mortgage Securities intended to be purchased with proceeds of bonds. Below is a description of NH Housing’s program of financing single family loans intended to be pooled into Guaranteed Mortgage Securities purchased with proceeds of tax-exempt bonds.

NH Housing’s 2023 Homeowner Mortgage Revenue Bond Program

NH Housing’s 2023 Homeowner Mortgage Revenue Bond Program (the “Bond Funded Single Family Program”) permits the purchase of Mortgage-Backed Securities and Mortgage Loans comprised of FHA, VA, and USDA/RD guaranteed Loans, Loans with private mortgage insurance, and Loans without either a guarantee or private mortgage insurance if below required loan-to-value limits, with all such Loans made to income qualifying homebuyers. Prior to purchase with bond proceeds, Mortgage Loans will be pooled into Guaranteed Mortgage Securities. First lien mortgage loans are expected to be made available for the purchase of newly constructed or existing homes. NH Housing expects to adjust the mortgage loan interest rates on its programs periodically to provide continuous mortgage origination at rates that respond to the market. The 2023 Series D Loans are to be made to first-time homebuyers (or certain veterans or purchasers in Targeted Areas) for the purchase of owner-occupied homes within the State. NH Housing also expects to make second lien mortgage loans for down-payment assistance available to qualifying homebuyers. All first lien mortgage loans financed in the Bond Funded Single Family Program are subject to income limits pursuant both to provisions of the Code and the Rules of NH Housing (see “—Rules of NH Housing” below). As of June 1, 2023, maximum gross income for eligible borrowers ranged from \$121,400 to \$169,900 (dependent upon family size), and maximum purchase price for new and existing single family residences ranged from \$480,000 to \$590,000 depending on location, and for new and existing residences of two to four units ranged from \$610,000 to \$915,000 depending on number of units and location. Such amounts are either at or lower than the amounts currently permitted under the Code. Income limits and purchase price limits are each subject to change from time to time.

NH Housing has designated its loan products to be offered through the Bond Funded Single Family Program as Home First Government Loans and Home First Conventional Loans, each with a Plus variation that includes downpayment assistance.

Home First Loans. NH Housing’s Home First Program provides first-lien mortgage loans that have 30-year terms and are subject to income limits set annually by HUD and purchase price limits derived from such income limits.

Home First Plus Loans. New Hampshire Housing’s Home First Plus Program provides first-lien mortgage loans that have 30-year terms. The Home First Plus Program provides down-payment or closing cost assistance in the amount of up to \$10,000. The down-payment or closing cost assistance offered in connection with the Home First Plus Program is currently a forgivable second mortgage, junior and subordinate to the related first mortgage loan. Such second mortgage loans have terms of either four or five years, are non-interest bearing and will be forgiven at the end of the four or five-year term, as applicable. If the related home is sold, the first mortgage loan is refinanced, or if the borrower files for bankruptcy, the remaining amount of the second mortgage loan, if any, must be repaid. NH Housing reserves the right to restructure the terms of its First Plus downpayment assistance loans, including such options as making such loans interest-bearing, amortizing, and/or extending the term period(s).

Origination Period. The origination period with respect to the proceeds of the 2023 Series D Bonds is expected to be completed by May 1, 2024 but may be extended as determined by NH Housing in accordance with the provisions described in “THE OFFERED BONDS—Redemption—Special Redemption From Unexpended Proceeds—Extension of Delivery Period.”

Mortgage Loan Interest Rates. Interest rates on the 2023 Series D Loans will be fixed rates, provided, however, that NH Housing reserves the right to modify those interest rates.

Term of Loans. The 2023 Series D Loans will be 30 year, fully amortizing loans, with level payments.

Lender Fee. In connection with the 2023 Series D Loans, NH Housing will pay Lenders and Originators fees based on the principal amount of each Loan.

Other Homeownership Initiatives

Although NH Housing does not expect to use proceeds of the 2023 Series D Bonds to offer the first-lien mortgage loans described in the following paragraphs, NH Housing has previously offered such loan programs to foster homeownership opportunities, focused primarily on first-time homebuyers and reserves the right to use a portion of the proceeds of the 2023 Series D Bonds to offer such loans to qualifying homebuyers (subject to the limitations of the Code and fulfillment of compliance with tax-exempt bond requirements).

Home Preferred. In 2010, NH Housing entered into a contract with Fannie Mae to sell loans to Fannie Mae, with NH Housing retaining the servicing of those loans. Home Preferred loans are originated by lenders and submitted for purchase by NH Housing or originated directly by NH Housing. NH Housing then sells the approved loans to Fannie Mae on a whole loan basis. This program will provide alternative financing of mortgage loans from the Bond Funded Single Family Program described above.

Home Flex. In 2012, NH Housing began a program to finance mortgage loans through the issuance and sale of mortgage-backed securities into the secondary market and hedges the interest rate risk in the “to be announced” (“TBA”) market. Home Flex loans are originated by lenders and submitted for purchase by NH Housing or originated directly by NH Housing. NH Housing securitizes the mortgage loans and services the loans. This program will provide alternative financing of mortgage loans from the Bond Funded Single Family Program described above.

Mortgage Credit Certificate Program. NH Housing offers a Mortgage Credit Certificate Program that provides qualified first-time homebuyers a federal income tax credit. The tax credit allows the qualified buyer to take a tax credit equal to a percentage of the amount of mortgage loan interest paid each year. Homebuyers utilizing the Mortgage Credit Certificate Program cannot obtain mortgage loans financed from

the proceeds of tax-exempt bonds, such as the Bonds. The tax credit can be used in combination with either the Home Preferred or Home Flex programs, if such first mortgage loan was not funded with proceeds of Bonds.

Rules of NH Housing

The description under this heading is of NH Housing's current Single Family Program and of the NH Housing Rules ("Rules") presently in effect. NH Housing in the future may modify the Single Family Program and its Rules. Such modifications could apply to Mortgage Loans financed with the proceeds of Outstanding Bonds, including the Offered Bonds, which can include Recoveries of Principal.

As required by the Act, NH Housing has established Rules with which lending institutions participating in the Single Family Program must comply. The General Resolution requires that each Mortgage Loan and Guaranteed Mortgage Security purchased by NH Housing from the proceeds of a Series of Bonds and from Recoveries of Principal shall meet the requirements of NH Housing's Rules. Under the Single Family Program, an "eligible person or family" under the Rules must also meet certain other criteria, among which are that for purposes of initial selection the annual income, as determined by NH Housing, of such person or family shall not exceed the applicable current income limit as established by NH Housing from time to time. Under the Single Family Program each lending institution is to use its best efforts to make mortgage loans to Eligible Low Income Persons and Families, as defined in the Act and in the Rules.

Each mortgage loan to be purchased or originated under the Single Family Program will be an interest-bearing obligation secured by an instrument which constitutes or creates a first lien on real property held in fee simple, including the improvements thereon. In its sole discretion, NH Housing may also purchase or originate a Mortgage Loan on housing on leased land having a lease with a remaining term at the time the mortgage is made which does not expire prior to the maturity date of the mortgage loan. Mortgage Loans must be made for the purchase of single family housing in the State consisting of one-to-four dwelling units (including condominiums), one unit of which must be occupied by an eligible person or family as a mortgagor and as the principal residence of the mortgagor. NH Housing will not purchase or originate any mortgage loan made for new housing until all construction on such housing has been completed.

Federal Tax Law Requirements

Under the Rules of NH Housing, required for each mortgage loan financed with tax-exempt bond proceeds pursuant to the General Resolution, the acquisition cost of housing may not exceed (a) in Targeted Areas, one hundred and 10% of the average area purchase price; and (b) in all other areas, 90% of the average area purchase price. From time to time, NH Housing establishes maximum acquisition costs that are less than or equal to the maximum acquisition costs permitted under the Rules or by federal law. In determining average area purchase price for the purpose of establishing maximum acquisition costs, NH Housing relies on (i) the average area purchase price safe harbor limitations published by the Department of the Treasury, or (ii) its own data base (provided that NH Housing will not rely on its own data unless it believes that such data is more accurate and comprehensive than the safe harbor limitations published by the Department of the Treasury). Maximum acquisition costs may be revised upwards or downwards in NH Housing's sole discretion (subject to the requirements of federal law).

Under the Rules, income limitations have been set which incorporate the requirements of Section 143 of the Code, together with the regulations applicable thereto, that all owner financing be provided for mortgagors whose borrower income does not exceed a specified percentage of the greater of area median gross income for the area in which the mortgagor's residence will be located or the statewide

area median gross income. These limits may be revised upwards or downwards in NH Housing's sole discretion (subject to the requirements of federal law).

Summary of Certain Provisions of Mortgage Loan Purchase and Purchasing Originator Agreements

NH Housing purchases mortgage loans from lending institutions participating in the Single Family Program and it originates mortgage loans based on mortgage loan applications received by lending institutions and delivered to NH Housing for underwriting and closing. Each lending institution that sells mortgage loans to NH Housing has entered or will enter into a Mortgage Loan Purchase Agreement with NH Housing. Each participating originator that provides mortgage applications to NH Housing has entered or will enter into a Participating Originator Agreement with NH Housing.

Mortgage Loan Purchase Agreements. The following is a general description of the current form of the Mortgage Loan Purchase Agreement, the form of which is subject to amendment at NH Housing's discretion, and which may vary from the form used in the past by NH Housing. Pursuant to the Mortgage Loan Purchase Agreement, participating lenders originate and close loans at rates of interest established by NH Housing, which interest rates include, in the case of Mortgage Loans, an amount expected to be sufficient (together with other available moneys) to meet debt service costs with respect to the Bonds, including certain fees and expenses, and a monthly servicing fee for the servicer.

The Mortgage Loan Purchase Agreement also provides that in the event a lending institution delivers a mortgage loan which is not in accordance with the terms of the agreement, the lending institution shall be required to repurchase such mortgage loan.

Pursuant to the Mortgage Loan Purchase Agreements, NH Housing has the right to examine the form and substance of the originals or copies of mortgage loan instruments, as well as related documentation for each mortgage loan to be purchased prior to the closing of the sale of the subject mortgages, and to decline to purchase any mortgage loan that fails to comply with the terms and conditions of the Mortgage Loan Purchase Agreement. The Mortgage Loan Purchase Agreements also contain certain representations, warranties and agreements by the lending institutions to and with NH Housing among which are those concerning: the legality and validity of the mortgage loans and related documents; the existence and conveyance to NH Housing of a valid first lien on the mortgaged property (subject only to real property taxes and assessments not yet due, and encumbrances customarily accepted in accordance with applicable title standards and disclosed to NH Housing) or on a leasehold under a lease having a remaining term, at the time the mortgage loan is made, which does not expire prior to the maturity date of the mortgage loan; confirmation that the mortgage loan is not, has not been, and at the time of delivery will not be in arrears, unless such requirement is waived by NH Housing; the existence and validity of hazard insurance on the mortgaged property and, if in a flood hazard area, flood insurance, in an amount equal to the unpaid principal amount of the mortgage loan, or such lesser amount as shall be the maximum insurable value of the improvements and shall be acceptable to NH Housing; provided that such insurance shall pay in full the amount of any partial or total loss to the full amount of such insurance and shall otherwise be sufficient to prevent the mortgagor from being a coinsurer, subject only to such deductible amount as shall be acceptable to NH Housing; the compliance by the lending institution with applicable provisions relating to any federal mortgage guarantee or any primary mortgage insurance; confirmation that the mortgage loans will be made to eligible borrowers within the State; a certification of the lending institution that the mortgage loans are in respect of the security therefor a prudent investment for the lending institution's own account; and assurance that all mortgage loans must carry the title insurance written by a title insurance company qualified to do business in the State, which policies shall be assigned to NH Housing at the time of closing, or in lieu thereof, that the lending institution agrees to repurchase the mortgage loan in the event of a title defect. The Mortgage Loan Purchase Agreements further provide that, in the event of a material breach of

such representations, warranties or agreements, the lending institution will repurchase the mortgage loan or loans with respect to which there has been such a breach and either deliver a substitute mortgage loan which satisfies the requirements of the Single Family Program or pay to NH Housing certain amounts due when a lending institution fails to deliver mortgage loans in accordance with a Mortgage Loan Purchase Agreement.

Participating Originator Agreements. The following is a general description of the current form of the Participating Originator Agreement, the form of which is subject to amendment at NH Housing's discretion, and which may vary from the form used in the past by NH Housing. Pursuant to the Participating Originator Agreement, participating originators originate mortgage loans at rates of interest established by NH Housing, which interest rates include, in the case of Mortgage Loans, an amount expected to be sufficient (together with other available moneys) to meet debt service costs with respect to the Bonds, including certain fees and expenses, and a monthly servicing fee for the servicer.

The Participating Originator Agreement also provides that NH Housing may reject any origination document delivered by a participating originator if NH Housing determines that the origination document does not conform with the requirements of the Participating Originator Agreement, fails to meet NH Housing's requirements pursuant to underwriting guidelines, or fails to comply with all laws and program guidelines.

Loan Servicing

Since 1997, each lending institution which originates mortgage loans to be sold to NH Housing sells those loans to NH Housing on a service-released basis. NH Housing provides servicing for mortgage loans, including mortgage loans pooled into Guaranteed Mortgage Securities, through an outside sub-servicer, Dovenmuehle Mortgage Inc. NH Housing has the option to service the mortgage loans and Guaranteed Mortgage Securities without a sub-servicer or to engage the services of another sub-servicer. NH Housing and the sub-servicer provide servicing in accordance with a Servicing Agreement as described below. The Servicing Agreement is subject to amendment at NH Housing's discretion.

Under the Servicing Agreement, Dovenmuehle Mortgage, Inc., the Servicer, has agreed to service mortgage loans sold to NH Housing and the mortgage loans pooled into Guaranteed Mortgage Securities issued by NH Housing, including collection and periodic remittance to NH Housing or its designated depository (the Trustee, in the case of Mortgage Loans backing the Offered Bonds Guaranteed Mortgage Securities) of all payments due on mortgage loans and to the paying agent of all payments due on Guaranteed Mortgage Securities, less amounts to be held in escrow accounts for real property taxes, primary mortgage insurance or guaranty premiums, hazard insurance premiums, special flood insurance premiums, assessments and the like. The Servicing Agreement requires that the Servicer transmit to the paying agent for Guaranteed Mortgage Securities an amount equal to scheduled payments on all Guaranteed Mortgage Securities serviced pursuant to such Servicing Agreement, although NH Housing is responsible to fund such transmittal whether or not such principal and interest have been received from a mortgagor. The Servicing Agreement requires the Servicer to transmit to NH Housing or its designated depository an amount equal to scheduled interest payments on all mortgage loans financed through bond proceeds and serviced pursuant to such Servicing Agreement, whether or not such interest has been received from a mortgagor. The Servicing Agreement also provides, among other things, that the Servicer shall notify NH Housing of any Mortgage Loan which is in arrears, of any taxes, assessments or other charges not paid and which could become a lien on the mortgaged property superior to the mortgage lien (in which case the Servicer shall agree to pay or require the payment of such taxes or assessments or other charges in time to prevent any lien or interest penalty), or of any vacancy, of which the Servicer learns, of any mortgaged property. The Servicer shall advise NH Housing of any premiums for hazard insurance not paid when due within time to enable NH Housing to exercise any grace period under the policy or policies and make

payment to keep said policies in force. The Servicer agrees to follow standard industry collection procedures and the Servicer will act for NH Housing, at NH Housing's expense, in any foreclosure or similar proceedings. The Servicer shall perform all other obligations of a mortgagee under each mortgage loan serviced for NH Housing and each contract of insurance or guaranty applicable to such mortgage loan. For servicing such mortgage loans, the Servicer will receive a monthly servicing fee, which at present is a set fee per loan on a per month basis.

Covenants With Respect to Mortgage Loans and Guaranteed Mortgage Securities

NH Housing has made various covenants in the General Resolution concerning Mortgage Loans and Guaranteed Mortgage Securities which shall apply to all Mortgage Loans and Guaranteed Mortgage Securities except to the extent otherwise provided for certain Mortgage Loans and Guaranteed Mortgage Securities in future series resolutions authorizing the series of Bonds which finance such Mortgage Loans and Guaranteed Mortgage Securities. Certain General Resolution covenants are summarized below. These covenants apply to the Mortgage Loans and Guaranteed Mortgage Securities financed or to be financed by the Bonds.

Purchase of Mortgage Loans and Guaranteed Mortgage Securities (Section 706). NH Housing shall purchase from the proceeds of Bonds and from Recoveries of Principal deposited in the Mortgage Loan Purchase Accounts, Mortgage Loans and Guaranteed Mortgage Securities with such maturity dates, for such prices and at such rates of interest as will permit NH Housing to pay the debt service on the Bonds issued to obtain such moneys, in a manner consistent with the Act and the General Resolution. The General Resolution, as supplemented by the series resolutions, will also require that such Mortgage Loans be insured either by the FHA, guaranteed by the VA or the RD, insured by a Qualified Insurer such that the maximum uninsured value of the Mortgage Loan does not exceed the levels established in series resolutions, or uninsured or non-guaranteed. The General Resolution, as supplemented by the series resolutions, will also require that such Guaranteed Mortgage Securities be guaranteed by GNMA, FNMA, FHLMC or, to the extent set forth in a Supplemental Resolution, any other agency or instrumentality of or chartered by the United States to which the powers of GNMA, FNMA or FHLMC have been transferred or which have similar powers.

Enforcement of Mortgage Loans and Mortgage Loan Purchase Agreements (Section 707). NH Housing has covenanted to diligently enforce all terms, covenants and conditions of all Mortgage Loans, and Mortgage Loan purchase agreements, including the prompt payment of all Mortgage Loan principal and interest payments and all other amounts due NH Housing thereunder, and not to release the obligations of any mortgagor or lending institution under any Mortgage Loan or Mortgage Loan purchase agreement; provided that NH Housing shall not be prevented from settling a default on any Mortgage Loan or Mortgage Loan purchase agreement on such terms as NH Housing shall determine to be in the best interests of NH Housing and the holders of the Bonds.

