NEW ISSUE

Moody's: "Aaa"
S&P: "AAA"
(See "Ratings" herein)

This Official Statement has been prepared on behalf of the Connecticut Housing Finance Authority (the "Authority") to provide information with respect to the initial issuance of its Housing Mortgage Finance Program Bonds, 2023 Series A (the "Offered Bonds"). Certain information is presented on this cover page for the convenience of the user. To make an informed decision regarding the purchase of the Offered Bonds, a prospective investor should read this Official Statement in its entirety. Unless otherwise indicated, capitalized terms used on this cover page have the meanings given in this Official Statement.

CONNECTICUT HOUSING FINANCE AUTHORITY
HOUSING MORTGAGE FINANCE PROGRAM BONDS
$171,715,000 2023 Series A (Social Bonds)

Purpose:	The proceeds of the Offered Bonds, along with other available monies under the Resolution, are expected to be used to (i) within 90 days of the date of issuance thereof, refund and/or replace and refund certain current and/or future maturities of outstanding bonds to be paid at maturity or to be redeemed by special and/or optional redemption, which bonds were initially issued in part to finance certain Home Mortgage Loans and Agency Securities, (ii) provide new monies for the financing of Home Mortgage Loans and Agency Securities, and (iii) pay certain costs of issuance. See "SOURCES and USES."
Social Bonds:	The Offered Bonds have been designated as "Social Bonds." (See "INTRODUCTION—Designation of the Offered Bonds as Social Bonds" and "APPENDIX D—S&P SECOND-PARTY OPINION" for a discussion of the designation of the Offered Bonds as "Social Bonds".)
Tax Exemption:	In the opinions of Co-Bond Counsel to the Authority, under existing statutes and court decisions, and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Offered Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the Offered Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, for tax years beginning after December 31, 2022, interest on the Offered Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In the opinions of Co-Bond Counsel to the Authority, under existing statutes, interest on the Offered Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the alternative minimum tax imposed under the Code with respect to individuals, trusts and estates. (See "TAX MATTERS" herein.)
Security:	Bonds issued under the Resolution are general obligations of the Authority, a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut. The Bonds are payable from revenues derived by the Authority from the operations of its Housing Mortgage Finance Program together with all other monies legally available therefor including the amounts, if any, certified by the Chairperson of the Authority as necessary to restore the Housing Mortgage Capital Reserve Fund to the required minimum capital reserve and deemed appropriated from the State's general fund and paid to the Authority pursuant to the Act, all as more fully described herein. In the opinions of Co-Bond Counsel, such appropriation and payment from the general fund of the State do not require further legislative approval. The Authority has no taxing power. The Bonds do not constitute a debt or liability of the State or a pledge of its faith and credit or taxing power.
Dated/Delivery Date:	March 23, 2023.
Due:	May 15 and November 15, as shown on the inside cover.
Interest Payment Dates:	May 15 and November 15, commencing May 15, 2023, as described herein.
Interest Rates, Maturity, and Redemption:	The Offered Bonds will bear interest at the rates, and mature on the dates, as more particularly described herein. The Offered Bonds are subject to redemption, including redemption at par, prior to maturity.
Denominations:	$5,000 or any integral multiple thereof.
Book-Entry-Only System:	The Depository Trust Company, New York, New York ("DTC"). (See "THE OFFERED BONDS—Book-Entry-Only System" herein).
Trustee:	U.S. Bank Trust Company, National Association.
Co-Bond Counsel:	Hawkins Delafield & Wood LLP, Hartford, Connecticut and Lewis & Munday, A Professional Corporation, of Detroit, Michigan, with offices in Glastonbury, Connecticut.
Underwriters' Counsel:	Tobin, Carberry, O'Malley, Riley & Selinger, P.C., New London, Connecticut.

BofA Securities **Citigroup** **RBC Capital Markets** **Ramirez & Co., Inc.**
Bancroft **Blaylock Van, LLC** **Jefferies**
J.P. Morgan **Raymond James** **TD Securities**
UBS **Wells Fargo Securities**

March 8, 2023

MATURITY SCHEDULE

CONNECTICUT HOUSING FINANCE AUTHORITY
HOUSING MORTGAGE FINANCE PROGRAM BONDS

$171,715,000 2023 SERIES A BONDS (Social Bonds)

$48,200,000 2023 Series A Serial Bonds – Price: 100%

Due	Amount ($)	Interest Rate (%)	CUSIP†	Due	Amount ($)	Interest Rate (%)	CUSIP†
November 15, 2023	395,000	3.05	20775HXU2	May 15, 2030	1,685,000	3.55	20775HYH0
May 15, 2024	2,110,000	3.10	20775HXV0	November 15, 2030	1,715,000	3.625	20775HYJ6
November 15, 2024	2,145,000	3.10	20775HXW8	May 15, 2031	1,750,000	3.70	20775HYK3
May 15, 2025	2,180,000	3.10	20775HXX6	November 15, 2031	1,785,000	3.75	20775HYL1
November 15, 2025	2,215,000	3.15	20775HXY4	May 15, 2032	1,820,000	3.80	20775HYM9
May 15, 2026	2,255,000	3.20	20775HXZ1	November 15, 2032	1,855,000	3.85	20775HYN7
November 15, 2026	2,290,000	3.30	20775HYA5	May 15, 2033	1,895,000	3.85	20775HYP2
May 15, 2027	2,335,000	3.35	20775HYB3	November 15, 2033	1,935,000	3.90	20775HYQ0
November 15, 2027	2,375,000	3.35	20775HYC1	May 15, 2034	1,980,000	3.95	20775HYR8
May 15, 2028	2,420,000	3.45	20775HYD9	November 15, 2034	2,020,000	3.95	20775HYS6
November 15, 2028	1,590,000	3.50	20775HYE7	May 15, 2035	2,065,000	4.00	20775HYT4
May 15, 2029	1,625,000	3.55	20775HYF4	November 15, 2035	2,110,000	4.00	20775HYU1
November 15, 2029	1,650,000	3.55	20775HYG2				

$13,725,000 4.40% 2023 Series A Term Bonds due November 15, 2038 – Price 100% – CUSIP†: 20775HYV9
$27,875,000 4.70% 2023 Series A Term Bonds due November 15, 2043 – Price 100% – CUSIP†: 20775HYW7
$28,915,000 4.85% 2023 Series A Term Bonds due May 15, 2048 – Price 100% – CUSIP†: 20775HYX5
$53,000,000 5.25% 2023 Series A Term "PAC" Bonds due November 15, 2053 – Price 106.412% – CUSIP†: 20775HYY3

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesman, or other person has been authorized 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. 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 herein has been furnished by the Authority and includes information from other sources that the Authority believes to be reliable, but it is not guaranteed as to its accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof. This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose.

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

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

Part 1 and Part 2 of this Official Statement, including their respective appendices, are to be read together, and together Part 1 and Part 2 constitute this Official Statement.

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Caine Mitter & Associates Incorporated — Financial Advisor

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CONNECTICUT HOUSING FINANCE AUTHORITY
HOUSING MORTGAGE FINANCE PROGRAM BONDS
$171,715,000 2023 Series A (Social Bonds)

This Official Statement Part 1 (sometimes referred to herein as "Part 1") provides information as of its date (except where otherwise expressly stated) concerning the Authority's Offered Bonds. It contains only a part of the information to be provided by the Authority in connection with the issuance and sale of the Offered Bonds. Additional information concerning bonds previously issued and Outstanding under the Resolution (as defined herein), the Authority, and the Housing Mortgage Finance Program (as defined in Appendix D to Part 2 of this Official Statement) is contained in the Official Statement Part 2 (sometimes referred to herein as "Part 2") and is subject in all respects to the information contained herein.

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CONNECTICUT HOUSING FINANCE AUTHORITY

OFFICIAL STATEMENT PART 1
relating to
HOUSING MORTGAGE FINANCE PROGRAM BONDS

$171,715,000 2023 Series A (Social Bonds)

This Official Statement consists of Part 1 and Part 2. This Part 1, including the cover page to this Part 1, the cover page and inside cover page to the Official Statement, and the appendices hereto, provides certain information concerning the Connecticut Housing Finance Authority (the "Authority") in connection with the issuance of its Housing Mortgage Finance Program Bonds, 2023 Series A (the "Offered Bonds"). The Offered Bonds are being issued pursuant to Chapter 134 of the General Statutes of Connecticut, as amended (the "Act"), the General Housing Mortgage Finance Program Bond Resolution of the Authority, adopted September 27, 1972, as amended and supplemented (the "Resolution"), and a series resolution entitled "A Series Resolution Authorizing the Issuance of Housing Mortgage Finance Program Bonds, 2023 Series A," adopted by the Authority on September 29, 2022 and January 26, 2023 (the "2023 Series A Resolution" and, together with the Resolution, the "Resolutions").

Pursuant to the Resolution, bonds issued thereunder are equally and ratably secured by the pledges and covenants contained therein, and all such bonds, heretofore and hereafter issued thereunder, including the Offered Bonds, are herein collectively referred to as the "Bonds." A subseries of Bonds is sometimes referred to herein as a "Subseries." The Official Statement Part 2 sets forth additional information concerning the Authority, the Act, the Housing Mortgage Finance Program, other activities of the Authority, and the Outstanding Bonds. Certain terms used in this Official Statement and the Resolution are defined in Appendix D to Part 2.

INTRODUCTION

General

The Authority was created in 1969, pursuant to the Act, as a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut (the "State") to meet the housing needs of low and moderate income families and persons, with the objectives of reducing the cost of mortgage financing for, increasing the supply of, and encouraging and assisting the development and construction of, well-planned and well-designed single family and multifamily housing for low and moderate income families and persons throughout the State. To accomplish such purposes, the Authority has implemented its Housing Mortgage Finance Program pursuant to the Resolution for the issuance of Bonds to finance the purchase and/or origination of mortgage loans to persons of low and moderate income for owner–occupied housing ("Home Mortgage Loans") and to finance multifamily rental housing for low and moderate income persons and families ("Multifamily Mortgage Loans" and together with the Home Mortgage Loans, the "Mortgage Loans"). As of June 30, 2022, the Authority has issued approximately $22.5 billion aggregate principal amount of Bonds pursuant to the Resolution to finance the purchase of Home Mortgage Loans and Multifamily Mortgage Loans (collectively, the "Housing Mortgage Finance Program Bonds"), the funding of certain reserves and the refunding of prior Bonds. As of June 30, 2022, approximately $4.2 billion aggregate principal amount of Bonds was Outstanding, consisting of approximately $1.3 billion (approximately 32%) of variable rate bonds and approximately $2.9 billion (approximately 68%) of fixed rate bonds. The variable rate bonds are hedged by Swaps with a notional amount outstanding of $920 million (approximately 69% hedged) as of June 30, 2022. See Part 2 "THE HOUSING MORTGAGE FINANCE PROGRAM—Housing Mortgage Finance Program Bonds."

The Resolution permits the financing of Home Mortgage Loans, Agency Securities (as defined below) with underlying Home Mortgage Loans, and Multifamily Mortgage Loans. The proceeds of the Offered Bonds, along with other available monies under the Resolution, are expected to be used to (i) within 90 days of the date of issuance thereof, refund and/or replace and refund certain current and/or future maturities of outstanding bonds to be paid at maturity or to be redeemed by special and/or optional redemption, which bonds were initially issued in part to finance certain Home Mortgage Loans and Agency Securities, (ii) provide new monies for the financing of Home Mortgage Loans and Agency Securities, and (iii) pay certain costs of issuance. See "SOURCES AND USES."

Generally, Home Mortgage Loans financed from the proceeds of Bonds are purchased from participating financial institutions and may be guaranteed or insured by the Federal Housing Administration ("FHA"), the Department of Veterans Affairs ("VA"), the United States Department of Agriculture Rural Development ("RD"), private mortgage insurance companies ("PMI") or the Authority itself. In addition, certain Home Mortgage Loans may be pooled into GNMA Securities, FNMA Securities or FHLMC Securities (collectively, "Agency Securities") and held as investments under the Resolution. The Act provides that the aggregate outstanding amount of Home Mortgage Loans and permanent Multifamily Mortgage Loans that are not guaranteed or insured not be greater than two billion two hundred fifty million dollars at any one time. See Part 2 "THE HOUSING MORTGAGE FINANCE PROGRAM—Home Mortgage Loans—Home Mortgage Loan Portfolio" and "—Agency Securities." See also "APPENDIX C—SUMMARY OF CERTAIN FEDERAL HOUSING SUBSIDY AND MORTGAGE INSURANCE OR GUARANTEE PROGRAMS" in Part 2.

As of June 30, 2022, the Authority had purchased Home Mortgage Loans having an outstanding principal balance of $1.18 billion (36%) in the Home Mortgage Loan Portfolio and an outstanding principal balance of $2.1 billion (64%) in the Agency Security Portfolio[†]. In addition, as of January 31, 2023, the Authority had outstanding applications in the amount of approximately $149 million for the financing of Home Mortgage Loans (of which approximately $72 million had been firmly committed for purchase by the Authority). As of January 31, 2023, the

[†] Excludes certain reverse annuity mortgage loans, certain second mortgages and down payment assistance mortgages that were transferred to the Housing Mortgage General Fund from the Investment Trust Fund in November 2000, certain housing assets that were acquired from the State in April 2003, and loans funded with the proceeds of special obligation bonds issued under the Single Family Special Obligation Bond Resolution (See Part 2 "THE HOUSING MORTGAGE FINANCE PROGRAM─Other Portfolios within the Investment Trust Subaccount" and "—Other Bonds Held as Investments under the Resolution and Secured by the Housing Mortgage Capital Reserve Fund").

Authority had approximately $171 million available in Bond proceeds, of which approximately $116 million was available for the financing of such Home Mortgage Loans. See Part 2 "THE HOUSING MORTGAGE FINANCE PROGRAM—Home Mortgage Loans—Home Mortgage Loan Portfolio."

The Authority originates uninsured and privately insured or guaranteed loans for multifamily developments throughout the State. See Schedule A in Part 2 "Multifamily Mortgage Loan Portfolio and DECD Development Portfolio." The Authority, as of June 30, 2022, had made Multifamily Mortgage Loans financed with Bond proceeds having an outstanding balance of approximately $923 million. In addition, as of January 31, 2023, the Authority had approximately $55 million of Bond proceeds available to provide for the completion of multifamily developments under construction. See Part 2 "THE HOUSING MORTGAGE FINANCE PROGRAM—Multifamily Mortgage Loan Portfolio."

The Internal Revenue Code of 1986, as amended, and Treasury regulations promulgated thereunder or applicable thereto (collectively, the "Code"), impose substantial requirements and restrictions on an "issue" of obligations for the financing of Home Mortgage Loans and Multifamily Mortgage Loans or to refund such obligations, the interest on which is not included in gross income for federal income tax purposes. See "TAX MATTERS—Requirements of the Code Relating to Home Mortgage Loans" and "—Requirements of the Code Relating to Multifamily Mortgage Loans." For purposes of arbitrage and certain other federal tax matters, the Offered Bonds are expected to be treated as a composite issue, in which case certain requirements must be satisfied with respect to all the Offered Bonds in order that interest on the Offered Bonds be excluded from gross income for federal income tax purposes retroactive to the date of issuance thereof. The Authority reserves the right to issue Bonds in the future that could be treated as a composite issue with the Offered Bonds for federal income tax purposes.

U.S. Bank Trust Company, National Association, Hartford, Connecticut, as successor to U.S. Bank National Association and Fleet National Bank, is serving as trustee (the "Trustee") and paying agent (the "Paying Agent") under the Resolution.

All references herein to the Act and the Resolutions are qualified in their entirety by reference to each such document, copies of which are available from the Authority. All references to the Bonds, including the Offered Bonds, are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Resolution and the 2023 Series A Resolution.

Designation of the Offered Bonds as Social Bonds

General

The Offered Bonds have been designated as Social Bonds pursuant to a Second-Party Opinion provided by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"), included as "APPENDIX D—S&P SECOND-PARTY OPINION" to this Part 1 (the "S&P Second-Party Opinion"), in which S&P assesses the CHFA Sustainability Framework (as defined therein) and its alignment with the Social Bond Principles and mapping to UNSDGs, each as described below.

None of the Authority, the Underwriters, the Trustee, or any of their counsels, has independently confirmed or verified the information below or assumed any obligation to ensure that the Offered Bonds comply with any legal or other standards or principles that may be related to Social Bonds. The Offered Bonds have been designated as Social Bonds based solely on S&P's views regarding the CHFA Sustainability Framework and its alignment with Social Bond Principles and mapping to UNSDGs as set forth in the S&P Second-Party Opinion. The designation of the Offered Bonds as Social Bonds does not entitle the Holder of any Offered Bond to any benefit under the Code. The term "Social Bonds" is neither defined in nor related to provisions of the Resolution. Holders of the Offered Bonds do not have any security other than as provided in the Resolution as described below under "Security for the Bonds."

Social Bonds Designation

The International Capital Market Association, in its publication, *Social Bond Principles*: *Voluntary Process Guidelines for Issuing Social Bonds*, defines Social Bonds as "any type of bond instrument where the proceeds, or an

equivalent amount, will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Social Projects and which are aligned with the four core components of the Social Bond Principles" and in addition states that "Social Project categories include … providing … affordable housing."

The S&P Second-Party Opinion finds that the Authority "will use all of the proceeds from the bonds issued under the framework to support sustainable and/or social projects" and that the CHFA Sustainability Framework is aligned with each of the four core components of the Social Bond Principles. The S&P Second-Party Opinion also finds that the CHFA Sustainability Framework maps to, and intends to contribute to, certain of the United Nations Sustainable Development Goals ("UNSDGs") adopted by the United Nations General Assembly in 2015 as part of its 2030 Agenda for Sustainable Development. See the S&P Second-Party Opinion included as "APPENDIX D—S&P SECOND-PARTY OPINION" to this Part 1.

Post-Issuance Reporting

The Authority expects to provide annual updates, as of the last day of each fiscal year commencing with calendar year 2023, regarding the disbursement of the lendable proceeds of the Offered Bonds for the financing of Home Mortgage Loans. The Authority expects that such annual updates will consist of the information outlined in "APPENDIX E—FORM OF SOCIAL BONDS ANNUAL REPORT"; the specific form and content of such updates are in the absolute discretion of the Authority. The Authority will cease to update such information when the applicable lendable proceeds have been fully expended. This reporting is separate from the Authority's obligations described under "CONTINUING DISCLOSURE UNDERTAKING." Failure by the Authority to provide such updates is not a default or an event of default under the Resolutions or the Continuing Disclosure Undertaking.

Independent Second-Party Opinion on Social Bond Designation and Disclaimer

The S&P Second-Party Opinion assesses the CHFA Sustainability Framework and its alignment with Social Bond Principles and mapping to UNSDGs.

The S&P Second-Party Opinion does not and is not intended to make any representation or give any assurance with respect to any other matter relating to the Offered Bonds. The S&P Second-Party Opinion is not a recommendation to any person to purchase, hold or sell the Offered Bonds, does not address the market price or suitability of the Offered Bonds for a particular investor and does not and is not in any way intended to address the likelihood of timely payment of interest or principal when due.

In issuing the Second-Party Opinion, S&P has assumed and relied upon the accuracy and completeness of the information made publicly available by the Authority or that was otherwise made available to S&P.

Additional Issuances

In addition to those Bonds Outstanding as of June 30, 2022, as reflected in Part 2 of this Official Statement under the heading "THE HOUSING MORTGAGE FINANCE PROGRAM—Housing Mortgage Finance Program Bonds," the Authority issued the additional series of Bonds set forth in the following table in fiscal year 2022:

Series	Date of Issuance	Par Amount	Purpose
2022 Series C Bonds	7/21/2022	$200,000,000	To finance Home Mortgage Loans and Agency Securities
2022 Series D Bonds	11/02/2022	$55,200,000	To finance Multifamily Mortgage Loans
2022 Series E Bonds	11/10/2022	$147,815,000	To finance Home Mortgage Loans and Agency Securities

From time to time, the Authority issues Bonds that are sold directly to institutional investors. Those issued as of June 30, 2022, are included in the Bonds Outstanding information reflected in Part 2 of this Official Statement under the heading "THE HOUSING MORTGAGE FINANCE PROGRAM—Housing Mortgage Finance Program Bonds." More information regarding all such Bonds (including those issued since June 30, 2022) can be found on the MSRB's EMMA website and information regarding the various liquidity facilities that support the Authority's Outstanding variable rate demand obligations can be found in Part 2 of this Official Statement under the caption "THE HOUSING MORTGAGE FINANCE PROGRAM—Housing Mortgage Finance Program Bonds—Variable Rate Demand Obligations and Liquidity Facilities" and on the MSRB's EMMA website.

Security for the Bonds

The Offered Bonds and all other Bonds issued pursuant to the Resolution are general obligations of the Authority for the payment of which the full faith and credit of the Authority are pledged, and are payable from revenues derived from Home Mortgage Loans and Multifamily Mortgage Loans financed by the Authority together with other monies legally available therefor, including amounts in the Housing Mortgage Capital Reserve Fund. The Authority has no taxing power. The Bonds do not constitute a debt or liability of the State or a pledge of its faith and credit or taxing power. The Bonds are secured equally and ratably by the pledges and covenants contained in the Resolution, including the pledge of (i) the proceeds of sale of the Bonds, (ii) the Pledged Receipts (which include scheduled amortization payments and certain other charges on Home Mortgage Loans and Multifamily Mortgage Loans acquired with Bond proceeds) and Recoveries of Principal (which include amounts received as prepayments, condemnation, or insurance proceeds, and proceeds of sale or other disposition of the acquired mortgages), and (iii) monies and securities in the funds and accounts established by the Resolution. See "SOURCES OF PAYMENT."

The Act provides for the creation of the "Housing Mortgage Capital Reserve Fund" and the "Housing Mortgage General Fund." Proceeds of the Bonds are to be deposited in such funds and held for the payment of the Bonds or used to finance Mortgage Loans in accordance with the Resolutions, the Act, and the Authority's Housing Mortgage Finance Program. Upon the issuance of any Series of Bonds, the Authority is required to deposit from the proceeds thereof at least the amount required to cause the amount in the Housing Mortgage Capital Reserve Fund to equal the maximum annual debt service in any succeeding calendar year on all Outstanding Bonds, including the Bonds then being issued. In the event the Authority should be required to withdraw monies from the Housing Mortgage Capital Reserve Fund for the payment of the Bonds, the Act provides that the amount certified as necessary to restore that fund to an amount equal to the next year's debt service on all Outstanding Bonds shall be deemed to be appropriated from the general fund of the State and requires such amounts to be allotted and paid to the Authority. In the opinions of Co-Bond Counsel to the Authority (as described on the cover page hereof), such appropriation and payment from the general fund of the State do not require further legislative approval. In addition, pursuant to Section 1-124 of the Connecticut General Statutes, the approval of the State Treasurer is required prior to the issuance of bonds and notes or the borrowing of money for which there is a capital reserve fund of any kind that is in any way contributed to or guaranteed by the State. For additional information regarding bonds issued under a separate general resolution of the Authority and secured by the Housing Mortgage Capital Reserve Fund, see "THE HOUSING MORTGAGE FINANCE PROGRAM—Other Bonds Held as Investments under the Resolution and Secured by the Housing Mortgage Capital Reserve Fund" and "OTHER ACTIVITIES—Federal New Issue Bond Program" in Part 2.

Prior to the date of issuance of the Offered Bonds, a certificate of an Authorized Officer (as defined in the Resolution) will be delivered to the Trustee to the effect that the estimated amount of net receipts expected to be

received from all mortgages (including both Home Mortgage Loans and Multifamily Mortgage Loans) financed or deemed to be financed with the proceeds of Outstanding Bonds, including the Offered Bonds, shall be sufficient to pay, as the same become due, the reasonable and necessary Operating Costs of the Authority and the Principal Installments of and interest on the Outstanding Bonds, including the Offered Bonds, and all payments due to providers of Swaps. See Part 2 "SUMMARY OF CERTAIN OF THE PROVISIONS OF THE RESOLUTION—Issuance of Additional Obligations."