Sale of Mortgage Loans (Section 708). NH Housing may, at any time, sell assign or otherwise dispose of a Mortgage Loan or Guaranteed Mortgage Security:

- (a) in order to realize the benefits of a federal insurance or guarantee or private insurance with respect to such Mortgage Loan or Guaranteed Mortgage Security or any covenant of a mortgage lender under a Mortgage Loan purchase agreement;
- (b) in order to provide funds to purchase another Mortgage Loan or Guaranteed Mortgage Security having more favorable terms than the remainder of such Mortgage Loan or Guaranteed Mortgage Security;

(c) in order to provide funds for the redemption or purchase of a principal amount of Bonds corresponding to the unpaid principal amount of such Mortgage Loan or Guaranteed Mortgage Security; or

(d) if a Statement of Projected Revenues shall be filed with the Trustee giving effect to the proposed sale thereof and application of the proceeds of such sale and showing that “projected net revenues” (the amount remaining after deducting estimated operating costs and debt service on Outstanding Bonds from anticipated Pledged Receipts, Recoveries of Principal, and any other revenues, investment income or funds estimated to be available therefor) expected to be received in each Fiscal Year that Bonds are scheduled to be outstanding, are in excess of debt service on the Bonds for each such Fiscal Year, all as described in the General Resolution, and if a Cash Flow Certificate (as described in the Series Resolution which authorized the series of Bonds which financed the Mortgage Loan or Guaranteed Mortgage Security to be sold) shall be filed with the Trustee and the Rating Agency.

Amendment of Mortgage Loans (Section 709). NH Housing shall not consent or agree or permit any amendment or modification of any Mortgage Loan or mortgage loan purchase agreement which will in any manner impair or materially adversely affect the rights or security of the holders of the Bonds under the General Resolution. In determining whether any amendment or modification will in any manner impair or materially adversely affect the rights or security of the holders of the Bonds under the General Resolution, NH Housing may rely on an opinion of counsel.

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APPENDIX F

CERTAIN INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY

The information in this Appendix F concerning DTC and DTC book-entry system has been obtained from sources NH Housing believes to be reliable, but NH Housing takes no responsibility for the accuracy thereof.

When the Offered Bonds are issued, ownership interests will be available to purchasers only through a book-entry system (the “Book-Entry System”) maintained by The Depository Trust Company (“DTC”), New York, New York, or such other depository institution designated by NH Housing pursuant to the Resolution. Purchasers of beneficial interests in the Offered Bonds will not receive certificates reflecting their interests in the Offered Bonds.

The Depository Trust Company (“DTC”), New York, New York, will act with respect to the Offered Bonds as the initial Securities Depository for the Offered Bonds. The Offered Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each maturity of the Offered Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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

Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Offered Bonds, except in the event that use of the book-entry system for the Offered Bonds is discontinued.

To facilitate subsequent transfers, all Offered Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Offered Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Offered Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Offered Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. So long as Cede & Co., as nominee for DTC, is the owner of the Offered Bonds, NH Housing shall treat Cede & Co. as the only owner of the Offered Bonds for all purposes under the Resolution, including receipt of all principal of, premium, if any, and interest on the Offered Bonds and receipt of notices.

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

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

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

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

DTC may discontinue providing its services as securities depository with respect to the Offered Bonds at any time by giving reasonable notice to NH Housing or the Trustee. NH Housing may also determine that DTC is incapable of discharging its duties or that continuation of the book-entry system is not in the best interests of the Beneficial Owners. In either situation, if NH Housing fails to identify a successor securities depository, Offered Bond certificates are required to be printed and delivered.

Neither the Trustee nor NH Housing has any responsibility or obligations to the Direct or Indirect Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Direct or Indirect Participant; (b) the payment by DTC of any amount due to any Direct Participant or the payment by any Direct or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of and premium, if any, and interest on the Offered Bonds; (c) the delivery or timeliness of delivery by DTC of any notice to any Direct Participant or the delivery or timeliness of delivery by any Direct or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Resolution to be given to owners of the Offered Bonds; (d) the selection of the Beneficial Owners to receive payments in the event of any partial redemption of the Offered Bonds; or (e) any consent given or other action taken by DTC, or its nominee, Cede & Co., as registered owner. The Beneficial Owners of the Offered Bonds will rely on Direct and Indirect Participants for timely payments and other notices and for otherwise making available to the Beneficial Owner the rights of a Bondholder. No assurances can be; provided that, in the event of bankruptcy or insolvency of DTC or a Direct or Indirect Participant through which a Beneficial Owner holds beneficial interests in the Offered Bonds, payment will be made by DTC or the Direct or Indirect Participant on a timely basis.

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APPENDIX G

CERTAIN INFORMATION RELATING TO GNMA, FNMA, FHLMC, AND CERTAIN GUARANTEED MORTGAGE SECURITIES PROGRAMS

Following is a summary of programs relating to the various providers of Guaranteed Mortgage Securities which NH Housing may finance under its Single Family Program and is only a brief outline and does not purport to summarize or describe all of the provisions of such programs. For a more complete description of the terms of such programs, reference is made to the provisions of the contracts embodied in the regulations and such other information of the federal government guarantors.

GNMA and the GNMA Guaranteed Mortgage Securities

General. The summary of the GNMA program, GNMA guaranteed mortgage-backed securities (“GNMA Guaranteed Mortgage Securities”) and other documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the GNMA Guide (copies of which may be obtained from GNMA at the Office of Mortgage-Backed Securities, 451 Seventh Street, S.W., Washington, DC 20410) and to the GNMA Guaranteed Mortgage Securities and other documents for full and complete statements of their provisions.

GNMA is a wholly owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development (“HUD”) whose principal office is located in Washington, DC.

GNMA is authorized by Section 306(g) of Title III of the National Housing Act to guarantee the timely payment of the principal of, and interest on, securities that are based on and backed by trusts or pools composed of mortgage loans insured or guaranteed under the National Housing Act, Title V of the Housing Act of 1949, the Servicemen’s Readjustment Act, Chapter 37 of Title 38 of the United States Code or Section 184 of the Housing and Community Development Act of 1992 or guaranteed by the USDA/RD under its guaranteed Single Family Rural Housing Program. Section 306(g) further provides that “the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty by GNMA.”

There are two GNMA Guaranteed Mortgage Securities programs, GNMA I and GNMA II. Any GNMA Guaranteed Mortgage Security acquired pursuant to the Single Family Mortgage Acquisition Revenue Program will be a “fully modified pass-through” security (guaranteed by GNMA pursuant to its GNMA I or GNMA II Guaranteed Mortgage Security program) which will require the servicer to pass through to the holder thereof the regular monthly payments on the underlying mortgage loans (less the service fees), whether or not the servicer receives such payments from the mortgagors on the underlying mortgage loans, plus any unscheduled recoveries of principal of the mortgage loans received by the servicer during the previous month. In order to meet its obligations under such guaranty, GNMA, in its corporate capacity under Section 306(d) of Title III of the National Housing Act, may issue its general obligations to the United States Treasury Department in an amount outstanding at any one time sufficient to enable GNMA, with no limitations as to amount, to perform its obligations under its guaranty of the timely payment of the principal of and interest on the GNMA Guaranteed Mortgage Security. The Treasury Department is authorized to purchase any obligations so issued by GNMA and has indicated in a letter, dated February 13, 1970, from the Secretary of the Treasury to the Secretary of HUD, that the Treasury Department will make loans to GNMA, if needed, to implement the aforementioned guaranty.

Under the terms of its guaranty, GNMA also warrants to the holder of the GNMA Guaranteed Mortgage Security that, in the event GNMA is called upon at any time to make payment on its guaranty of

the principal of and interest on the GNMA Guaranteed Mortgage Security, it will, if necessary, in accordance with Section 306(d) of Title III of the National Housing Act, apply to the Secretary of the United States Treasury Department for a loan or loans in amounts sufficient to make such payments of principal and interest.

GNMA shall have no responsibility to determine whether or not the Single Family Mortgage Acquisition Program complies with the requirements of the Code or whether or not interest on the Bonds may be exempt from federal income taxation. The payments due to the Trustee, as holder, pursuant to the terms of the GNMA Guaranteed Mortgage Securities, will not change if the interest on the Bonds for any reason is determined to be subject to federal income taxation.

Servicing of the Mortgages. Under contractual agreements entered into by and between the servicer and GNMA, the servicer is responsible for servicing and otherwise administering the mortgage loans underlying the GNMA Guaranteed Mortgage Securities in accordance with generally accepted practices of the mortgage banking industry and the GNMA Servicer's Guide (the "GNMA Guide").

The monthly remuneration of the servicer, for its servicing and administrative functions, and the guaranty fee charged by GNMA are based on the unpaid principal amount of the GNMA Guaranteed Mortgage Securities outstanding. The GNMA Guaranteed Mortgage Securities carry an interest rate that is below the interest rate on the underlying mortgage loans (after taking into account the servicing and guaranty fees which are deducted from payments on the mortgage loans before payments are passed through to the holder of the GNMA Guaranteed Mortgage Security).

It is expected that interest and principal payments on the mortgage loans underlying the GNMA Guaranteed Mortgage Securities received by the servicer will be the source of payments on the GNMA Guaranteed Mortgage Securities. If such payments are less than what is due, the servicer is obligated to advance its own funds to ensure timely payment of all amounts coming due on the GNMA Guaranteed Mortgage Securities. GNMA guarantees such timely payment in the event of the failure of the servicer to pay an amount equal to the scheduled payments (whether or not made by the mortgagors on the underlying mortgages).

The servicer is required to advise GNMA in advance of any impending or actual default on scheduled payments so that GNMA, as guarantor, will be able to continue such payments as scheduled on the applicable payment date. If, however, such payments are not received as scheduled, the holder has recourse directly to GNMA.

Default by Servicer. In the event of a default by the servicer, GNMA shall have the right, by letter to the servicer, to effect and complete the extinguishment of the servicer's interest in the mortgage loans underlying the GNMA Guaranteed Mortgage Securities, and such mortgage loans shall thereupon become the absolute property of GNMA, subject only to the unsatisfied rights of the owner of the GNMA Guaranteed Mortgage Security. In such event, GNMA will be the successor in all respects to the servicer with respect to the transaction and the agreements set forth or arranged for in the GNMA Guide.

Payment of Principal and Interest on the GNMA Guaranteed Mortgage Securities. Under the GNMA I program, the servicer makes separate payments, by the fifteenth day of each month, directly to each owner of GNMA Guaranteed Mortgage Securities for each of the GNMA Guaranteed Mortgage Securities held.

Payment of principal of each GNMA I Guaranteed Mortgage Security and GNMA II Guaranteed Mortgage Security is expected to commence on the fifteenth and twentieth day of the month, respectively, following issuance of such GNMA Guaranteed Mortgage Security.

Each installment on a GNMA Guaranteed Mortgage Security is required to be applied first to interest and then in reduction of the principal balance then outstanding on the GNMA Guaranteed Mortgage Security. Interest is to be paid at the specified rate on the unpaid portion of the principal of the GNMA Guaranteed Mortgage Security. The amount of principal due on the GNMA Guaranteed Mortgage Security shall be in an amount at least equal to the scheduled principal amortization currently due on the mortgage loans. However, payment of principal and interest is to be adjustable as set forth below.

Each of the monthly installments on a GNMA Guaranteed Mortgage Security is subject to adjustment by reason of any prepayments or other unscheduled recoveries of principal on the underlying mortgage loans. In any event, the servicer will pay to the holder of the GNMA Guaranteed Mortgage Security monthly installments of not less than the interest due on the GNMA Guaranteed Mortgage Security at the rate specified in the GNMA Guaranteed Mortgage Security, together with any scheduled installments of principal, whether or not such interest or principal is collected from the mortgagors, and any prepayments or unscheduled recovery of principal. Final payment shall be made upon surrender of the outstanding GNMA Guaranteed Mortgage Security.

Fannie Mae and the Fannie Mae Guaranteed Mortgage Securities

The summary of the Fannie Mae Guaranteed Mortgage Securities Program (as defined below), the Fannie Mae Guaranteed Mortgage Securities and other documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae Guides and the Fannie Mae Guaranteed Mortgage Securities and other documents for full and complete statements of their provisions.

Fannie Mae Guaranteed Mortgage Securities Program. Fannie Mae (formerly the Federal National Mortgage Association) is a federally government-sponsored enterprise organized and existing under the Federal National Mortgage Association Charter Act (12 U.S.C. Section 1716 et seq.). Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market. Fannie Mae is subject to the supervision and regulation of the Federal Housing Finance Agency ("FHFA") to the extent provided in the Housing and Economic Recovery Act of 2008 ("HERA"). The FHFA has placed Fannie Mae into conservatorship.

THE SECURITIES OF FANNIE MAE ARE NOT GUARANTEED BY THE UNITED STATES GOVERNMENT (INCLUDING THE DEPARTMENT OF THE TREASURY) AND DO NOT CONSTITUTE A DEBT OR AN OBLIGATION OF THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY THEREOF, INCLUDING THE DEPARTMENT OF THE TREASURY AND FHFA, OTHER THAN FANNIE MAE.

Although the Secretary of the Treasury has certain discretionary authority to purchase obligations of Fannie Mae, neither the United States nor any agency thereof is obligated to finance Fannie Mae's obligations or to assist Fannie Mae in any manner.

Fannie Mae has implemented a mortgage-backed securities program pursuant to which Fannie Mae issues securities backed by pools of mortgage loans (the "Fannie Mae Guaranteed Mortgage Securities Program"). The obligations of Fannie Mae, including its obligations under the Fannie Mae Guaranteed Mortgage Securities, are obligations solely of Fannie Mae and are not backed by, or entitled to, the full faith and credit of the United States.

The terms of the Fannie Mae Guaranteed Mortgage Securities Program are governed by the Fannie Mae Guides, as modified by a Pool Contract, and, in the case of mortgage loans such as the Mortgage Loans, a Trust Indenture, dated as of November 1, 1981, as amended (the "Fannie Mae Trust Indenture"), and a supplement thereto to be issued by Fannie Mae in connection with each pool. The Fannie Mae

Guaranteed Mortgage Securities Program is further described in a prospectus issued by Fannie Mae (the “Fannie Mae Prospectus”). The Fannie Mae Prospectus is updated from time to time. No Fannie Mae Prospectus Supplement will be available as to any Fannie Mae Securities acquired pursuant to the Single Family Mortgage Acquisition Revenue Program.

Copies of the Fannie Mae Prospectus and Fannie Mae’s most recent annual and quarterly reports and proxy statement are available from Fannie Mae, Office of Investor Relations, 3900 Wisconsin Avenue, N.W., Washington, DC 20016.

Fannie Mae Guaranteed Mortgage Securities. As of June 3, 2019, each Fannie Mae Guaranteed Mortgage Security will be a Uniform Mortgage-Backed Security (“UMBS”). Any Fannie Mae Guaranteed Mortgage Security acquired pursuant to the Single Family Mortgage Acquisition Revenue Program will represent the entire interest in a specified pool of conventional mortgage loans purchased by Fannie Mae from the servicer and identified in records maintained by Fannie Mae. The conventional mortgage loans backing each Fannie Mae Guaranteed Mortgage Security will bear interest at a specified rate per annum, and each Fannie Mae Guaranteed Mortgage Security will bear interest at a lower rate per annum (the “pass-through rate”). The difference between the interest rate on the conventional mortgage loans and the pass-through rate on the Fannie Mae Guaranteed Mortgage Security will be collected by the servicer and used to pay the servicer’s servicing fee and Fannie Mae’s guaranty fee. Fannie Mae may change such fee and impose other charges from time to time.

Fannie Mae will guarantee to the registered holder of the Fannie Mae Guaranteed Mortgage Securities that it will distribute amounts representing scheduled principal and interest at the applicable pass-through rate on the conventional mortgage loans in the pools represented by such Fannie Mae Guaranteed Mortgage Securities, whether or not received, and the full principal balance of any foreclosed or other finally liquidated mortgage loan, whether or not such principal balance is actually received. THE OBLIGATIONS OF FANNIE MAE UNDER SUCH GUARANTEES ARE OBLIGATIONS SOLELY OF FANNIE MAE AND ARE NOT BACKED BY, NOR ENTITLED TO, THE FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. IF FANNIE MAE WERE UNABLE TO SATISFY SUCH OBLIGATIONS, DISTRIBUTIONS TO THE REGISTERED HOLDER OF FANNIE MAE SECURITIES WOULD CONSIST SOLELY OF PAYMENTS AND OTHER RECOVERIES ON THE UNDERLYING MORTGAGE LOANS AND, ACCORDINGLY, MONTHLY DISTRIBUTIONS TO THE HOLDER OF FANNIE MAE SECURITIES WOULD BE AFFECTED BY DELINQUENT PAYMENTS AND DEFAULTS ON SUCH MORTGAGE LOANS.

Payments on Mortgage Loans; Distributions on Fannie Mae Guaranteed Mortgage Securities. Payments on a Fannie Mae Guaranteed Mortgage Security are made to the owner thereof on the twenty-fifth day of each month (beginning with the month following the month such Fannie Mae Guaranteed Mortgage Security is issued) or, if such twenty-fifth day is not a business day, on the first business day next succeeding such twenty-fifth day. With respect to each Fannie Mae Guaranteed Mortgage Security, Fannie Mae will distribute to the beneficial owner an amount equal to the total of (a) the principal due on the mortgage loans in the related pool underlying such Fannie Mae Guaranteed Mortgage Security during the period beginning on the second day of the month prior to the month of such distribution and ending on the first day of such month of distribution; (b) the stated principal balance of any mortgage loan that was prepaid in full during the second month next preceding the month of such distribution (including as prepaid for this purpose any mortgage loan repurchased by Fannie Mae because of Fannie Mae’s election to repurchase the mortgage loan after it is delinquent, in whole or in part with respect to four consecutive installments of principal and interest, or because of Fannie Mae’s election to repurchase such mortgage loan under certain other circumstances as permitted by the Fannie Mae Trust Indenture); (c) the amount of any partial prepayment of a mortgage loan received in the second month next preceding the month of distribution; and (d) one month’s interest at the pass-through rate on the principal balance of the Fannie Mae Guaranteed Mortgage

Security as reported to the holder thereof in connection with the previous distribution (or, with respect to the first distribution, the principal balance of the Fannie Mae Guaranteed Mortgage Security on its issue date).

For purposes of distributions, a mortgage loan will be considered to have been prepaid in full if, in Fannie Mae's reasonable judgment, the full amount finally recoverable on account of such mortgage loan has been received, whether or not such full amount is equal to the stated principal balance of the mortgage loan. Fannie Mae may, in its discretion, include with any distribution principal prepayments, both full and partial, received during the month prior to the month of distribution, but is under no obligation to do so.

FHLMC and FHLMC Guaranteed Mortgage Securities

General. The summary of the Federal Home Loan Mortgage Corporation ("FHLMC"), the FHLMC Guarantor Program, FHLMC Guaranteed Mortgage Securities and FHLMC's mortgage purchase and servicing standards does not purport to be complete and is qualified in its entirety by reference to FHLMC's current Mortgage Participation Certificates Offering Circular, any applicable Offering Circular and Pool Supplements, FHLMC's current Mortgage Participation Certificates Agreement, as amended, FHLMC's Information Statement, any Information Statement Supplements and any other documents made available by FHLMC. Copies of these documents can be obtained from FHLMC at 8200 Jones Branch Drive, McLean, Virginia 22102. At the time of printing this Official Statement, the documents mentioned above and general information regarding FHLMC can be accessed at <http://www.freddiemac.com>. However, NH Housing makes no representation regarding the content, accuracy or availability of any such document or any information provided at such website. Such website is not part of this Official Statement.

FHLMC is a shareholder-owned government-sponsored enterprise created on July 24, 1970, pursuant to the Federal Home Loan Mortgage Corporation Act and Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. Sections 1451-1459 (the "FHLMC Act"). FHLMC is subject to the supervision and regulation of the Federal Housing Finance Agency ("FHFA") to the extent provided in HERA. The FHFA has placed FHLMC into conservatorship.

THE SECURITIES OF FHLMC ARE NOT GUARANTEED BY THE UNITED STATES GOVERNMENT (INCLUDING THE DEPARTMENT OF THE TREASURY) AND DO NOT CONSTITUTE A DEBT OR AN OBLIGATION OF THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY THEREOF, INCLUDING THE DEPARTMENT OF THE TREASURY AND FHFA, OTHER THAN FHLMC.

Although the Secretary of the Treasury has certain discretionary authority to purchase obligations of FHLMC, neither the United States nor any agency thereof is obligated to finance FHLMC's obligations or to assist FHLMC in any manner.

FHLMC's statutory mission is to provide stability in the secondary market for home mortgages, to respond appropriately to the private capital market and to provide ongoing assistance to the home mortgage secondary market by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for home mortgage financing. The principal activity of FHLMC consists of the purchase of first-lien, conventional, residential mortgages and participation interests in such mortgages from mortgage lending institutions and the resale of the whole loans and participations so purchased in the form of guaranteed mortgage securities (the "FHLMC Guaranteed Mortgage Securities"). FHLMC generally matches its purchases of mortgages with sales of FHLMC Guaranteed Mortgage Securities. Mortgages retained by FHLMC are financed with short- and long-term debt and equity capital.

FHLMC Guaranteed Mortgage Securities. As of June 3, 2019, each FHLMC Guaranteed Mortgage Security will be a Uniform Mortgage-Backed Security (“UMBS”). Each FHLMC Guaranteed Mortgage Security which qualifies as a Guaranteed Mortgage Security under the General Indenture will represent an undivided interest in a pool of fixed-rate, first-lien conventional mortgage loans or FHA- and VA-guaranteed mortgage loans, or participation interests therein. FHLMC guarantees to each registered holder of an FHLMC Guaranteed Mortgage Security that it will distribute amounts representing such holder’s proportionate interest in interest payments on the mortgage loans in the pool represented by such FHLMC Guaranteed Mortgage Security (less servicing and guarantee fees aggregating the excess of the interest on such mortgage loans over the FHLMC Guaranteed Mortgage Securities’ pass-through rate), whether or not such amount is actually received. With respect to certain FHLMC Guaranteed Mortgage Securities, FHLMC guarantees the holder’s proportionate interest in scheduled principal payments on such mortgage loans, if timely received, and also guarantees ultimate collection of scheduled principal payments, prepayments of principal and the remaining principal balance in the event of a foreclosure or other disposition of a mortgage loan. With respect to such FHLMC Guaranteed Mortgage Securities, FHLMC may remit the amount due on account of its guarantee of collection of principal at any time after default on an underlying mortgage, but not later than (a) 30 days following foreclosure sale, (b) 30 days following payment of the claim by any mortgage insurer or (c) 30 days following the expiration of any right of redemption, whichever occurs later, but in any event no later than one year after demand has been made upon the mortgagor for accelerated payment of principal. FHLMC Guaranteed Mortgage Securities may also include those FHLMC Guaranteed Mortgage Securities (the “Fully Guaranteed FHLMC Guaranteed Mortgage Securities”) as to which FHLMC has guaranteed the timely payment of the holder’s proportionate interest in scheduled principal payments on the underlying mortgage loans, as calculated by FHLMC.

THE OBLIGATIONS OF FHLMC UNDER ITS GUARANTEES ARE OBLIGATIONS SOLELY OF FHLMC AND ARE NOT BACKED BY, OR ENTITLED TO, THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. IF FHLMC WERE UNABLE TO SATISFY SUCH OBLIGATIONS, DISTRIBUTIONS TO THE REGISTERED HOLDERS OF FHLMC GUARANTEED MORTGAGE SECURITIES WOULD CONSIST SOLELY OF PAYMENTS AND OTHER RECOVERIES ON THE UNDERLYING MORTGAGE LOANS AND, ACCORDINGLY, MONTHLY DISTRIBUTIONS TO THE HOLDERS OF FHLMC GUARANTEED MORTGAGE SECURITIES WOULD BE AFFECTED BY DELINQUENT PAYMENTS AND DEFAULTS ON SUCH MORTGAGE LOANS.

Conforming Loan Limits. The FHLMC Act limits the maximum original principal amount of single-family mortgages that FHLMC may purchase. These limits are referred to as “conforming loan limits.” For loans delivered during 2023, FHLMC’s conforming loan limit for a first-lien conventional single-family mortgage for a one-family dwelling in New Hampshire is \$828,000 in Rockingham County and Strafford County, and \$726,200 for all other counties. The conforming loan limit for second-lien mortgages is 50% of the limit for first-lien mortgages on one-family dwellings. When FHLMC purchases both the first-lien and second-lien mortgage on the same property, the FHLMC Act provides that the total amount FHLMC may purchase may not exceed the applicable conforming loan limit.

The FHLMC Act also prohibits FHLMC from purchasing first-lien conventional single-family mortgages if the outstanding principal balance at the time of purchase exceeds 80% of the value of the real property securing the mortgage unless FHLMC has a level of credit protection (such as mortgage insurance from an approved mortgage insurer, a seller’s agreement to repurchase or replace any mortgage that has defaulted) or the retention of at least a 10% participation interest in the mortgages by the seller. This requirement does not apply to FHA- or VA-guaranteed mortgage loans.

The single-family mortgages purchased and guaranteed by FHLMC generally are subject to the credit, appraisal, underwriting and other purchase policies and guidelines set forth in FHLMC’s

Single-Family Seller/Servicer Guide. FHLMC may modify these guidelines or grant waivers for certain mortgages that it purchases.

Servicing of the Mortgages. FHLMC services or supervises the servicing of the mortgages it purchases. In performing its servicing responsibilities, FHLMC may employ servicing agents or independent contractors. Each such servicer generally is required to perform all activities concerning the calculation, collection and processing of mortgage payments and related borrower inquiries, as well as all mortgage administrative responsibilities, including claims collection, workouts, foreclosures and reports. Servicers service mortgages, either directly or through approved sub servicers, and receive fees for their services. FHLMC monitors a servicer's performance through periodic and special reports and inspections to ensure it complies with its obligations. FHLMC will retain from monthly interest payments on each mortgage a management and guarantee fee, which equals any interest received by FHLMC from the servicer over the amount of interest payable to holders of the FHLMC Guaranteed Mortgage Security.

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APPENDIX H

REQUIREMENTS OF THE CODE

The Code substantially restricts the use of tax-exempt obligations issued to finance single family housing (such tax-exempt obligations of NH Housing constituting “Tax-Exempt NH Housing Bonds”). Under Section 143 of the Code (“Section 143”) and the United States Treasury regulations applicable thereto, interest on obligations issued to finance single family residences is excluded from federal gross income only if all proceeds attributable thereto (exclusive of issuance costs and a reasonably required reserve) are used to finance owner-occupied residences, and if certain requirements are met, including (a) certain eligibility requirements for mortgage loans and borrowers (see “—Mortgage Eligibility Requirements”); (b) yield and investment requirements (see “Requirements Related to Arbitrage”); and (c) certain other requirements related to the issue (see “Other Requirements”).

NH Housing has covenanted in the General Resolution and the Series Resolution to do and perform all acts and things permitted by law and necessary or desirable to assure that the interest on the Tax-Exempt NH Housing Bonds is excluded from gross income for federal income tax purposes, to do and perform all acts and things permitted by law and necessary or desirable to comply with the Code and, for such purpose, to adopt and maintain appropriate procedures. Further, continued compliance with certain requirements of the Code while the Tax-Exempt NH Housing Bonds are Outstanding is necessary in order to prevent interest on the Tax-Exempt NH Housing Bonds from becoming taxable as of the date of issuance. However, in its opinion Bond Counsel will state that it has examined the program documents pursuant to which NH Housing purchased or will purchase Tax-Exempt NH Housing Bonds Tax-Exempt Mortgage Loans and that, in its opinion, those documents established or establish procedures under which the requirements of the Code can be met. The requirements described below are applicable to the Mortgage Loans financed with proceeds of the Bonds.

Mortgage Eligibility Requirements. NH Housing must reasonably expect at the time the mortgage loan is executed that the borrower will make the residence financed by the mortgage loan his principal residence within a reasonable time after the financing is provided. Under the procedures which NH Housing has established as described above, the borrower will be required to certify at the closing of the mortgage loan that he intends to make the financed residence his principal residence within 60 days. In addition, NH Housing will require the lending institution or the servicer to verify that the borrower has occupied the residence as his principal residence after the closing of the mortgage loan.

Section 143 requires that at least 95% (after deducting a reasonably required reserve fund) of the proceeds of the Tax-Exempt NH Housing Bonds be loaned to mortgagors who have had no present ownership interest in a principal residence within the preceding three years, or who are acquiring a residence in a Targeted Area, as described under the heading “—Other Requirements.”

The Rules also require that certain information and affidavits be obtained by the lending institution, examined by it for conformity to the requirements of the Rules and submitted to NH Housing. See “APPENDIX E—SINGLE FAMILY PROGRAM—Rules of NH Housing.”

Section 143 requires that the purchase price of each residence being financed may not exceed 90% (or 110% in the case of a residence located in a Targeted Area) of the average area purchase price applicable to such residence. See “APPENDIX E—SINGLE FAMILY PROGRAM—Rules of NH Housing.”

Section 143 also requires that, except in Targeted Areas, all owner financing must be provided for mortgagors whose families consist of three or more persons and whose family income is 115% or less, or mortgagors whose families consist of fewer than three persons and whose family income is 100% or less,

of the area median gross income for the area in which the residence being financed is located or the statewide median gross income, whichever is greater. Up to one-third of the amount of financing provided for Targeted Area residences may be provided without regard to the foregoing income limitation, and the remainder of the financing for such areas must be provided to mortgagors whose family income is 140% or less (for families of three or more persons) or 120% or less (for families of fewer than three persons) of the area median gross income for the area in which the residence to be financed is located or the statewide median gross income, whichever is greater. Section 143 provides that both family income of mortgagors and area median gross income be determined under regulations to be issued by the Secretary of the Treasury after taking into account regulations prescribed under section 8 of the United States Housing Act of 1937. Although the Secretary has not yet issued regulations, the Internal Revenue Service has released Revenue Ruling 86-124, 1986-2 C.B.27, which provides guidelines to be followed pending the promulgation of regulations. NH Housing has relied on such guidelines in adopting the maximum income limitations for mortgagors.

Higher income limits may be applicable in certain “high cost areas” identified in the manner set forth in Section 143(f)(5) of the Code. NH Housing may consider adopting such limits in particular areas to the extent sufficient data are available.

An existing mortgage loan may not be acquired or replaced with the proceeds of a mortgage loan from NH Housing’s funds, except in the case of construction period loans or bridge loans or similar temporary financing which has a term of twenty-four months or less. NH Housing will require each borrower to certify at the closing of a mortgage loan that he is not using the proceeds of the mortgage loan to acquire or replace an existing loan. In addition, the participating lending institution will be required to review the borrower’s federal income tax returns for the preceding three years and a credit report prior to closing to determine if the borrower has any outstanding loans which could be acquired or replaced with proceeds of the mortgage loan.

Section 143 requires that mortgage loans not be assumed unless the principal residence, no prior home ownership interest, income limitations and purchase price requirements are met at the time of assumption. NH Housing requires that no mortgage can be assumed without the consent of NH Housing. NH Housing will require that each of its mortgages have a “due on sale” clause so that NH Housing may accelerate the mortgage loan if the mortgage is assumed and all such requirements are not met.

An issue of Tax-Exempt NH Housing Bonds is treated as meeting the foregoing mortgage eligibility requirements if (a) the issuer in good faith attempted to meet all of the mortgage eligibility requirements before the mortgages were executed; (b) any failure to comply with the mortgage eligibility requirements is corrected within a reasonable period after such failure is first discovered; and (c) 95% or more of the proceeds of the issue used to make home mortgage loans was devoted to finance residences which met all such mortgage eligibility requirements at the time the loans were executed. In determining whether 95% of such proceeds have been so used, regulations applicable to Section 143 permit NH Housing to rely on an affidavit of the borrower and, in some instances, of the seller, and an examination of copies of the borrower’s federal income tax returns for the three years preceding the date the mortgage is executed, unless NH Housing or the participating lending institution knows or has reason to believe that such information is false. If the relevant information in the affidavit obtained in connection with any loan is subsequently discovered to be untrue, however, the correction requirement in clause (b) above must still be met.

Requirements Related to Arbitrage. Section 143 requires that the effective interest rate on the portion of the Mortgage Loans financed by the Tax-Exempt NH Housing Bonds may not exceed the yield on the Tax-Exempt NH Housing Bonds by more than 1.125%. The effective interest rate must take into account all fees paid by the borrower or others, such as commitment and origination fees, and such

additional financing costs that exceed amounts normally charged in the area on owner financing not provided by tax-exempt bonds. Both the effective interest rate on mortgages and the yield on the Tax-Exempt NH Housing Bonds must be calculated under the assumption that prepayments received will be in accordance with the schedule of incidence of early FHA terminations hereinafter described.

Section 148 requires NH Housing to rebate to the United States Treasury certain investment earnings on non-mortgage investments to the extent such investment earnings exceed the amount that would have been earned on such investments if the investments were earning a return equal to the yield on the Bonds. The Series Resolution with respect to the Tax-Exempt NH Housing Bonds requires an amount equal to such “excess earnings” to be deposited into the Rebate Fund and to be paid to the United States Treasury at least once every five years after the date of original issuance of the Bonds. The Rebate Fund is not pledged to the payment of the Bonds. See “APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION—Rebate Fund (Section 509).”

Other Requirements. Section 143 requires that a specified portion of the proceeds of the issue devoted to owner financing be made available for owner financing of Targeted Area residences for at least one year after the date on which owner financing is first made available with respect to Targeted Area residences and that NH Housing attempt with reasonable diligence to place such proceeds in qualified home mortgage loans. Targeted Areas are those census tracts in the State in which 70% or more of the families have an income which is 80% or less of the statewide median family income or areas of chronic economic distress designated by the State and approved by the Secretaries of Housing and Urban Development and the Treasury under criteria specified in Section 143. NH Housing requested the State to designate areas of chronic economic distress in the State and to apply for the necessary approvals, which have been received.

NH Housing intends to set aside at least 20% of the proceeds attributable to the Tax-Exempt NH Housing Bonds devoted to owner financing for mortgage loans with respect to Targeted Area residences. NH Housing will attempt with reasonable diligence to apply such proceeds to the purchase of mortgage loans in Targeted Areas. In this regard, NH Housing and the participating lending institutions will use reasonable efforts in trying to place mortgages in Targeted Areas, such as by advertising that mortgage funds are available for Targeted Areas.

An issue of Tax-Exempt NH Housing Bonds is treated as meeting the arbitrage and Targeted Area placement requirements of Section 143 if (a) the issuer in good faith attempted to meet all of these requirements, and (b) any failure to meet these requirements is due to inadvertent error after taking reasonable steps to comply with such requirements.

Other provisions of the Code include a restriction on the amount of issuance costs financed by the Tax-Exempt NH Housing Bonds to an amount not exceeding 2% of the proceeds of the issue, the requirement that the Governor of New Hampshire approve the issuance of the Tax-Exempt NH Housing Bonds after a public hearing following reasonable public notice, and the filing by NH Housing with the Secretary of the Treasury of a form providing a description of the Bonds. NH Housing has covenanted to comply with such requirements in connection with the issuance of Tax-Exempt NH Housing Bonds.

Recapture Provisions. For mortgage loans made after December 31, 1990 from the proceeds of any qualified mortgage Tax-Exempt NH Housing Bonds issued after August 15, 1986, and for assumptions of such mortgage loans, the Code requires a payment to the United States from certain mortgagors upon sale or other disposition of their homes (the “Recapture Provision”). In addition, the Recapture Provision applies with respect to loans made after 1990 which were derived from the repayment of prior loans that were originally made from the proceeds of qualified mortgage Tax-Exempt NH Housing Bonds issued after August 15, 1986. The Recapture Provision requires that an amount determined to be the subsidy provided by qualified mortgage bond financing to a mortgagor (but not in excess of 50% of the gain realized by the

mortgagor) be paid to the United States on certain dispositions of the house. The recapture amount would (a) increase during the first five years of ownership, with full recapture occurring if the house were sold between four and five full years after the closing of the mortgage loan; and (b) decline ratably to zero with respect to sales occurring between five and nine full years after the closing of the mortgage loan. An exception excludes from recapture part or all of the subsidy in the case of certain assisted individuals whose incomes are less than prescribed amounts at the time of the disposition. The Code requires an issuer to inform mortgagors of certain information with respect to the Recapture Provision. NH Housing has established procedures designed to enable it to meet such recapture information requirement with respect to any mortgage loans made after December 31, 1990.

Required Redemptions. The Code requires redemption of certain qualified mortgage Tax-Exempt NH Housing Bonds issued after 1988 from unexpended proceeds required to be used to make mortgage loans which have not been used within 42 months from the date of issuance (or in the case of a refunding bond, within 42 months from the date of issuance of the original bond), except for a \$250,000 de minimis amount. The Series Resolutions adopted in connection with the issuance of Tax-Exempt NH Housing Bonds require NH Housing to comply with this provision with regard to amounts attributable to such Tax-Exempt NH Housing Bonds. Additionally, for Tax-Exempt NH Housing Bonds issued after 1988, the Code permits repayments (including prepayments) of principal of mortgage loans financed with the proceeds of an issue of Tax-Exempt NH Housing Bonds to be used to make additional mortgage loans for only 10 years from the date of issuance of the Tax-Exempt NH Housing Bonds (or the date of issuance of the original Tax-Exempt NH Housing Bonds in a series of refundings), after which date such amounts must be used to redeem the Tax-Exempt NH Housing Bonds (except for a \$250,000 de minimis amount) (the “10-Year Rule”). As a result, NH Housing may be required by the Code to redeem the Tax-Exempt NH Housing Bonds from repayments (including prepayments) of principal of Mortgage Loans financed with the proceeds attributable to the Bonds.