Interest Rate Swap Agreements

The Act was amended in 1993 by Public Act No. 93-33, and the Resolution supplemented in accordance therewith, to provide for agreements to moderate interest rate fluctuations ("Swaps"). See Part 2 "SUMMARY OF CERTAIN OF THE PROVISIONS OF THE RESOLUTION—Issuance of Additional Obligations." Pursuant to such authorization, the Authority has entered into a number of Swaps in connection with Bonds issued under the Resolution. See the table entitled "Connecticut Housing Finance Authority Swap Exposure" in Part 2 "THE HOUSING MORTGAGE FINANCE PROGRAM—Housing Mortgage Finance Program Bonds—Interest Rate Swap Agreements." Generally, scheduled payments made by the Authority to the provider under a Swap are on a parity with the payment of interest on the Bonds and payments made by such provider to the Authority under its Swap constitute Pledged Receipts under the Resolution. The Authority may from time to time enter into additional Swaps in the future to the extent such action is deemed economically prudent and consistent with the Authority's objectives.

Under certain circumstances (including certain events of default with respect to the Authority or the provider), a swap agreement executed by the Authority under the Resolution may be terminated in whole or in part prior to its stated expiration date. Following any termination of a swap agreement, either the Authority or the swap provider may owe a Termination Payment to the other, depending upon market conditions and the events that caused such swap agreement to terminate. Under certain circumstances, the Authority could owe a Termination Payment to the related Swap Provider which could be substantial. The obligation of the Authority to make regularly scheduled Swap Payments are on a parity with the related Bonds, while Termination Payments are required to be and are due and payable at the end of the year of termination and subsequent to the payment of debt service on Bonds and Swap Payments in that year. Such Termination Payments, to the extent not paid in such year, will become included in the calculation of "Operating Cost" in the subsequent year and paid in the priority set forth for Operating Costs.

COVID-19 and Related Events

The global outbreak of the novel coronavirus COVID-19 ("COVID-19"), a respiratory disease caused by a novel coronavirus and declared in 2020 to be a pandemic (the "Pandemic") by the World Health Organization, is affecting the national capital markets and may negatively impact the State's housing market and its overall economy. The threat from the Pandemic is being addressed on a national, federal, state and local level. Presidential administrations, Congress, the Federal Reserve, HUD/FHA (including Ginnie Mae), the U.S. Department of the Treasury, the Federal Housing Finance Agency (including Fannie Mae and Freddie Mac), USDA, VA, the Centers for Disease Control, and the Consumer Financial Protection Bureau, along with the State, have enacted legislation and/or issued orders or directives (collectively, "Governmental Actions") to alleviate the effects of the Pandemic on homeowners, renters, landlords, servicers and lenders. Governmental Actions have included loan forbearance directives, moratoriums on foreclosures and/or evictions, loan modification directives, loan servicing assistance, rental assistance, and homeownership loan assistance. Such legislation and/or orders have been extended and/or modified, and others have expired or been enjoined. While it is generally expected that new legislation may be enacted, new orders may be issued, and existing and new orders may be extended, modified, litigated or allowed to expire, no guarantee can be made with regard to the duration and/or effectiveness of any such legislation or orders.

The Governmental Actions include, among other things, the enactment by Congress of the American Rescue Plan Act of 2021, signed into law on March 11, 2021, which established the $9.961 billion Homeowner Assistance Fund (the "HAF") in the Department of Treasury to mitigate financial hardship associated with the Pandemic. The State's HAF allocation of approximately $123.1 million was awarded to establish the *MyHomeCT* program. The Authority, on behalf of the State and its Department of Housing, administers the *MyHomeCT* program, which provides grant assistance to eligible homeowners to avoid foreclosure, thereby mitigating financial hardship associated with the Pandemic.

The Governmental Actions, and other future federal, state and local measures, may have both adverse and positive effects on the Authority's operations, financial condition and bond ratings. In addition, unemployment in the State and stock market fluctuation may have an adverse effect on existing and future loans in the Authority's portfolio. The Authority continues to review the possible impacts of these various actions and events on its operations, financial condition and bond ratings.

The Pandemic is an ongoing situation. The Authority cannot predict (i) the duration or extent of the Pandemic or any other outbreak or emergency; (ii) the duration or expansion of any foreclosure and eviction moratorium affecting the Authority's ability to foreclose and collect on delinquent Mortgage Loans; (iii) the number of Mortgage Loans that will be in default as a result of the Pandemic and subsequent federal, State and local responses thereto; (iv) whether and to what extent the Pandemic or other outbreak or emergency may disrupt the local or global economy, manufacturing or supply chain or whether any such disruption may adversely impact the Authority or its operations; (v) whether or to what extent the Authority or other government agencies may provide additional deferrals, forbearances, adjustments, or other changes to payments on Mortgage Loans; or (vi) the effect of the Pandemic on the State budget, or whether any such effect may adversely impact the Authority or its operations. The Pandemic and resulting business and market disruptions may have an adverse impact on the operations of the Authority, its financial condition or its contractual obligations to an extent that may be material.

THE OFFERED BONDS

General

Interest on the Offered Bonds will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Each Offered Bond will be dated the date of delivery thereof and will bear interest from such date payable semiannually on May 15 and November 15 in each year, commencing May 15, 2023, at the rates and will mature on the dates and in the amounts as set forth on the inside cover page.

The Offered Bonds are issuable only as fully-registered bonds in denominations of $5,000 or any integral multiple thereof. The Offered Bonds, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Offered Bonds. Individual purchases of the Offered Bonds will be made in book-entry-only form and purchasers of Offered Bonds will not receive physical delivery of certificates representing their interest in such Offered Bonds. So long as Cede & Co. is the sole registered owner of the Offered Bonds, references herein to the registered owners of the Offered Bonds (*except* under "TAX MATTERS") shall mean Cede & Co., as nominee of DTC, and shall not mean the beneficial owners of the Offered Bonds. See "THE OFFERED BONDS—Book-Entry-Only System."

So long as the Offered Bonds are registered in book-entry-only form, principal or redemption price, if any, and interest on the Offered Bonds will be payable to Cede & Co., as aforesaid. If the Offered Bonds are issued in certificated form, interest on the Offered Bonds will be thereafter payable by wire, check or draft transmitted or mailed, as appropriate, from the corporate trust office of U.S. Bank Trust Company, National Association, Hartford, Connecticut, as Trustee, to the registered owner thereof as shown in the registration books of the Authority held by the Trustee at the close of business on the first day of the month in which the interest payment date occurs (or if such day is not a Business Day, the first Business Day following such day) (the "Record Date").

Redemption of the Offered Bonds

Ten Year Rule Redemptions

Applicable current federal tax law requires redemption of the Offered Bonds beginning ten years from the date of issuance and delivery of such Bonds (or such earlier date based on the date of issuance of original bonds in a series of refundings), as shown in the following table, from a percentage of the Recoveries of Principal and scheduled principal repayments from Mortgage Loans and all principal repayments from mortgage loans pooled into Agency Securities made or purchased or deemed to have been made or purchased with proceeds of the Offered Bonds and not otherwise allocated to payment of principal on the Offered Bonds.

Pursuant to the Code, the following approximate percentages of Recoveries of Principal and scheduled principal repayments of Mortgage Loans (and principal repayments of mortgage loans pooled into Agency Securities) made or purchased or deemed to have been made or purchased with proceeds of the Offered Bonds received on or after the following dates are required to be applied no later than the close of the first semi-annual period beginning after the date of receipt to the retirement of the Offered Bonds. This information is based on the current expected use of proceeds of the Offered Bonds and on current tax law. The Authority cannot predict the actual Recoveries of Principal and scheduled principal repayments it will receive or whether such Code provisions may be repealed, and no assurance can be given that such actual redemptions will occur. Further, the Authority reserves the right to modify the use of proceeds of the Offered Bonds, which could affect such percentages.

From Date	To Date	Ten Year Rule Percentage
March 23, 2023	October 29, 2023	22%
October 30, 2023	April 22, 2024	23%
April 23, 2024	August 20, 2024	25%
August 21, 2024	November 12, 2024	29%
November 13, 2024	August 5, 2025	34%
August 6, 2025	March 2, 2026	36%
March 3, 2026	August 24, 2026	37%
August 25, 2026	November 14, 2026	38%
November 15, 2026	March 1, 2027	40%
March 2, 2027	May 10, 2027	42%
May 11, 2027	August 8, 2027	44%
August 9, 2027	November 13, 2027	46%
November 14, 2027	February 29, 2028	52%
March 1, 2028	July 24, 2028	55%
July 25, 2028	November 5, 2028	60%
November 6, 2028	March 4, 2029	62%
March 5, 2029	May 8, 2029	66%
May 9, 2029	August 7, 2029	67%
August 8, 2029	February 19, 2030	68%
February 20, 2030	March 22, 2033	69%
March 23, 2033	Final Maturity of Bonds	100%

Mandatory Redemption from 2023 Series A PAC Related Bonds Restricted Principal

The Offered Bonds due November 15, 2053 (the "2023 Series A PAC Bonds") shall be subject to mandatory redemption from 100% of the Recoveries of Principal and scheduled principal repayments from the Mortgage Loans (and the principal repayments of mortgage loans pooled into Agency Securities) purchased with proceeds of or attributable to the 2023 Series A PAC Related Bonds (the "2023 Series A PAC Related Bonds Portfolio"); provided, however, that such amounts are (a) not otherwise allocated to payment of principal on the 2023 Series A PAC Related

Bonds and (b) actually received and available for transfer to the applicable Redemption Account after satisfying the requirements of the Resolution with respect to priority transfers to the Operating Account, Interest Account and Principal Installment Account and with respect to maintenance of the Housing Mortgage Capital Reserve Fund at its minimum requirement (the "2023 Series A PAC Related Bonds Restricted Principal").

The Offered Bonds are sometimes referred to collectively herein as the "2023 Series A PAC Related Bonds."

The 2023 Series A PAC Bonds redeemed in accordance with the provisions of this section shall be redeemed at a redemption price of 100% of the principal amount thereof, plus accrued interest to the date of redemption. Such mandatory redemption of the 2023 Series A PAC Bonds shall occur on any date after May 15, 2023, but at least once during each semiannual period set forth below, in whole or in part, upon notice as provided in the Resolution, from and to the extent of 2023 Series A PAC Related Bonds Restricted Principal; provided, however, that no such redemption shall cause the aggregate Outstanding principal amount of the 2023 Series A PAC Bonds to be less than the applicable 2023 Series A PAC Outstanding Amount, as such amount may have been adjusted due to a redemption of 2023 Series A PAC Bonds from excess monies transferred from the 2023 Series A Bond Proceeds Sub-Account of the Bond Proceeds Account, as described in clause (i) of the first paragraph under "Special Redemption" below.

The 2023 Series A PAC Outstanding Amount for each relevant period is as follows:

Period Ending	2023 Series A PAC Outstanding Amount
November 15, 2023	$52,165,000
May 15, 2024	51,810,000
November 15, 2024	50,475,000
May 15, 2025	48,215,000
November 15, 2025	45,095,000
May 15, 2026	41,585,000
November 15, 2026	38,270,000
May 15, 2027	35,170,000
November 15, 2027	32,280,000
May 15, 2028	29,595,000
November 15, 2028	26,235,000
May 15, 2029	23,065,000
November 15, 2029	20,065,000
May 15, 2030	17,245,000
November 15, 2030	14,595,000
May 15, 2031	12,115,000
November 15, 2031	9,795,000
May 15, 2032	7,640,000
November 15, 2032	5,645,000
May 15, 2033	3,805,000
November 15, 2033	2,120,000
May 15, 2034	650,000
November 15, 2034 and thereafter	0

If a redemption of 2023 Series A PAC Bonds is effected from unexpended monies transferred from the 2023 Series A Bond Proceeds Sub-Account of the Bond Proceeds Account as described in clause (i) of the first paragraph under "Special Redemption" below, then each 2023 Series A PAC Outstanding Amount will be recalculated upon such redemption to be the amount, calculated by the Authority, equal to the product of (a) the original 2023 Series A

PAC Outstanding Amount, and (b) the fraction whose numerator is the current principal amount of the 2023 Series A PAC Bonds Outstanding and whose denominator is the original principal amount of the 2023 Series A PAC Bonds.

The 2023 Series A PAC Outstanding Amounts were calculated based on the assumption, among others, that the receipt of prepayments with respect to the 2023 Series A PAC Related Bonds Portfolio will occur at a rate equal to 100% of the Securities Industry and Financial Markets Association (formerly The Bond Market Association and the Public Securities Association) standard prepayment model for 30-year mortgage loans (the "SIFMA Prepayment Model"). In the event that the 2023 Series A PAC Bonds are actually redeemed so that the aggregate principal amount of such 2023 Series A PAC Bonds Outstanding equals the 2023 Series A PAC Outstanding Amount on each date shown above, the Weighted Average Life of the 2023 Series A PAC Bonds will be approximately 6.0 years. In the event that the 2023 Series A PAC Bonds are not redeemed (other than from mandatory sinking fund installments), the Weighted Average Life of the 2023 Series A PAC Bonds will be approximately 26.5 years. See "Projections of Weighted Average Lives of the 2023 Series A PAC Bonds under Certain Hypothetical Scenarios" below for descriptions of the 2023 Series A PAC Related Bonds Portfolio, the SIFMA Prepayment Model and the computation of Weighted Average Life, and see "APPENDIX C—PROJECTED PERCENTAGES OF INITIAL PRINCIPAL BALANCE OUTSTANDING AND PROJECTED WEIGHTED AVERAGE LIVES" to this Part 1 for additional information concerning the 2023 Series A PAC Bonds.

Special Redemption

The Offered Bonds are subject to redemption at the option of the Authority by operation of the Redemption Account, in whole or in part, at any time, from (i) unexpended monies transferred from the 2023 Series A Bond Proceeds Sub-Account of the Bond Proceeds Account, (ii) Recoveries of Principal from Mortgage Loans made or purchased or deemed to be made or purchased with proceeds of any Series of Bonds under the Resolution, and (iii) monies in the Surplus Account of the Housing Mortgage General Fund under the Resolution, including amounts transferred from the Housing Mortgage Capital Reserve Fund to the extent not otherwise required to maintain the Housing Mortgage Capital Reserve Fund Minimum Requirement; *provided*, however, that no such redemption under (ii) or (iii) above shall cause the Outstanding principal amount of the 2023 Series A PAC Bonds to be less than the applicable 2023 Series A PAC Outstanding Amount unless no other 2023 Series A PAC Related Bonds remain Outstanding. The Offered Bonds redeemed in accordance with the provisions of this paragraph shall be redeemed at the redemption price (except with respect to the 2023 Series A PAC Bonds under the circumstances set forth in the next sentence) of 100% of the principal amount thereof, plus accrued interest to the date of redemption. With respect to the 2023 Series A PAC Bonds, to the extent that any redemptions in accordance with clause (i) of this paragraph reduce the Outstanding principal amount of the 2023 Series A PAC Bonds below the applicable 2023 Series A PAC Outstanding Amount, the redemption price of the 2023 Series A PAC Bonds representing such reduction shall be 100% of the principal amount thereof, plus accrued interest to the date of redemption, plus the unamortized premium thereon to the date of redemption as determined by the Authority by an actuarial amortization of the original issue premium for the 2023 Series A PAC Bonds set forth on the inside cover page of this Official Statement between the date of issue and November 15, 2034.

Applicable federal tax law requires redemption of the Offered Bonds from the unexpended proceeds attributable to the non-refunding portion of the Offered Bonds required to be used to finance Home Mortgage Loans which have not been so used within 42 months from the date of issuance of such Offered Bonds.

The Authority covenants in the 2023 Series A Resolution not to redeem the Offered Bonds from the proceeds of a voluntary sale of non-defaulted Mortgage Loans deemed to be made or purchased with proceeds of any Bonds except in accordance with the optional redemption provisions described below; voluntary sale shall be deemed to include any sale of a project owned by a subsidiary of the Authority to which the Authority has made a Mortgage Loan with the proceeds of any Bonds. The 2023 Series A Resolution provides that such covenant shall not apply to (i) the sale of such a Mortgage Loan required pursuant to the Authority's tax covenants as to tax exemption or (ii) the sale of such a Mortgage Loan that did not comply with the Authority's Program requirements. Such covenant, further, will not prevent the special redemption of the Offered Bonds from a prepayment of a Multifamily Mortgage Loan constituting a Recovery of Principal received as a result of the sale of a project consented to by the Authority or refinancing of a project by its owner, if approved by the Authority; however, prepayment, for purposes of such special redemption, shall be deemed to exclude any prepayment of a Multifamily Mortgage Loan constituting a Recovery of Principal received as a result of the sale of a project or refinancing of a project owned by a subsidiary of the Authority.

Optional Redemption

The Offered Bonds are subject to redemption at the option of the Authority, at any time on or after November 15, 2031, either as a whole or in part (and by lot if less than all of a maturity is to be redeemed), from any moneys made available for such purpose, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption; *provided* that to the extent that any redemptions in accordance with this paragraph reduce the Outstanding principal amount of the 2023 Series A PAC Bonds below the applicable 2023 Series A PAC Outstanding Amount, the redemption price of the 2023 Series A PAC Bonds representing such reduction shall be 100% of the principal amount thereof, plus accrued interest to the date of redemption, plus the unamortized premium thereon to the date of redemption as determined by the Authority by an actuarial amortization of the original issue premium for the 2023 Series A PAC Bonds set forth on the inside cover page of this Official Statement between the date of issue and November 15, 2034.

Sinking Fund Redemption

The Offered Bonds due November 15, 2038 are subject to redemption in part by lot on the respective dates and in the respective amounts set forth below, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to provide for the retirement on the semiannual dates shown below of the principal amount specified opposite such respective semiannual dates:

Date	Amount	Date	Amount
May 15, 2036	$2,155,000	November 15, 2037	$2,310,000
November 15, 2036	2,205,000	May 15, 2038	2,370,000
May 15, 2037	2,260,000	November 15, 2038†	2,425,000

† Stated Maturity.

The Offered Bonds due November 15, 2043 are subject to redemption in part by lot on the respective dates and in the respective amounts set forth below, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to provide for the retirement on the semiannual dates shown below of the principal amount specified opposite such respective semiannual dates:

Date	Amount	Date	Amount
May 15, 2039	$2,480,000	November 15, 2041	$2,815,000
November 15, 2039	2,545,000	May 15, 2042	2,890,000
May 15, 2040	2,610,000	November 15, 2042	2,960,000
November 15, 2040	2,680,000	May 15, 2043	3,035,000
May 15, 2041	2,745,000	November 15, 2043†	3,115,000

† Stated Maturity.

The Offered Bonds due May 15, 2048 are subject to redemption in part by lot on the respective dates and in the respective amounts set forth below, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to provide for the retirement on the semiannual dates shown below of the principal amount specified opposite such respective semiannual dates:

Date	Amount	Date	Amount
May 15, 2044	$3,195,000	November 15, 2046	$3,635,000
November 15, 2044	3,280,000	May 15, 2047	3,730,000
May 15, 2045	3,365,000	November 15, 2047	3,825,000
November 15, 2045	3,450,000	May 15, 2048†	895,000
May 15, 2046	3,540,000		

† Stated Maturity.

The 2023 Series A PAC Bonds due November 15, 2053 are subject to redemption in part by lot on the respective dates and in the respective amounts set forth below, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to provide for the retirement on the semiannual dates shown below of the principal amount specified opposite such respective semiannual dates:

Date	Amount	Date	Amount
May 15, 2048	$3,240,000	May 15, 2051	$4,945,000
November 15, 2048	4,305,000	November 15, 2051	5,085,000
May 15, 2049	4,425,000	May 15, 2052	5,225,000
November 15, 2049	4,550,000	November 15, 2052	5,375,000
May 15, 2050	4,680,000	May 15, 2053	5,525,000
November 15, 2050	4,810,000	November 15, 2053†	835,000

† Stated Maturity.

The amounts accumulated in the respective Principal Installment Accounts for each sinking fund installment of the Offered Bonds may be applied by the Trustee at the direction of the Authority, prior to the forty-fifth (45th) day preceding the due date of such sinking fund installment, to the purchase of the stated maturity of such Offered Bonds subject to such sinking fund installment at prices (including any brokerage and other charges) not exceeding the applicable redemption price, plus accrued interest to the date of purchase. See Part 2 "SUMMARY OF CERTAIN OF THE PROVISIONS OF THE RESOLUTION—Principal Installment Account."

Except as stated below with respect to the 2023 Series A PAC Bonds, upon any purchase or redemption of Bonds of any Series or Subseries and maturity or maturities thereof 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 reflected in schedules provided to the Trustee by the Authority, or, failing such direction by the 15th day of the second month preceding the date of the applicable sinking fund installment, toward such sinking fund installments in inverse order of their due dates. See Part 2 "SUMMARY OF CERTAIN OF THE PROVISIONS OF THE RESOLUTION—Redemption Account."

Upon redemption of the 2023 Series A PAC Bonds from any source (other than from mandatory sinking fund installments), each sinking fund installment for the 2023 Series A PAC Bonds shall be reduced on a pro rata basis based on the ratio of the amount of the 2023 Series A PAC Bonds so redeemed to the total amount of the 2023 Series A PAC Bonds Outstanding prior to such redemption, as reflected in schedules provided to the Trustee by the Authority.

Selection of Bonds for Redemption

Subject to the foregoing provisions, in the event of any partial redemption of Bonds of a Series or Subseries, the Authority may direct the maturity or maturities and interest rate or interest rates, as the case may be, and the amount or amounts thereof to be so redeemed.

Bonds purchased by the Authority as Investment Obligations pursuant to its Bond Purchase Program as generally described in Part 2 "THE HOUSING MORTGAGE FINANCE PROGRAM─Housing Mortgage Finance Program Bonds─Variable Rate Demand Obligations and Liquidity Facilities" shall not receive a preference in selection for redemption.

In the event that less than all of the Bonds of a like Series or Subseries, maturity and interest rate are to be redeemed, and so long as the book-entry-only system remains in effect for such Series or Subseries of Bonds, the particular Bonds of such Series or Subseries, maturity and interest rate, or portion thereof, to be redeemed will be selected by DTC by lot, or in such other manner as DTC shall determine. If the book-entry-only system no longer remains in effect for the Bonds of a particular Series or Subseries, selection for redemption of less than all of the Bonds of a particular Series or Subseries, maturity and interest rate will be made by the Trustee by lot as provided in the Resolution.

Notice of Redemption

Unless otherwise provided in the applicable series resolution or waived by the registered owner, notice of any redemption will be mailed no more than 60 days but not less than 30 days prior to the date set for redemption to the registered owners of Bonds to be redeemed at their addresses as they appear in the registration books kept by the Trustee. In the case of redemption that is conditioned on the occurrence of certain events, the notice of redemption will set forth, among other things, the conditions precedent to the redemption. So long as the Bonds of the applicable Series or Subseries are immobilized in the custody of DTC, such notice will be delivered by the Trustee to DTC or its nominee as the registered owner of such Bonds. *DTC is responsible for notifying Participants, and Participants and Indirect Participants are responsible for notifying Beneficial Owners. Neither the Trustee nor the Authority is responsible for sending notices to Beneficial Owners or for the consequences of any action or inaction by the Authority as a result of the response or failure to respond by DTC or its nominee as Bondholder.* If, on the redemption date, monies for the redemption of all of a Series or Subseries of Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be held so as to be available therefor on said date and if notice of redemption shall have been published as aforesaid, then, from and after the redemption date interest on such Bonds of such Series or Subseries or portions thereof so called for redemption shall cease to accrue and become payable. If said monies shall not be so available on the redemption date, such Bonds of such Series or Subseries or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Projections of Weighted Average Lives of the 2023 Series A PAC Bonds Under Certain Hypothetical Scenarios

General

Projected weighted average life refers to the average amount of time that is projected to elapse from the date of delivery of a security to the date of projected payment to the investor of each dollar paid in net reduction of principal of such security (assuming no losses). The projected weighted average life of a security is determined by (a) multiplying each projected reduction, if any, of the outstanding amount of such security by the number of years from the date of delivery of such security to the related redemption date or maturity date, (b) adding the results and (c) dividing the sum by the initial outstanding amount of such security.