Monitoring for Compliance With Section 143. Under the procedures which NH Housing has established to comply with Section 143, participating lending institutions are responsible for reviewing each mortgage loan application and the accompanying documentation for compliance with the requirements of Section 143. Normal and appropriate measures are required to be undertaken to verify the information given, either independently or concurrently with credit reviews, when applicable.

Prior to issuing a commitment to purchase any home mortgage loan and again prior to purchasing such mortgage loan, NH Housing reviews documents submitted to NH Housing, including the borrower’s application and affidavits of the seller and the mortgagor for compliance with the requirements of Section 143. To the extent that these provisions are not complied with, the participating lending institutions are contacted to provide sufficient additional explanation or documentation to enable NH Housing to make a determination regarding the status of the loan application. Upon a participating lending institution’s failure to comply with reasonable requests from NH Housing to correct or complete documentation for any mortgage loans or upon any other breach of the terms of the Mortgage Loan Purchase Agreement, or any failure to comply with the requirements for eligibility set forth in the Rules (which failure is to be determined in the sole discretion of NH Housing) without regard to whether the participating lending institution may be at fault, the mortgage loan will be reassigned to and repurchased by the lending institution. Pursuant to the Mortgage Loan Purchase Agreements between each lending institution and NH Housing, NH Housing will require that a minimum of 20% of the net proceeds of the Tax-Exempt NH Housing Bonds be made available within Targeted Areas, as such term is defined in Section 143 of the Code, together with the regulations applicable thereto.

APPENDIX I

FINANCIAL STATEMENTS OF NH HOUSING

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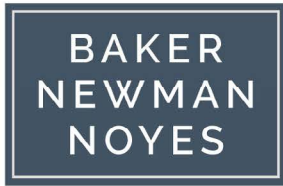
New Hampshire Housing Finance Authority

*Financial Statements and Management's
Discussion and Analysis as of and for the
Year Ended June 30, 2023 and
Independent Auditors' Report*

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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INDEPENDENT AUDITORS' REPORT

To the Members of
New Hampshire Housing Finance Authority

Opinion

We have audited the accompanying financial statements of New Hampshire Housing Finance Authority (NH Housing), which comprise the statement of net position as of June 30, 2023, the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NH Housing as of June 30, 2023, and the changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NH Housing's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

To the Members of
New Hampshire Housing Finance Authority

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

To the Members of
New Hampshire Housing Finance Authority

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise NH Housing's basic financial statements. The Supplemental Combining Schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Combining Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Baker Newman & Noyes LLC
Manchester, New Hampshire
September 28, 2023

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

Management's Discussion and Analysis of Net Position and Operating Results

June 30, 2023

New Hampshire Housing Finance Authority (NH Housing) was created by Chapter 204-C of the Revised Statutes Annotated of New Hampshire and provides financial and technical assistance to create and preserve decent, affordable housing for low and moderate-income New Hampshire residents. NH Housing finances single family and multi-family housing for eligible persons and families in the state by either purchasing mortgage loans from lending institutions or granting loans directly to eligible borrowers. Historically, the resources required to fund single family loans have been generated through the issuance of bonds and NH Housing continues to have significant capacity to issue tax-exempt bonds. Based on market conditions, in fiscal year 2013 NH Housing transitioned to a secondary market program whereby single family loans are sold directly to the Federal National Mortgage Association (Fannie Mae) or pooled into mortgage-backed securities (MBS) guaranteed by the Government National Mortgage Association (Ginnie Mae) and sold. NH Housing uses forward commitments to hedge interest rate risk related to secondary market sales. In fiscal year 2023, NH Housing resumed issuing tax-exempt bonds to fund single family loans, with those loans securitized into Ginnie Mae MBS that are acquired with bond proceeds.

Fannie Mae is a government-sponsored enterprise with a public mission to provide stability in and to increase the liquidity of the residential market for homebuyers. NH Housing is a Fannie Mae Seller/Servicer and sells whole loans to Fannie Mae for cash.

Ginnie Mae, through its mortgage-backed securities programs, guarantees securities that are backed by pools of mortgages and issued by mortgage lenders approved by Ginnie Mae. Security holders receive a "pass-through" of the principal and interest payments on a pool of mortgage loans, less amounts required to cover servicing costs and Ginnie Mae guaranty fees. The Ginnie Mae guaranty ensures that the security holder receives the timely payment of scheduled monthly principal and any unscheduled recoveries of principal on the underlying mortgage loans, plus interest at the rate provided for in the securities. If a borrower fails to make a timely payment on a mortgage loan, NH Housing must use its own funds to ensure that the security holders receive timely payment.

Multi-family housing has been financed through the issuance of bonds and the allocation of other resources as noted below. Since fiscal year 2013, NH Housing has also sold 100% participation interests in multi-family loans to third party investors. In addition to private entities, the investors include the Federal Financing Bank, an instrumentality of the Federal government. A requirement of these sales of loan participations has been that the loans be insured through a Federal mortgage insurance program whereby NH Housing bears a portion of the risk of loss on defaulted and foreclosed loans.

In addition to the above lending activity, NH Housing offers and administers a variety of programs to provide affordable housing opportunities such as Federal rental assistance programs, predevelopment loans to stimulate the development of multi-family and supportive housing, Low Income Housing Tax Credits and the HOME Investment Partnership Program.

The accompanying financial statements present NH Housing's net position, revenue and expenses and changes in net position, and cash flows as of and for the year ended June 30, 2023. The enclosed supplemental combining schedules found on pages 30 – 43 present the statements of net position, revenue, expenses and changes in net position, and cash flows for NH Housing's general funds and each of the single family and multi-family bond programs.

The following is a condensed summary of financial information as of June 30, 2023 and 2022.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

Management's Discussion and Analysis of Net Position and Operating Results (Continued)

June 30, 2023

Condensed Financial Information – Statement of Net Position (in thousands of dollars)

	<u>As of June 30</u>		<u>Increase</u>
	<u>2023</u>	<u>2022</u>	<u>(Decrease)</u>
Assets			
Cash and cash equivalents	\$ 16,468	\$ 50,001	\$ (33,533)
Cash held in escrow	68,177	100,197	(32,020)
Investments	253,789	148,774	105,015
Loans receivable, net	404,793	337,504	67,289
Loans held for sale	16,151	10,465	5,686
Accrued interest receivable on mortgage and construction loans and loans held for sale	2,459	2,197	262
Real estate owned, net	223	188	35
Other assets	<u>23,849</u>	<u>24,669</u>	<u>(820)</u>
Total assets	<u>785,909</u>	<u>673,995</u>	<u>111,914</u>
Liabilities			
Bonds payable	473,610	355,086	118,524
Accrued interest payable	7,580	5,294	2,286
Notes payable	30,754	18,997	11,757
Accrued and other liabilities	<u>89,470</u>	<u>99,799</u>	<u>(10,329)</u>
Total liabilities	<u>601,414</u>	<u>479,176</u>	<u>122,238</u>
Net Position	<u>\$184,495</u>	<u>\$194,819</u>	<u>\$ (10,324)</u>

Discussion of Changes in the Statement of Net Position

NH Housing's net position consists primarily of assets and liabilities related to the issuance of bond indebtedness in support of both single family and multi-family housing. Consequently, the most significant assets are the mortgage loans receivable financed through bond issuance and the funds held in short-term investments awaiting either the purchase of mortgage loans or MBS, or the redemption of outstanding bonds. NH Housing's statement of net position also includes a portfolio of mortgage and construction loans financed through its general funds, as well as a variety of other assets such as investments, mortgage loan servicing rights, property and equipment, and other receivables.

Total assets of NH Housing increased by \$111.9 million, or 16.6%, during the year ended June 30, 2023, primarily the net result of:

- Cash and cash equivalents decreased by \$33.5 million as cash used for operating activities, capital and related financing activities, and investing activities exceeded cash provided by noncapital financing activities. See "Cash Flows" below.
- Cash held in escrow decreased by \$32 million, due primarily to a \$33 million decrease in escrow funds held in federal and state grant programs awaiting disbursement and a \$2.3 million decrease in escrow funds held for single-family program loans, offset by a \$3.2 million increase in escrow funds held for multi-family projects.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

Management's Discussion and Analysis of Net Position and Operating Results (Continued)

June 30, 2023

- Investments increased by \$105 million, due primarily to an increase of \$35 million in the general funds related largely to grant funds awaiting disbursement; increases of \$53.1 million and \$25.5 million awaiting loan funding in the multi-family and single family bond programs, respectively; and an increase of \$41.3 million in Ginnie Mae MBS held as collateral in the single-family bond programs, all offset by a decrease of \$49.9 million related to balances held in bond issues for debt service and other purposes.
- Loans receivable increased by \$67.3 million as originations of loans held by NH Housing of \$116.1 million exceeded principal payments of \$48.8 million. The principal payments received included \$37 million of payments received in advance of scheduled repayment. New loan purchases of \$95.7 million in the multi-family bond programs contributed significantly to the increase in the loans receivable balance.
- Loans held for sale in the secondary market or to be transferred to bond issues increased by \$5.7 million. During the year ended June 30, 2023, \$133.3 million in loans were exchanged for Ginnie Mae securities with \$92.2 million then sold in the secondary market and \$41.1 million transferred to tax-exempt bond issues. Loans totaling \$36.7 million were sold to Fannie Mae.

Total liabilities of NH Housing increased by \$122.2 million, or 25.5%, during the year ended June 30, 2023, primarily the net result of:

- Bonds outstanding increased by \$118.5 million as new issuances of \$164.4 million exceeded redemptions, both scheduled and prior to scheduled maturity, of \$45.7 million. NH Housing issued \$102.7 million of multi-family bonds to finance new projects and \$61.7 million of single family bonds.
- Accrued interest payable increased by \$2.3 million due to an increase in bonds payable in both the single family and multi-family bond programs.
- Notes payable reflect the use of a bank line of credit to fund single family mortgage loan acquisitions in advance of secondary market disposition or bond issue acquisition, and short-term construction loans for multi-family housing projects. The \$11.8 million increase is due to a \$7.1 million increase in multi-family construction loans and a \$4.7 million increase related to single family loans.
- Accrued and other liabilities decreased by \$10.3 million related primarily to an \$11.5 million decrease in funds held in connection with federally-sponsored emergency rental assistance and homeownership programs, a \$2.1 million decrease in escrow funds held in connection with single family loans and a \$3.3 million increase in escrow funds held for multi-family project disbursements. NH Housing has contracted with the State of New Hampshire to administer the Federal Emergency Rental Assistance and Homeowner Assistance Fund programs on behalf of the State. The programs make funds available to mitigate financial hardships suffered by New Hampshire residents due to the coronavirus pandemic. Funds received by NH Housing are recorded as grant revenue and expense as they are disbursed.

The net position of NH Housing decreased by \$10.3 million, or 5.3%, as a result of the excess of expenses over revenue for the year ended June 30, 2023 discussed in detail under "Discussion of Changes in the Operating Results for the Year Ended June 30, 2023 Compared to the Year Ended June 30, 2022."

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

Management's Discussion and Analysis of Net Position and Operating Results (Continued)

June 30, 2023

Condensed Financial Information – Operating Results (in thousands of dollars)

	<u>As of June 30</u>		
	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
Operating Revenue			
Interest and fees on mortgage and construction loans and loans held for sale	\$ 22,986	\$ 21,552	\$ 1,434
Gain on sale of loans and mortgage-backed securities	3,789	15,793	(12,004)
Investment income, net	7,864	(929)	8,793
Housing management fees	7,780	6,491	1,289
Federal rental assistance programs	114,886	104,814	10,072
Grants and subsidies	184,228	211,724	(27,496)
Other	<u>6,460</u>	<u>6,519</u>	<u>(59)</u>
Total operating revenue	<u>347,993</u>	<u>365,964</u>	<u>(17,971)</u>
Operating Expenses			
Bond interest expense and debt financing costs	13,884	11,764	2,120
Administrative expenses	23,149	20,853	2,296
Loan origination expenses	2,401	4,025	(1,624)
Loan servicing expenses	3,100	3,005	95
Federal rental assistance programs	114,886	105,124	9,762
Grants and subsidies	200,635	196,576	4,059
Other	<u>262</u>	<u>279</u>	<u>(17)</u>
Total operating expenses	<u>358,317</u>	<u>341,626</u>	<u>16,691</u>
Change in net position	<u>(10,324)</u>	<u>24,338</u>	<u>(34,662)</u>
Net position, beginning of year	<u>194,819</u>	<u>170,481</u>	<u>24,338</u>
Net position, end of year	<u>\$184,495</u>	<u>\$194,819</u>	<u>\$ (10,324)</u>

Discussion of Changes in the Operating Results for the Year Ended June 30, 2023 Compared to the Year Ended June 30, 2022

NH Housing's operating revenue consists primarily of interest and fees on mortgage and construction loans and loans held for sale, gain on sale of loans and mortgage-backed securities, investment income and revenue received to administer and support Federal rental assistance programs. Operating expenses consist primarily of bond interest expense and debt financing costs, administrative expenses, loan origination and servicing expenses, and expenditures related to Federal rental assistance programs. In addition, NH Housing receives and distributes grants and subsidies in support of a variety of housing-related initiatives.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

Management's Discussion and Analysis of Net Position and Operating Results (Continued)

June 30, 2023

NH Housing's change in net position for the year ended June 30, 2023 was \$(10.3) million compared to \$24.3 million for the year ended June 30, 2022. The \$34.7 million decrease was the net effect of an \$18 million decrease in operating revenue and a \$16.7 million increase in operating expenses. Significant changes leading to the \$34.7 million decrease included:

- A \$12 million decrease in gain on sale of loans and mortgage backed securities due to decreased secondary market volume related to market conditions and the transition of loan activity to the bond-based business model, as well as reduced profitability on the sales of securities.
- An \$8.8 million increase in investment income due to increased investment balances, as explained above, and increased short-term investment yields.
- A \$2.1 million increase in bond interest expense and debt financing costs primarily due to increased bonds outstanding in the multi-family bond programs.
- A \$1.7 million decrease in loan origination fees due to a decrease of program volume in the FNMA and GNMA secondary market lending programs as noted above.
- A \$0.3 million increase in the difference between revenues and expenses related to the timing of receipts and disbursements in federal rental assistance programs.
- A \$31.6 million decrease in the difference between revenues and expenses related to grants and subsidies activity, as follows:

	<u>Year Ended June 30</u>	
	<u>2023</u>	<u>2022</u>
Grants and subsidies revenue	\$184,228	\$211,724
Grants and subsidies expense	<u>200,635</u>	<u>196,576</u>
Net grants and subsidies activity	<u>\$ (16,407)</u>	<u>\$ 15,148</u>

The \$(31.6) million difference in net grants and subsidies activity is primarily due to a \$38.1 million decrease in revenue over expenses in a state funded multi-family housing program and a \$3.3 million increase in revenue over expenses in a state funded lead abatement program, both due to the timing of program receipts and disbursements; a \$3.8 million decrease in the net expenditures in a single family downpayment assistance program; and a \$0.6 million decrease in net program revenue over expenses in all other grant programs.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

Management's Discussion and Analysis of Net Position and Operating Results (Continued)

June 30, 2023

Cash Flows

The statement of cash flows, which summarizes the changes in NH Housing's statement of net position and the results of its operations in terms of cash and cash equivalents, shows a \$33.5 million decrease in cash and cash equivalents between June 30, 2022 and June 30, 2023. As evident in the Supplemental Combining Schedule of Cash Flows on pages 33 and 34, the decrease in cash and cash equivalents is attributable primarily to the general funds, in which cash used for operating activities, capital and related financing activities, and investing activities exceeded cash provided by noncapital financing activities. In the general funds, operating activities include all lending, programmatic and administrative activities not directly supported by bond issuance; capital and related financing activities include additions to property and equipment; noncapital financing activities relate to the proceeds and repayments of notes payable; and investing activities include the purchase, sale and maturity of investments as well as receipt of investment income. In the single family and multi-family bond programs, operating activities include primarily loan receipts and disbursements; noncapital financing activities include bond issuance, bond repayment and debt service payments; and investing activities include the purchase, sale and maturity of investments as well as receipt of investment income.

Significant Long-Term Debt Activity

NH Housing is authorized to issue bonds, the outstanding balance of which cannot exceed \$2 billion, under the laws of the State of New Hampshire. NH Housing has issued bonds for both single family and multi-family housing, the outstanding balance of which totaled \$473.6 million at June 30, 2023.

During the year ended June 30, 2023, NH Housing issued \$61.7 million of single family bonds and \$102.7 million of multi-family bonds. Based on scheduled maturities, NH Housing redeemed during the year \$8.4 million of single family program bonds and \$7.5 million of multi-family program bonds. NH Housing also redeemed during the year ended June 30, 2023, prior to scheduled maturities, \$15.8 million of single family program bonds and \$13.9 million of multi-family program bonds. The bond redemptions prior to scheduled maturities resulted from the repayment of mortgage loans prior to scheduled maturities.

Additional Information

The purpose of this financial report is to provide information needed to understand NH Housing's financial position and results of operations as of and for the year ended June 30, 2023.

Inquiries for additional information may be directed to the Managing Director, Finance/CFO at New Hampshire Housing Finance Authority, 32 Constitution Drive, Bedford, New Hampshire 03110, at (603) 472-8623 or at www.nhhfa.org.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

STATEMENT OF NET POSITION

June 30, 2023

(In thousands of dollars)

ASSETS

Current assets:

Cash and cash equivalents	\$ 16,468
Cash held in escrow	68,177
Short-term investments	191,602
Accrued interest receivable on investments	433
Current portion of mortgage and construction loans receivable	21,696
Loans held for sale, at lower of cost or fair value	16,151
Accrued interest receivable on mortgage and construction loans and loans held for sale	2,459
Real estate owned, net	223
Other current assets	10,309
Total current assets	<u>327,518</u>

Long-term investments:

Mortgage-backed securities	41,759
Other long-term investments	20,428
Total long-term investments	<u>62,187</u>

Loans receivable:

Mortgage loans	389,658
Construction loans	16,137
Less allowance for possible losses	(1,002)
Loans receivable, net	404,793
Less current portion of loans receivable	(21,696)
Long term portion of loans receivable	<u>383,097</u>

Other assets:

Mortgage loan servicing rights, net	6,981
Property and equipment, net	4,150
Other	1,976
Total other assets	<u>13,107</u>

Total assets

785,909

LIABILITIES

Current liabilities:

Current portion of bonds payable	15,180
Accrued interest payable	7,580
Notes payable	30,754
Current portion of accrued and other liabilities	87,275
Total current liabilities	<u>140,789</u>

Long-term liabilities:

Bonds payable, net of current portion	458,430
Accrued and other liabilities	2,195
Total long-term liabilities	<u>460,625</u>

Total liabilities

601,414

Commitments and contingent liabilities (Notes 8 and 12)

NET POSITION

Invested in capital assets, net of related debt	4,150
Restricted	117,823
Unrestricted	<u>62,522</u>

Total net position

\$ 184,495

See notes to financial statements.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2023

(In thousands of dollars)

OPERATING REVENUE:

Interest and fees on mortgage and construction loans and loans held for sale	\$ 22,986
Gain on sale of loans and mortgage-backed securities	3,789
Servicing revenue	5,861
Investment income, net	7,864
Housing management fees	7,780
Federal rental assistance programs	114,886
Grants and subsidies	184,228
Other	<u>599</u>

Total operating revenue 347,993

OPERATING EXPENSES:

Bond interest expense and debt financing costs	13,884
Administrative expenses	23,149
Loan origination expenses	2,401
Loan servicing expenses	3,100
Federal rental assistance programs	114,886
Grants and subsidies	200,635
Other	<u>262</u>

Total operating expenses 358,317

CHANGE IN NET POSITION (10,324)

Net position, beginning of year 194,819

NET POSITION, END OF YEAR \$184,495

See notes to financial statements.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

STATEMENT OF CASH FLOWS

Year Ended June 30, 2023

(In thousands of dollars)

Cash flows from operating activities:	
Loan repayments received	\$ 43,832
Loan interest income and servicing revenue received	30,031
Proceeds from sale of loans and mortgage-backed securities	180,577
Federal rental assistance program receipts	114,886
Grants and subsidies receipts	184,228
Other receipts	54,643
Loan disbursements	(291,908)
Purchase of loan servicing rights	(1,087)
Payments to vendors	(11,732)
Payments to employees	(12,604)
Federal rental assistance program disbursements	(114,886)
Grants and subsidies disbursements	(200,635)
Other disbursements	<u>(29,664)</u>
Net cash used for operating activities	(54,319)
Cash flows from noncapital financing activities:	
Proceeds from issuance of bonds	164,366
Principal repayment of bonds	(45,670)
Proceeds from notes payable	191,032
Repayment of notes payable	(179,275)
Interest paid	<u>(11,770)</u>
Net cash provided by noncapital financing activities	118,683
Cash flows from capital and related financing activities:	
Reductions to property and equipment	<u>(416)</u>
Net cash used for capital and related financing activities	(416)
Cash flows from investing activities:	
Purchase of investment securities	(424,590)
Proceeds from sale and maturities of investment securities	323,203
Investment income received	<u>3,906</u>
Net cash used for investing activities	<u>(97,481)</u>
Net decrease in cash and cash equivalents	(33,533)
Cash and cash equivalents, beginning of year	<u>50,001</u>
Cash and cash equivalents, end of year	<u>\$ 16,468</u>

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

STATEMENT OF CASH FLOWS (CONTINUED)

Year Ended June 30, 2023

(In thousands of dollars)

Reconciliation of change in net position to net cash used for operating activities:	
Change in net position	\$ (10,324)
Adjustments to reconcile change in net position to net cash used for operating activities:	
Amortization of servicing rights	1,738
Mortgage loan servicing rights capitalized	(1,087)
Depreciation of property and equipment	434
Investment income, net	(7,864)
Bond interest expense and debt financing costs	13,884
Changes in operating assets and liabilities:	
Loans receivable	(66,471)
Loans held for sale	(2,262)
Accrued interest – loans	(370)
Other assets	23,196
Accrued and other liabilities	<u>(5,193)</u>
Net cash used for operating activities	\$ <u>(54,319)</u>
Supplemental disclosures of noncash information:	
Real estate acquired through foreclosure	\$ 1,271
See notes to financial statements.	(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

1. Organization and Nature of Operations

New Hampshire Housing Finance Authority (NH Housing) is a body politic and corporate authorized by Chapter 204-C of the Revised Statutes Annotated of New Hampshire. The initial legislation and subsequent amendments grant NH Housing the power to sell bonds and use the proceeds to stimulate the construction and rehabilitation of housing for low and moderate-income families in New Hampshire (the State).

NH Housing finances single family and multi-family housing for eligible persons and families in the State through the issuance of bonds and the secondary market sale of mortgage-backed securities or loans. NH Housing purchases single family mortgage loans from lending institutions and originates loans directly. Multi-family loans are originated directly. All such loans are generally collateralized by residential real estate located within the State.

Under the terms of the single family bond programs, bond holders are protected from possible losses on mortgage loans by primary mortgage insurance policies, government-backed guarantee programs and by mortgage pool insurance policies. Certain of these arrangements involve risk-sharing agreements under which NH Housing bears a portion of the risk of loss when actual losses on defaulted and foreclosed loans exceed certain levels. Under the terms of a number of multi-family bond programs, the bond issues are further protected from possible losses on mortgage loans by a Federal mortgage insurance program. This program involves risk-sharing arrangements by which NH Housing bears a portion of the risk of loss on defaulted and foreclosed loans (see Note 12 for further discussion).

2. Summary of Significant Accounting Policies

Basis of Presentation – NH Housing's financial statements have been prepared on the basis of the proprietary-fund concept which pertains to financial activities that operate in a manner similar to private business enterprises and are financed primarily through fees and charges assessed to the users of the services. NH Housing follows the accrual basis of accounting promulgated by the Governmental Accounting Standards Board (GASB) using, when applicable, funds and accounts stipulated under bond resolutions adopted in connection with the issuance of bonds.

The financial statements encompass NH Housing's general funds and both single family and multi-family bond programs. The general funds account for assets, liabilities, and transactions that are not generally governed by provisions of bond resolutions. The single family bond programs encompass various bond issues that were issued in accordance with the General Single Family Mortgage Acquisition Revenue Bond Resolution adopted by NH Housing on March 23, 1995, the General Single Family Mortgage Acquisition Revenue Bond Resolution (Non-MBS) adopted by NH Housing on June 25, 2009 and the General Single Family Mortgage Acquisition Revenue Bond Resolution adopted by NH Housing on August 25, 2022.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

2. Summary of Significant Accounting Policies (Continued)

The multi-family bond programs encompass various bond issues that were issued in accordance with the Multi-family Housing Bond Resolution adopted by NH Housing on April 27, 2000, the General Multi-family Housing Bond Resolution adopted by NH Housing on November 17, 2009, and the General Multi-family Housing Bond Resolution adopted by NH Housing on September 28, 2017.

The financial statements comply with the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include all the organizations, activities and functions for which NH Housing (the reporting entity) is financially accountable. Determination of financial accountability includes, among other factors, appointment of a voting majority of the component's governing body and (1) ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on, NH Housing. Based on the preceding criteria, the accompanying financial statements do not include the financial activities of any entity other than NH Housing.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Restricted Assets – All of the assets within bond program funds are pledged for payment against the various bond indentures. Certain assets in the general funds are restricted as to purpose by entities other than NH Housing, primarily the State and the U.S. Department of Housing and Urban Development (HUD).

Mortgage Loans and Allowances for Possible Losses – Loans are stated at the principal amounts outstanding, net of allowances for possible losses. Interest income on loans is recorded on the accrual basis. The recording of interest income on problem loans ceases when collectability within a reasonable period of time becomes doubtful.

The allowance for loan losses is increased by charges to expense and decreased by charge-offs (net of recoveries). Management's periodic evaluation of the adequacy of the allowance is based on NH Housing's past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, existing mortgage insurance and current economic conditions.

Loans Held for Sale – Loans originated or acquired and intended for sale in the secondary market are carried at the lower of aggregate cost or market value.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

2. **Summary of Significant Accounting Policies (Continued)**

Investments – Short-term investments consist of debt securities, nonparticipating guaranteed investment contracts, collateralized repurchase agreements and money market funds. Long-term investments consist of debt securities with fixed maturities in excess of one year. Debt securities are recorded at fair value based on quoted market prices. Interest income on investments is recorded on the accrual basis. Nonparticipating guaranteed investment contracts and collateralized repurchase agreements are recorded at the contract value.

Mortgage Loan Servicing Rights – The cost of acquiring the rights to service mortgage loans from loan originators is capitalized and amortized in proportion to, and over the period of, estimated net servicing income. NH Housing makes an assessment of mortgage servicing rights based on the fair value of those rights. For purposes of measuring impairment, NH Housing stratifies mortgage servicing rights based on the age of the underlying loans. The amount of impairment, if any, is the amount by which the carrying amount of the capitalized mortgage servicing rights for a stratum exceeds its fair value. Fair value represents the present value of the anticipated net cash flows from servicing the loans.

Property and Equipment – NH Housing uses a capitalization limit of \$5 for developed software and \$1 for all other items of property and equipment. Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from 3 to 45 years.

Real Estate Owned – Real estate owned consists of single family and multi-family residential properties acquired through foreclosure that are carried at the lower of cost or fair value less estimated costs to sell. An allowance for losses on real estate owned is maintained for estimated losses and valuation adjustments on a specific property basis.

Bonds – Bonds payable are general and limited obligations of NH Housing and are not a debt or liability of the State or any subdivisions thereof. Each bond issue is secured, as described in the applicable trust indenture, by all revenues, moneys, investments, mortgage loans and other assets in the accounts of the program. The provisions of the applicable trust indentures require or allow for redemption of bonds through the use of unexpended bond proceeds and excess funds accumulated primarily through prepayment of mortgage loans. All outstanding bonds are subject to redemption at the option of NH Housing, in whole or in part at any time after certain dates, as specified in the respective series indentures. To date, NH Housing has issued only bonds with fixed interest rates established at issuance.

Bond Discounts and Premiums – Discounts and premiums on bonds payable are amortized to interest expense over the lives of the respective bond issues using the effective interest method.

Arbitrage Rebate – Federal income tax rules limit the investment yield that NH Housing may retain from investing the proceeds and other funds related to its tax-exempt bond issues. The excess yield is payable to the U.S. Treasury and included in accrued and other liabilities in the accompanying statement of net position. There was no liability as of June 30, 2023.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

2. Summary of Significant Accounting Policies (Continued)

Operating Revenue and Expenses – NH Housing’s primary operation is to fund single family and multi-family loans with proceeds from the issuance of bonds or the sale of loans and mortgage-backed securities. NH Housing’s primary sources of operating revenue are the income from mortgage loans or other permitted investments and the sale of loans and mortgage-backed securities. The primary operating expenses are the bond interest expense associated with bonds outstanding and the costs of originating loans.

NH Housing also administers various Section 8 subsidized housing programs in the State for HUD. NH Housing receives federal financial assistance to provide rental subsidies to program participants and to cover program administration costs. A portion of the subsidies are disbursed on behalf of program participants who reside in housing developments on which NH Housing holds a mortgage, some of which are loans financed through the issuance of multi-family program bonds. The financial assistance received and disbursed on behalf of program participants is reflected as both an operating revenue and expense. The financial assistance that covers program administration costs is included in housing management fees.

NH Housing receives various other pass-through grants to support housing programs. In addition to these pass-through funds, NH Housing also makes various grants to both organizations and individuals for housing-related purposes.

Investment Derivative Instruments – Forward commitments to deliver mortgage-backed securities are used to hedge changes in fair value of mortgage loans held for sale and commitments to acquire or originate mortgage loans to be held for sale. These contracts are considered investment derivative instruments, as defined in GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Changes in the fair value of investment derivative instruments are included in investment income.

Interfund Transfers – NH Housing makes transfers between its various funds and programs, primarily for the infusion of cash into new bond issue programs and the withdrawal of cash from bond issues as permitted by the bond resolutions. All interfund receivables and payables are eliminated from the financial statements.

3. Loans Receivable, Related Allowances, and Concentrations

Mortgage Loans – Mortgage loans receivable provide for monthly receipts of principal and interest for terms of 10 to 42 years and bear interest at annual rates of 0% to 8.375%.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

3. Loans Receivable, Related Allowances, and Concentrations (Continued)

Allowance for Possible Losses – The activity in the allowance for possible losses on mortgage and construction loans, other assets and GNMA loss liabilities during fiscal 2023 is summarized as follows:

Balance – June 30, 2022	\$ <u>3,036</u>
Balance attributable to:	
Mortgage and construction loans	\$ 1,020
Real estate owned	270
Other liabilities – GNMA loss liability	<u>1,746</u>
Total	3,036
Provision for loan losses	–
Write-offs, net	<u>(27)</u>
Balance – June 30, 2023	\$ <u>3,009</u>
Balance attributable to:	
Mortgage and construction loans	\$ 1,002
Real estate owned	229
Other liabilities – GNMA loss liability	<u>1,778</u>
Total	\$ <u>3,009</u>

NH Housing services both single family and multi-family mortgage loans on behalf of others and such loans are not reported on the Statement of Net Position. NH Housing services single family loans that it securitizes and sells as Ginnie Mae mortgage-backed securities and it also services loans sold directly to Fannie Mae. As of June 30, 2023, NH Housing serviced \$880,848 of loans held in Ginnie Mae mortgage-backed securities and \$319,571 of loans held by Fannie Mae. NH Housing is exposed to operational risks with respect to the loans sold to Ginnie Mae and Fannie Mae as discussed further in Note 12.

The majority of single family mortgage loans either securitized and sold or sold directly by NH Housing are acquired from a network of mortgage loan originators. For the year ended June 30, 2023, loans acquired from three originating lenders amounted to 50.3% of the sold loan volume, contributing 0.5% of NH Housing's total operating revenue and 15.78% of its change in net position.

NH Housing also originates and services FHA risk-share insured multi-family mortgage loans for which it sells 100% participation interests. As of June 30, 2023, NH Housing serviced \$129,926 of multi-family mortgage loans for five investors.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

4. Cash and Investments

Cash and Cash Equivalents – At June 30, 2023, the carrying amount of NH Housing's bank deposits was \$16,468, such amount representing cash bank deposits. Bank balances of cash deposits held in the general funds totaled \$17,169. Of such deposits, \$250 was insured by the Federal Deposit Insurance Corporation, while deposits aggregating \$16,919 were uninsured.

Bank balances of cash deposits held in bond funds totaled \$360, and \$250 was insured by the Federal Deposit Insurance Corporation.

At June 30, 2023, the carrying amount of NH Housing's restricted cash (cash held in escrow) was \$68,177. The restricted cash bank balance was \$68,818, which was uninsured.

A bank provides an irrevocable stand-by letter of credit issued by the Federal Home Loan Bank of Pittsburgh as additional security for uninsured cash balances. The letter of credit collateralized \$85,279 of deposits as of June 30, 2023.

Investments – In accordance with the terms of its investment policy and its bond indentures, NH Housing may invest, subject to various restrictions, in direct obligations of the United States, United States government-sponsored enterprise (GSE) securities, guaranteed investment contracts, collateralized repurchase agreements, money market funds comprised of direct obligations of the United States or GSE debt obligations, collateralized certificates of deposit and interest-bearing time deposits, and certain direct and general obligations of any state or governmental entity of the United States. The majority of investments are restricted for the repayment of bond obligations or to satisfy certain reserve requirements specified by the bond indentures.

Guaranteed investment contracts are uncollateralized contracts with qualified financial institutions and registered broker-dealers insured by the Securities Investor Protection Corporation (SIPC). Although the nominal maturity dates of the guaranteed investment contracts are closely matched with future bond maturities and loan disbursements, the contracts have short-term liquidity and termination provisions. U.S. Treasury Notes and U.S. Treasury Bills (UST), Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA) and Government National Mortgage Association (GNMA) obligations are in NH Housing's name and held by third parties.

Short-Term Investments – Short-term investments at June 30, 2023 consist of the following investments with maturities of less than one year:

Guaranteed investment contracts (at contract value)	\$ 33,414
Collateralized repurchase agreements (at contract value)	970
U.S. Treasury obligation money market funds (at fair value)	69,638
UST obligations (at fair value)	<u>87,580</u>
Total	<u>\$191,602</u>

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

4. Cash and Investments (Continued)

Long-Term Investments – Long-term investments at June 30, 2023 with their credit quality ratings as issued by Moody's Investors Service as of the date of this report, consist of the following (at fair value), all maturing in excess of one year, with maturities ranging from 2024 to 2053.

		Investment Maturities (In Years)				Total
		1 – 5	6 – 10	11 – 15	16 – 30	
FFCB obligations	Aaa	\$ 716	\$ –	\$ –	\$ –	\$ 716
FHLB obligations	Aaa	2,327	–	–	–	2,327
FHLMC obligations	Aaa	–	1,320	–	–	1,320
FNMA obligations	Aaa	1,208	–	–	–	1,208
GNMA obligations	Aaa	–	–	–	41,759	41,759
UST obligations	Aaa	<u>6,888</u>	<u>6,425</u>	<u>–</u>	<u>1,544</u>	<u>14,857</u>
Total		<u>\$11,139</u>	<u>\$7,745</u>	<u>\$–</u>	<u>\$43,303</u>	<u>\$62,187</u>

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. NH Housing invests primarily in guaranteed investment contracts and collateralized repurchase agreements that provide for withdrawal of funds at par over the lives of the contracts. The portfolio of UST, FFCB, FHLB, FHLMC, FNMA and GNMA investments is subject to fair value fluctuations. The balance in money market funds at June 30, 2023 includes amounts withdrawn from guaranteed investment contracts and collateralized repurchase agreements to satisfy July 1, 2023 scheduled debt service payments.

Credit Risk – Credit risk is the risk that an investment issuer will not fulfill its obligations. Credit risk is measured by the credit quality ratings of issuers as described by nationally recognized rating organizations. NH Housing requires providers of guaranteed investment contracts to have and maintain a long-term unsecured debt obligation rating or claims paying ability rating sufficient to support the applicable NH Housing bond rating. In the event of an investment provider rating downgrade that will impact the applicable NH Housing bond rating, NH Housing may request the provider to deliver collateral sufficient to maintain the NH Housing bond rating or terminate the contract.