The calculation of weighted average life of the 2023 Series A PAC Bonds under certain hypothetical scenarios requires the making of certain assumptions (collectively, the "Portfolio Assumptions") with respect to the 2023 Series A PAC Related Bonds Portfolio, including assumptions including, but not limited to: (a) the characteristics and prepayment of Mortgage Loans held in the Housing Mortgage General Fund, and (b) the characteristics and prepayment of mortgage loans pooled into Agency Securities held in the Housing Mortgage Capital Reserve Fund.

The calculation of the weighted average life of the 2023 Series A PAC Bonds also requires the making of certain assumptions (collectively, the "Authority Option Assumptions"), including assumptions including, but not limited to, the future use by the Authority of its options under the Resolution related to: (a) the application of Recoveries of Principal, amounts in the Surplus Account, and amounts in the Housing Mortgage Capital Reserve Fund related to the 2023 Series A PAC Related Bonds to: (i) the redemption of the 2023 Series A PAC Related Bonds, (ii) the financing of additions to the 2023 Series A PAC Related Bonds Portfolio, or (iii) the redemption of other Bonds; (b) the application of Recoveries of Principal, amounts in the Surplus Account, and amounts in the Housing Mortgage Capital Reserve Fund related to other Series to the redemption of 2023 Series A PAC Related Bonds; and (c) the optional redemption of all or a portion of the 2023 Series A PAC Related Bonds (as described under the heading "Optional Redemption" above).

Set forth in Table 1 below and in Table 2 in Appendix C hereto are projected weighted average lives of the 2023 Series A PAC Bonds under a number of different scenarios, each such scenario representing a combination of Portfolio Assumptions and Authority Option Assumptions, as described below. **The actual characteristics and the performance of the Mortgage Loans and the mortgage loans pooled into Agency Securities will differ from the Portfolio Assumptions utilized in constructing Table 1 and Table 2, and the actual use of options under the Resolution by the Authority will differ from the Authority Option Assumptions utilized in constructing Table 1 and Table 2. The Authority Option Assumptions are not necessarily consistent with the current or historical approach of the Authority to recycling, selecting Bonds to be redeemed or managing interest rate risk, and they are not binding upon or necessarily indicative of future actions of the Authority. Both the Portfolio Assumptions and the Authority Option Assumptions are hypothetical in nature and are provided only to give a general sense of how the weighted average lives of the 2023 Series A PAC Bonds might behave as such assumptions are varied. Accordingly, the Authority makes no representation as to the reasonableness of either the Portfolio Assumptions or the Authority Option Assumptions and makes no representation that the projected percentages of initial principal balance outstanding or projected average lives set forth in Table 1 and Table 2 will reflect the actual course of events. The Authority is under no obligation and does not intend to update Table 1 or Table 2 to reflect actual experience.**

Table 1

2023 Series A PAC Bonds Projected
Weighted Average Life (In Years)

Prepayment Speed (expressed as a percentage of SIFMA)	Optional Call Not Exercised	Optional Call Exercised at November 15, 2031
0	26.5	8.6
25	22.4	8.4
50	15.3	7.5
75	9.3	6.6
100	6.0	5.7
200	6.0	5.7
300	6.0	5.7
400	6.0	5.7
500	6.1	5.7

For additional information, see Table 2 in "APPENDIX C—"PROJECTED PERCENTAGES OF INITIAL PRINCIPAL BALANCE OUTSTANDING AND PROJECTED WEIGHTED AVERAGE LIVES" to this Part 1.

Portfolio Assumptions

All of the scenarios represented in Table 1 above and Table 2 in Appendix C are based on the assumption that the 2023 Series A PAC Related Bonds Portfolio will consist of approximately $171.1 million of Mortgage Loans and mortgage loans to be pooled into Agency Securities to be purchased with proceeds of or allocated to the 2023

Series A PAC Related Bonds prior to July 31, 2023. The 2023 Series A PAC Related Bonds Portfolio is assumed to consist of Mortgage Loans and mortgage loans to be pooled into Agency Securities that bear interest rates at 5.935%.

Prepayments on mortgage loans are commonly projected by reference to a prepayment standard or model. The SIFMA Prepayment Model, which is utilized here, is based on an assumed rate of prepayment each month of the then unpaid principal balance of a mortgage loan. The SIFMA Prepayment Model assumes that an increasingly large percentage of the mortgage loans prepay each month for the first thirty (30) months of the life of the mortgage loan and then assumes a constant prepayment rate of six percent (6%) per annum of the unpaid principal balance for the remaining life of the mortgage loans.

Each of the scenarios represented in Table 1 above and in Table 2 in Appendix C is based on an indicated prepayment assumption with respect to the 2023 Series A PAC Related Bonds Portfolio, in each case expressed as a percentage of the SIFMA Prepayment Model. As used in Table 1 and Table 2, for example, (a) "0% SIFMA" assumes no prepayments of the principal of the 2023 Series A PAC Related Bonds Portfolio, (b) "50% SIFMA" assumes the principal of the 2023 Series A PAC Related Bonds Portfolio will prepay at a rate one-half times as fast as the prepayment rates for one hundred percent (100%) of the SIFMA Prepayment Model, (c) "200% SIFMA" assumes the principal of the 2023 Series A PAC Related Bonds Portfolio will prepay at a rate twice as fast as the prepayment rates for one hundred percent (100%) of the SIFMA Prepayment Model, and so on.

Authority Option Assumptions

The computation of the weighted average life of the 2023 Series A PAC Bonds under each of the scenarios represented in Table 1 above and Table 2 in Appendix C is based on the assumption that, with respect to the fulfillment by the Authority of its obligations pursuant to the redemption provisions described above under "Mandatory Redemption from 2023 Series A PAC Related Bonds Restricted Principal," the Authority will redeem the 2023 Series A PAC Bonds on each interest payment date commencing November 15, 2023.

The computation of the weighted average life of the 2023 Series A PAC Bonds under each of the scenarios represented in Table 1 above and Table 2 in Appendix C is based on the assumption that, with respect to the use by the Authority of its rights pursuant to the redemption provisions described under "Special Redemption" above, (i) the Authority will redeem 2023 Series A PAC Related Bonds on each interest payment date commencing November 15, 2023 in the amount of any 2023 Series A PAC Related Bonds Restricted Principal for such redemption date not applied to the 2023 Series A PAC Bonds and (ii) such redemption shall be based on a pro-rata selection from all other then-eligible Outstanding maturities of the 2023 Series A PAC Related Bonds until no such Bonds remain Outstanding. Furthermore, Table 1 and Table 2 are based on the assumption that the Authority will not redeem any 2023 Series A PAC Related Bonds pursuant to the redemption provisions described under "Special Redemption" above from any source other than 2023 Series A PAC Related Bonds Restricted Principal; however, portions of the scheduled principal repayments of 2023 Series A PAC Related Bonds (other than the 2023 Series A PAC Bonds) will be paid from Recoveries of Principal, amounts in the Surplus Account, and amounts in the Housing Mortgage Capital Reserve Fund related to other Series of Bonds.

The computation of the weighted average life of the 2023 Series A PAC Bonds under each of the scenarios represented in Table 1 above and Table 2 in Appendix C are based on the assumptions indicated below with respect to the use by the Authority of its ability to optionally redeem the 2023 Series A PAC Bonds:

In the case of scenarios labeled "Optional Call Not Exercised," it is assumed that the Authority will not exercise its right to optionally redeem the 2023 Series A PAC Related Bonds pursuant to the redemption provisions described above under the heading "Optional Redemption"; and

In the case of scenarios labeled "Optional Call Exercised," it is assumed that the Authority will exercise its right to optionally redeem all then-eligible Outstanding 2023 Series A PAC Related Bonds pursuant to the redemption provisions described under the heading "Optional Redemption" on November 15, 2031.

Under the Resolution, collections of prepayments of Mortgage Loans will constitute Recoveries of Principal and will be immediately available for transfer to the Redemption Account for certain mandatory redemptions and special redemptions. Collections of scheduled principal on Mortgage Loans will constitute Pledged Receipts, which will be transferred to the Surplus Account, to the extent not otherwise required to provide for payment of Operating Costs or debt service requirements on the Bonds. Amounts of such scheduled principal receipts so transferred to the Surplus Account may be transferred between November 12 and December 1 of each year to the Redemption Account for certain mandatory redemptions and special redemptions. All collections of principal on mortgage loans pooled in Agency Securities will constitute maturities of Investment Obligations in the Housing Mortgage Capital Reserve Fund, which may be reinvested (either in additional Agency Securities or other Investment Obligations) or, to the extent not otherwise required to maintain the Housing Mortgage Capital Reserve Fund Minimum Requirement, may be transferred to the Redemption Account for certain mandatory redemptions and special redemptions, or may be transferred to the Principal Account or the Surplus Account. Each of the scenarios represented in Table 1 above and Table 2 in Appendix C assumes that the Authority will either: (a) make the appropriate transfers of 100% of the principal receipts on the 2023 Series A PAC Related Bonds Portfolio to the applicable series Redemption Account so that such amount is available for the projected redemption of the 2023 Series A PAC Bonds, or (b) transfer Recoveries of Principal from other series of Bonds, such that, on each redemption date, an amount equal to the 2023 Series A PAC Related Bonds Restricted Principal will be on deposit in the Redemption Account to provide for the projected redemption of the 2023 Series A PAC Bonds.

In addition to the matters described in bold above Table 1 above, notwithstanding the foregoing assumptions, the Authority can give no assurance that there will not be circumstances under which the requirements of the Resolution will prevent amounts that would otherwise constitute 2023 Series A PAC Related Bonds Restricted Principal from being transferred to the applicable series Redemption Account to provide for redemption of the 2023 Series A PAC Bonds.

Book-Entry-Only System

The Offered Bonds will be available in book-entry form only, in the principal amount of $5,000 or integral multiples thereof. For purposes of this Official Statement, so long as the Offered Bonds are immobilized in the custody of DTC, references to Bondholders or registered owners of such Bonds (except under "TAX MATTERS") mean DTC or its nominee.

The information in this section concerning DTC and the DTC book-entry system has been obtained from DTC, and the Authority takes no responsibility for the accuracy or completeness thereof.

DTC will act as securities depository for the Offered Bonds. The Offered Bonds will be issued as fully-registered securities in the name of Cede & Co. One fully-registered Offered Bond will be issued for each maturity of the Offered Bonds, as set forth on the inside cover page, in the aggregate principal amount of each such maturity, and will be deposited with DTC.

DTC 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 85 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. securities brokers and dealers, banks, and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant,

either directly or indirectly ("Indirect Participants"). 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.

Purchases of the Offered Bonds under the DTC system must be made by or through Direct Participants, who will receive a credit for such purchased 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, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Offered Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 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 Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. ("Cede"). The deposit of the Offered Bonds with DTC and their registration in the name of Cede effect no 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 Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Offered Bonds may wish to take certain steps to augment the transmission to them of notices and significant events with respect to the Offered Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Resolution. For example, Beneficial Owners of Offered Bonds may wish to ascertain that the nominee holding the Offered Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to Cede. If less than all of the Offered Bonds within a particular maturity and interest rate are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant therein to be redeemed.

Neither DTC nor Cede will consent or vote with respect to the Offered Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede'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).

Redemption proceeds, and principal and interest payments on the Offered Bonds will be made to Cede 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 the Authority or the Trustee on a 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 the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, and principal and interest to Cede (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee or the Authority, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants. NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS, OR TO THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE OFFERED BONDS, OR TO ANY BENEFICIAL OWNER IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT, THE

PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OR INTEREST ON THE OFFERED BONDS, ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE RESOLUTIONS, THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE OFFERED BONDS, OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

DTC may discontinue providing its services as securities depository with respect to the Offered Bonds at any time by giving reasonable notice to the Authority and the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered as described in the Resolutions.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be required to be printed and delivered as described in the Resolutions.

Discontinuance of Book-Entry System

The Resolution provides for issuance of bond certificates ("Replacement Bonds") directly to Beneficial Owners of the Offered Bonds, but only in the event that (a) DTC determines not to act as securities depository for the Offered Bonds; or (b) the Authority has advised DTC of its determination that DTC is incapable of discharging its duties; or (c) the Authority has determined that it is in the best interests of the Beneficial Owners of the Offered Bonds that they be able to obtain bond certificates. Upon the occurrence of an event described in (a) or (b) above, the Authority shall attempt to locate another qualified securities depository. If the Authority fails to locate another securities depository to replace DTC, the Trustee shall authenticate and deliver Replacement Bonds, in certificated form. In the event the Authority makes the determination noted in (b) or (c) above (the Authority undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Authority to make any such determination), and has made provisions to notify the Beneficial Owners of the Offered Bonds by mailing an appropriate notice to DTC, it shall cause to be authenticated and delivered Replacement Bonds in certificated form to any DTC Participant making such a request. Principal or redemption price and interest, if any, on the Replacement Bonds shall be payable by check or draft mailed to each holder of such Replacement Bond at the address of such holder as it appears in the bond register maintained by or on behalf of the Authority. Replacement Bonds will be transferable only by presentation and surrender to the Authority, or an agent of the Authority to be designated in the Replacement Bonds, together with an assignment duly executed by the holder of the Replacement Bond or by such holder's representative in form satisfactory to the Authority, or an agent of the Authority, and containing information required by the Authority in order to effect such a transfer.

For every exchange or transfer of the Offered Bonds, the Authority 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 a bond, may charge a sum sufficient to pay the cost of preparing 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.

SOURCES AND USES

The proceeds of the Offered Bonds, along with other available monies under the Resolution, are expected to be used to (i) within 90 days of the date of issuance thereof, refund and/or replace and refund certain current and/or future maturities of outstanding bonds to be paid at maturity or to be redeemed by special and/or optional redemption, a portion of which bonds were initially issued in part to finance certain Home Mortgage Loans and Agency Securities, (ii) provide new monies for the financing of Home Mortgage Loans and Agency Securities, and (iii) pay certain costs of issuance. The sources of funds with respect to the Offered Bonds and the uses thereof, following certain replacements and refundings described above, are expected to be approximately as set forth below:

Sources

Principal Amount of Offered Bonds	$171,715,000.00
Original Issue Premium on the Offered Bonds	3,398,360.00
Available monies under the Resolutions	1,717,150.00
Total Sources	$176,830,510.00

Uses

Redemption or Payment of Outstanding Bonds	$120,237,648.19
Bond Proceeds Account for Financing Home Mortgage Loans and Agency Securities	54,875,711.81
Costs of Issuance	607,001.95
Underwriters' Compensation and Expenses	1,110,148.05
Total Uses	$176,830,510.00

SOURCES OF PAYMENT

The Bonds are general obligations of the Authority, and the full faith and credit of the Authority are pledged for the payment, when due, of the principal or redemption price, if any, of and interest on the Bonds. Subject only to the provisions of the Resolution permitting the application of certain monies for the purposes and on the terms set forth in the Resolution, including payment of Operating Costs, the Bonds are entitled to the lien created by the pledge under the Resolution of:

(a) the proceeds derived from the sale of Bonds;

(b) all monies received as "Pledged Receipts," including (i) the scheduled payments (monthly or otherwise) of principal and interest paid to the Authority from any source on any Mortgage Loan financed under the Housing Mortgage Finance Program and (ii) all fees and charges imposed by the Authority with respect to its Mortgage Loans;

(c) all monies received as "Recoveries of Principal," including (i) prepayments of any Mortgage Loan, (ii) proceeds of condemnation or foreclosure of mortgaged premises, (iii) mortgage insurance proceeds, and (iv) monies received from the sale or other disposition of any mortgage;

(d) all monies or securities in the Housing Mortgage General Fund and Housing Mortgage Capital Reserve Fund; and

(e) any monies received from the State for the Housing Mortgage Finance Program, including any funds appropriated from the general fund of the State to the Housing Mortgage Capital Reserve Fund in accordance with the Resolution and the Act.

Acquired Program Mortgages financed by the Authority are not themselves subject to the lien of the Resolution but are to be assigned to the Trustee on its request upon the occurrence of an event of default under the Resolution.

Upon certain terms and conditions provided in the Resolution, amounts in the Surplus Account may be released annually between November 12 and December 1 free and clear of the lien of the Resolution. See Part 2 "SUMMARY OF CERTAIN OF THE PROVISIONS OF THE RESOLUTION—Surplus Account."

As of December 31, 2021, the Authority had net assets in Other Funds of approximately $39,100,000, including $31,719,000 held pursuant to the Special Needs Housing Mortgage Finance Program Indenture. The remaining net assets in Other Funds was comprised of (i) $3,670,000 in the Housing Mortgage Insurance Fund, which was funded primarily from amounts transferred from the Surplus Account to the Authority free and clear of the lien of the Resolution, (ii) $3,203,000 held pursuant to the Multifamily Special Obligation Bond Resolution and the Multifamily Other Bond Resolution, and (iii) $513,000 held pursuant to the Qualified Energy Conservation Bond Resolution.

For further information concerning the financial position of the Authority, see the financial statements included in Appendix B to Part 2.

HOUSING MORTGAGE CAPITAL RESERVE FUND

Pursuant to Section 8-258(a) of the Act, the Housing Mortgage Capital Reserve Fund must be maintained in an amount equal to the principal, sinking fund installments, and interest becoming due on the Bonds of the Authority in the next succeeding calendar year (the "Housing Mortgage Capital Reserve Fund Minimum Requirement" or the "Required Minimum Capital Reserve"). The Resolution specifies that no Bonds or Other Bonds issued for Housing Mortgage Finance Program purposes and secured by the Housing Mortgage Capital Reserve Fund shall be issued by the Authority unless the amount in the Housing Mortgage Capital Reserve Fund is at least equal to the maximum amount of principal, sinking fund installments, and interest becoming due on the Outstanding Bonds and Outstanding Other Bonds in any succeeding calendar year (the "Housing Mortgage Capital Reserve Fund Maximum Requirement").

In the event that the monies available to the Authority under the Resolution for the payment of principal, sinking fund installments, and interest on the Bonds in any year are not sufficient, an amount equal to such insufficiency is required to be withdrawn from the Housing Mortgage Capital Reserve Fund to provide for such payments. Under the Resolution, the Chairperson of the Authority is required to certify to the Secretary of the Office of Policy and Management of the State, on or prior to December 1 of such year, the amount necessary to restore such fund to the Required Minimum Capital Reserve. The Act provides as follows:

> On or before December first of each year, there is deemed to be appropriated from the state general fund such sums, if any, as shall be certified by the chairman of the authority, to the secretary of the office of policy and management, as necessary to restore said fund to an amount equal to the required minimum capital reserve, and such amounts shall be allotted and paid to the authority. For purposes of valuation of the housing mortgage capital reserve fund, securities acquired as an investment for said fund shall be valued at par, actual cost to the authority or market value, whichever is less.

In the opinions of Co-Bond Counsel to the Authority, such appropriation and payment from the general fund of the State do not require further legislative approval.

In addition to the Authority, the Connecticut Development Authority, the Connecticut Higher Education Supplemental Loan Authority, the Connecticut Resources Recovery Authority, and, under limited circumstances, the Connecticut Health and Educational Facilities Authority are authorized to issue and have issued bonds secured by special capital reserve funds for which amounts are deemed appropriated from the State's general fund under similar circumstances.

Amounts paid by the State to restore the Housing Mortgage Capital Reserve Fund to the Housing Mortgage Capital Reserve Fund Minimum Requirement are required by the Act to be repaid to the State by the Authority and credited to the State's general fund, as soon as possible, from any monies available therefor in excess of the amounts that the Authority determines will keep it self-supporting. The Resolution provides that such amounts may be paid from the Surplus Account.

On the date of issuance of the Offered Bonds, the amount of securities on deposit in the Housing Mortgage Capital Reserve Fund, valued in accordance with the Resolution, will be at least equal to the Housing Mortgage Capital Reserve Fund Maximum Requirement.

The Authority is authorized to issue additional Bonds under the Resolution and to issue Other Bonds under one or more general resolutions secured by the Housing Mortgage Capital Reserve Fund. See Part 2 under the headings "THE HOUSING MORTGAGE FINANCE PROGRAM—Other Bonds Held as Investments under the Resolution and Secured by the Housing Mortgage Capital Reserve Fund" and "SUMMARY OF CERTAIN OF THE PROVISIONS OF THE RESOLUTION—Issuance of Additional Obligations" and "—Housing Mortgage Capital Reserve Fund."

TAX MATTERS

The requirements of applicable federal tax law must be satisfied with respect to an "issue" of tax-exempt bonds. For purposes of arbitrage and certain other federal tax matters, the Offered Bonds will be treated as a composite issue, in which case certain requirements must be satisfied with respect to all of the Offered Bonds in order that interest on such Bonds be excluded from gross income for federal income tax purposes retroactive to the date of issuance thereof. The Authority reserves the right to issue Bonds in the future that could be treated as a composite issue with the Offered Bonds for federal income tax purposes.

Requirements of the Code Relating to Home Mortgage Loans

Interest on bonds that are issued to finance or to refund bonds issued to finance single family residences, such as the Offered Bonds, is not included in gross income for federal income tax purposes only if certain requirements are met, including (i) eligibility requirements for Home Mortgage Loans and borrowers (see "Mortgage Eligibility Requirements Under the Code" below), (ii) yield and investment requirements (see "Requirements Related to Arbitrage" below), and (iii) certain other requirements related to the issue (see "Other Requirements" below).

Mortgage Eligibility Requirements Under the Code

The Authority must reasonably expect at the time the Home Mortgage Loan is executed that the borrower will make the residence financed by the Home Mortgage Loan the borrower's principal residence within a reasonable time after the financing is provided. Under the procedures that the Authority has established as described herein, the borrower is required to certify at the closing of the Home Mortgage Loan that the borrower intends to make the financed residence the borrower's principal residence within 60 days. In addition, the Authority requires the participating lender to inspect and verify that the borrower has occupied the residence as the borrower's principal residence within 60 days after the closing of the Home Mortgage Loan.

At least 95% of the net proceeds of an issue, including towards such 95% proceeds used to make mortgage loans in targeted areas or to veterans and proceeds used for qualified rehabilitation and qualified home improvement, must be used to finance residences of borrowers who have not had a present ownership interest in a principal residence during the three year period prior to the date on which the mortgage is executed. If applicable, the Authority requires the borrower to provide the borrower's federal income tax returns for the preceding three years for review for evidence of prior ownership of a principal residence, and to certify at the closing of the Home Mortgage Loan that the borrower has not had a present ownership interest in the borrower's principal residence within the preceding three years. The first-time homebuyer requirement does not apply to certain veterans receiving financing for residences financed from the proceeds of qualified mortgage bonds.

Under the Code, the maximum purchase prices for existing and new single family residences (except in Targeted Areas) are 90% of the average area purchase prices applicable to such residences. In Targeted Areas the maximum purchase prices may be up to 110% of such limits. The Authority may rely upon the average area safe harbor limitations provided by the United States Internal Revenue Service or limitations different from such safe harbors based on more accurate and comprehensive data. The Authority's purchase price limits do not exceed those permitted under the Code.

Additionally, mortgagors purchasing a home with a Home Mortgage Loan may not have incomes that exceed limits established by the Code. Except in Targeted Areas and certain high housing cost areas, the Code establishes maximum income limits for families of three or more persons at no greater than 115% (100% for families of fewer than three persons) of the higher of the area or the statewide median income. In Targeted Areas, one third of the financing may be provided to borrowers without regard to the Code's income limitation, and the balance of the financing must be provided to borrowers whose income does not exceed 140% (120% for families of fewer than three persons) of the higher of the area or the statewide median income.

An existing mortgage loan may not be acquired or replaced with proceeds of a Home Mortgage Loan except for certain first mortgage loans for qualified rehabilitation, as described below. The Authority requires a borrower to certify at the closing of a Home Mortgage Loan that the borrower is not using the proceeds of the Home Mortgage

Loan to acquire or replace an existing loan. In addition, the participating lender is required to examine 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 that could be acquired or replaced with proceeds of the Home Mortgage Loan.

The Code requires that Home 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. The Authority requires that each of its Home Mortgage Loans have a "due on sale" clause so that the Authority may accelerate the Home Mortgage Loan if the mortgage is assumed and all such requirements are not met. FHA and VA allow a "due on sale" clause provided that the borrower is fully informed and consents in writing to such requirements.

The Code also permits proceeds of an issue to be made available for financing of mortgage loans for qualified rehabilitation and qualified home improvement (as more particularly described in the Code). The Code requirements are generally applicable to both qualified rehabilitation and home improvement loans except that the borrower is permitted to have had an ownership interest in a principal residence during the prior three year period. In addition, the borrower can use the proceeds of the qualified rehabilitation loan to refinance an existing mortgage, and the purchase price requirement does not apply with respect to a qualified home improvement loan.

An issue of qualified mortgage bonds is treated as meeting certain mortgage eligibility requirements of the Code only if (i) the issuer in good faith attempted to meet all of the mortgage eligibility requirements before the mortgage deed was executed, (ii) any failure to comply with the mortgage eligibility requirements is corrected within a reasonable period after such failure is first discovered, and (iii) 95% or more of the lendable proceeds of the issue of qualified mortgage bonds used to make Home Mortgage Loans was devoted to financing residences that met all such mortgage eligibility requirements at the time the loans were executed or assumed. In determining whether 95% of the proceeds have been so used, the Code permits the Authority to rely on a certificate of the borrower (the "Borrower Certificate") and on examination of copies of the borrower's federal income tax returns for the three years preceding the date the mortgage is executed, even though the relevant information in such affidavits and returns should ultimately prove to be untrue, unless the Authority or the participating lender knows or has reason to believe that such information is false.

Requirements Related to Arbitrage

The Code requires that the yield on Home Mortgage Loans financed with the proceeds of qualified mortgage bonds issued subsequent to December 31, 1980 may not exceed the yield on the issue of such bonds by more than 1.125%. The Code provides rules for determining the yield on Home Mortgage Loans financed from such bonds and requires that the funds held in certain investment accounts for the bonds invested at a yield materially higher than the yield on the bonds meet the temporary periods or other arbitrage provisions applicable to nonmortgage investments. For bonds issued prior to 1981, and for certain bonds issued to refund such bonds the Code permits the yield on Home Mortgage Loans financed with the proceeds of such bonds to exceed the yield on such bonds by up to 1.50%, or more if cost justified.

With respect to qualified mortgage bonds issued after December 31, 1980, the Code also requires the Authority to pay to the United States certain investment earnings (for bonds issued prior to 1989, the Code required the Authority on the issuance of such bonds to elect to pay said investment earnings to the United States or to rebate said investment earnings to mortgagors) 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 together with any income attributable to such excess. The Authority has established accounting procedures to determine the amount of such excess investment earnings.

An issue of bonds is treated as meeting certain arbitrage restrictions on mortgage loans and other requirements of the Code if (i) the issuer in good faith attempted to meet such requirements and (ii) any failure to meet such requirements is due to inadvertent error after taking reasonable steps to comply with these requirements.

Other Requirements

The Code imposes an annual volume limitation on the amount of private activity bonds (except qualified 501(c)(3) bonds and certain other bonds) that may be issued in each state. The Offered Bonds will meet the requirements of the Code with respect to annual volume limitation.

The Code requires that a specified portion of the net proceeds of an issue of qualified mortgage bonds be made available for owner financing of residences in Targeted Areas for at least one year after the date on which owner financing is first made available and that the Authority 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 that is 80% or less of the statewide median family income or areas of chronic economic distress that have been designated by the State and approved by the Secretaries of Housing and Urban Development and the Treasury under criteria specified in the Code.

The Code contains a qualified mortgage bond provision that requires a payment to the United States from certain mortgagors with respect to mortgage loans originated after December 31, 1990 upon disposition of an interest in their homes financed by a mortgage loan without regard to the date on which the applicable bonds were issued (the "Recapture Provision"). The Recapture Provision requires that an amount determined to be the subsidy provided by qualified mortgage bond financing (but not in excess of 50% of the gain) be recaptured on disposition of the residence. The recapture amount increases over the period of ownership, with full recapture occurring if the residence is sold at the end of the fifth year. The recapture amount declines ratably to zero with respect to sales occurring in years six through nine. An exception excludes from recapture part or all of the subsidy in the case of 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. The Authority has established procedures to meet such recapture information requirements. The Authority is unable to predict what effect, if any, such recapture requirement will have on the origination or prepayment of Home Mortgage Loans to which such provision will apply. For Home Mortgage Loans closed on or after March 18, 2013, the Authority has agreed to reimburse mortgagors for any recapture tax actually paid by the mortgagor.

The Code requires redemption of qualified mortgage bonds issued after 1988 from unexpended proceeds required to be used to make mortgage loans that have not been so used within 42 months from the date of issuance (or the date of issuance of the original bonds in the case of a refunding or a series of refundings), except for a $250,000 de minimis amount. Additionally, for qualified mortgage bonds issued after 1988, the Code permits repayments (including prepayments) of mortgage loans financed with the proceeds of a qualified mortgage bond issue to be used to make additional mortgage loans only for ten years from the date of issuance of the bonds (or the date of issuance of the original bonds in the case of a refunding or a series of refundings). Thereafter, such repayments must be used to redeem bonds of the "issue" not later than the close of the first semiannual period after the date the repayment is received, subject to the $250,000 de minimis exception (the "Ten-Year Rule").

Monitoring for Compliance with the Code

Compliance standards and procedures have been modified to comply with the Code. Participating lenders are responsible for reviewing each Home Mortgage Loan application with the accompanying documentation, including the Borrower Certificate, for compliance with the requirements of the Code. Normal and appropriate measures are required to be undertaken to verify the information given, either independently or concurrently with credit reviews, when applicable. All documentation is cross checked to assure that the information presented is complete and consistent. Based on its experience with processing Home Mortgage Loans under the Code, the Authority believes that its procedures have been adequate to ensure compliance with the Code.

Participating lenders are required to warrant as to each Home Mortgage Loan sold to the Authority that, among other things, (1) the Home Mortgage Loan is in compliance with the Operating Manual, (2) the lender has reviewed the borrower's application, the Borrower Certificate, and the borrower's federal income tax returns for compliance with the provisions of the Code, and (3) the Home Mortgage Loan has been closed in accordance with the Operating Manual.

Prior to issuing a commitment to purchase any Home Mortgage Loan, the Authority reviews documents submitted to the Authority, including the borrower's application, the Borrower Certificate, and the borrower's federal income tax returns, for compliance with the requirements of the Code. To the extent that these provisions are not complied with, the participating lender will be contacted to provide sufficient additional explanation or documentation to enable the Authority to make a determination regarding the status of the loan application. Upon a participating lender's failure to comply with reasonable requests from the Authority to correct or complete documentation for any Home Mortgage Loans or upon any other breach of the terms of the Commitment Agreement, or any failure to comply with the requirements for eligibility set forth in the Operating Manual (which failure is to be determined in the sole discretion of the Authority) without regard as to whether the participating lender may be at fault, the Home Mortgage Loan will be reassigned to and repurchased by the participating lender in accordance with the provisions of the Operating Manual, or otherwise reassigned in compliance with the Code.

Requirements of the Code Relating to Multifamily Mortgage Loans

Interest on bonds that are issued to finance multifamily housing mortgage loans or to refund bonds issued to finance multifamily housing mortgage loans is not included in gross income for federal income tax purposes only if certain requirements are met including (i) use of proceeds and requirements with respect to developments and tenants, (ii) yield and investment requirements, and (iii) certain other requirements related to such bonds.

For bonds issued to finance multifamily housing mortgage loans originated with the proceeds of obligations issued after April 24, 1979 and prior to September 4, 1982, or bonds issued to refund such obligations, interest on the obligations will be exempt from federal income taxation if substantially all of the proceeds of such obligations are used for "residential rental property" (as such term is defined by the Code) and at least 20% of the units in each development, or 15% in certain Targeted Areas (see "Requirements of the Code Relating to Home Mortgage Loans" above for a description of Targeted Areas), are to be occupied by individuals of low or moderate income within the meaning of Section 167(k)(3)(B) of the Code (the "low income set aside"). This requirement need only be met for a period of twenty years. Treasury regulations provide that in order to prevent the retroactive federal income taxation of interest on the tax-exempt bonds used to finance multifamily developments, among other things, (i) the low income set aside test must be satisfied on a continuous basis with respect to each development for twenty years from the date such development is available for occupancy and (ii) all of the units of each development must be continued as rental units for the longer of the remaining term of the obligations or twenty years. The Treasury regulations further provide that the low income set aside requirement shall be met if the owner of the project contracts with a federal or State agency to maintain at least 20% (or 15% in the case of Targeted Areas) of the units for low or moderate income individuals or families for twenty years in consideration for rent subsidies for such individuals or families for such period. The regulations provide, however, that such retroactive taxation will not occur if the Authority corrects any non-compliance with the above requirements occurring after the issuance of such bonds within a reasonable period after such non-compliance is first discovered or should have been discovered by the Authority or if any non-compliance is caused by an involuntary event such as fire, seizure, or foreclosure. Such requirements are not applicable to obligations issued prior to April 25, 1979, the proceeds of which were used to finance multifamily housing Mortgage Loans, or to bonds issued to refund such obligations.

For multifamily housing mortgage loans originated with the proceeds of obligations issued after September 3, 1982 and before August 16, 1986, or bonds issued to refund such obligations, the Tax Equity and Fiscal Responsibility Act of 1982 made two changes to the foregoing requirements. First, the definition of individuals of low and moderate income was changed to be individuals whose incomes are 80% or less of area median gross income as determined under Section 8 of the United States Housing Act of 1937. Second, 20% of the housing units in a project (15% in Targeted Areas) were to be occupied by individuals of low or moderate income until the later of (i) 10 years after more than one half of the project was first occupied, (ii) a date ending on a date that is 50% of the period to maturity of the longest maturity of the bonds after the project is first occupied, or (iii) the date on which any Section 8 (or comparable) assistance terminates. All of the rental units must remain as rental units for the longer of the remaining term of the obligation or the above noted time period.

For multifamily housing mortgage loans originated with the proceeds of obligations issued after August 15, 1986, or bonds issued to refund such obligations, the Code imposes numerous new requirements. The Code requires that at least 95% of the net proceeds of the issue be used to provide residential rental property and at all times during the qualified project period either (a) at least 20% of the units in each development be occupied by individuals whose

incomes are 50% or less of area median gross income, as adjusted for family size, or (b) at least 40% of the units in each such development be occupied by individuals whose incomes are 60% or less of area median gross income, as adjusted for family size. (The foregoing requirement is hereinafter referred to as the "20/50 or 40/60 Requirement.") For each such development, the term "qualified project period" is defined in the Code such that its ending date is the latest of (i) the date that is at least 15 years after the date on which 50% of the units in such development are first occupied, (ii) the first day on which no tax exempt private activity bond issued with respect to such development is outstanding, or (iii) the date on which any assistance provided with respect to such development under Section 8 terminates. Finally, all of each such development's units must remain residential rental property throughout the applicable qualified project period.

Developments, if any, that are eligible for federal low-income housing tax credits are also subject to income limitations and rent restrictions under the Code. See Appendix C to Part 2.

The Code imposes an annual volume limitation on the amount of private activity bonds (except qualified 501(c)(3) bonds and certain other bonds) that may be issued in each state.

Requirements Related to Arbitrage

The Code requires that the yield on multifamily mortgage loans financed with the proceeds of residential rental bonds may not exceed the yield on such bonds by more than 1.50%. The Code provides rules for determining the yield on multifamily mortgage loans financed from such bonds and requires that the funds held in certain investment accounts for the bonds invested at a yield materially higher than the yield on the bonds meet the temporary periods or other arbitrage provisions applicable to non-mortgage investments.

With respect to multifamily mortgage bonds issued after August 15, 1986, the Code also requires the Authority to pay to the United States certain investment earnings on non-mortgage investments to the extent such investments 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 together with any income attributable to such excess. The Authority has established accounting procedures to determine the amount of such excess investment earnings.

Certain Tax Covenants and Tax Certification

The Authority has included provisions in the 2023 Series A Resolution, the Operating Manual and other relevant documents and has established procedures (including receipt of certain affidavits and warranties from borrowers and, with respect to Home Mortgage Loans, from participating lenders respecting the mortgage eligibility requirements) in order to assure compliance with the applicable mortgage eligibility requirements and other requirements that must be met subsequent to the date of issuance of the Offered Bonds. See "Requirements of the Code Relating to Home Mortgage Loans" and "Requirements of the Code Relating to Multifamily Mortgage Loans" above. The Authority has covenanted in the 2023 Series A Resolution 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. The Authority believes that the procedures and documentation requirements established for the purpose of fulfilling these covenants are sufficient to assure that the proceeds of the Offered Bonds will be applied in accordance with the requirements of the Code so as to assure that interest on such Offered Bonds will be excluded from gross income for federal income tax purposes.

The Authority's tax certification, which will be delivered concurrently with the delivery of the Offered Bonds, will contain provisions and procedures relating to compliance with the requirements of the Code. The Authority, in executing its tax certification, will certify with respect to the Offered Bonds to the effect that it expects to be able to and will comply with the provisions and procedures set forth therein. In furtherance thereof, the Authority has required and will require each mortgagor to make certain covenants in the Home Mortgage Loan documents (the forms of which were and are, respectively, subject to the review of Co-Bond Counsel to the Authority) in order to satisfy the above-described requirements of applicable federal tax law. However, no assurance can be given that in the event of a breach of any such covenants, the remedies available to the Authority and/or owners of the Offered Bonds can be judicially enforced in such manner as to assure compliance with the requirements of applicable federal

law and therefore to prevent the loss of the exclusion of interest on the Offered Bonds from gross income under applicable federal tax law.

Opinions of Co-Bond Counsel to the Authority with Respect to the Offered Bonds

In the opinions of Co-Bond Counsel to the Authority, under existing statutes and court decisions, and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Offered Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code and (ii) interest on the Offered Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, for tax years beginning after December 31, 2022, interest on the Offered Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering such opinions, Co-Bond Counsel to the Authority have assumed compliance by the Authority with and enforcement by the Authority of the Resolution and the 2023 Series A Resolution. In the opinions of Co-Bond Counsel to the Authority, under existing statutes, interest on the Offered Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the alternative minimum tax imposed under the Code with respect to individuals, trusts and estates.

Co-Bond Counsel to the Authority express no opinion as to any other federal, state or local tax consequences arising with respect to the Offered Bonds, or the ownership or disposition thereof, except as stated above. Co-Bond Counsel to the Authority render their respective opinions under existing statutes and court decisions as of the issue date thereof, and assume no obligation to update, revise or supplement such opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to the attention of Co-Bond Counsel to the Authority, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Co-Bond Counsel to the Authority express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Co-Bond Counsel to the Authority express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel (other than Co-Bond Counsel, to the extent that both Co-Bond Counsel render such opinion) regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Offered Bonds.

Certain Collateral Federal Tax Consequences

The following is a discussion of certain collateral federal income tax matters with respect to the Offered Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of the Offered Bonds. 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 the Offered Bonds.

Prospective owners of the 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 foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Offered Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Bond Premium

In general, if an owner acquires an Offered Bond for a purchase price (excluding accrued interest) 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 premium constitutes "bond premium" on that Offered Bond (a "Premium Bond"). 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 based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). 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 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. Owners of any Premium Bonds should consult their own tax advisors regarding 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, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

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 if the recipient is one of a limited class of exempt recipients. 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.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Offered Bonds under federal or state law or otherwise prevent beneficial owners of the Offered Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Offered Bonds.

Prospective purchasers of the Offered Bonds should consult their own tax advisors regarding the foregoing matters.

LITIGATION

At the time of the delivery of and payment for the Offered Bonds, a certificate of the Authority and the opinion of the General Counsel of the Authority will be furnished for the Offered Bonds, dated the date of delivery thereof, to the effect that there is no controversy or litigation of any nature at such time pending or threatened to

restrain or enjoin the issuance, sale, execution, or delivery of such Bonds, or the making or purchasing of Home Mortgage Loans and Agency Securities from the proceeds of or amounts deemed to be proceeds of the Offered Bonds, or in any way contesting or affecting the validity of the Offered Bonds, or any proceedings of the Authority taken with respect to the issuance or sale thereof, or the pledge or application of any monies or security provided for the payment of the Offered Bonds, or the existence or powers of the Authority.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance, and sale of the Offered Bonds are subject to the approving opinions of Hawkins Delafield & Wood LLP, Hartford, Connecticut and Lewis & Munday, A Professional Corporation, of Detroit, Michigan, with offices in Glastonbury, Connecticut, Co-Bond Counsel to the Authority in connection with the issuance of the Offered Bonds. A copy of each such approving opinion, each in substantially the form attached as Appendix A to this Part 1, will be available at the time of delivery of the Offered Bonds. Certain legal matters in connection with the issuance and sale of the Offered Bonds will be passed upon for the Underwriters by their counsel, Tobin, Carberry, O'Malley, Riley & Selinger, P.C., New London, Connecticut.

FINANCIAL ADVISOR

Caine Mitter & Associates Incorporated has served as Financial Advisor to the Authority with respect to the sale of the Offered Bonds. The Financial Advisor has assisted in various matters relating to the planning, structuring and issuance of the Offered Bonds. Preparation of cash flows and other quantitative financial advisory services are provided by cfX Incorporated.

UNDERWRITING

The Underwriters have jointly and severally agreed, subject to certain conditions, to purchase all but not less than all of the Offered Bonds at a price of $175,113,360.00 (representing the par amount of the Offered Bonds, plus original issue premium in the amount of $3,398,360.00). The Underwriters will receive $1,110,148.05, which represents their fees and expenses for underwriting the Offered Bonds.

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

Each of the Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Each of the Underwriters and their respective affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the Authority, for which they may have received or will receive customary fees and expenses. In the ordinary course of their various business activities, each of the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

One or more of the Underwriters may hold a portion of the outstanding bonds that may be repaid or redeemed by special and/or optional redemption with the proceeds of the Offered Bonds and, as such, may receive a portion of the net proceeds from this offering. One or more of the Underwriters and/or their affiliates may also serve as counterparty to certain derivative and hedging arrangements of the Authority.

LEGAL INVESTMENT

The Act provides that the Bonds are securities in which all Connecticut trust companies, banks, investment companies, savings banks, building and loan associations, executors, administrators, guardians, conservators, trustees and other fiduciaries, and pension, profit sharing and retirement funds, may properly invest funds.

RATINGS

The Offered Bonds have been assigned ratings of "AAA" by S&P and "Aaa" by Moody's Investors Service ("Moody's").

Any explanation of the significance of any such rating may only be obtained from S&P or Moody's, as appropriate. The ratings are not a recommendation to buy, sell or hold any of the Offered Bonds. There is no assurance that any such rating will remain for any given period of time or that it may not be lowered or withdrawn entirely either by S&P or Moody's if, in its independent judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating on the Offered Bonds may have an adverse effect on the current market price and marketability of such Bonds.

CONTINUING DISCLOSURE UNDERTAKING

The Securities and Exchange Commission has adopted subsection (b)(5) (the "Amendment") to Rule 15c2-12 (as amended, the "Rule") requiring a participating underwriter not to purchase or sell municipal securities in connection with an offering unless the participating underwriter has reasonably determined that the issuer or other obligated person has undertaken certain continuing disclosure obligations. The Amendment applies to those offerings of municipal securities (i) that are not subject to an exemption from the Rule, as expressly provided therein, or (ii) with respect to which a Participating Underwriter (as defined in the Rule) has not contractually committed to act as an underwriter prior to July 3, 1995. Pursuant to Public Act No. 95-270 of the Connecticut General Statutes, the Authority, constituting a quasi-public agency of the State as defined in Section 1-120 of the General Statutes, is specifically empowered to make representations or agreements for the benefit of the holders of its bonds, notes or other obligations to provide secondary market disclosure information. This Statute provides that any such agreement may include (1) covenants to provide secondary market disclosure information, (2) arrangements for such information to be provided with the assistance of a paying agent, trustee or other agent, and (3) remedies for breach of such agreement, which remedies may be limited to specific performance. All such agreements entered into and all such actions taken prior to the effective date of such Public Act are therein and thereby validated.

Accordingly, in the 2023 Series A Resolution the Authority has included an article (the "Continuing Disclosure Undertaking," a summary of which is attached as Appendix B to this Part 1), which article shall constitute the Authority's written undertaking for the benefit of Bondholders and which shall apply to all Bonds of the Authority under the Resolution.

The intent of the Authority's undertaking is to provide on a continuing basis the information described in the Rule. Accordingly, the Authority reserves the right to modify the disclosure thereunder or format thereof so long as any such modification is made in a manner consistent with the Rule. Furthermore, to the extent that the Rule no longer requires the issuers of municipal securities to provide all or any portion of the information the Authority has agreed to provide, the obligation of the Authority pursuant to the Rule to provide such information also shall cease immediately.

The purpose of the Authority's undertaking is to conform to the requirements of the Rule and not to create new contractual or other rights other than the remedy of specific performance in the event of any actual or alleged failure by the Authority to comply with its written undertaking, in accordance with the Rule and Section 3-20e of the Connecticut General Statutes. Furthermore, the Continuing Disclosure Undertaking shall provide that any failure by the Authority to comply with any provision of such undertaking shall not constitute an Event of Default with respect to the Bonds under the Resolution.

It is noted that the Authority (or the Dissemination Agent) from time to time may be required pursuant to applicable law or the Resolution to provide, or may choose to provide, notice of the occurrence of certain other events, in addition to those defined as "Listed Events" in the Continuing Disclosure Undertaking if, in the judgment of the Authority (or the Dissemination Agent under the Resolution), such other event is material with respect to any Bonds under the Resolution.

ADDITIONAL INFORMATION

Certain provisions of the Act and the Resolution are summarized in this Official Statement. Such summaries do not purport to be comprehensive or definitive and reference is made to such documents, copies of which are available upon request, for a full and complete statement of their respective provisions.

The information contained herein is subject to change without notice, and no implication shall be derived therefrom or from the sale of the Offered Bonds that there has been no change in the affairs of the Authority from the date hereof. Pursuant to the Resolution, the Authority has covenanted to keep proper books of record and account in which full, true, and correct entries will be made of all its dealings and transactions under the Resolution and to cause such books to be audited for each fiscal year. The Resolution requires that such books be open to inspection by the holder of any Bond during regular business hours of the Authority and that the Authority furnish a copy of the auditor's report, when available, upon the request of the holder of any Outstanding Bond.

Any statements in this Official Statement involving matters of opinion, projections or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or holders of any of the Bonds.

CONNECTICUT HOUSING FINANCE AUTHORITY

By: /s/Hazim Taib
Chief Financial Officer

APPENDIX A

FORM OF PROPOSED APPROVING OPINIONS OF CO-BOND COUNSEL TO THE AUTHORITY FOR THE OFFERED BONDS

Upon the delivery of the 2023 Series A Bonds, Co-Bond Counsel to the Authority, Hawkins Delafield & Wood LLP and Lewis & Munday, A Professional Corporation of Detroit, Michigan, with offices in Glastonbury, Connecticut, each proposes to deliver a final approving opinion in substantially the following form:

CONNECTICUT HOUSING FINANCE AUTHORITY
999 West Street
Rocky Hill, Connecticut 06067

Ladies and Gentlemen:

As Co-Bond Counsel to the Connecticut Housing Finance Authority (the "Authority"), a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut (the "State") organized and existing under the Connecticut Housing Finance Authority Act, constituting Chapter 134 of the General Statutes of Connecticut, as amended (the "Act"), and other laws of the State, we have examined a record of proceedings relating to the issuance of $171,715,000 Housing Mortgage Finance Program Bonds, 2023 Series A (the "2023 Series A Bonds").

The 2023 Series A Bonds are authorized to be issued pursuant to the Act, the General Housing Mortgage Finance Program Bond Resolution of the Authority adopted September 27, 1972, as amended and supplemented (the "General Resolution"), and a series resolution adopted by the Authority on September 29, 2022 and January 26, 2023 (together with the General Resolution, the "Resolutions"). Housing Mortgage Finance Program Bonds, including the 2023 Series A Bonds, are authorized to be issued pursuant to the General Resolution for the purpose of providing sufficient funds to carry out the Authority's Housing Mortgage Finance Program as described in the General Resolution, which includes, among other things, the purchase of mortgages or the making of construction and permanent loans secured by mortgages to primarily finance or refinance the construction, rehabilitation and purchase or leasing of housing in the State.

The 2023 Series A Bonds are dated, will mature on the dates, will bear interest at the rates and are subject to redemption prior to maturity, all as set forth in or determined pursuant to the Resolutions.