Custodial Credit Risk – Custodial credit risk is the risk that, in the failure of a counterparty, NH Housing will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. NH Housing's policy requires collateralized repurchase agreement providers to be members of the Federal Deposit Insurance Corporation or the Association of Primary Dealers in United States Government Securities and the collateral provided must be direct obligations of the United States or GSE debt obligations, have a maintained market value of not less than 102% of the repurchase agreement maturity value and be delivered to a third party custodian acting as a fiduciary on behalf of NH Housing.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

4. Cash and Investments (Continued)

Repurchase agreement collateral held by Wells Fargo Bank, National Association:
Government National Mortgage Association mortgage pools (at fair value) \$ 1,040

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of investment in a single issue or a single issuer. NH Housing does not place limits on the amount of investment in a single issue or a single issuer. Investments in issuers that represent 5% or more of total short and long-term investments at June 30, 2023, with their credit quality ratings as issued by Moody's Investors Service as of the date of this report, are as follows:

	<u>Rating</u>	
Collateralized repurchase agreements and guaranteed investment contracts provided by:		
Bayerische Landesbank Girozentrale	Aa3	\$ 20,378
Guaranteed investment contracts provided by:		
Natixis Funding Corporation	Aa3	14,006
Government National Mortgage Association	Aaa	41,759
U.S. Treasury obligation money market funds provided by:		
Fidelity Institutional Money Market Funds	Aaa-mf	69,638
U.S. Treasury obligations	Aaa	<u>102,437</u>
Total		<u>\$248,218</u>

5. Other Assets

Other assets at June 30, 2023 consist of the following:

	<u>Current</u>	<u>Long Term</u>
Accounts receivable	\$ 6,423	\$ –
Repurchased loans	2,411	–
Prepaid expenses	909	–
Fair value investment derivatives	6	–
Notes receivable	–	1,976
Accrued servicing revenue	<u>560</u>	<u>–</u>
Total	<u>\$ 10,309</u>	<u>\$ 1,976</u>

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

6. Mortgage Loan Servicing Rights

During the year ended June 30, 2023, NH Housing capitalized \$1,087 in connection with the purchase of servicing rights and recorded amortization of \$1,738. At June 30, 2023, mortgage loan servicing rights totaled \$6,981, net of accumulated amortization of \$9,939. Gross servicing rights totaled \$16,920.

7. Property and Equipment

Property and equipment at June 30, 2023, consists of:

Land and building	\$ 7,293
Equipment	7,084
Furniture and fixtures	<u>724</u>
Total	15,101
Less accumulated depreciation	<u>(10,951)</u>
Property and equipment – net	<u>\$ 4,150</u>

Depreciation expense for the year ended June 30, 2023 was \$434.

8. Forward Commitments

NH Housing sells forward commitments to deliver Ginnie Mae guaranteed mortgage-backed securities. Commitments are sold as mortgage loan reservations are taken to hedge against market fluctuations prior to loan origination and securitization. NH Housing is subject to market value fluctuations in the event that mortgage loans are not funded as expected and the committed securities cannot be delivered. A net increase in fair value of \$104 on these forward commitments, classified as investment derivative instruments, has been recorded within investment income. The \$5 fair value mark-to-market adjustment is included in accrued and other liabilities and other assets on the statement of net position. In addition, NH Housing has agreements with five forward commitment counterparties that require the delivery of collateral should the aggregate fair market value of outstanding forward commitments with a counterparty decline from the aggregate contract amount by more than specified amounts. As of June 30, 2023, the aggregate fair market value of forward commitment contracts containing such collateral provisions was \$4,471 compared to an aggregate contract amount of \$4,400 and no collateral was posted as of that date.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

8. **Forward Commitments (Continued)**

NH Housing is subject to credit risk with respect to counterparties to the forward commitment contracts, summarized as follows at June 30, 2023, with their credit quality ratings as issued by Moody's Investors Service, unless otherwise noted, as of the date of this report:

	<u>Rating</u>	<u>Number of Contracts</u>	<u>Par Amount</u>
Bank of Montreal	Aa2	3	\$ 1,500
Bank of New York Mellon Capital Markets	Aa2	2	1,100
Bank of Oklahoma	A3	2	1,000
Daiwa Capital Markets	Not Rated	1	800
Federal National Mortgage Association	Aaa	1	300
Jefferies Group LLC	Baa2	<u>3</u>	<u>1,600</u>
Total		<u>12</u>	<u>\$ 6,300</u>

9. **Bonds Payable**

Bonds payable consist of term and serial bonds due in installments on January 1 and July 1 of each year, with interest rates ranging from 0.30% to 6.00%. Interest paid on bonds of NH Housing is generally exempt from Federal income taxes, except for certain bonds including nine series of Single Family Mortgage Acquisition Revenue Bonds and two series of Multi-family Housing Revenue bonds.

Bonds payable activity for the year ended June 30, 2023 was as follows:

Balance – June 30, 2022	\$355,086
Bond issuance	164,366
Amortization of bond premium and discount, net	(172)
Principal repayment	<u>(45,670)</u>
Balance – June 30, 2023	<u>\$473,610</u>
Amount payable within one year	<u>\$ 15,180</u>

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

9. Bonds Payable (Continued)

Principal and interest payments due on outstanding bonds are as follows at June 30, 2023:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Years ending June 30:			
2024	\$ 15,180	\$ 15,737	\$ 30,917
2025	41,382	16,025	57,407
2026	24,475	15,025	39,500
2027	12,630	14,392	27,022
2028	<u>13,430</u>	<u>14,001</u>	<u>27,431</u>
Subtotal, years ending 2024 – 2028	107,097	75,180	182,277
Years ending June 30:			
2029 – 2033	58,925	63,542	122,467
2034 – 2038	55,580	54,577	110,157
2039 – 2043	49,730	45,680	95,410
2044 – 2048	76,195	33,249	109,444
2049 – 2053	51,800	20,052	71,852
2054 – 2058	43,800	9,312	53,112
2059 – 2063	25,290	2,440	27,730
2064 – 2065	<u>3,445</u>	<u>108</u>	<u>3,553</u>
Total	471,862	<u>\$304,140</u>	<u>\$776,002</u>
Unamortized premium	1,858		
Unamortized discount	<u>(110)</u>		
Total bonds payable	<u>\$473,610</u>		

In the ordinary course of its business, NH Housing redeems, prior to stated maturity, various amounts of bonds from prepayments of the related mortgage loans. During fiscal 2023, NH Housing redeemed, prior to stated maturity and in accordance with the terms of the bonds, \$15,820 of current interest single family bond program bonds and \$13,940 of current interest multi-family bonds.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

10. Notes Payable and Credit Facilities

NH Housing has a line of credit with a bank, with availability between \$40,000 and \$60,000 depending on need, for the purpose of acquiring single family mortgage loans prior to the issuance of single family bonds or other secondary market disposition and for financing short-term construction loans for multi-family housing projects. The bank holds collateral assignments in the related mortgages and notes related to each advance. This line of credit bears interest at a fluctuating per annum rate based on the bank's one-month Term Secured Overnight Financing Rate (SOFR) rate plus 0.95% with a floor of 2.15% and expires on December 31, 2025. At June 30, 2023, \$31,586, with \$832 included in current portion of bonds payable, was outstanding with an interest rate of 6.11%, whereas \$28,414 was unused with an interest rate of 0.15%.

NH Housing has a \$5,000 line of credit with a bank, which bears interest at a fluctuating per annum rate based on the bank's one-month Term SOFR rate plus 2.45% and expires on December 31, 2024. There were no amounts outstanding on the line at June 30, 2023.

In connection with the bank lines of credit, NH Housing has covenanted to maintain an unrestricted net position of \$35,000 and a minimum investment rating of A3 from Moody's Investors Service, Inc. NH Housing was in compliance with these covenants as of and for the year ended June 30, 2023.

11. Accrued and Other Liabilities

Accrued and other liabilities at June 30, 2023 consist of the following:

	<u>Current</u>	<u>Long-Term</u>
Accounts payable	\$ 2,106	\$ –
Funds held in escrow	83,561	1,945
Fair value investment derivatives	1	–
Accrued servicing fees	79	–
GNMA loss liability	<u>1,528</u>	<u>250</u>
Total	<u>\$ 87,275</u>	<u>\$ 2,195</u>

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

12. Commitments and Contingent Liabilities

In the normal course of business, NH Housing has outstanding various commitments and contingent liabilities, including the following:

- At June 30, 2023, NH Housing was committed to fund approximately \$44,933 of mortgage loans to be used in the Ginnie Mae mortgage-backed securities program. Ginnie Mae guarantees securities that are backed by mortgage loan pools. These mortgages are either acquired or originated by NH Housing and then exchanged with Ginnie Mae for mortgage-backed securities which are either sold or transferred to tax-exempt bond issues. Ginnie Mae has established minimum net worth requirements for program participants based on outstanding securities and the balance of commitments to guarantee securities. At June 30, 2023, NH Housing met the minimum net worth requirement of \$5,787. Under the Ginnie Mae program, NH Housing must use its own funds if a borrower fails to make a timely payment on a mortgage loan. NH Housing must also assess the overall performance of the portfolio and repurchase loans as necessary to maintain required delinquency thresholds. NH Housing assesses the overall risk of loss on loans that it may be required to repurchase and repurchases the loans as necessary. NH Housing securitized \$133,301 of mortgage loans during the year ended June 30, 2023 and held \$2,411 of repurchased loans in other assets at June 30, 2023.
- At June 30, 2023, NH Housing was committed to fund approximately \$15,309 of mortgage loans to be sold to Fannie Mae. NH Housing sells mortgage loans to Fannie Mae on a nonrecourse basis although previously also sold loans on a risk-share basis.
- NH Housing has committed to maintain primary mortgage insurance policies for all the single family bond program bond issues. The primary insurance policies for two issues contain risk-sharing arrangements. NH Housing has also committed to maintain pool insurance policies or self-insurance funds held within bond indentures for all issues, except those in the General Single Family Mortgage Acquisition Revenue Bond Resolution adopted on August 25, 2022. The aggregate maximum contingent liability to the general funds with respect to these arrangements is approximately \$876 for the risk-sharing insurance agreements.
- NH Housing has committed to maintain mortgage insurance provided through the Federal Housing Administration (FHA) for a number of multi-family mortgage loans, including the multi-family loan participation interests sold as discussed in Note 3. The FHA insurance used by NH Housing includes risk-sharing arrangements by which NH Housing has a maximum contingent liability to the general funds of \$195,505.
- NH Housing has authorized the funding of approximately \$39,616 from the general funds for the purchase of housing units and for other housing-related purposes. This total includes \$35,906 of construction loans expected to be funded from a bank line of credit.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

12. Commitments and Contingent Liabilities (Continued)

- Provisions of certain general funds and multi-family bond program loans require NH Housing to administer certain funds in escrow on behalf of developers for the purposes of project completion, working capital and contingency reserves, insurance and taxes. At June 30, 2023, these balances aggregated \$56,151. These balances are not included in NH Housing's financial statements as they are maintained in separate accounts in the names of the developers.

NH Housing is subject to various legal proceedings and claims that arise in the normal course of its business. In the opinion of management, the ultimate resolution of these actions will not materially affect the accompanying financial statements of NH Housing.

13. Restricted Net Position

The components of restricted net position at June 30, 2023 are as follows:

Restricted for purpose of funding source	\$ 43,562
Restricted for purpose of bond issues:	
Single family bond programs	52,988
Multi-family bond programs	<u>21,273</u>
Total	<u>\$117,823</u>

14. Grants and Subsidies

NH Housing receives and distributes grants and subsidies in support of a variety of housing-related initiatives. Grants and subsidies expense exceeds grants and subsidies revenue by \$16,407 primarily due to \$15,848 net disbursements related to the timing of revenue and expenditures in a state supported multi-family subsidy program, the timing of revenue and expenditures in several smaller Federal and state supported programs, and expenditures in certain NH Housing funded initiatives without direct revenue offsets.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

15. Employee Benefit Plans

NH Housing has established, and can amend, the Defined Contribution Pension Plan for Employees of New Hampshire Housing Finance Authority in accordance with the provisions of Internal Revenue Code Section 401(a). All employees with over six months of service are covered by the plan, which is administered by Mutual of America and requires employer contributions equal to 5% or 10% of the salaries of covered employees and employer matching contributions to specified limits of employee contributions. Payroll of covered employees for the year ended June 30, 2023 totaled \$11,037 while total payroll for the year ended June 30, 2023 totaled \$11,813. NH Housing expensed and made contributions to the plan of \$807 for the year ended June 30, 2023, such amount representing 7.3% of covered payroll and including \$249 of matched contribution for the Voluntary Deferred Compensation Plan. The Voluntary Deferred Compensation Plan for Employees of New Hampshire Housing Finance Authority was established by NH Housing in accordance with the provisions of Internal Revenue Code Section 457. This plan, which is administered by Mutual of America, enables all employees to make tax-deferred contributions that are partially matched by NH Housing.

16. Housing Management Fees

NH Housing administers subsidized housing programs under HUD Section 811, Family Self Sufficiency and Section 8 mainstream voucher, moderate rehabilitation, housing choice voucher, COVID-19 and special allocation programs and receives fees for these services. Total federal funds administered by NH Housing under these programs aggregated \$122,799 for the year ended June 30, 2023.

17. Fair Value Measurements

NH Housing generally holds investments until maturity to pay reserve fund bonds as they become due, so fluctuations in the fair value of the investments have a minimal long-term effect. NH Housing categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three level framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

United States government obligations and money market funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Assets and liabilities in Level 2 of the fair value hierarchy are valued using inputs, other than quoted prices in Level 1, that are observable, either directly or indirectly. In Level 3, inputs are unobservable for an asset or liability. Investment derivatives are classified in Level 3 and are valued using mark-to-market techniques based on third-party pricing.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

17. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, NH Housing's money market funds, United States government obligations and investment derivative instruments at fair value as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 69,638	\$ –	\$ –	\$ 69,638
United States government obligations	149,767	–	–	149,767
Investment derivative instruments	<u>–</u>	<u>–</u>	<u>5</u>	<u>5</u>
Total	<u>\$219,405</u>	<u>\$ –</u>	<u>\$ 5</u>	<u>\$219,410</u>

Certain investments not subject to the fair value measurement requirement at June 30, 2023 include:

Collateralized repurchase agreements	\$ 970
Guaranteed investment contracts	<u>33,414</u>
Total	<u>\$34,384</u>

18. Subsequent Events

- On August 23, 2023, NH Housing issued \$45,000 of Single Family Mortgage Acquisition Revenue Bonds, 2023 Series B. The bonds consist of serial and term bonds with varying maturities and interest rates. In connection with the issuance of the 2023 Series B Bonds, NH Housing transferred approximately \$1,228 from the general funds to the single-family bond program funds. The transfer resulted in a decrease of the unrestricted fund balance of the general funds and an increase in the restricted fund balance of the single family bond program funds.
- On August 30, 2023, NH Housing issued \$19,645 of Multi-Family Housing Revenue Bonds, 2023 Series 2. The bonds consist of serial and term bonds with varying maturities and interest rates. Bond proceeds will be used to fund mortgage loans to two multi-family housing projects and to fund the required mortgage reserve.
- On September 18, 2023, NH Housing sold \$45,000 of Single Family Mortgage Acquisition Revenue Bonds, 2023 Series C that will be issued on October 25, 2023. The bonds will consist of serial and term bonds with varying maturities and interest rates. In connection with the issuance of the 2023 Series C Bonds, NH Housing expects to transfer approximately \$880 from the general funds to the single-family bond program funds. The transfer will result in a decrease of the unrestricted fund balance of the general funds and an increase in the restricted fund balance of the single family bond program funds.

SUPPLEMENTAL COMBINING SCHEDULES

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF STATEMENT OF NET POSITION

June 30, 2023

(In thousands of dollars)

	<u>General Funds</u>	<u>Single Family Bond Programs</u>	<u>Multi-Family Bond Programs</u>	<u>Eliminations</u>	<u>Total</u>
Assets					
Current assets:					
Cash and cash equivalents	\$ 16,108	\$ 360	\$ —	\$ —	\$ 16,468
Cash held in escrow	68,177	—	—	—	68,177
Short-term investments	47,353	67,951	76,298	—	191,602
Accrued interest receivable on investments	38	202	193	—	433
Current portion of mortgage and construction loans receivable	7,930	6,708	7,058	—	21,696
Loans held for sale, at lower of cost or fair value	16,151	—	—	—	16,151
Accrued interest receivable on mortgage and construction loans and loans held for sale	168	1,087	1,204	—	2,459
Real estate owned, net	110	113	—	—	223
Other current assets	9,075	1,327	—	(93)	10,309
Total current assets	<u>165,110</u>	<u>77,748</u>	<u>84,753</u>	<u>(93)</u>	<u>327,518</u>
Long-term investments:					
Mortgage backed securities	271	41,488	—	—	41,759
Other long-term investments	6,313	7,250	6,865	—	20,428
Total long-term investments	<u>6,584</u>	<u>48,738</u>	<u>6,865</u>	<u>—</u>	<u>62,187</u>
Loans receivable:					
Mortgage loans	17,705	116,604	255,349	—	389,658
Construction loans	16,137	—	—	—	16,137
Less allowance for possible losses	(223)	(779)	—	—	(1,002)
Loans receivable, net	33,619	115,825	255,349	—	404,793
Less current portion of loans receivable	(7,930)	(6,708)	(7,058)	—	(21,696)
Long term portion of loans receivable	<u>25,689</u>	<u>109,117</u>	<u>248,291</u>	<u>—</u>	<u>383,097</u>
Other assets:					
Mortgage loan servicing rights, net	6,981	—	—	—	6,981
Property and equipment, net	4,150	—	—	—	4,150
Interfund receivables	27,516	835	1,347	(29,698)	—
Other	1,976	—	—	—	1,976
Total other assets	<u>40,623</u>	<u>835</u>	<u>1,347</u>	<u>(29,698)</u>	<u>13,107</u>
Total assets	<u>\$238,006</u>	<u>\$236,438</u>	<u>\$341,256</u>	<u>\$ (29,791)</u>	<u>\$785,909</u>

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF STATEMENT OF NET POSITION (CONTINUED)

June 30, 2023

(In thousands of dollars)

	<u>General Funds</u>	<u>Single Family Bond Programs</u>	<u>Multi-Family Bond Programs</u>	<u>Eliminations</u>	<u>Total</u>
Liabilities					
Current liabilities:					
Current portion of bonds payable	\$ —	\$ 8,025	\$ 7,155	\$ —	\$ 15,180
Accrued interest payable	—	2,971	4,609	—	7,580
Notes payable	30,754	—	—	—	30,754
Current portion of accrued and other liabilities	<u>87,276</u>	<u>73</u>	<u>19</u>	<u>(93)</u>	<u>87,275</u>
Total current liabilities	<u>118,030</u>	<u>11,069</u>	<u>11,783</u>	<u>(93)</u>	<u>140,789</u>
Long-term liabilities:					
Bonds payable, net of current portion	832	155,118	302,480	—	458,430
Accrued and other liabilities	2,195	—	—	—	2,195
Interfund payables	<u>16,116</u>	<u>7,862</u>	<u>5,720</u>	<u>(29,698)</u>	<u>—</u>
Total long-term liabilities	<u>19,143</u>	<u>162,980</u>	<u>308,200</u>	<u>(29,698)</u>	<u>460,625</u>
Total liabilities	<u>137,173</u>	<u>174,049</u>	<u>319,983</u>	<u>(29,791)</u>	<u>601,414</u>
Net Position					
Invested in capital assets, net of related debt	4,150	—	—	—	4,150
Restricted	43,562	52,988	21,273	—	117,823
Unrestricted	<u>53,121</u>	<u>9,401</u>	<u>—</u>	<u>—</u>	<u>62,522</u>
Total net position	<u>\$100,833</u>	<u>\$ 62,389</u>	<u>\$ 21,273</u>	<u>\$ —</u>	<u>\$184,495</u>