The Authority is authorized to issue Housing Mortgage Finance Program Bonds, in addition to the 2023 Series A Bonds, upon the terms and conditions set forth in the General Resolution and such Bonds, when issued, shall, with the 2023 Series A Bonds and with all other such Bonds theretofore issued, be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the General Resolution. In addition, under certain conditions as set forth under the General Resolution, the Authority may issue other bonds secured by an equal pledge or lien on the Housing Mortgage General Fund (other than the Acquired Program Mortgages, Pledged Receipts or Recoveries of Principal) or the Housing Mortgage Capital Reserve Fund.

The 2023 Series A Bonds, for purposes of arbitrage and certain other federal tax law requirements, will be treated as a composite issue. Applicable federal tax law establishes certain requirements that must be met subsequent to the issuance of the 2023 Series A Bonds in order that interest on the 2023 Series A Bonds be and remain excluded from gross income under the Internal Revenue Code of 1986, as amended (the "Code"). The Authority has adopted the Resolutions and procedural documents, including the operating manual, to carry out the Housing Mortgage Finance Program (herein called the "Program Documents"), which Program Documents establish procedures under which such requirements can be met. The Authority has covenanted in the Resolutions to comply with the requirements of applicable federal tax law and, for such purpose, to adopt and maintain appropriate procedures. In rendering this opinion, we have relied on such covenant and have assumed the Authority's compliance with and enforcement of provisions of the Resolutions and the Program Documents.

We are of the opinion that:

1. Under the Constitution and laws of the State, the Authority has been duly created and validly exists as a body politic and corporate, performing an essential public function with good right and lawful authority, among other things, to carry out the Housing Mortgage Finance Program, including purchasing mortgages thereunder and the making of construction and permanent mortgage loans secured by mortgages to primarily finance or refinance the construction, rehabilitation and purchase or leasing of housing in the State, and to provide sufficient funds therefor by the adoption of the Resolutions and the issuance and sale of Housing Mortgage Finance Program Bonds, including the 2023 Series A Bonds, and to perform its obligations under the terms and conditions of the Resolutions, including refunding of bonds, purchasing of the mortgages or making mortgage loans and collecting and enforcing the collection of Pledged Receipts and Recoveries of Principal as covenanted in the General Resolution.

2. The Resolutions have been duly adopted by the Authority and are valid and binding upon the Authority and enforceable against the Authority in accordance with their terms.

3. The 2023 Series A Bonds are valid and legally binding general obligations of the Authority for the payment of which, in accordance with their terms, the full faith and credit of the Authority have been legally and validly pledged and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the General Resolution.

4. The Housing Mortgage Finance Program Bonds, including the 2023 Series A Bonds, are secured by a pledge in the manner and to the extent set forth in the General Resolution. The General Resolution creates the valid pledge of and the valid lien upon the Pledged Receipts, Recoveries of Principal and monies and securities held or set aside or to be set aside and held in the Housing Mortgage General Fund and the Housing Mortgage Capital Reserve Fund, established or confirmed thereunder, which the General Resolution purports to create, subject only to the provisions of the General Resolution.

5. Pursuant to the Resolutions, the Authority has validly covenanted in the manner and to the extent provided in the General Resolution, among other things, to make or purchase mortgage loans under the Housing Mortgage Finance Program with the proceeds of Bonds (as defined in the General Resolution) and other available monies, to do all acts and things necessary to receive and collect the Pledged Receipts and Recoveries of Principal and to cause its Chairperson on or before December 1 of each year to make and deliver to the Secretary of the Office of Policy and Management of the State the certificate of the Chairperson stating such sums, if any, as necessary to restore the Housing Mortgage Capital Reserve Fund to an amount equal to the Housing Mortgage Capital Reserve Fund Minimum Requirement provided for by the Resolutions pursuant to the Act. Such sums stated in such certificate of its Chairperson are validly deemed to be appropriated by the Act from the general fund of the State and such amounts shall be allotted and paid from such general fund to the Authority. Pursuant to the General Resolution, the Authority has validly covenanted to cause such amounts to be paid to the Trustee for deposit in the Housing Mortgage Capital Reserve Fund. Such appropriation and payment do not require further legislative approval.

6. The 2023 Series A Bonds do not constitute a debt or liability of the State or bonds issued or guaranteed by the State within the meaning of Section 3-21 of the General Statutes of Connecticut or a pledge of its faith and credit or of its taxing power and are payable solely from the funds provided therefor pursuant to the Resolutions and the Act.

7. Under existing statutes and court decisions, and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2023 Series A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code and (ii) interest on the 2023 Series A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, for tax years beginning after December 31, 2022, interest on the 2023 Series A Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

8. Under existing statutes, interest on the 2023 Series A Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the alternative minimum tax imposed under the Code with respect to individuals, trusts and estates.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the 2023 Series A Bonds, or the ownership or disposition thereof, except as stated in paragraphs 7 and 8 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel (other than Co-Bond Counsel, to the extent that we both render such opinion) regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the 2023 Series A Bonds.

In rendering this opinion, we are advising you that the enforceability of rights and remedies with respect to the 2023 Series A Bonds may be limited by bankruptcy, insolvency and other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

We have examined an executed 2023 Series A Bond numbered AR-1 and the form of said Bond and its execution are regular and proper.

Very truly yours,

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APPENDIX B

SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING

The following is a summary of the Authority's written undertaking for the benefit of the Holders of the Offered Bonds (the "Subject Bonds") pursuant to Rule 15c2-12(b)(5) and authorized by Public Act No. 95-270, set forth in Article VI of the 2023 Series A Resolution. Various words or terms used in the following summary are defined in the Resolution and reference thereto is made for full understanding of their import. See also Appendix D to Part 2. Reference is also made to Rule 15c2-12 (defined herein as the "Rule") and to Public Act No. 95-270 for full understanding of their import.

Definitions and Interpretation [Section 102]

Generally, all defined terms contained in the Resolution shall have the same meanings in the 2023 Series A Resolution as such terms are given in Section 101 of the Resolution unless the context otherwise requires. The following definitions relate specifically to the Authority's written undertaking pursuant to and in accordance with the Rule and authorized by Public Act No. 95-270, which undertaking is set forth in Article VI of the 2023 Series A Resolution for the benefit of the Subject Bondholders:

"Annual Financial Information" means, with respect to the Housing Mortgage Finance Program, collectively,

(A) (i) the Audited Financial Statements of the Authority for the preceding Fiscal Year (commencing with the Fiscal Year beginning on or after January 1, 2022) or Unaudited Financial Statements for such Fiscal Year if such Audited Financial Statements are unavailable, pursuant to Sections 602 and 603 of the 2023 Series A Resolution;

(ii) investments in the Housing Mortgage Capital Reserve Fund and in the various accounts in the Housing Mortgage General Fund;

(iii) identification of all Outstanding Bonds issued by the Authority including a table summarizing certain Bond information, such as coupon rates and call features; and

(iv) data reflecting the Housing Mortgage Finance Program consisting of (a) the Authority's Home Mortgage Loan Portfolio and Agency Security Portfolio, including tables describing outstanding Mortgage Loans, Commitments and Reservations, delinquencies and experience with Recoveries of Principal; and (b) the Authority's Multifamily Mortgage Loan Portfolio, including tables describing multifamily developments financed with Bond proceeds; and delinquencies, foreclosures and multifamily real estate owned.

(B) such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of such financial and operating data listed in (A) above.

Any or all of the items listed above may be included by specific reference to other documents which (i) are available on the MSRB's Internet website or (ii) have been filed with the SEC.

In the event that any of the financial information or operating data constituting Annual Financial Information can no longer be generated because the operations to which such information or data relate have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information.

"Audited Financial Statements" means, with respect to the Housing Mortgage Finance Program, the annual financial statements, if any, of the Authority, audited by such auditor as shall then be required or permitted by State law or the Resolution. Audited Financial Statements shall be prepared in accordance with GAAP; provided, however, that the Authority may from time to time, if required by federal or State legal requirements, modify the basis upon which its financial statements are prepared. Notice of any such modification shall include a reference to the specific

federal or State law or regulation describing such accounting basis and shall be provided by the Authority to the Dissemination Agent, who shall promptly deliver such notice to the MSRB.

"Dissemination Agent" means the dissemination agent appointed pursuant to the Resolution, which initially shall be U.S. Bank Trust Company, National Association.

"GAAP" means generally accepted accounting principles as prescribed from time to time for governmental units by the Governmental Accounting Standards Board ("GASB").

"Listed Event" means any of the following events with respect to any Bonds under the Resolution (the "securities" under the Rule) and the Authority (the "obligated person" under the Rule):

(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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) Modifications to rights of security holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;

(xiii) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, 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 the obligated person, any of which reflect financial difficulties.

Listed Event (xii) includes the note related thereto contained in the Rule. For the purposes of Listed Events (xv) and (xvi), the term "financial obligation" means "financial obligation" as such term is defined in the Rule.

"Listed Event Notice" means notice of a Listed Event required to be provided pursuant to Section 604 of the 2023 Series A Resolution.

"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 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of the 2023 Series A Resolution, including any amendments thereto or official interpretations thereof issued either before or after such date which are applicable to Article VI of the 2023 Series A Resolution.

"SEC" means the United States Securities and Exchange Commission.

"Unaudited Financial Statements" means the same as Audited Financial Statements, except that they shall not have been audited.

Purpose [Section 601]

Article VI of the 2023 Series A Resolution shall constitute the written undertaking for the benefit of the Holders of the Subject Bonds required by Section (b)(5)(i) of the Rule and authorized by Public Act No. 95-270, and shall apply to all Bonds of the Authority under the Resolution.

Submission of Annual Financial Information Statements [Section 602]

(A) The Authority shall, while any Subject Bonds are Outstanding, provide to the Dissemination Agent, when completed, Annual Financial Information, in an electronic format as prescribed by the MSRB, with respect to each Fiscal Year of the Authority beginning on or after January 1, 2022, which Annual Financial Information is expected to be completed within 180 days of the end of such Fiscal Year (the "Submission Date"). Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time. The Authority shall include with each such submission of Annual Financial Information a written representation addressed to the Dissemination Agent to the effect that the Annual Financial Information so submitted is the Annual Financial Information required pursuant to Section 602 of the 2023 Series A Resolution, and that such Annual Financial Information complies with the applicable requirements of Article VI of the 2023 Series A Resolution. The Dissemination Agent shall provide to the MSRB such Annual Financial Information on or before four (4) Business Days following the Submission Date (the "Report Date") while any Subject Bonds are Outstanding or, if not received by the Dissemination Agent by the Submission Date, then within three (3) Business Days of its receipt by the Dissemination Agent.

(B) It shall be sufficient if the Authority provides to the Dissemination Agent and the Dissemination Agent provides to the MSRB the Annual Financial Information by specific reference to documents available to the public on the MSRB's Internet web site or previously filed with the Securities and Exchange Commission.

Submission of Audited Financial Statements [Section 603]

The Authority shall submit to the Dissemination Agent by the Submission Date Audited Financial Statements for each Fiscal Year beginning on or after January 1, 2022, when and if available while any Subject Bonds are Outstanding, whether as part of the Annual Financial Information or separately, which Audited Financial Statements the Dissemination Agent shall then provide to the MSRB by the Report Date. If Audited Financial Statements for any Fiscal Year are not so provided to the Dissemination Agent by the Submission Date, the Authority shall provide to the Dissemination Agent (i) by the Submission Date, Unaudited Financial Statements for such Fiscal Year as part of the Annual Financial Information required to be delivered pursuant to Section 602 of the 2023 Series A Resolution,

and (ii) when available, Audited Financial Statements for such Fiscal Year, which Audited Financial Statements the Dissemination Agent shall provide to the MSRB within three (3) Business Days of its receipt thereof.

Listed Event Notices [Section 604]

(A) If a Listed Event occurs while any Subject Bonds are Outstanding, the Authority shall provide in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event, the MSRB and the Dissemination Agent, in an electronic format as prescribed by the MSRB, a Listed Event Notice. Each Listed Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the applicable Subject Bonds.

(B) The Trustee shall promptly advise the Authority and the Dissemination Agent whenever, in the course of performing its duties as Trustee under the Resolution, the Trustee identifies an occurrence which, if material, would require the Authority to provide a Listed Event Notice under Section 604 of the 2023 Series A Resolution; provided, however, that the failure of the Trustee so to advise the Authority and the Dissemination Agent shall not constitute a breach by the Trustee of any of its duties and responsibilities under the 2023 Series A Resolution or the Resolution.

Notification by Dissemination Agent of Failure by the Authority to File Annual Financial Information [Section 605]

(A) The Authority shall, while any Subject Bonds are Outstanding, provide, in a timely manner not in excess of five (5) business days after the occurrence thereof, notice of any failure of the Authority to provide the Annual Financial Information by the date specified in paragraph (A) of Section 602 of the 2023 Series A Resolution to the MSRB and the Dissemination Agent. Upon receipt of such notice, the Dissemination Agent shall provide, in a timely manner not in excess of five (5) business days after receipt of notice thereof from the Authority, notice of such failure of the Authority to provide the Annual Financial Information by such date to the MSRB.

(B) The Dissemination Agent shall, while any Subject Bonds are Outstanding and without further direction or instruction from the Authority, provide in a timely manner to the MSRB notice of any failure to provide to the MSRB Annual Financial Information on or before the Report Date (whether caused by failure of the Authority to provide such information to the Dissemination Agent by the Submission Date or for any other reason). For the purposes of determining whether information received from the Authority is Annual Financial Information, the Dissemination Agent shall be entitled conclusively to rely on the Authority's written representation made pursuant to paragraph (A) of Section 602 of the 2023 Series A Resolution.

Additional Information [Section 606]

(A) Nothing in Article VI of the 2023 Series A Resolution shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in Article VI of the 2023 Series A Resolution or any other means of communication, or including any such other information in any Annual Financial Information or Listed Event Notice, in addition to that required hereby. If the Authority should so disseminate or include any such additional information, the Authority shall have no obligation under Article VI of the 2023 Series A Resolution to update, provide or include such additional information in any future materials disseminated pursuant to Article VI of the 2023 Series A Resolution or otherwise.

(B) If the Authority provides to the Dissemination Agent additional information as described in paragraph (A) above, and such additional information is not included in any Annual Financial Information or Listed Event Notice, the Authority may direct the Dissemination Agent to provide such additional information to information repositories, upon which direction the Dissemination Agent shall provide such additional information in a timely manner to the MSRB.

Reference to Other Documents [Section 607]

It shall be sufficient for purposes of Section 602 of the 2023 Series A Resolution if the Authority provides Annual Financial Information by specific reference to documents (i) available to the public on the MSRB's Internet web site or (ii) previously filed with the SEC.

Transmission of Information and Notices [Section 608]

Unless otherwise required by law and, in the Authority's sole determination, subject to technical and economic feasibility, the Authority and the Dissemination Agent shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of the information and notices required to be delivered pursuant to the provisions of Article VI of the 2023 Series A Resolution. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Change in Fiscal Year, Submission Date and Report Date [Section 609]

The Authority may adjust the Submission Date and the Report Date if the Authority changes its Fiscal Year by providing written notice of such change in Fiscal Year and the new Submission Date and Report Date to the Dissemination Agent, which written notice the Dissemination Agent shall then promptly deliver to the MSRB; provided, however, that the new Submission Date shall be no more than 180 days after the end of such new Fiscal Year and the new Report Date shall be no more than four (4) Business Days following the new Submission Date, and provided further that the period between the final Report Date relating to the former Fiscal Year and the initial Report Date relating to the new Fiscal Year shall not exceed one year in duration.

Termination [Section 610]

(A) The Authority's and the Dissemination Agent's obligations under Article VI of the 2023 Series A Resolution shall terminate immediately once the Subject Bonds are no longer Outstanding.

(B) Article VI of the 2023 Series A Resolution, or any provision thereof, shall be null and void in the event that the Authority delivers to the Dissemination Agent and the Trustee a Counsel's Opinion, addressed to the Authority, the Trustee and the Dissemination Agent, to the effect that those portions of the Rule which require the provisions of Article VI of the 2023 Series A Resolution, or any of such provisions, do not or no longer apply to the Subject Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion. The Dissemination Agent shall, upon receipt of such opinion, promptly provide copies thereof to the MSRB.

Amendment [Section 611]

(A) Article VI of the 2023 Series A Resolution may be amended, by written agreement of the parties, without the consent of the Holders of the Subject Bonds (except to the extent required under clause (3)(ii) below), if all of the following conditions are satisfied: (1) such amendment 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 the Authority or the type of business conducted thereby; (2) Article VI of the 2023 Series A Resolution, as so amended would have complied with the requirements of the Rule as of the date of the 2023 Series A Resolution, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (3) either (i) the Authority shall have delivered to the Dissemination Agent and the Trustee a Counsel's Opinion, addressed to the Authority, the Trustee and the Dissemination Agent, which opinion states that the amendment does not materially impair the interests of the Holders of the Subject Bonds, or (ii) the Holders of the Subject Bonds consent to the amendment to Article VI of the 2023 Series A Resolution pursuant to the same procedures as are required for amendments to the Resolution with consent of Holders of Bonds pursuant to Section 901 of the Resolution as in effect on the date of the 2023 Series A Resolution. In the event the Authority delivers to the Dissemination Agent a Counsel's Opinion pursuant to clause (3)(i) of subsection 611(A) of the 2023 Series A Resolution, the Dissemination Agent shall promptly deliver copies of such opinion and amendment to the MSRB.

(B) In addition to subsection (A) above, Article VI of the 2023 Series A Resolution may be amended and any provision of Article VI of the 2023 Series A Resolution may be waived, by written agreement of the parties, without the consent of the Holders of the Subject Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the date of the 2023 Series A Resolution, which is applicable to Article VI of the 2023 Series A Resolution and (2) the Authority shall have delivered to the Dissemination Agent and the Trustee a Counsel's Opinion, addressed to the Authority, the Trustee and the Dissemination Agent, to the effect that performance by the Authority and Dissemination Agent under Article VI of the 2023 Series A Resolution as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule. Upon receipt by the Dissemination Agent of such Opinion, the Dissemination Agent shall promptly deliver copies of such Opinion and amendment to the MSRB.

(C) In the event of any amendment respecting the type of operating data or financial information contained in the Authority's Annual Financial Information, the Authority shall, in accordance with the Rule or any interpretation thereof by the SEC, provide in the first Annual Financial Information provided thereafter a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(D) In the event of any amendment specifying the accounting principles to be followed in preparing financial statements, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. In the event of any such change in accounting principles, the Authority shall deliver notice of such change in a timely manner to the Dissemination Agent, upon receipt of which the Dissemination Agent shall promptly deliver such notice to the MSRB.

Benefit; Third-Party Beneficiaries; Enforcement [Section 612]

(A) The provisions of Article VI of the 2023 Series A Resolution shall inure solely to the benefit of the Holders from time to time of the Subject Bonds, except that Beneficial Owners of Subject Bonds shall be third-party beneficiaries of Article VI of the 2023 Series A Resolution.

(B) Except as provided in subsection (B) of Section 612 of the 2023 Series A Resolution, the provisions of Article VI of the 2023 Series A Resolution shall create no rights in any person or entity. The obligations of the Authority to comply with the provisions of Article VI of the 2023 Series A Resolution shall be enforceable (i) in the case of enforcement of obligations to provide Audited Financial Statements, Annual Financial Information, operating data and notices, by any Holder of Outstanding Subject Bonds, or by the Trustee on behalf of the Holders of Outstanding Subject Bonds, or (ii), 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 Subject Bonds; provided, however, that the Trustee shall not be required to take any enforcement action except at the direction of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity. The Holders' and Trustee's rights to enforce the provisions of Article VI of the 2023 Series A Resolution shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Authority's obligations under Article VI of the 2023 Series A Resolution. In consideration of the third-party beneficiary status of Beneficial Owners of Subject Bonds pursuant to subsection (A) of Section 612 of the 2023 Series A Resolution, Beneficial Owners shall be deemed to be Holders of Subject Bonds for purposes of this subsection (B). Without limiting the generality of the foregoing and except as otherwise provided in the Resolution with respect to the Trustee, neither the commencement nor the successful completion of an action to compel performance under Article VI of the 2023 Series A Resolution shall entitle the Trustee or any other person to attorney's fees, financial damages of any sort or any other relief other than an order or injunction compelling performance.

(C) Any failure by the Authority, the Dissemination Agent or the Trustee to perform in accordance with Article VI of the 2023 Series A Resolution shall not constitute a default or an Event of Default under the Resolution or any series resolution, and the rights and remedies provided by the Resolution or any series resolution upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(D) Article VI of the 2023 Series A Resolution shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of Article VI shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent Article VI of the 2023 Series A Resolution addresses matters of federal securities laws, including the Rule, Article VI of the 2023 Series A Resolution shall be construed in accordance with such federal securities laws and official interpretations thereof.

Duties, Immunities and Liabilities of Dissemination Agent [Section 613]

The Dissemination Agent shall have only such duties under Article VI of the 2023 Series A Resolution as are specifically set forth in the 2023 Series A Resolution. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report provided by the Authority. The Dissemination Agent has no power to enforce the performance on the part of the Authority of its obligations under Article VI of the 2023 Series A Resolution. The Authority agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties under Section 613 of the 2023 Series A Resolution, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct in the performance of its duties under Section 613 of the 2023 Series A Resolution. Such indemnity shall be separate from and in addition to that provided to the Trustee under the Resolution. The obligations of the Authority under Section 613 of the 2023 Series A Resolution shall survive resignation or removal of the Trustee and payment of the Subject Bonds.

Duties, Immunities and Liabilities of Officials [Section 614]

Pursuant to Public Act No. 95-270, the Authority shall protect and save harmless any official or former official of the Authority from financial loss and expense, including legal fees and costs, if any, arising out of any claim, demand, suit or judgment by reason of alleged negligence on the part of such official, while acting in the discharge of his official duties, in providing secondary market disclosure information pursuant to Article VI of the 2023 Series A Resolution or performing any other duties set forth in the 2023 Series A Resolution. Nothing in Article VI of the 2023 Series A Resolution shall be construed to preclude the defense of governmental immunity to any such claim, demand or suit. For purposes of Section 614 of the 2023 Series A Resolution, "official" means any person elected or appointed to office or employed by the Authority. The Authority may insure against liability imposed by Section 614 of the 2023 Series A Resolution in any insurance company organized in the State or in any insurance company of another state authorized to write such insurance in the State or may elect to act as self-insurer of such liability. Section 614 of the 2023 Series A Resolution shall not apply to cases of willful and wanton fraud.

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APPENDIX C

PROJECTED PERCENTAGES OF INITIAL PRINCIPAL BALANCE OUTSTANDING AND PROJECTED WEIGHTED AVERAGE LIVES

Set forth in the table below are projected percentages of initial principal balance outstanding and projected weighted average lives for the 2023 Series A PAC Bonds under various prepayment speeds. "Projected percentages of initial principal balance outstanding" refers to the principal balance of a security that will be outstanding on a specified date expressed as a percentage of the initial principal amount of such security. The "projected weighted average life" of a security refers to the average amount of time, measured here in years, that is projected to elapse from the date of delivery of such security to the date of projected payment to the investor of each dollar paid to reduce the principal of such security (assuming no losses). The projected weighted average life of a security is determined by (a) multiplying each projected reduction, if any, of the outstanding amount of such security by the number of years from the date of delivery of such security to the related redemption date or maturity date, (b) adding the results and (c) dividing the sum by the initial outstanding amount of such security. The calculation of the projected weighted average life of the 2023 Series A PAC Bonds set forth below is hypothetical based on the making of certain assumptions, which are the same as those made under the caption "THE OFFERED BONDS─Projections of Weighted Average Lives of the 2023 Series A PAC Bonds Under Certain Hypothetical Scenarios" in Part 1 of the Official Statement.

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APPENDIX C

Table 2

Projected Percentages of Initial Principal Balance Outstanding[1] and Weighted Average Lives of $53,000,000 2023 Series A PAC Bonds Due November 15, 2053

Prepayment Assumption (expressed as a Percentage of SIFMA)

	0	25	50	75	100	200	300	400	500
Initial Percentage	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
November 15, 2023	99.2%	99.0%	98.8%	98.6%	98.4%	98.4%	98.4%	98.4%	98.4%
November 15, 2024	99.2%	99.0%	98.5%	97.2%	95.2%	95.2%	95.2%	95.2%	95.2%
November 15, 2025	99.2%	99.0%	95.3%	90.5%	85.1%	85.1%	85.1%	85.1%	85.1%
November 15, 2026	99.2%	98.5%	90.6%	81.6%	72.2%	72.2%	72.2%	72.2%	72.2%
November 15, 2027	99.2%	98.2%	86.3%	73.7%	60.9%	60.9%	60.9%	60.9%	60.9%
November 15, 2028	99.2%	96.5%	81.1%	65.2%	49.5%	49.5%	49.5%	49.5%	49.5%
November 15, 2029	99.2%	93.4%	74.7%	56.0%	37.9%	37.9%	37.9%	37.9%	37.9%
November 15, 2030	99.2%	90.5%	68.7%	47.6%	27.5%	27.5%	27.5%	27.5%	27.5%
November 15, 2031	99.2%	87.6%	63.3%	40.1%	18.5%	18.5%	18.5%	18.5%	18.5%
November 15, 2032	99.2%	85.0%	58.3%	33.4%	10.7%	10.7%	10.7%	10.7%	11.7%
November 15, 2033	99.2%	82.5%	53.8%	27.6%	4.0%	4.0%	4.0%	4.1%	7.1%
November 15, 2034	99.2%	80.2%	49.9%	22.7%	0.0%	0.0%	0.0%	0.0%	4.0%
November 15, 2035	99.2%	78.1%	46.5%	18.5%	0.0%	0.0%	0.0%	0.0%	2.0%
November 15, 2036	99.0%	76.1%	43.6%	15.2%	0.0%	0.0%	0.0%	0.0%	0.7%
November 15, 2037	98.8%	74.5%	41.2%	12.7%	0.0%	0.0%	0.0%	0.0%	0.0%
November 15, 2038	98.4%	73.0%	39.5%	11.2%	0.0%	0.0%	0.0%	0.0%	0.0%
November 15, 2039	97.9%	71.9%	38.3%	10.4%	0.0%	0.0%	0.0%	0.0%	0.0%
November 15, 2040	97.3%	71.0%	37.7%	10.4%	0.0%	0.0%	0.0%	0.0%	0.0%
November 15, 2041	96.6%	70.4%	37.7%	10.4%	0.0%	0.0%	0.0%	0.0%	0.0%
November 15, 2042	95.7%	70.2%	37.7%	10.4%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 2 continued on next page

Table 2 continued

November 15, 2043	94.7%	70.2%	37.7%	10.4%	0.0%	0.0%	0.0%	0.0%	0.0%
November 15, 2044	93.5%	70.2%	37.7%	10.4%	0.0%	0.0%	0.0%	0.0%	0.0%
November 15, 2045	92.1%	70.2%	37.7%	10.4%	0.0%	0.0%	0.0%	0.0%	0.0%
November 15, 2046	90.5%	70.2%	37.7%	10.4%	0.0%	0.0%	0.0%	0.0%	0.0%
November 15, 2047	88.7%	70.2%	37.7%	10.4%	0.0%	0.0%	0.0%	0.0%	0.0%
November 15, 2048	73.4%	58.9%	29.6%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%
November 15, 2049	55.4%	45.6%	19.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
November 15, 2050	36.2%	31.9%	10.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
November 15, 2051	15.9%	17.9%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
November 15, 2052	0.0%	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
November 15, 2053	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
First Payment or Redemption Date	11/15/2023	11/15/2023	11/15/2023	11/15/2023	11/15/2023	11/15/2023	11/15/2023	11/15/2023	11/15/2023
Last Payment or Redemption Date	11/15/2052	5/15/2053	5/15/2052	11/15/2049	11/15/2034	11/15/2034	11/15/2034	11/15/2034	11/15/2037
Weighted Average Life									
Optional Call Not Exercised	26.5	22.4	15.3	9.3	6.0	6.0	6.0	6.0	6.1
Optional Call on 11/15/2031 Exercised	8.6	8.4	7.5	6.6	5.7	5.7	5.7	5.7	5.7

1. Projected percentages of initial principal balance outstanding assuming optional call not exercised.

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APPENDIX D

S&P SECOND-PARTY OPINION

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S&P Global
Ratings

This S&P Global Ratings Second Party Opinion (SPO) represents our opinion on whether the documentation of a sustainable finance framework or program aligns with certain third-party published sustainable finance principles, guidelines, and standards ("Principles"). This SPO does not assess the alignment of any individual transaction or financing with the Principles. For more details, please refer to the Analytical Approach and Analytical Supplement, available at spglobal.com under Sustainable Financing Opinions. An SPO provides a point-in-time opinion, reflecting the information provided to us at the time the SPO was created and published, and is not surveilled. We assume no obligation to update or supplement the SPO to reflect any facts or circumstances that may come to our attention in the future. An SPO is not a credit rating, and does not consider credit quality or factor into our credit ratings.

Second Party Opinion

Connecticut Housing Finance Authority's Sustainability Framework

Jan. 13, 2023

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Connecticut Housing Finance Authority (CHFA) is a quasi-public organization created by the state of Connecticut in 1969. Its mission is to alleviate the shortage of housing for low- to moderate-income families and individuals in Connecticut. Through the General Statutes of Connecticut (the Act), CHFA is authorized to make or purchase construction and mortgage loans to finance the development, rehabilitation, purchase, or leasing of single- and multi-family housing. CHFA uses its U.S. federal tax-exempt bonding authority to access the lowest cost of capital for these purposes. To date, CHFA's investments have funded the building or renovation of more than 58,000 affordable multifamily units. In addition, nearly 147,000 Connecticut residents have purchased their first homes with a CHFA below-market interest rate mortgage.

In our view, CHFA's Sustainability Framework, published on Jan. 3, 2023, is aligned with the:

- ✔ Social Bond Principles (SBP), ICMA, 2021 (with June 2022 Appendix 1)
- ✔ Green Bond Principles (GBP), ICMA, 2021 (with June 2022 Appendix 1)
- ✔ Sustainability Bond Guidelines, ICMA, 2021

Issuer's Sustainability Objectives

CHFA's sustainability objectives are guided by its 2020 Strategic Plan, which identifies its key policy priorities, including the expansion of safe and energy-efficient housing choices for low- to moderate-income households across the state of Connecticut and the empowerment of these households to build wealth and security through first-time homeownership.

Through its Housing Mortgage Finance Program (the Resolution), CHFA raises proceeds to fund multifamily projects and purchase or originate mortgage loans for first-time homebuyers in Connecticut. With these activities, CHFA aims to revitalize neighborhoods and reduce racial and economic segregation. CHFA's priorities also support the state's overarching housing goals, including the prevention of homelessness and the expansion of housing choice and opportunity.

CHFA has designed a sustainable bond framework (CHFA Sustainability Framework 2023) for the Resolution. It intends to use this framework to guide its issuance of sustainable multifamily and social homeownership bonds.

Second Party Opinion Summary

Use of proceeds

Alignment ✓ CHFA's Sustainability Framework is aligned with this component of the Principles.

Score: Not aligned | Aligned | **Strong** | Advanced

CHFA's framework clearly details that the proceeds of the bonds issued under the framework will go toward loans from participating lenders to developers who support the state's goal of providing affordable rental units and first-time homeownership to low- to moderate-income residents. Any multifamily units will also include energy-efficient and other sustainable design features.

Process for project evaluation and selection

Alignment ✓ CHFA's Sustainability Framework is aligned with this component of the Principles.

Score: Not aligned | Aligned | **Strong** | Advanced

CHFA evaluates its multi- and single-family projects based on eligibility criteria that aligns with the federal tax-exempt bond authority requirements (the Code) and other state- and authority-mandated standards. The framework details its project evaluation processes and how CHFA identifies and manages perceived social and environmental risks associated with the eligible projects.

Management of proceeds

Alignment ✓ CHFA's Sustainability Framework is aligned with this component of the Principles.

CHFA's framework describes the process by which it will manage and track the bonds it issues. It will deposit any bond proceeds in separate accounts held by the Resolution's trustee, where they will be temporarily invested in accordance with CHFA's permitted investments policy. The issuer will coordinate with its bond trustee to ensure the proceeds are managed and allocated accordingly.

Reporting

Alignment ✓ CHFA's Sustainability Framework is aligned with this component of the Principles.

Score: Not aligned | **Aligned** | Strong | Advanced

CHFA commits to provide annual updates on the allocation of the bond proceeds on the Electronic Municipal Market Access' (EMMA) website. It also commits to report on the qualitative environmental and social outcomes and--where applicable and feasible--quantitative performance indicators of its projects on its website.

Framework Assessment

Use of proceeds

The Principles make optional recommendations for stronger structuring practices, which inform our alignment opinion as aligned, strong, or advanced. For use of proceeds, we consider the commitments and clarity on how the proceeds are used.

✔ CHFA's Sustainability Framework is aligned with this component of the Principles.

Commitments score

Not aligned	Aligned	**Strong**	Advanced

We consider CHFA's overall use of proceeds commitments to be strong.

CHFA's Sustainability Framework outlines that it will use the proceeds from the bonds issued under the framework to fund multifamily housing projects and mortgage loans to first-time homebuyers in Connecticut. CHFA aims to provide safe and affordable housing to residents throughout the state and to empower residents with the stability and wealth building opportunity of first-time homeownership. In our view, the projects span the ICMA Principles' eligible sustainability themes of affordable housing, socioeconomic advancement and empowerment, energy efficiency, green buildings, and sustainable water and wastewater management. CHFA has identified how its affordable projects are consistent with its mission, three-year strategy, and state- and federal-level mandates, which we view as a strength of the framework.

In the framework, CHFA describes that it will use the bond proceeds for its multifamily projects to fund the construction, acquisition, and rehabilitation--or preservation and redevelopment--of housing for low- to moderate-income families and residents of the state. Multifamily projects must also incorporate sustainable design features, such as products or systems that minimize water or nonrenewable energy consumption. CHFA will use the proceeds from the bonds for homeownership lending to finance 30-year below-market fixed interest mortgages for first-time homeowners in targeted populations.

CHFA may also use the bond proceeds to refund prior multifamily and homeownership bonds and commits to disclose the proportion of the bond proceeds it uses for this purpose. The bonds are not eligible for refunding for at least 10 years due to the investor call protections in place for tax-exempt debt, which is consistent with other municipal bond issuers that issue tax-exempt bonds. Additionally, the U.S. Code stipulates that a minimum of 95% of tax-exempt bond proceeds must go toward specific goals (in CHFA's case, multifamily and homeownership projects), with 5% of the proceeds set aside for the costs of issuance and non-program related activities. Because CHFA is a mission-based organization exclusively dedicated to the affordable housing needs of the state of Connecticut, we believe it will use all of the proceeds from the bonds issued under the framework to support sustainable and/or social projects.

Process for project evaluation and selection

The Principles make optional recommendations for stronger structuring practices, which inform our alignment opinion as aligned, strong, or advanced. For our process for project selection and evaluation, we consider the commitments and clarity on the process used to evaluate and select eligible projects to fund with the proceeds of the sustainable finance instrument.

✔ CHFA's Sustainability Framework is aligned with this component of the Principles.

Commitments score

Not aligned	Aligned	**Strong**	Advanced

We consider CHFA's overall process for project evaluation and selection commitments to be strong.

The framework clearly communicates the process through which CHFA determines how the bond-funded multifamily and homeownership projects it selects fit in the eligible project

categories. CHFA's process for project evaluation and selection is based on its adherence to the tightly restrictive eligibility criteria mandated by the Code and the Resolution.

For multifamily projects, the bond proceeds will be used to fund the construction, rehabilitation, or preservation of energy efficient housing projects when at least 20% of the units in an eligible project are occupied by tenants whose incomes are 50% or less of the state's area median income (AMI) or 40% or more of the units are or will be occupied by tenants whose incomes are 60% or less of the state's AMI, as adjusted for family size. Multifamily projects must also meet the state's Qualified Action Plan (QAP) standards that outline the criteria for the Low-Income Housing Tax Credit (LIHTC), as well as CHFA's Multifamily Design, Construction, and Sustainability Standards and Guidelines, which promote energy-efficient and cost-effective housing.

For homeownership projects, the framework specifies that the mortgage loans must comply with the income eligibility requirements dictated by the Code and are therefore limited to applicants meeting maximum income limits of 100% of the state's AMI for families with two or fewer people and 115% of the AMI for families of three or more. Additional interest rate discounts are offered for home purchases in targeted areas of the state (areas of chronic distress as defined by the Internal Revenue Service) or for certain targeted populations, including disabled residents, teachers, military service members, veterans, and other underserved groups. In connection with any eligible mortgage loan, CHFA may also use the bond proceeds to support savings-constrained first-time homebuyers with Downpayment Assistance Program (DAP) loans. For both savings- and income-constrained homebuyers, a "Time to Own" DAP loan eligible for debt forgiveness after 10 years further empowers CHFA to support homeownership for eligible families across the state.

The framework references CHFA's procedures regarding its staff's review of proposals for each project category to ensure they meet the appropriate standards. The framework provides information on the processes by which CHFA identifies and manages social and environmental risks, which include project site and environmental evaluations, meetings with participating lenders, and mandatory homebuyer education classes. Additionally, for multifamily projects, all proposals for mortgage financing approved by CHFA staff must be approved by the board of director's Mortgage Committee before receiving final approval by the board. For homeownership loans, participating lenders must submit all mortgage loan applications to CHFA for review and final approval. However, we note that while CHFA's staff is knowledgeable in regard to affordable housing projects, the framework does not identify the relevant ESG subject-matter expertise in its decision-making bodies, which we recognize as an industry best practice.

Management of proceeds

The Principles require disclosure of the issuer's management of proceeds from sustainable finance over the life of the funding. The alignment opinion focuses on how clear in the documentation is the issuer's commitment to ensure that the funds raised will remain dedicated to eligible sustainability projects throughout the life of the sustainable finance funding.

✔ CHFA's Sustainability Framework is aligned with this component of the Principles.

CHFA's framework references how the allocation and management of proceeds will be tracked. The bond proceeds will be deposited in segregated accounts held by the Resolution's trustee. The framework also specifies that any unallocated bond proceeds will be temporarily invested in permitted investments, which include direct obligations of, or obligations guaranteed by, the U.S., as well as cash and cash equivalents.

For multifamily projects, CHFA will observe the construction progress on a continuing basis and make loan advances based on the percentage of work completed. For homeownership loans, CHFA will purchase loans from participating lenders only after reviewing and ensuring the loan applications are compliant with its loan guidelines and the Code.

Reporting

The Principles make optional recommendations for stronger disclosure practices, which inform our disclosure opinion as aligned, strong, or advanced. We consider plans for updates on the sustainability performance of the issuer for general purpose funding, or the sustainability performance of the financed projects over the lifetime of any dedicated funding, including any commitments to post-issuance reporting.

✔ CHFA's Sustainability Framework is aligned with this component of the Principles.

Disclosure score

Not aligned	**Aligned**	Strong	Advanced

We consider CHFA's overall reporting practices to be aligned.

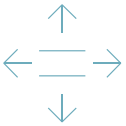
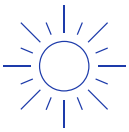
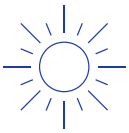
CHFA commits to provide annual updates on the allocation of the bond proceeds on the EMMA's website until full allocation. This information will adhere to CHFA's Form of Sustainability Bonds Annual Reporting found in its framework.

CHFA also commits to report annually on the qualitative environmental and social attributes of its bond-funded projects on the EMMA's website and, whenever possible and available, quantitative performance indicators. For multifamily projects, its reporting will include LIHTC allocation amounts, tenant AMI, the environmental attributes of the projects, population profiles, and the total amount of bond proceeds disbursed. For homeownership projects, the annual reports will include the number and amount of loans in the various targeted AMI bands and the total amount of bond proceeds disbursed. While not stipulated in the framework, CHFA is also legally mandated to conduct annual financial audits, which include reviewing the allocation of the proceeds for each series of its bonds. However, CHFA does not commit to disclose the key underlying methodologies and assumptions used to calculate its quantitative performance measures, nor does it commit to disclose the expected and actual impacts of the financed projects, both of which we recognize as industry best practices.

Mapping To The U.N.'s Sustainable Development Goals

The Sustainable Development Goals (SDGs), which the United Nations (U.N.) set up in 2015, form an agenda for achieving sustainable development by 2030.

CHFA's Sustainability Framework intends to contribute to the following SDGs:

Use of proceeds	SDGs
Affordable Housing	**1. No poverty***
Socioeconomic Advancement and Empowerment	 **10. Reduced inequalities*** **1. No poverty***
Energy Efficiency	 **7. Affordable and clean energy*** **11. Sustainable cities and communities***
Green Buildings	 **7. Affordable and clean energy*** **11. Sustainable cities and communities***
Sustainable Water and Wastewater Management	

11. Sustainable cities and communities*

*The eligible project categories link to these SDGs in the ICMA mapping.

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APPENDIX E

FORM OF SOCIAL BONDS ANNUAL REPORT

Form of 2023 Series A Social Bonds Annual Report
as of [DATE]

2023 Series A Bonds Lendable Proceeds Summary	
Total Original Lendable Proceeds	$[ ]
Amount of Proceeds Spent to Acquire Home Mortgage Loans as of [date]	
Lendable Proceeds Remaining as of [date]	

Purchased 2023 Series A Bonds newly- originated Home Mortgage Loans as of [date] by Borrower Income as a Percentage of Area Median Income (AMI)†		
AMI Band	# of Loans	$ of Loans ($000s)
50% and below		
50.1% - 80%		
Greater than 80%		
Totals		

† Based on household qualifying income and area median income as defined and determined by FNMA.

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CONNECTICUT HOUSING FINANCE AUTHORITY

OFFICIAL STATEMENT PART 2
relating to
Housing Mortgage Finance Program Bonds

This Part 2 of this Official Statement provides certain information concerning prior Series of Bonds, certain sources of payment and security for the Bonds, the Authority and the Housing Mortgage Finance Program. It contains only a part of the information to be provided by the Authority in connection with the issuance or remarketing of certain Series of its Bonds. The terms of the Series of Bonds being issued or remarketed, including the designation, principal amount, authorized denominations, price, maturity, interest rate and time of payment of interest, redemption provisions and any other terms or information relating thereto are set forth in Part 1 of this Official Statement with respect to such Series. Additional information concerning certain sources of payment and security for the Bonds, the Authority and the Housing Mortgage Finance Program is contained in Part 1 of this Official Statement. The information contained herein may be supplemented or otherwise modified by Part 1 of this Official Statement and is subject in all respects to the information contained therein.

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CONNECTICUT HOUSING FINANCE AUTHORITY

OFFICIAL STATEMENT PART 2
relating to
Housing Mortgage Finance Program Bonds

INTRODUCTION

The purpose of this Part 2 of this Official Statement, which includes the cover page and the appendices hereto, is to set forth certain information concerning the Authority, a public instrumentality and a political subdivision of the State, created by the Act, its Housing Mortgage Finance Program, and its Bonds, in connection with the issuance or remarketing of certain Series of the Bonds by the Authority. Each Series of Bonds is issued pursuant to the Act, the Resolution, and a related series resolution. All defined terms used in this Part 2 and not otherwise defined shall have the meanings ascribed thereto in Part 1 of this Official Statement.

All references in this Official Statement to the Act and the Resolutions are qualified in their entirety by reference to each such document, copies of which are available from the Authority, and all references to the Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Resolutions and this Official Statement.

THE AUTHORITY

Purpose and Organization

The Authority was created in 1969, pursuant to the Act, as a body politic and corporate, constituting a public instrumentality and political subdivision of the State to meet the housing needs and demands of low and moderate income families and persons, with the objectives of reducing the cost of mortgage financing for, increasing the supply of, and encouraging and assisting the development and construction of, well-planned and well-designed single family and multifamily housing throughout the State. The Act authorizes the Authority to make or purchase, and to enter into commitments to make or purchase, construction and permanent mortgage loans to finance or refinance the construction, rehabilitation, purchase, or leasing of single family and multifamily housing for low and moderate income families and persons throughout the State or for families and persons of all income levels in eligible urban areas. Each loan can be uninsured or directly or indirectly insured or guaranteed by any department, agency, or instrumentality of the United States or of the State, including the Authority itself, or by a public corporation chartered by the Congress of the United States, including but not limited to the Federal Home Loan Mortgage Corporation, or a private mortgage insurance company, however the outstanding uninsured permanent mortgage loans at any one time shall not to exceed $2,250,000,000. Although the Act provides that mortgage loans may be secured by, under certain conditions, a second mortgage lien, such loans may not be financed with Bonds issued under the Resolution.

Board of Directors

The powers of the Authority are vested in and exercised by a Board of Directors. The Act requires that the Board of Directors of the Authority consist of five State officials, serving ex officio, and eleven directors, seven of whom shall be appointed by the Governor, one by the President Pro Tempore of the Senate, one by the Speaker of the House of Representatives, one by the Minority Leader of the Senate and one by the Minority Leader of the House of Representatives. One such member of the Board must be an officer or employee of the State, appointed by the Governor or such member of the General Assembly. The Chairperson of the Board shall be appointed by the Governor. The Board annually elects one of its appointed members as Vice-Chairperson. Directors serve for terms of five years and until such member's successor has been appointed except for ex officio directors, who serve for the terms of their respective offices. The present directors of the Authority and their state offices or private affiliations are as follows:

Name	Appointed by	Position	Occupation
Seila Mosquera-Bruno	Governor	Chairperson / Ex officio Director	Commissioner, State Department of Housing
Heidi DeWyngaert	Governor	Vice-Chairperson / Director	Executive Vice President and Chief Lending Officer, Retired, Bankwell
Jerry Abrahams	Governor	Director	Former Chief Executive Officer, ORIX Commercial Mortgage Servicing Inc.
Lisa Tepper Bates	Governor	Director	Chief Executive Officer, United Way of Connecticut
Jeffrey Beckman	Governor	Ex officio Director	Secretary, Office of Policy and Management
Cynthia Butts	Speaker of the House	Director	Chief Executive Officer, Connecticut Association of Realtors
Wendy Clarke	Senate President Pro Tempore	Director	Special Counsel, Kelley Drye & Warren LLP
Alexandra Daum	Governor	Ex officio Director	Commissioner, State Department of Economic and Community Development
Philip F. DeFronzo	Minority Leader of the House	Director	President, Norcom Mortgage
Timothy B. Hodges	Governor	Director	Senior Vice President, Community Banking Division, M&T Bank
Catherine MacKinnon	Governor	Director	Executive Director, Mutual Housing Association of Greater Hartford, Inc.
Jorge Perez	Governor	Ex officio Director	Commissioner, State Department of Banking
Franklin E. Perry II	Governor	Director	Chief of Staff, State House Democrats
Erick Russell	Statute	Ex officio Director	Treasurer, State of Connecticut
Gregory F. Ugalde	Minority Leader of the Senate	Director	President and Chief Legal Officer, T&M Building Co., Inc.

Each ex officio director may designate a deputy or any staff member to represent him or her at meetings of the Authority with full power to act on his or her behalf. There is currently one vacancy on the Board.

Principal Staff

The Authority employs a staff that includes professionals in various fields relating to housing and mortgage lending, including the following officers:

Name	Position	Prior Background
Nandini Natarajan	Chief Executive Officer – Executive Director	2014-2019, Chief Financial Officer, Illinois Housing Development Authority, Chicago, Illinois; 2002-2014, Financial Advisor, 1993-2002, Team Leader/Software Developer, Caine Mitter & Associates, New York, New York; M.S. Computer Science, University of Massachusetts, AB Computer Science and Mathematics, Smith College.