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2023

(In thousands of dollars)

	<u>General Funds</u>	<u>Single Family Bond Programs</u>	<u>Multi-Family Bond Programs</u>	<u>Eliminations</u>	<u>Total</u>
Operating revenue:					
Interest and fees on mortgage and construction loans and loans held for sale	\$ 3,280	\$ 7,006	\$12,929	\$ (229)	\$ 22,986
Gain on sale of loans and mortgage-backed securities	3,789	—	—	—	3,789
Servicing revenue	6,586	—	—	(725)	5,861
Investment income, net	2,525	2,640	2,699	—	7,864
Housing management fees	16,291	—	—	(8,511)	7,780
Federal rental assistance programs	114,886	—	—	—	114,886
Bond issuance fees	534	—	—	(534)	—
Grants and subsidies	184,228	—	—	—	184,228
Other	598	1	—	—	599
Total operating revenue	<u>332,717</u>	<u>9,647</u>	<u>15,628</u>	<u>(9,999)</u>	<u>347,993</u>
Operating expenses:					
Bond interest expense and debt financing costs	68	4,875	8,941	—	13,884
Administrative expenses	31,500	78	82	(8,511)	23,149
Loan origination expenses	2,401	—	—	—	2,401
Loan servicing expenses	3,097	460	268	(725)	3,100
Federal rental assistance programs	114,886	—	—	—	114,886
Bond issuance fees	—	224	310	(534)	—
Grants and subsidies	200,864	—	—	(229)	200,635
Other	138	—	124	—	262
Total operating expenses	<u>352,954</u>	<u>5,637</u>	<u>9,725</u>	<u>(9,999)</u>	<u>358,317</u>
Change in net position	(20,237)	4,010	5,903	—	(10,324)
Net position, beginning of year	118,809	58,330	17,680	—	194,819
Interfund transfers, net	<u>2,261</u>	<u>49</u>	<u>(2,310)</u>	<u>—</u>	<u>—</u>
Net position, end of year	<u>\$100,833</u>	<u>\$62,389</u>	<u>\$21,273</u>	<u>\$ —</u>	<u>\$184,495</u>

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOWS

Year Ended June 30, 2023

(In thousands of dollars)

	<u>General Funds</u>	<u>Single Family Bond Programs</u>	<u>Multi-Family Bond Programs</u>	<u>Eliminations</u>	<u>Total</u>
Cash flows from operating activities:					
Loan repayments received	\$ 7,897	\$ 16,389	\$ 19,546	\$ —	\$ 43,832
Loan interest income and servicing revenue received	9,864	7,170	13,951	(954)	30,031
Proceeds from sale of loans and mortgage-backed securities	180,577	—	—	—	180,577
Federal rental assistance program receipts	114,886	—	—	—	114,886
Grants and subsidies receipts	184,228	—	—	—	184,228
Other receipts	56,795	5,514	1,377	(9,043)	54,643
Loan disbursements	(196,186)	—	(95,722)	—	(291,908)
Purchase of loan servicing rights	(1,087)	—	—	—	(1,087)
Payments to vendors	(19,959)	(78)	(206)	8,511	(11,732)
Payments to employees	(12,604)	—	—	—	(12,604)
Federal rental assistance program disbursements	(114,886)	—	—	—	(114,886)
Grants and subsidies disbursements	(200,864)	—	—	229	(200,635)
Other disbursements	(20,439)	(6,754)	(3,728)	1,257	(29,664)
Net cash provided by (used for) operating activities	<u>(11,778)</u>	<u>22,241</u>	<u>(64,782)</u>	<u>—</u>	<u>(54,319)</u>
Cash flows from noncapital financing activities:					
Proceeds from issuance of bonds	1,357	61,709	101,300	—	164,366
Principal repayment of bonds	(1,800)	(24,230)	(19,640)	—	(45,670)
Proceeds from notes payable	191,032	—	—	—	191,032
Repayment of notes payable	(179,275)	—	—	—	(179,275)
Interest paid	(69)	(4,098)	(7,603)	—	(11,770)
Net cash provided by noncapital financing activities	<u>11,245</u>	<u>33,381</u>	<u>74,057</u>	<u>—</u>	<u>118,683</u>
Cash flows from capital and related financing activities:					
Reductions to property and equipment	(416)	—	—	—	(416)
Net cash used for capital and related financing activities	<u>(416)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(416)</u>
Cash flows from investing activities:					
Purchase of investment securities	(101,513)	(173,142)	(149,935)	—	(424,590)
Proceeds from sale and maturities of investment securities	67,712	116,013	139,478	—	323,203
Investment income received	1,187	1,537	1,182	—	3,906
Net cash used for investing activities	<u>(32,614)</u>	<u>(55,592)</u>	<u>(9,275)</u>	<u>—</u>	<u>(97,481)</u>
Net (decrease) increase in cash and cash equivalents	(33,563)	30	—	—	(33,533)
Cash and cash equivalents, beginning of year	<u>49,671</u>	<u>330</u>	<u>—</u>	<u>—</u>	<u>50,001</u>
Cash and cash equivalents, end of year	<u>\$ 16,108</u>	<u>\$ 360</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 16,468</u>

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)

Year Ended June 30, 2023

(In thousands of dollars)

	<u>General Funds</u>	<u>Single Family Bond Programs</u>	<u>Multi-Family Bond Programs</u>	<u>Eliminations</u>	<u>Total</u>
Reconciliation of change in net position to net cash provided by (used for) operating activities:					
Change in net position	\$ (20,237)	\$ 4,010	\$ 5,903	\$ —	\$ (10,324)
Adjustments to reconcile change in net position to net cash provided by (used for) operating activities:					
Amortization of servicing rights	1,738	—	—	—	1,738
Mortgage loan servicing rights capitalized	(1,087)	—	—	—	(1,087)
Depreciation of property and equipment	434	—	—	—	434
Investment income, net	(2,525)	(2,640)	(2,699)	—	(7,864)
Bond interest expense and debt financing costs	68	4,875	8,941	—	13,884
Changes in operating assets and liabilities:					
Loans receivable	(9,209)	17,508	(74,770)	—	(66,471)
Loans held for sale	(2,262)	—	—	—	(2,262)
Accrued interest – loans	(32)	45	(383)	—	(370)
Other assets	25,227	(1,759)	(365)	93	23,196
Accrued and other liabilities	(6,152)	153	899	(93)	(5,193)
Interfund transfers	<u>2,259</u>	<u>49</u>	<u>(2,308)</u>	<u>—</u>	<u>—</u>
Net cash provided by (used for) operating activities	\$ <u>(11,778)</u>	\$ <u>22,241</u>	\$ <u>(64,782)</u>	\$ <u>—</u>	\$ <u>(54,319)</u>
Supplemental disclosures of noncash information:					
Real estate acquired through foreclosure	\$ <u>962</u>	\$ <u>309</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>1,271</u>

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF STATEMENT OF NET POSITION – SINGLE FAMILY BOND PROGRAMS

June 30, 2023

(In thousands of dollars)

	<u>1995</u>	<u>2009</u>	<u>2022</u>	<u>Total</u>
Assets				
Current assets:				
Cash and cash equivalents	\$ 353	\$ 7	\$ –	\$ 360
Short-term investments	37,809	4,613	25,529	67,951
Accrued interest receivable on investments	58	–	144	202
Current portion of mortgage loans receivable	6,221	487	–	6,708
Accrued interest receivable on mortgage loans	990	97	–	1,087
Real estate owned, net	144	(31)	–	113
Other current assets	<u>606</u>	<u>47</u>	<u>674</u>	<u>1,327</u>
Total current assets	<u>46,181</u>	<u>5,220</u>	<u>26,347</u>	<u>77,748</u>
Long-term investments:				
Mortgage backed securities	171	–	41,317	41,488
Other long-term investments	<u>7,250</u>	<u>–</u>	<u>–</u>	<u>7,250</u>
Total long-term investments	<u>7,421</u>	<u>–</u>	<u>41,317</u>	<u>48,738</u>
Loans receivable:				
Mortgage loans	104,601	12,003	–	116,604
Less allowance for possible losses	<u>(243)</u>	<u>(36)</u>	<u>(500)</u>	<u>(779)</u>
Loans receivable, net	104,358	11,967	(500)	115,825
Less current portion of loans receivable	<u>(6,221)</u>	<u>(487)</u>	<u>–</u>	<u>(6,708)</u>
Long term portion of loans receivable	<u>98,137</u>	<u>11,480</u>	<u>(500)</u>	<u>109,117</u>
Other assets:				
Interfund receivables	<u>835</u>	<u>–</u>	<u>–</u>	<u>835</u>
Total other assets	<u>835</u>	<u>–</u>	<u>–</u>	<u>835</u>
Total assets	<u>\$152,574</u>	<u>\$ 16,700</u>	<u>\$ 67,164</u>	<u>\$236,438</u>

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF STATEMENT OF NET POSITION – SINGLE FAMILY BOND PROGRAMS (CONTINUED)

June 30, 2023

(In thousands of dollars)

	<u>1995</u>	<u>2009</u>	<u>2022</u>	<u>Total</u>
Liabilities				
Current liabilities:				
Current portion of bonds payable	\$ 7,240	\$ 150	\$ 635	\$ 8,025
Accrued interest payable	1,388	265	1,318	2,971
Current portion of accrued and other liabilities	<u>65</u>	<u>7</u>	<u>1</u>	<u>73</u>
Total current liabilities	8,693	422	1,954	11,069
Long-term liabilities:				
Bonds payable, net of current portion	79,264	14,780	61,074	155,118
Interfund payables	<u>7,201</u>	<u>519</u>	<u>142</u>	<u>7,862</u>
Total long-term liabilities	<u>86,465</u>	<u>15,299</u>	<u>61,216</u>	<u>162,980</u>
Total liabilities	<u>95,158</u>	<u>15,721</u>	<u>63,170</u>	<u>174,049</u>
Net Position				
Restricted	48,015	979	3,994	52,988
Unrestricted	<u>9,401</u>	<u>—</u>	<u>—</u>	<u>9,401</u>
Total net position	<u>\$ 57,416</u>	<u>\$ 979</u>	<u>\$ 3,994</u>	<u>\$ 62,389</u>

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION – SINGLE FAMILY BOND PROGRAMS

Year Ended June 30, 2023

(In thousands of dollars)

	<u>1995</u>	<u>2009</u>	<u>2022</u>	<u>Total</u>
Operating revenue:				
Interest and fees on mortgage and construction loans	\$ 6,382	\$ 624	\$ –	\$ 7,006
Investment income, net	627	79	1,934	2,640
Other	<u>–</u>	<u>–</u>	<u>1</u>	<u>1</u>
Total operating revenue	<u>7,009</u>	<u>703</u>	<u>1,935</u>	<u>9,647</u>
Operating expenses:				
Bond interest expense and debt financing costs	2,850	540	1,485	4,875
Administrative expenses	54	16	8	78
Loan servicing expenses	413	47	–	460
Provision for Loan Losses	(500)	–	500	–
Bond issuance fees	<u>224</u>	<u>–</u>	<u>–</u>	<u>224</u>
Total operating expense	<u>3,041</u>	<u>603</u>	<u>1,993</u>	<u>5,637</u>
Change in net position	3,968	100	(58)	4,010
Net position, beginning of year	58,101	229	–	58,330
Interfund transfers, net	<u>(4,653)</u>	<u>650</u>	<u>4,052</u>	<u>49</u>
Net position, end of year	<u>\$57,416</u>	<u>\$ 979</u>	<u>\$ 3,994</u>	<u>\$62,389</u>

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOWS – SINGLE FAMILY BOND PROGRAMS

Year Ended June 30, 2023

(In thousands of dollars)

	<u>1995</u>	<u>2009</u>	<u>2022</u>	<u>Total</u>
Cash flows from operating activities:				
Loan repayments received	\$ 15,026	\$ 1,363	\$ –	\$ 16,389
Loan interest income received	6,534	636	–	7,170
Other receipts	660	658	4,196	5,514
Payments to vendors	(54)	(16)	(8)	(78)
Other disbursements	<u>(6,025)</u>	<u>(55)</u>	<u>(674)</u>	<u>(6,754)</u>
Net cash provided by operating activities	<u>16,141</u>	<u>2,586</u>	<u>3,514</u>	<u>22,241</u>
Cash flows from noncapital financing activities:				
Proceeds from issuance of bonds	–	–	61,709	61,709
Principal repayment of bonds	(22,725)	(1,505)	–	(24,230)
Interest paid	<u>(3,356)</u>	<u>(575)</u>	<u>(167)</u>	<u>(4,098)</u>
Net cash provided by (used for) noncapital financing activities	<u>(26,081)</u>	<u>(2,080)</u>	<u>61,542</u>	<u>33,381</u>
Cash flows from investing activities:				
Purchase of investment securities	(29,051)	(3,343)	(140,748)	(173,142)
Proceeds from sale and maturities of investment securities	38,243	2,763	75,007	116,013
Investment income received	<u>778</u>	<u>74</u>	<u>685</u>	<u>1,537</u>
Net cash provided by (used for) investing activities	<u>9,970</u>	<u>(506)</u>	<u>(65,056)</u>	<u>(55,592)</u>
Net increase in cash and cash equivalents	30	–	–	30
Cash and cash equivalents, beginning of year	<u>323</u>	<u>7</u>	<u>–</u>	<u>330</u>
Cash and cash equivalents, end of year	<u>\$ 353</u>	<u>\$ 7</u>	<u>\$ –</u>	<u>\$ 360</u>

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOWS – SINGLE FAMILY BOND PROGRAMS (CONTINUED)

Year Ended June 30, 2023

(In thousands of dollars)

	<u>1995</u>	<u>2009</u>	<u>2022</u>	<u>Total</u>
Reconciliation of change in net position to net cash provided by operating activities:				
Change in net position	\$ 3,968	\$ 100	\$ (58)	\$ 4,010
Adjustments to reconcile change in net position to net cash provided by operating activities:				
Investment income (loss), net	(627)	(79)	(1,934)	(2,640)
Bond interest expense and debt financing costs	2,850	540	1,485	4,875
Provision for loan losses	(500)	—	500	—
Changes in operating assets and liabilities:				
Loans receivable	15,645	1,363	500	17,508
Accrued interest – loans	33	12	—	45
Other assets	(718)	(9)	(1,032)	(1,759)
Accrued and other liabilities	143	9	1	153
Interfund transfers	<u>(4,653)</u>	<u>650</u>	<u>4,052</u>	<u>49</u>
Net cash provided by operating activities	<u>\$ 16,141</u>	<u>\$ 2,586</u>	<u>\$ 3,514</u>	<u>\$ 22,241</u>
Supplemental disclosures of noncash information:				
Real estate acquired through foreclosure	<u>\$ 309</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 309</u>

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF STATEMENT OF NET POSITION – MULTI-FAMILY BOND PROGRAMS

June 30, 2023

(In thousands of dollars)

	<u>2008-2013</u>	<u>2010</u>	<u>2017-2022</u>	<u>Total</u>
Assets				
Current assets:				
Short-term investments	\$1,392	\$ –	\$ 74,906	\$ 76,298
Accrued interest receivable on investments	2	–	191	193
Current portion of mortgage loans receivable	92	–	6,966	7,058
Accrued interest receivable on mortgage loans	38	–	1,166	1,204
Total current assets	<u>1,524</u>	<u>–</u>	<u>83,229</u>	<u>84,753</u>
Long-term investments:				
Mortgage backed securities	–	–	–	–
Other long-term investments	–	–	6,865	6,865
Total long-term investments	<u>–</u>	<u>–</u>	<u>6,865</u>	<u>6,865</u>
Loans receivable:				
Mortgage loans	6,842	–	248,507	255,349
Less current portion of loans receivable	(92)	–	(6,966)	(7,058)
Long term portion of loans receivable	<u>6,750</u>	<u>–</u>	<u>241,541</u>	<u>248,291</u>
Other assets:				
Interfund receivables	44	–	1,303	1,347
Total other assets	<u>44</u>	<u>–</u>	<u>1,303</u>	<u>1,347</u>
Total assets	<u>8,318</u>	<u>–</u>	<u>332,938</u>	<u>341,256</u>
Liabilities				
Current liabilities:				
Current portion of bonds payable	120	–	7,035	7,155
Accrued interest payable	174	–	4,435	4,609
Current portion of accrued and other liabilities	2	–	17	19
Total current liabilities	<u>296</u>	<u>–</u>	<u>11,487</u>	<u>11,783</u>
Long-term liabilities:				
Bonds payable, net of current portion	6,810	–	295,670	302,480
Interfund payables	288	–	5,432	5,720
Total long-term liabilities	<u>7,098</u>	<u>–</u>	<u>301,102</u>	<u>308,200</u>
Total liabilities	<u>7,394</u>	<u>–</u>	<u>312,589</u>	<u>319,983</u>
Net Position				
Total net position – restricted	<u>\$ 924</u>	<u>\$ –</u>	<u>\$ 20,349</u>	<u>\$ 21,273</u>

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION – MULTI-FAMILY BOND PROGRAMS

Year Ended June 30, 2023

(In thousands of dollars)

	<u>2008-2013</u>	<u>2010</u>	<u>2017-2022</u>	<u>Total</u>
Operating revenue:				
Interest and fees on mortgage loans	\$ 461	\$ 288	\$ 12,180	\$ 12,929
Investment income, net	<u>37</u>	<u>62</u>	<u>2,600</u>	<u>2,699</u>
Total operating revenue	<u>498</u>	<u>350</u>	<u>14,780</u>	<u>15,628</u>
Operating expenses:				
Bond interest expense and debt financing costs	351	190	8,400	8,941
Administrative expenses	12	7	63	82
Loan servicing expenses	18	16	234	268
Bond issuance fees	14	–	296	310
Other	<u>19</u>	<u>17</u>	<u>88</u>	<u>124</u>
Total operating expenses	<u>414</u>	<u>230</u>	<u>9,081</u>	<u>9,725</u>
Change in net position	84	120	5,699	5,903
Net position, beginning of year	840	2,188	14,652	17,680
Interfund transfers, net	<u>–</u>	<u>(2,308)</u>	<u>(2)</u>	<u>(2,310)</u>
Net position, end of year	<u>\$ 924</u>	<u>\$ –</u>	<u>\$ 20,349</u>	<u>\$ 21,273</u>

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOWS – MULTI-FAMILY BOND PROGRAMS

Year Ended June 30, 2023

(In thousands of dollars)