Hazim Taib	Chief Financial Officer	2011-2013, Chief Financial Officer, 2009-2011, Deputy Chief Financial Officer, 2006-2009, Director Structured Finance, 1998-2006, Financial Analyst, Illinois Housing Development Authority, Chicago, Illinois; MBA (Finance & Statistics), Indiana State University, B.S. Finance, Indiana State University, Graduate Certificate – Accounting (External Auditing), Keller Graduate School of Management, Diploma – Public Administration, Universiti Teknologi MARA, Malaysia.
Pasquale Guliano	Managing Director of Multifamily	2021-2022, Project Manager, AMAC Holdings, LLC; 2014- 2021, Managing Director, Belfonti Companies; 2010-2014, Administrator, Multifamily Asset Management, Connecticut Housing Finance Authority; 2006-2010, Managing Partner, New Energy, LLC; 1998-2006, Vice President of Operations, The Clayton Companies; 1987-1998, Assistant Vice President, People's Bank; B.A., Wesleyan University; J.D., University of Bridgeport School of Law; Admitted to the practice of law in Connecticut.
Lisa Hensley	Managing Director, Homeownership Programs	2015-2021, Senior Vice President, Single Family Programs, District of Columbia Housing Finance Agency, Washington, DC; 2011-2015, Assistant Vice President, FitzGerald Financial Group, Rockville, Maryland; 2003-2011, Assistant Vice President, M&T Bank, Mortgage Division, Fredericksburg, Virginia; 1994-2003, Loan Officer, BB&T Mortgage, Manassas, Virginia.
Maura Martin	Managing Director of Administration	2019-2020, Interim Managing Director of Administration, 2013-2019, Federal Legislative Program Officer, Connecticut Housing Finance Authority; 2010-2013, Communications Consultant, 2005-2009, First Selectman, Town of Thomaston, CT; 2002-2005, Executive Producer of Local Programming, 1996 – 2002, Producer, 1995-1996, Associate Producer, Connecticut Public Television and Radio, Hartford; 1986 – 1995, Legislative Liaison, Department of Consumer Protection; B.A. in English, Middlebury College, J.D., University of Connecticut School of Law; Admitted to the practice of law in Connecticut.

Theresa Caldarone	General Counsel	2018-2019, Assistant Director-Legal, Connecticut Housing Finance Authority; 2014-2018, Assistant Counsel, Connecticut Housing Finance Authority; 2004-2011, Counsel to the Mayor, City of Waterbury, Connecticut; 2000-2004, Corporation Counsel, City of Waterbury, Connecticut; 1998-2000, Staff Attorney, Office of the Corporation Counsel, City of Waterbury, Connecticut; 2012-2014, 1992-1998, private practice of law, specializing in bankruptcy, workouts; 1989-1991, Law Clerk for the Honorable Martin V.B. Bostetter, Jr., Chief Judge, United States Bankruptcy Court for the Eastern District of Virginia, Alexandria; J.D., Washington & Lee School of Law; Articles Editor, Washington & Lee Law Review, 1988-1989; Author, "Can a Debtor Void a Real Property Lien that Exceeds the Value of the Collateral: An Interpretation of Section 506(d) of the Bankruptcy Code," Vol. 45-4, Wash. & Lee Law Rev; B.A., Trinity College, with honors, Philosophy; Editorial Board, The Trinity Papers, 1985-86; Admitted to the practice of law in Connecticut.

The Authority has a permanent staff of approximately 126 persons including the officers listed above. The supporting staff includes Deputy General Counsel, Directors of: Human Resources, Information Technology, Research, Marketing and Outreach, Internal Audit, Financial Reporting and Control, Portfolio Management and Government Relations; and also finance managers, program officers, underwriters, asset managers, architects, attorneys and those providing accounting, data and word processing, administrative, technical, legal, secretarial, and clerical support services. The Authority's address is 999 West Street, Rocky Hill, Connecticut 06067, telephone (860) 721-9501.

THE HOUSING MORTGAGE FINANCE PROGRAM

The Authority's activities under the Housing Mortgage Finance Program include providing construction and permanent financing for housing and related facilities, the primary purpose of which is to provide safe and adequate housing for low and moderate income families and persons throughout the State and to provide financing for mortgage loans in the eligible areas for persons of all income levels. Such housing and related facilities may include certain commercial, office, health, welfare, administrative, recreational, community, and service facilities incidental and pertinent to such housing and dwelling accommodations for persons other than those of low and moderate income. The Housing Mortgage Finance Program has been implemented in order that the Authority's purpose to assist in providing such housing may be accomplished either by the purchase of mortgages or by the making of loans secured by mortgages. The Authority has to date both purchased and made construction and permanent Multifamily Mortgage Loans and has purchased Home Mortgage Loans pursuant to a Master Commitment Agreement for Mortgage Purchases (the "Commitment Agreement"). For general information concerning provisions of the Act relating to mortgage loans of the Authority, see APPENDIX A – "CERTAIN PRESENT PROVISIONS OF THE ACT RELATING TO MORTGAGE LOANS OF THE AUTHORITY" in this Part 2.

Home Mortgage Loans

Home Mortgage Loan Origination Policies and Programs

The Authority purchases Home Mortgage Loans for owner occupied dwellings having up to four units (except for newly constructed housing, which is limited to one unit, or, in the case of borrowers in Targeted Areas whose family income does not exceed 140% of applicable family median income, two units) from participating lenders meeting requirements of the Authority, which are comprised of commercial banks, savings banks, savings and loan associations, credit unions and mortgage bankers throughout Connecticut ("Participating Lenders") that have entered into the Commitment Agreement with the Authority. Pursuant to the Commitment Agreement, the Participating

Lenders originate and close loans at a rate of interest established by the Authority. Applications for such loans are processed by the Participating Lenders of the applicants' choice. The Authority has reserved, and may continue to reserve, some of its home mortgage funds for certain geographical areas and for financing newly constructed homes.

Section 8-265d(a) of the Connecticut General Statutes mandated that the Authority, together with the Commissioner of Housing, develop a pilot program to provide mortgages at reduced interest rates. This initiative which for several years has provided low interest rate mortgage loans for families and individuals moving from public housing tenancy into homeownership, was made a permanent program of the Authority in 1994.

The Authority has established, and from time to time amends, income and sales price limits based upon location and family size for purchasers of homes throughout the State. The Authority establishes income limits that are no greater than the limits permitted under the Code. Under the Code, except as set forth in the next sentence, the income limits throughout the State for families of three or more range from $112,600 to $235,620. A portion of mortgage loans in certain eligible urban areas and Targeted Areas may be made to mortgagors with greater income, in accordance with requirements of the Code. The Authority's purchase price limits for existing and newly constructed housing range from $392,265 to $718,350, subject to modifications permissible under the Code.

The Authority currently finances the purchase of individual condominium units throughout the State. Prior to financing any such unit in a condominium complex, the Authority ensures that the condominium complex is approved by the FHA or meets VA, USDA, FNMA or FHLMC eligibility criteria. Generally, the Authority will not finance more than 50% of the units in any one complex. Purchase price and income limits are the same as those above noted.

The Authority requires Home Mortgage Loans in federally targeted urban areas and non-targeted areas to be insured or guaranteed by FHA, VA, RD, the Authority or PMI, unless the mortgagor's down payment is equal to 20% or more of the purchase price; provided, that the PMI requirement for a conventional loan will end once the borrower reaches 22 percent equity in the property, either through paying down the loan and/or an increase in the property's value, as mentioned above. Rating agencies' reviews of private mortgage insurers in recent years may be indicative of some future inability of these insurers generally to fulfill in full their obligations, if and when required upon a mortgage default, to make timely payments on policies. Some Home Mortgage Loans may be additionally guaranteed by securitizing such loans into Agency Securities.

For a discussion of FHA, VA, RD and PMI mortgage insurance and guaranty programs and certain percentage limitations on the amount of the mortgage loans insured or guaranteed, see APPENDIX C – "SUMMARY OF CERTAIN FEDERAL HOUSING SUBSIDY AND MORTGAGE INSURANCE OR GUARANTEE PROGRAMS" in this Part 2.

Each Home Mortgage Loan application submitted to the Authority by a Participating Lender is generally accompanied by a mortgage insurance or guaranty commitment. The Authority independently reviews each application to verify, to its satisfaction, compliance with the Code and the loan standards described above if such loan is not securitized into Agency Securities, and in appropriate instances declines to finance Home Mortgage Loans despite earlier review and approval for insurance or guaranty by FHA, VA, RD, the Authority or PMI. The Authority will make a firm commitment or provide an instruction to its Master Servicer (as defined below) to purchase only those Home Mortgage Loans that satisfy its criteria. The commitment obligates the Authority or its Master Servicer for a specified period to purchase the loan, subject to the closing conditions contained in the commitment or instruction.

Each Participating Lender must warrant that all Home Mortgage Loans offered for sale to the Authority or its Master Servicer meet certain conditions, among which are the following: (i) the mortgage was duly executed, (ii) the mortgage is a valid first lien on the premises and the note is a valid and binding obligation of the mortgagor, (iii) neither the mortgage nor the note was in default on the date of such offer or on the date of the Authority's acceptance thereof, (iv) the full principal balance of the loan has been advanced to the mortgagor and is fully secured by the mortgage, (v) all requirements of applicable Federal and state laws have been fully complied with, (vi) the premises are covered by a hazard insurance policy in an amount at least equal to the outstanding principal balance of the loan, and (vii) the mortgage is covered by a title insurance policy that meets the Authority's requirements. In an event a loan is unable to meet any of the conditions set forth above, the Authority or its Master Servicer may at its discretion not purchase the Home Mortgage Loan.

The Authority performs a final review of the documents to ensure that Participating Lenders have complied with the Authority's guidelines for the purchase of Home Mortgage Loans. As such, Participating Lenders are required to deliver certain documents including but not limited to, (i) a copy of the mortgage note, (ii) a copy of the mortgage insurance or guaranty certificate, and (iii) a copy of the participating lender certification to the Authority after the Home Mortgage Loans were sold to the Authority. Any irregularities discovered during the review process are further reviewed by counsel to the Authority, and if the documentation does not satisfy the Authority's requirements, the Participating Lender is requested to supply the proper documentation. Thereafter, if it is determined that the Home Mortgage Loan or the documentation relating thereto does not comply with the Act or the Authority's current guidelines, the Authority, pursuant to its Commitment Agreement, may require the repurchase of any such loan and hold the Authority harmless from any loss or other expenses associated with such repurchase by the Participating Lender if such lender does not cure the deficiency within a reasonable period of time. All original mortgage loan documentation is retained by the servicer on behalf of the Authority. To date, the Authority has not requested a significant number of repurchases.

In addition to its general home purchase program for first time homebuyers and home purchase program in a Targeted Area, the Authority has developed a few home purchase assistance programs to achieve its policy objective. This includes but is not limited to (i) the military homeownership program, (ii) the teachers' mortgage assistance program, and (iii) the police homeowner program. Please refer to the Authority's website for more program information.

Servicing Arrangements for Home Mortgage Loans

The Authority has entered into agreements with bank servicers, non-bank or independent mortgage servicers and subservicers for the servicing of its Home Mortgage Loans for a servicing fee. The Authority's annual servicing fee with respect to Home Mortgage Loans (exclude loans that were securitized) at the present time is up to three eighths of one percent (.00375) per annum, computed on the unpaid principal balance prior to the monthly payment.

Accepted industry standards for servicing institutions have been adopted by the Authority. Among other things, the servicer of a Home Mortgage Loan is required to inspect the mortgaged property, maintain required records, and render to the Authority an accounting of funds collected. The servicer is expected to attempt to cure any delinquency or default on the mortgage loan and, in case of default, to institute foreclosure proceedings, but all foreclosure expenses not covered by insurance are borne by the Authority.

Upon receipt of scheduled mortgage payments from Home Mortgage Loans, the servicer deposits, at least semi-monthly, a portion of the principal and interest payments (net of servicing fees), with a depository bank or banks, to be held in escrow for the Trustee. The balance of the payments, including for property taxes and mortgage insurance, is retained by the servicer and applied as necessary. Once transferred to the Trustee, it shall hold such receipts in a common fund created under the Resolution and known as the Pledged Account. Monies within the Pledged Account are distributed on a monthly basis in accordance with the Resolution.

Loan Modifications

In the case of delinquencies of mortgage loans insured or guaranteed by FHA, VA or RD or PMI, the Authority may modify the terms of such mortgage loans in accordance with the requirements of the mortgage insurer or guarantor. Such modifications may include the deferral of monthly payments of principal and interest, the extension of the maturity dates and re-amortization of the outstanding principal balances of the mortgage loans, and, in the case of FHA-insured mortgage loans, the payment by FHA of partial insurance claims. From time to time, FHA may issue a Mortgagee Letter that amends its previously issued guidance on loan modification and loss mitigation.

Home Mortgage Loan Portfolio

General. The Authority holds four separate portfolios of mortgage loans on homes under the Resolution:

(i) the "Home Mortgage Loan Portfolio," representing mortgage loans originally financed with the proceeds of Housing Mortgage Finance Program Bonds, amounts transferred to the Investment Trust Subaccount, or Recoveries of Principal with respect to the Home Mortgage Loan Portfolio,

(ii) the "DAP Portfolio," consisting of down payment assistance loans originally financed by the State or repayments with respect to the DAP Portfolio (which are dedicated to such purpose),

(iii) the "RAM Portfolio," consisting of reverse annuity mortgage loans originally funded by the State and the Investment Trust Subaccount with respect to the RAM Portfolio, and

(iv) the "Special Programs Portfolio," consisting of mortgage loans under a number of the Authority's special programs originally financed by the Investment Trust Subaccount. The DECD Portfolio described under "THE HOUSING MORTGAGE FINANCE PROGRAM – Other Portfolios within the Investment Trust Subaccount" in this Part 2 also contains a small number of consumer loans (the "DECD Consumer Portfolio"). This section provides information only with respect to the Home Mortgage Loan Portfolio. For a description of the DAP Portfolio, the RAM Portfolio, the Special Programs Portfolio and the DECD Portfolio, see "THE HOUSING MORTGAGE FINANCE PROGRAM – Other Portfolios within the Investment Trust Subaccount" in this Part 2. Revenues from the Home Mortgage Loan Portfolio constitute Pledged Receipts under the Resolution.

Agency Securities

In furtherance of its Home Mortgage Loan Program, the Authority directs its Participating Lenders to assign certain Home Mortgage Loans to a designated servicer (the "Master Servicer") for assembly and delivery of pools or securities guaranteed by the Government National Mortgage Association ("GNMA"), the Federal National Mortgage Association ("FNMA") or the Federal Home Loan Mortgage Corporation ("FHLMC" and together with GNMA and FNMA, "Agency Securities"). Agency Securities are sometimes referred to as "Agency Security Portfolio". The Authority will then purchase the resulting Agency Securities and treat the securities as investments under the Resolution. The Authority's Master Servicer has been pooling and securitizing certain Home Mortgage Loans in FNMA and FHLMC since 2013 and 2017, respectively. Since 2015, the Idaho Housing and Finance Association ("IHFA"), an independent public body corporate and politic of the State of Idaho has acted as the Authority's primary Master Servicer. In the case of the GNMA program, the Home Mortgage Loans must be government insured, and in the case of the FHLMC or FNMA program, the Home Mortgage Loans must be insured by private mortgage insurance companies or meet agency guidelines for not requiring private mortgage insurance. For federal income tax purposes, Agency Securities with the underlying Home Mortgage Loans are subject to all rules relating to Acquired Program Mortgages, including the Ten-Year Rule described in Part 1 under the caption "TAX MATTERS – Requirements of the Code Relating to Home Mortgage Loans – Other Requirements," a rule which has an impact on the frequency and amount of prior par redemptions of the Bonds. See Schedule B to this Part 2 and APPENDIX C – "SUMMARY OF CERTAIN FEDERAL HOUSING SUBSIDY AND MORTGAGE INSURANCE OR GUARANTEE PROGRAMS" in this Part 2.

Effective November 15, 2000, the Authority was permitted to invest amounts held in the Housing Mortgage General Fund, including, but not limited to, amounts on deposit in the Principal Installment Account and Interest Account, in Agency Securities. In order to assure sufficient resources for the timely payment of Principal Installments and interest due on each Interest Payment Date notwithstanding the investment in Agency Securities, the Authority amended the Resolution to create the Investment Trust Subaccount within the Surplus Account and transferred approximately $331,081,000 of net assets to the credit of the Housing Mortgage General Fund, which assets were previously attributable to the Investment Trust Fund maintained outside the lien of the Resolution.

Prior to December 2015, the Authority credited substantially all new Agency Securities to the Housing Mortgage Capital Reserve Fund. Since then, most new Agency Securities are credited to the Housing Mortgage General Fund. Revenues from the Agency Security Portfolio constitutes Pledged Receipts under the Resolution.

As of June 30, 2022, the aggregate principal balance of the Agency Securities held under the Resolution was $2.1 billion. As of June 30, 2022, the market value of the Agency Securities held in the Housing Mortgage Capital Reserve Fund was approximately $303 million and the market value of the Agency Securities held in the Housing Mortgage General Fund was approximately $1.64 billion.

The following tables set forth certain information regarding the Home Mortgage Loan Portfolio and the Agency Securities Portfolio.

Housing Mortgage Finance Program
Home Mortgage Loan and Agency Security Portfolio
Distribution by Year of Origination with Weighted Average Coupon
as of June 30, 2022

Year of Origination	Original Number of Loans	Original Balance	Outstanding Balance Home Mortgage Loan	Outstanding Balance Agency Security	Current Weighted Average Coupon
Before 2010	83,946	$8,720,159,203	$410,977,813	$83,164,011	5.33%
2010	1,915	305,005,447	97,966,493	0	4.25%
2011	1,559	241,330,834	77,816,153	7,362,056	3.79%
2012	1,395	208,450,761	66,097,569	17,206,812	3.06%
2013	1,539	244,582,121	89,221,605	18,540,788	2.91%
2014	1,944	313,298,356	90,900,785	43,167,213	3.39%
2015	2,743	460,604,445	78,939,415	148,271,026	3.25%
2016	3,675	620,594,034	58,977,418	293,392,259	3.10%
2017	2,968	511,404,366	49,736,907	274,501,364	3.30%
2018	3,205	574,004,518	36,261,667	316,342,901	3.75%
2019	2,897	526,967,234	23,517,779	351,265,476	3.66%
2020	1,645	294,258,476	31,877,170	231,915,344	2.97%
2021	1,174	238,622,035	36,711,540	195,673,623	2.68%
2022	695	150,367,844	27,391,911	119,699,836	3.12%
	111,300	$13,409,649,673	$1,176,394,225	$2,100,502,708	

Note:

Values in the "Before 2010" cohort are based on loans that were outstanding on 12/31/1994.

Housing Mortgage Finance Program
Home Mortgage Loan Portfolio
Distribution by Amortized LTV Ratio and Insurance Coverage
as of June 30, 2022

Current Amortized LTV Ratio:	< 80.00			80.00 - 94.99			>= 95.00			TOTAL	
	$ Balance	% Del.	(1)	$ Balance	% Del.	(1)	$ Balance	% Del.	(1)	$ Balance	% Del.
Governmental Insurance											
FHA	581,060,659	6.6%		214,485,963	13.1%		34,911,282	21.9%		**830,457,904**	9.0%
VA	14,691,386	3.6%		14,831,960	6.2%		374,170	52.5%		**29,897,516**	5.5%
RD	22,860,688	4.1%		23,774,710	6.8%		1,035,250	29.6%		**47,670,648**	6.0%
	618,612,734			253,092,633			36,320,703			**908,026,069**	
Private Mortgage Insurance											
Genworth Mortgage Insurance Corp.	-			-			-			**-**	
Mortgage Guaranty Insurance Corp.	-			-			-			**-**	
PMI Mortgage Insurance Co.	-			35,845,135	1.6%		11,552,255			**47,397,390**	1.2%
United Guaranty Corporation	-			-			-			**-**	
Other PMI	-			-			-			**-**	
	-			35,845,135			11,552,255			**47,397,390**	
No Insurance											
Never Insured / Self Insured	162,016,737	5.5%		4,054,043	41.0%		217,748			**166,288,528**	6.3%
Prior PMI subject to cancellation	54,682,238	8.2%		-			-			**54,682,238**	8.2%
	216,698,975			4,054,043			217,748			**220,970,766**	
Total	**835,311,708**	6.4%		**292,991,811**	11.2%		**48,090,706**	16.9%		**1,176,394,225**	8.0%

(1) Represents percentage, by principal balance, of Mortgage Loans 60 days or more delinquent, including those Mortgage Loans in foreclosure.

As reflected above, as of June 30, 2022, the Home Mortgage Loan Portfolio had an outstanding principal balance of $1.18 billion (36%) and the Agency Security Portfolio had an outstanding principal balance of $2.1 billion (64%).

Home Mortgage Loan Delinquencies and Foreclosures

The majority of Home Mortgage Loans that were either delinquent or in foreclosure were either FHA, RD- or PMI-insured or VA-guaranteed. In general, the FHA mortgage insurance program for Home Mortgage Loans provides coverage for the principal amount of insured mortgages. The insurance proceeds are generally paid in cash, but under certain programs, payments may be in the form of twenty year debentures, which, in certain circumstances, may have an interest rate less than that of the insured mortgage. In most cases, the insurance payment does not cover all accrued but unpaid interest. The VA program generally provides limited guarantees subject to the amount of the entitlement that is available to the veteran. For loans between $45,000 and $144,000, the minimum VA guarantee amount is $22,500, with a maximum guarantee of 40% of the loan amount but with a cap of $36,000. For loans that are more than $144,000, the maximum guarantee is the lesser of 25% of the loan amount or 25% of the Fannie Mae and Freddie Mac conforming loan limit for a single family residence, varying by county and the year involved. The VA may, at its option, and without regard to the guaranty, make full payment to a mortgage lender of the unsatisfied

indebtedness on a mortgage loan upon its assignment to the VA. A mortgage lender will ordinarily suffer a monetary loss on a VA guaranteed loan only where the difference between the unsatisfied indebtedness and the proceeds of a foreclosure sale of a mortgaged premises is greater than the original guaranty, adjusted for payments. Any foreclosed single family properties that the Authority does not convey after receipt of payment pursuant to mortgage insurance or a guaranty, are sold by the Authority in accordance with customary practice. For a discussion of the FHA, VA, RD and PMI mortgage insurance and guaranty programs, see APPENDIX C – "SUMMARY OF CERTAIN FEDERAL HOUSING SUBSIDY AND MORTGAGE INSURANCE OR GUARANTEE PROGRAMS" in this Part 2.

The Authority generally considers a mortgage loan in default and initiates default proceedings after such loan has been delinquent for 90 days, unless a forbearance agreement has been entered into with respect to such loan and such default proceedings may lead to a judicial foreclosure. While motions in Connecticut foreclosure actions are considered privileged matters and are heard on an expedited basis, judges' ability to render judgments is hampered by their growing case load. The action commences as any other civil action and, after service of process, the action may proceed to judgment within a short period of time relative to other types of civil actions, providing there are no defenses to the action. At the hearing for judgment, the court determines the mortgagor's equity in the property and sets a redemption or sale date accordingly. An unemployed or underemployed person who has had a mortgage on a dwelling that has served as his principal residence for not less than two years may, under certain circumstances, apply to the court for protection from foreclosure in the form of restructuring of the mortgage debt so as to provide for the payment of any arrearage in payments over a period of not more than six months. Section 49-31l of the Connecticut General Statutes established a court supervised foreclosure mediation program in actions to foreclose mortgages on residential property filed from July 1, 2008 to June 30, 2023. The program requires foreclosing mortgagees to notify mortgagors of its availability and provides for a stay of action for up to eight months. The rights of eligible property owners are protected in Connecticut foreclosure actions by Sections 8-265cc through 8-265kk of the Connecticut General Statutes known as the Emergency Mortgage Assistance Program. See "OTHER ACTIVITIES – The Emergency Mortgage Assistance Program" in this Part 2.

During 2021, the Authority completed foreclosure on four privately insured and/or uninsured mortgages and anticipates recovering a substantial portion of principal and expenses. As of June 30, 2022, $26,508,632 or 2.09% of outstanding principal balances of Home Mortgage Loans in the Home Mortgage Loan Portfolio were in various stages of foreclosure proceedings. The tables below reflect delinquency information for the Home Mortgage Loan Portfolio.