	<u>2008-2013</u>	<u>2010</u>	<u>2017-2022</u>	<u>Total</u>
Cash flows from operating activities:				
Loan repayments received	\$ 86	\$ 7,819	\$ 11,641	\$ 19,546
Loan interest income received	463	319	13,169	13,951
Other receipts	38	41	1,298	1,377
Loan disbursements	—	—	(95,722)	(95,722)
Payments to vendors	(31)	(24)	(151)	(206)
Other disbursements	<u>(32)</u>	<u>(2,754)</u>	<u>(942)</u>	<u>(3,728)</u>
Net cash provided by (used for) operating activities	<u>524</u>	<u>5,401</u>	<u>(70,707)</u>	<u>(64,782)</u>
Cash flows from noncapital financing activities:				
Proceeds from issuance of bonds	—	—	101,300	101,300
Principal repayment of bonds	(120)	(7,860)	(11,660)	(19,640)
Interest paid	<u>(352)</u>	<u>(314)</u>	<u>(6,937)</u>	<u>(7,603)</u>
Net cash provided by (used for) noncapital financing activities	<u>(472)</u>	<u>(8,174)</u>	<u>82,703</u>	<u>74,057</u>
Cash flows from investing activities:				
Purchase of investment securities	(564)	(510)	(148,861)	(149,935)
Proceeds from sale and maturities of investment securities	477	3,221	135,780	139,478
Investment income received	<u>35</u>	<u>62</u>	<u>1,085</u>	<u>1,182</u>
Net cash provided by (used for) investing activities	<u>(52)</u>	<u>2,773</u>	<u>(11,996)</u>	<u>(9,275)</u>
Net change in cash and cash equivalents	—	—	—	—
Cash and cash equivalents, beginning of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Cash and cash equivalents, end of year	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOWS – MULTI-FAMILY BOND PROGRAMS (CONTINUED)

Year Ended June 30, 2023

(In thousands of dollars)

	<u>2008-2013</u>	<u>2010</u>	<u>2017-2022</u>	<u>Total</u>
Reconciliation of change in net position to net cash provided by (used for) operating activities:				
Change in net position	\$ 84	\$ 120	\$ 5,699	\$ 5,903
Adjustments to reconcile change in net position to net cash provided by (used for) operating activities:				
Investment income, net	(37)	(62)	(2,600)	(2,699)
Bond interest expense and debt financing costs	351	190	8,400	8,941
Changes in operating assets and liabilities:				
Loans receivable	87	7,819	(82,676)	(74,770)
Accrued interest – loans	1	32	(416)	(383)
Other assets	–	41	(406)	(365)
Accrued and other liabilities	38	(431)	1,292	899
Interfund transfers	<u>–</u>	<u>(2,308)</u>	<u>–</u>	<u>(2,308)</u>
Net cash provided by (used for) operating activities	<u><u>\$ 524</u></u>	<u><u>\$ 5,401</u></u>	<u><u>\$ (70,707)</u></u>	<u><u>\$ (64,782)</u></u>

(Concluded)

APPENDIX J

SUMMARY OF CERTAIN PROVISIONS OF THE CONTINUING DISCLOSURE AGREEMENT

Certain provisions of the Continuing Disclosure Agreement between NH Housing and the Trustee with respect to the Offered Bonds (the “Disclosure Agreement”) not previously discussed in this Official Statement are summarized below. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full terms of the Disclosure Agreement.

The Disclosure Agreement is being executed and delivered by NH Housing and the Trustee in connection with the issuance of the Offered Bonds for the benefit of the Holders and the Beneficial Owners of the Offered Bonds and in order to assist the Underwriters in complying with SEC Rule 15c2-12(b)(5).

Certain Definitions

Defined terms used in the Disclosure Agreement and not otherwise defined therein have the meanings set forth in the General Resolution.

“*Beneficial Owner*” means, for the purposes of this Appendix J, a beneficial owner of Offered Bonds, as determined pursuant to the Rule.

“*EMMA*” means the Electronic Municipal Market Access System of the MSRB.

“*Holders*” means the registered owners of the Offered Bonds.

“*Listed Event*” means any of the events listed below under the heading “Reporting of Certain Events.”

“*MSRB*” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, §240.15c2-12), as in effect on the date of the Disclosure Agreement, including any official interpretations thereof.

“*SEC*” means the United States Securities and Exchange Commission.

Provision of Annual Financial Information

NH Housing will, not later than 120 days after the end of each of NH Housing’s fiscal years, commencing with the report for the fiscal year 2023, provide to EMMA, the Annual Financial Information which is consistent with the requirements of the Disclosure Agreement.

The Disclosure Agreement requires NH Housing to provide, in a timely manner, notice of any failure by it to provide Annual Financial Information to EMMA on or before the date described in the first paragraph under this heading, to EMMA.

Content of Annual Financial Information

NH Housing's Annual Financial Information shall contain or include by reference the following:

- (a) the audited financial statements of NH Housing, if available, or unaudited financial statements, of NH Housing, in either case, for the fiscal year ended on the previous June 30, prepared in accordance with generally accepted accounting principles as prescribed by the Financial Accounting Standards Board as modified by the Governmental Accounting Standards Board;
- (b) financial information or operating data of the types included in Appendix B of this Official Statement; and
- (c) whether the amount on deposit in the Mortgage Reserve Fund is at least equal to the Mortgage Reserve Fund Requirement.

Any Annual Financial Information containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided.

If not provided as part of the Annual Financial Information by the date required (as described above under "—Provision of Annual Financial Information"), NH Housing shall provide audited financial statements, when and if available, to EMMA.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of NH Housing or related public entities, which have been submitted to EMMA or the SEC. Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

Reporting of Certain Events

- (a) NH Housing will give notice to EMMA of the occurrence of any of the following events with respect to the Offered Bonds:
 - (i) principal and interest payment delinquencies;
 - (ii) non-payment related defaults, if material;
 - (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (v) substitution of credit or liquidity providers, or their failure to perform;
 - (vi) adverse tax opinions or the issuance by the IRS of a proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Offered Bonds or other material events affecting the tax status of the Offered Bonds;
 - (vii) modifications to rights of Holders, if material;

- (viii) calls of the Offered Bonds, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Offered Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of NH Housing;¹
- (xiii) consummation of a merger, consolidation, or acquisition of NH Housing, or sale of all or substantially all of the assets of NH Housing, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a financial obligation² of NH Housing, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of NH Housing, any of which affect holders of the Offered Bonds, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of NH Housing, any of which reflect financial difficulties.

(b) Upon the occurrence of a Listed Event described in clauses (a)(i), (iii), (iv), (v), (vi), (viii) (but only with respect to tender offers under clause (viii)) (ix), (x), (xi), or (xii), and in the event that NH Housing determines that the occurrence of a Listed Event described in clauses (a)(ii), (vii), (viii) (but only with respect to bond calls under clause (viii)), (xiii), (xiv) or (xv) is material under applicable federal securities laws, NH Housing shall, in a timely manner not in excess of 10 business days after the occurrence of the event, file a notice of such occurrence with the MSRB.

The Disclosure Agreement requires the Trustee promptly to give notice to NH Housing whenever, in the course of performing its duties as Trustee under the General Resolution, the Trustee identifies a Listed Event with respect to the Offered Bonds; provided, however, that the failure of the Trustee so to advise

¹ For purposes of the event identified in Section (a)(xii) above, the event is considered to occur when any of the following occur: (a) the appointment of a receiver, fiscal agent or similar officer for NH Housing in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of NH Housing, or if such jurisdiction has been assumed by leaving the existing governing body and officials in possession but subject to the supervision and orders of a court or governmental authority; or (b) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of NH Housing.

² “*Financial Obligation*”, as defined in the Rule, means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing planned debt obligation; or (c) guarantee of clause (a) or (b).

NH Housing shall not constitute a breach by the Trustee of any of its duties and responsibilities under the Disclosure Agreement or the General Resolution.

Additional Information

Nothing in the Disclosure Agreement will be deemed to prevent NH Housing from disseminating any other information, using the means of dissemination set forth in the Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information or notice of occurrence of a Listed Event, in addition to that which is required by the Disclosure Agreement. If NH Housing chooses to include any information in any Annual Financial Information or notice of occurrence of a Listed Event in addition to that which is specifically required by the Disclosure Agreement, NH Housing will have no obligation under the Disclosure Agreement to update such information or include it in any future Annual Financial Information or notice of occurrence of a Listed Event.

Amendment of Disclosure Agreement

The Disclosure Agreement may be amended by written agreement of NH Housing and the Trustee, and any provision of the Disclosure Agreement be waived, without the consent of the Holders or Beneficial Owners of the Offered Bonds, except as required pursuant to clause (d)(ii) below, under the following conditions: (a) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of NH Housing or the type of business conducted thereby; (b) the Disclosure Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of the Disclosure Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; (c) NH Housing shall have delivered to the Trustee an opinion of securities counsel, addressed to NH Housing and the Trustee, to the same effect as set forth in clause (b) above; (d) either (i) a party unaffiliated with NH Housing (such as the Trustee or bond counsel), acceptable to the Trustee and NH Housing, has determined that the amendment or waiver does not materially impair the interests of the Beneficial Owners of the Offered Bonds; or (ii) the Holders of the Offered Bonds consent to the amendment or waiver to the Disclosure Agreement pursuant to the same procedures as are required for amendments to the Resolution with consent of Holders; and (e) NH Housing shall have delivered copies of such amendment or waiver to EMMA.

In addition to the foregoing, NH Housing and the Trustee may amend the Disclosure Agreement, and any provision of the Disclosure Agreement may be waived, if the Trustee shall have received an opinion of securities counsel, addressed to NH Housing and the Trustee, to the effect that the adoption and the terms of such amendment or waiver would not, in and of themselves, cause the undertakings in the Disclosure Agreement to violate the Rule, taking into account any subsequent change in or official interpretation of the Rule.

Enforcement

The provisions of the Disclosure Agreement will inure solely to the benefit of the Holders and Beneficial Owners of the Offered Bonds from time to time.

Except as described in this paragraph, the provisions of the Disclosure Agreement will create no rights in any other person or entity. Except as limited by the two succeeding sentences, the obligation of NH Housing to comply with the provisions of the Disclosure Agreement are enforceable (a) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any Beneficial Owner of Outstanding Offered Bonds, or by the Trustee on behalf of the Holders of Outstanding Offered Bonds; or (b), in the case of challenges to the adequacy of the financial statements,

financial information and operating data so provided, by the Trustee on behalf of the Holders of Outstanding Offered Bonds or by any Beneficial Owner of Offered Bonds. A Beneficial Owner may not take any enforcement action pursuant to clause (b) without the consent of the Holders of not less than 25% in the aggregate principal amount of the Offered Bonds at the time Outstanding. The Trustee shall not be required to take any enforcement action except at the direction of the Holders of not less than 25% in aggregate principal amount of the Offered Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity.

The respective Beneficial Owners', the respective Holders' and the Trustee's right to enforce the provisions of the Disclosure Agreement are limited to a right, by action in mandamus or for specific performance, to compel performance of NH Housing's obligations under the Disclosure Agreement. Any failure by NH Housing or the Trustee to perform in accordance with the Disclosure Agreement will not constitute a default or any Event of Default under the General Resolution, and the rights and remedies provided by the General Resolution upon the occurrence of a default or an Event of Default will not apply to any such failure.

Termination of Reporting Obligation

NH Housing's and the Trustee's obligations under the Disclosure Agreement with respect to the Offered Bonds terminate upon the legal defeasance under the General Resolution, prior redemption or payment in full of all of the Offered Bonds. NH Housing shall give notice of any such termination to EMMA.

The Disclosure Agreement, or any provision thereof, will be null and void in the event that NH Housing (a) delivers to the Trustee an opinion of securities counsel, addressed to NH Housing and the Trustee, to the effect that those portions of the Rule which require the provisions of the Disclosure Agreement, or any of such provisions, do not or no longer apply to the Offered Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as will be specified in such opinion; and (b) delivers notice to such effect to EMMA.

Governing Law

The Disclosure Agreement will be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of the Disclosure Agreement will be instituted in a court of competent jurisdiction in the State; provided that, to the extent the Disclosure Agreement addresses matters of federal securities laws, including the Rule, the Disclosure Agreement will be construed in accordance with such federal securities laws and official interpretations thereof.

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APPENDIX K

FORM OF SOCIAL BONDS ANNUAL REPORTING

Proceeds Summary New Hampshire Housing Finance Authority Single-Family Mortgage Acquisition Revenue Bonds 2023 Series D

Total Proceeds	Proceeds Spent As of ____/____/____	Proceeds Remaining
\$	\$	\$

Single Family Mortgage Loans Pooled Into Offered Bonds Guaranteed Mortgage Securities Purchased As of ____/____/____ by Borrower Income as a % of Area Median Income (“AMI”)*

% of AMI:	\$ of Loans	# of Loans	Cumulative % of Proceeds
<50%	\$		%
50% - 59%			
60% - 69%			
70% - 79%			
80% - 89%			
90% - 99%			
100%+			

* Reported income is based off of borrower income at time of loan origination.

Down-payment Assistance (“DPA”) Provided in Conjunction With Single Family Mortgage Loans Pooled Into Offered Bonds Guaranteed Mortgage Securities Purchased As of ____/____/____

	\$ / # / %
Total DPA Provided (\$)	\$
Total DPA Provided (#)	
% of Borrowers Receiving DPA (%)	%
Average DPA Provided per Borrower (\$)	\$
Average DPA Provided (% of Purchase Price)	%

NOTE: As described in the Official Statement under the heading “DESIGNATION OF THE SERIES BONDS AS SOCIAL BONDS—Post Issuance Reporting,” once all of the bond proceeds from the 2023 Series D Program Account have been spent and reported, no further annual updates will be provided.

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APPENDIX L

FORM OF PROPOSED OPINION OF BOND COUNSEL IN CONNECTION WITH THE BONDS

Upon the delivery of the Bonds, McCarter & English, LLP, Boston, Massachusetts, Bond Counsel, proposes to issue its approving opinion in substantially the following form:

New Hampshire Housing Finance Authority
Bedford, NH 03110

Ladies and Gentlemen:

We have examined the Constitution and laws of the State of New Hampshire (the “State”), particularly Public Act No. 466 of the Laws of New Hampshire enacted by the General Court of the State at the 1981 Session and codified as Chapter 204-C of the Revised Statutes of New Hampshire, as amended to date (the “Act”), creating the New Hampshire Housing Finance Authority (“NH Housing”), a body politic and corporate, and deeming it to be a public instrumentality performing public and essential governmental functions of the State, the proceedings of NH Housing, and other proofs submitted to us relating to the issuance and sale of \$100,000,000 New Hampshire Housing Finance Authority Single Family Mortgage Acquisition Revenue Bonds, 2023 Series D (the “2023 Series D Bonds” or the “Bonds”).

The Bonds are issuable only in fully registered form, and when issued, will be registered in global book-entry form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository (“Securities Depository”) for the Bonds. Individual purchases will be made in book-entry form only in the principal amount of \$5,000 or integral multiples thereof. Beneficial Owners (as defined in the Series Resolution) will not receive certificates representing their interest in the Bonds purchased.

The Bonds are issued pursuant to the General Single Family Mortgage Acquisition Revenue Bond Resolution adopted by NH Housing on August 25, 2022 (the “General Resolution”), and to a Series Resolution authorizing the Bonds (the “Series Resolution”).

The Bonds mature on the dates and in the principal amounts and bear interest as provided in the Series Resolution. The Bonds are subject to redemption prior to maturity upon the terms and conditions provided therein and in the General Resolution and in the Series Resolution.

The principal of and interest on the Bonds are payable by U.S. Bank Trust Company, National Association, Boston, Massachusetts, Trustee, to the Securities Depository, which will in turn remit such principal and interest to its Participants (as defined in the Series Resolution) which will in turn remit such principal and interest to the Beneficial Owners of the Bonds.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements which must be met on a continuing basis subsequent to the delivery of the Bonds in order that interest on the Bonds be excluded from gross income for federal income tax purposes. We have examined the program documents pursuant to which NH Housing has purchased and will purchase mortgage loans attributable to the Bonds and will issue the Bonds and, in our opinion, those documents established or establish procedures under which such requirements can be met. NH Housing has covenanted in the General Resolution and in the Series Resolution to comply with the requirements of the Code so that interest on the Bonds is and will continue to be excluded from gross income for federal income tax purposes. We have assumed continuing

compliance by NH Housing with the above covenants and procedures in rendering our opinion with respect to the federal tax-exempt status of interest on the Bonds.

Based thereon we are of the opinion that:

(a) NH Housing is a duly constituted and existing body corporate and politic and a public instrumentality of the State, with powers, among others, to purchase mortgages on housing, to issue the Bonds and to perform its obligations under the General Resolution and the Series Resolution.

(b) The Bonds are valid and binding special obligations of NH Housing secured by and payable from the proceeds of the sale of the Bonds, and the moneys, rights, interests, proceeds and collections mentioned in paragraph (c) below.

(c) The General Resolution and the Series Resolution have been validly adopted and create a first lien on and pledge of (i) the proceeds of sale of the Bonds; (ii) moneys in the Bond Proceeds Fund, Revenue Fund, Debt Service Fund, Recovery of Principal Fund, Mortgage Reserve Fund and General Redemption Fund established by the General Resolution, including the investments, if any, thereof and (iii) the rights and interests of NH Housing in and to the mortgage loans purchased by NH Housing pursuant to the General Resolution, and the proceeds and collections of NH Housing therefrom constituting Pledged Receipts. Such lien and pledge are for the payment of the principal and Redemption Price, if any, of and interest on all bonds, including but not limited to the Bonds, that may be issued under the General Resolution.

(d) The Bonds, the General Resolution and the Series Resolution are valid and binding obligations of NH Housing and are enforceable in accordance with their terms, except that no opinion is expressed as to the effect upon such enforceability of bankruptcy, insolvency, reorganization, moratorium and other laws heretofore or hereafter enacted for the relief of debtors.

(e) Under existing law, (i) interest on the Bonds is not included in gross income for federal income tax purposes pursuant to Section 103 of the Code; (ii) interest on the Bonds is not an item of tax preference for the purpose of calculating the alternative minimum tax imposed under the Code on individuals; and (iii) interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the alternative minimum tax imposed on "applicable corporations" for the tax years beginning after December 31, 2022. No opinion as to the exclusion from gross income of interest on any of the Bonds is expressed subsequent to any date on which action is taken pursuant to the Series Resolution for which action the Series Resolution requires a legal opinion to the effect that taking such action will not adversely affect such exclusion, should the undersigned not deliver an opinion as of such date to such effect.

(f) Under existing law, the Bonds, their transfer and the income therefrom, including any profits made on the sale thereof, shall at all times be free from taxation by the State of New Hampshire or any political subdivision thereof, excepting inheritance, estate and gift taxes.

Very truly yours,