Home Mortgage Loan Portfolio as of June 30, 2022

	Performing Loans	Non-Performing Loans			
Purchase Year	**(including 30-59 Days)**	**60-89 Days**	**90+ Days**	**In Foreclosure**	**Total**
2022	115	-	1	-	116
2021	182	2	1	-	185
2020	163	- 3	3	1	170
2019	132	2	11	2	147
2018	218	8	7	1	234
2017	309	5	13	5	332
2016	396	10	16	7	429
2015	581	10	15	6	612
2014	703	9	14	13	739
2013	697	5	25	7	734
2012	572	9	17	9	607
2011	634	12	11	19	676
< 2011	5,589	88	185	165	6,027
Total	10,291	163	318	235	11,008

	Performing Loans	Non-Performing Loans			
Insurance Type	**(including 30-59 Days)**	**60-89 Days**	**90+ Days**	**In Foreclosure**	**Total**
CHFA	58	1	2	1	62
FHA – VA – RDA	7,881	135	269	185	8,470
PMI	459	4	10	14	487
UNINSURED	1,893	23	38	35	1,989
Total	10,291	163	319	235	11,008

Multifamily Mortgage Loans

The Authority originates uninsured and privately insured or guaranteed loans for multifamily developments in accordance with its own guidelines, standards, and procedures, which may be modified from time to time, consistent with the Authority's experience and judgment. In the case of insured developments, both the Authority's and the insurers' processing procedures are applicable. In addition, the Authority has processed developments in conjunction with Federal mortgage insurance programs. The Authority participates in the HUD Risk Sharing Program and has the ability to process all developments through the Program to determine eligibility therein.

Pursuant to the Act, construction Multifamily Mortgage Loans made by the Authority may be advanced in installments as the work progresses, but the total of all advances made is not to exceed 90% of the project cost if the development is owned by a for profit mortgagor and 100% of the project cost if the development is owned by a non-profit mortgagor. The final installment of a construction mortgage loan may be either advanced to the mortgagor or retained in the discretion of the Authority until after the Authority inspects the development and determines that the mortgagor has complied with its requirements. The mortgagor or its contractor is also required to post 100% payment and performance surety bonds or to provide letters of credit or other assurances and guarantees as the Authority may deem necessary in amounts that are based upon the size and nature of the development. Permanent Multifamily Loans made by the Authority: (i) must not exceed 90% of the estimated cost of housing owned or to be owned by a profit making organization; (ii) must have a maturity no longer than fifty years from the date of the loan; (iii) must contain amortization provisions requiring periodic payment by the mortgagor not in excess of the mortgagor's ability to pay; and (iv) must be in such form and contain such terms and provisions with respect to property insurance, repairs, payment of taxes and assessments, defaults, delinquency charges, additional and secondary liens, equitable and legal redemption rights, and other matters as the Authority may prescribe.

Multifamily Mortgage Loan Processing and Servicing Procedures

The process described below generally is used by the Authority in evaluating, processing, financing and servicing multifamily residential housing.

Preliminary Evaluation. The Authority initially considers several aspects relating to each development. The Authority evaluates the proposed site to determine if it is physically suitable for the development. The sponsor must provide the Authority with evidence that the proposed development satisfies or will satisfy all local zoning requirements and proof of site control. The site is evaluated to determine its appropriateness for the housing to be provided based on location, accessibility to local services and facilities, available utilities, and density requirements. In the case of housing for the elderly, particular emphasis is placed upon proximity to such services and facilities, including medical care and senior citizen centers. An attempt is made to assure adequate site conditions compatible with the proposed housing through sound site engineering review.

The Authority generally arranges a meeting to discuss the proposal with the sponsor and evaluates the ability of a sponsor to complete and manage the proposed development and program requirements. The experience of the sponsor is reviewed and an evaluation is made of the proposed development team including architects, management agent, and general contractor.

Development Feasibility. After the preliminary evaluation of a development has been completed, the Authority proceeds to determine acceptable design criteria, construction plans and specifications, acceptability of the management program, and overall financing feasibility over the life of the mortgage loan. The Authority's staff reviews and analyzes the development for proper site utilization, compatibility of design with the neighborhood and design of the units, and other amenities. The construction feasibility is concerned with, among other items,

environmental review, site conditions, construction type, the construction budget, compliance with equal opportunity requirements, the Americans with Disabilities Act requirements and other Federal and State requirements. The Authority accepts the design and construction proposal for the development, which includes site and landscaping plans. A cost analysis is conducted at this stage based on comparable data to determine development feasibility, and an evaluation is made as to whether the mortgage can support the construction costs.

In addition, the Authority continues its review of the qualifications of the proposed mortgagor, general contractor, architect, and managing agent of the development, as well as the budget for the development's operation. Consideration is given to whether the developer can meet the Authority's requirements for the maintenance and administration of the development and services to tenants of the development. The review includes acceptance of a marketing plan, if applicable.

The financial feasibility of the development is established by a review of operating expenses which meet the Authority's operational requirements. The Authority reviews estimated taxes, utility and heating costs, insurance, maintenance allowances, reserves for replacements and repairs, and general operating costs. After such review, the Authority determines if the proposed rental income and resultant net operating income is sufficient to cover debt service on the mortgage loan and operating costs (including reserves and escrow accounts and return on equity for limited dividend sponsors). In determining financial feasibility, the Authority reviews construction time and cost requirements and other aspects of the development that could affect feasibility.

Market Analysis. Developments expected to be financed by the Authority are analyzed and reviewed to determine marketability and market acceptance of the proposal. In addition, usually the Authority, at the applicant's expense, contracts with a third party professional for a market study and appraisal in form and content acceptable to the Authority, when required by the Authority.

Commitment to Finance. Upon approval of the feasibility of the development by the Authority's staff, the proposal is either submitted for consideration by the Mortgage Committee composed of Directors of the Authority and then to the Authority's Board of Directors for approval or it may be submitted directly to the Board of Directors for approval, provided that certain small loans as determined by the Authority may be submitted to a committee of senior staff for approval. This approval establishes the financial parameters of the mortgage loan(s), which includes loan terms and the proposed mortgage interest rate. In the case of an insured development, the Authority receives a firm commitment for such insurance from HUD.

Construction Loan Closing. Prior to the loan closing, the Authority generally requires the submission of final plans and specifications, the contractor's trade payment breakdown of materials and labor, the construction contract, and other documents and exhibits acceptable to the Authority. The initial closing takes place before the disbursement of any loan proceeds and involves the execution of the mortgage loan documents, including, among other documents, the construction contract, and certification of environmental conditions acceptable to the Authority.

The Authority requires certain fees to be paid by the mortgagor at or prior to the closing of the mortgage loan. These and other fees may be eligible for reimbursement from loan proceeds following the execution of the mortgage.

The Authority observes construction progress on a continuing basis throughout the construction period. Construction advances are generally made monthly based on the percentage of work completed as determined by the contractor and verified by the Authority. Up to 10% of the amount due the contractor is retained by the Authority pending the completion of construction. The retainage may be reduced to a lesser amount between the time the development is substantially completed and the final mortgage closing by the Authority.

Assurance of Completion. The general contractor is required to execute a contract agreeing to complete construction in conformity with the plans and specifications for not more than the accepted contract amount. The contract typically provides that the contractor is liable for liquidated damages in the event that all construction is not completed on or before the required contract completion date. In order to assure completion of construction, the Authority currently requires 100% payment and performance bonds or, in lieu thereof, letters of credit or other assurances or guarantees as the Authority may deem necessary, in amounts that are based upon the size and nature of the development.

Development Cost Certification and Final Closing. When all units in a development are completed and ready for occupancy, a cut-off date is established for cost certification of the development and a certificate of substantial completion is issued. Final closing consists of a review and approval by the Authority of cost certifications by the mortgagor and the general contractor. In the case of an insured development, a review and approval by HUD of a certification by an independent certified public accountant of the total cost of the development and of operating income and expenses of the development through the cut-off date is required. Based upon such review, the mortgage loan amount for any development may be decreased or increased with the approval of the Authority. In the case of developments with FHA-insured mortgage loans, the approval of HUD is also required. For such developments, both HUD and the Authority's counsel review and approve the final title insurance policy and other closing documents, and the mortgage note receives final endorsement for insurance by FHA before the final construction disbursement is made. The Authority also reviews the mortgagor's insurance policies prior to closing to assure that sufficient amounts and kinds of insurance are in force as of final closing.

Tenant Selection, Marketing, and Management. The Authority requires that the mortgagor of each development be subject to a regulatory agreement between the Authority and the mortgagor. In addition, the mortgagor of an FHA-insured development is subject to a regulatory agreement between HUD and the mortgagor. Such regulatory agreements regulate the rents, occupancy, management and operations of the development and the profits of the mortgagor.

The Authority requires a management plan for each development covering all pertinent development operations. The management plan includes a tenant lease in a form accepted by the Authority, a statement of occupancy and eligibility requirements, affirmative marketing and tenant selection standards, required accounting and reporting procedures, and tenant relations policies. The Authority requires a management agreement prepared by the Authority to be executed between the mortgagor and the management agent. This agreement is reviewed and approved by the Authority (and HUD in the case of an insured development), and may be terminated by the Authority, or by HUD in the case of a development subsidized under Section 8 of the U.S. Housing Act of 1937, as amended ("Section 8") or an insured development, with or without cause by giving thirty days' notice to the mortgagor and agent.

Each development receiving Section 8 rent subsidies has a housing assistance payments contract ("HAPC"), which provides for subsidy payments through the Authority, a local housing authority, or directly from HUD to the mortgagor on behalf of eligible tenants. In the case of all developments receiving Section 8 subsidies, the Authority requires the mortgagor to assign to the Authority all its right, title, and interest, including its right to renew the HAPC for successive periods and to receive subsidy payments in amounts sufficient to make payments of principal and interest on the mortgage loan when due.

From time to time, proposals have been discussed (and, in some instances, legislation has been introduced) by HUD and by members of Congress which, if enacted into law, promulgated as HUD regulations or adopted as official enforceable policies of HUD, would affect many HUD programs, including the Section 8 Program. Among the effects could be a reduction in the contract rents or in the annual adjustments thereof for Section 8 assisted multifamily developments. Any such reduction in such rents or such adjustments could adversely affect the financial feasibility of certain of these developments and the adequacy of rental income to pay principal and interest on the mortgage loans financing such developments. There can be no assurance that these proposals or legislation will or will not be enacted into law, promulgated as HUD regulations or adopted as official enforceable policies of HUD. See APPENDIX C – "SUMMARY OF CERTAIN FEDERAL HOUSING SUBSIDY AND MORTGAGE INSURANCE OR GUARANTEE PROGRAMS" in this Part 2.

The Authority monitors the operation of the development for compliance by the mortgagor with the provisions of each regulatory agreement and for compliance by the management agent with the terms of the management agreement and management plan. Each regulatory agreement requires an annual operating budget, annual audited financial statements or reviews, if applicable, and periodic reports for the development to be submitted. Except for uninsured unsubsidized units, changes in rents must be within HUD guidelines and, except for annual adjustments in Section 8 rents, must be approved by HUD if such development is insured or subsidized. Any such changes are reviewed by the Authority, and appropriate comments are transmitted to HUD for consideration. Market rate increases are initiated by the owner/developer and are reviewed for acceptability by the Authority.

Depending on the performance rating of a development, the Authority may require a periodic report on each of its multifamily developments that indicates occupancy rate, income received, expenses paid, accounts payable, accounts receivable, and cash on hand at the end of the period. Observations are performed based on performance rating. The Authority regularly monitors the status of escrow accounts and requires most mortgagors to submit audited annual financial statements prepared by a third party certified public accountant.

In addition to these financial checks, each development is visited for a physical observation based on its performance rating but at a minimum at least once every three years. A physical observation is performed to evaluate the physical condition of buildings, grounds, equipment, and the adequacy of preventive and corrective maintenance operation. Mortgagors and managing agents receive a written report of the physical observation findings. Management evaluations are performed during regular visits to each development by the staff member assigned to that development. An attempt is made to ensure that any defects noted in the physical observation have been corrected, and that the managing agent's record keeping, tenant selection, marketing, leasing, staffing, and servicing policies conform to those required in the regulatory and management agreements.

If the Authority has responsibility for administering the Section 8 contract for a particular development, it also reviews the mortgagor's compliance with initial tenant eligibility certification and recertification procedures and other requirements of the HAPC, including calculation of the tenant's income and rental contribution.

Reserve for Replacements, Escrow for Real Estate Taxes and Insurance Premiums, and Security Against Operating Deficits. The Authority requires each mortgagor to pay monthly amounts to fund escrow accounts for estimated real estate taxes, a reserve for replacement accounts and, if applicable, for a reserve for FHA insurance premiums, and fire and casualty insurance premiums for each development. The mortgagor may request the Authority to disburse funds from the reserve for replacements account from time to time for payment of the cost of replacement items. The Authority considers such reserves to be generally adequate for their purpose based on its experience to date, but there can be no assurance that the reserves so established will be large enough to pay all of the replacement costs which may be required in the circumstances of any particular case. Real estate taxes and insurance premiums are paid by the Authority for each development from amounts on deposit in the respective escrow accounts. In some cases, the Authority may require the mortgagor to secure potential operating deficits. The forms of such security vary at the discretion of the Authority and include letters of credit and cash escrows.

Servicing. The Authority services its Multifamily Mortgage Loans itself.

Multifamily Mortgage Loan Portfolio

General. The Authority holds three separate portfolios of mortgage loans on multifamily properties or multi-unit developments under the Resolution: (i) the "Multifamily Mortgage Loan Portfolio," representing mortgage loans originally financed with the proceeds of Housing Mortgage Finance Program Bonds or amounts from the Investment Trust Subaccount (or its predecessor, the Authority's Investment Trust Fund), (ii) the "DECD Development Portfolio," also known as the State Sponsored Housing Portfolio (SSHP), consisting of Multifamily Mortgage Loans originally financed by the State and subsequently transferred to the Authority, and (iii) the "Federal Grant Portfolio," consisting of amortizing and forgivable mortgage loans funded by the U.S. Treasury under its Tax Credit Assistance Program and the Tax Credit Exchange Program, respectively. This section provides information only with respect to the Multifamily Mortgage Loan Portfolio and the DECD Development Portfolio. For a description of the Federal Grant Portfolio and the DECD Portfolio (of which the DECD Development Portfolio is a part), see "THE HOUSING MORTGAGE FINANCE PROGRAM – Other Portfolios within the Investment Trust Subaccount" in this Part 2. Revenues from the Multifamily Mortgage Loan Portfolio constitute Pledged Receipts under the Resolution.

As of June 30, 2022, the aggregate outstanding principal balance of the Multifamily Mortgage Loan Portfolio and the DECD Development Portfolio (without regard to allowance for loan losses) was $1.35 billion consisting of $110 million of Construction Loans and $1.24 billion of Permanent Loans. The Multifamily Mortgage Loan Portfolio and DECD Development Portfolio are secured by 324 multifamily properties or development programs throughout the State, containing approximately 23,300 dwelling units. For a listing of each such property, the related mortgage loans, certain characteristics of each development, outstanding loan balances and loan rates, see Schedule A attached to this Part 2.

Developments Financed with the Proceeds of Bonds. As of June 30, 2022, the Multifamily Mortgage Loans within the portfolio that were originally financed with proceeds of Housing Mortgage Finance Program Bonds had an outstanding principal balance of $923 million. In addition, as of August 31, 2022, the Authority had approximately $40 million of bond proceeds available to provide for the completion of multifamily developments under construction. These Multifamily Mortgage Loans financed with the proceeds of Housing Mortgage Finance Program Bonds were secured by 173 housing developments. As reflected in Schedule A, many of these developments have also received financing from: (i) mortgage loans within the Multifamily Mortgage Loan Portfolio that were not originally financed with proceeds of Housing Mortgage Finance Program Bonds and (ii) mortgage loans within the DECD Development Portfolio.

Of these 173 developments, 47 are exclusively for the elderly. These mortgage loans have been sponsored by non-profit housing corporations or limited dividend housing organizations (including corporations, partnerships and individuals). None of the 173 multifamily housing developments receive annual subsidies from HUD pursuant to Section 236 of the National Housing Act, as amended ("Section 236"), and 38 receive subsidies pursuant to the Section 8 program. Two of the total number of developments are insured or partially insured under various FHA programs. Certain information with respect to the Section 8 housing assistance payments program and the various FHA insurance programs is contained in APPENDIX C – "SUMMARY OF CERTAIN FEDERAL HOUSING SUBSIDY AND MORTGAGE INSURANCE OR GUARANTEE PROGRAMS" in this Part 2. See "THE HOUSING MORTGAGE FINANCE PROGRAM – Housing Mortgage Finance Program Bonds" in this Part 2 for more information on the outstanding Bonds of the Authority.

Multifamily Mortgage Loan Delinquencies and Foreclosures. As of June 30, 2022, the Authority had six (6) Multifamily Mortgage Loans that were funded with proceeds of Housing Mortgage Finance Program Bonds or with monies in the Investment Trust Subaccount on its watch list of potentially problem loans with an aggregate outstanding principal balance of $7,849,908. The Authority actively engaged the mortgagors of such delinquent and other potentially delinquent loans in order to discuss the various alternatives available to resolve the default or avert any possible delinquencies. Additionally, the Authority has adopted a Multifamily Troubled Debt Restructuring ("TDR") program to evaluate and resolve multifamily mortgages which have either defaulted or have the potential of default on their mortgage obligations. Authority staff review all proposals for mortgage restructuring submitted under the TDR program. Proposals for mortgage restructuring are submitted to the Mortgage Committee of the Board of Directors for consideration, provided certain small loans, as determined by the Authority, may be submitted to a committee of senior staff for approval.

In an event where a resolution does not prove to be possible, the Authority forecloses or accepts a deed in lieu of foreclosure. As of June 30, 2022, the Authority or its subsidiaries owned one project ("Real Estate Owned" or "REO"). See table below entitled "Multifamily Real Estate Owned as of June 30, 2022." REO projects are currently valued on the Authority's books at the lower of appraised value, or the project's net operating income at the Authority's cost of funds at the time title transferred or the most recent real estate tax value. The Authority has created subsidiaries to own, operate and manage certain multifamily projects. Depending upon market conditions, policy considerations and an Authority review of whether or not it is desirable for such subsidiaries to continue to own, operate and manage the projects, the Authority may consider further transactions involving an assumption of such mortgage loans by other entities.

The Authority has an administrative policy of obtaining an environmental assessment of all large multifamily developments prior to culminating foreclosure proceedings.

The following is a list of the Authority's Multifamily Real Estate Owned.

Multifamily Real Estate Owned as of June 30, 2022

Name	Location	Units	Type	Occupancy Rate %	Outstanding[(1)] Mortgage Balance	Current Carrying Value[(2)]
Eno Farms	Simsbury	50	Family	94	$1,300,000	$2,300,000
		50			$1,300,000	$2,300,000

(1) As of the date the Authority took title.
(2) Current carrying value is based on the appraised value at title date.

Preservation of Housing Affordability Program

The Authority has developed a Preservation of Housing Affordability Program to provide funding to assist in the preservation of affordable permanent rental housing where the affordability and/or subsidies are at risk of being lost. Financing solutions may include the sale, transfer, acquisition, rehabilitation and/or new permanent debt, with or without moratorium, debt restructuring and/or equity take out of existing housing properties subject to statutory limitations and the Authority's guidelines.

Housing Mortgage Finance Program Bonds

General. As of June 30, 2022, the Authority had issued $22.5 billion aggregate principal amount of Bonds pursuant to the Resolution, of which $4.2 billion aggregate principal amount was Outstanding.

The following table presents certain information regarding the Authority's Outstanding Bonds as of June 30, 2022, including the original principal amount issued and the range of interest rates for the Outstanding Bonds.

[TABLE APPEARS ON NEXT PAGE]

The following table presents certain information regarding the Authority's Outstanding Bonds as of June 30, 2022, including the original principal amount issued and the range of interest rates for the Outstanding Bonds.

BONDS ISSUED BY THE AUTHORITY, OUTSTANDING BONDS
(as of June 30, 2022)
(in 000's)

				Outstanding Principal Amounts by Coupon								
				Variable		Fixed						
Bond Issue	Dated Date	Amount Issued	Amount Outstanding*	Tender / Variable Rate Bonds	Call Priority Bonds	<2.00%	> or = 2.00% & < 3.25%	> or = 3.25% & < 3.75%	> or = 3.75% & < 4.50%	> or = 4.50% & < 4.75%	> or = 4.75% & < 5.00%	> or = 5.00%
Tax Exempt - Single Family Qualified Mortgage Bonds												
2014A	4/23/2014	100,000	840	-	840 (5)	-	-	-	-	-	-	-
2014C	8/21/2014	141,230	46,135	18,095 (1)	3,515 (5)	-	5,505	4,515	14,505	-	-	-
2014D	11/13/2014	179,665	94,970	20,615 (1)	-	-	45,965	28,390	-	-	-	-
2015A	2/25/2015	150,000	77,600	-	4,330 (5)	-	13,420	24,800	35,050	-	-	-
2015C	8/6/2015	160,800	73,505	45,000 (1)	6,895 (5)	-	12,400	9,210	-	-	-	-
2016A	3/3/2016	185,000	127,760	40,000 (1)	6,570 (5)	-	62,900	18,290	-	-	-	-
2016B	5/12/2016	189,000	131,495	40,000 (2)	9,915 (5)	1,405	45,985	34,190	-	-	-	-
2016E	8/25/2016	185,000	127,805	40,000 (1)	11,120 (5)	1,670	75,015	-	-	-	-	-
2016F-1/2/3/5	11/15/2016	184,945	118,430	50,000 (1)	11,865 (5)	-	49,630	6,935	-	-	-	-
2017A-1/2/3	3/2/2017	163,000	70,235	38,000 (1)	13,720 (5)	-	9,625	5,855	3,035	-	-	-
2017C	5/11/2017	175,000	93,740	50,000 (2)	14,665 (5)	3,795	12,110	13,170	-	-	-	-
2017D	8/9/2017	175,000	122,720	50,000 (1)	13,560 (5)	5,300	28,035	25,825	-	-	-	-
2017F-1/2/3/4/5	11/14/2017	221,735	109,635	44,810 (1)	19,085 (5)	4,665	41,075	-	-	-	-	-
2018A-1/2/3	3/1/2018	165,560	81,415	47,465 (1)	15,320 (5)	-	8,245	10,385	-	-	-	-
2018B-1/2/3	5/10/2018	164,995	68,830	46,720 (1)	16,320 (5)	-	5,790	-	-	-	-	-
2018C-1/2/3/4	7/25/2018	163,025	86,075	45,185 (1)	20,695 (5)	-	9,810	10,385	-	-	-	-
2018E-1/2/3/4	11/6/2018	137,620	64,110	40,000 (1)	17,620 (5)	-	6,490	-	-	-	-	-
2019A-1/2/3	3/5/2019	107,980	59,340	34,410 (1)	19,405 (5)	-	1,645	1,865	2,015	-	-	-
2019B-1/2/3	5/9/2019	106,995	91,195	33,955 (1)	26,750 (5)	-	18,050	12,440	-	-	-	-
2019D-1/2/3	8/8/2019	105,985	93,625	35,000 (1)	26,710 (5)	13,480	18,435	-	-	-	-	-
2019F-1/2/4/5	10/29/2019	133,735	96,025	35,000 (1)	21,255 (5)	7,220	32,550	-	-	-	-	-
2020A-1/2/3	2/20/2020	132,850	121,160	31,250 (1)	31,635 (5)	6,060	44,510	-	-	-	-	7,705
2020C-1/2/3	8/13/2020	158,195	146,670	40,000 (1)	31,055 (5)	29,920	24,840	-	-	-	-	20,855
2020E-1/2/3/4	11/10/2020	224,475	136,275	15,000 (1)	26,660 (5)	34,940	59,675	-	-	-	-	-
2021D-1/2	10/5/2021	161,390	157,335	-	45,175 (5)	25,695	48,580	-	-	-	-	37,885
2022A-1/2/3/4	3/24/2022	203,900	203,900	120,000 (1,4)	37,070 (5)	290	25,625	-	-	-	-	20,915
Sub-Total		$ 4,177,080	$ 2,600,825	$ 960,505	$ 451,750	$ 134,440	$ 705,910	$ 206,255	$ 54,605	$ -	$ -	$ 87,360
Federally Taxable - Single Family Mortgage Bonds												
1998D-4	7/1/1998	25,000	16,900	16,900 (3)	-	-	-	-	-	-	-	-
2001D-4/5	12/20/2001	25,855	11,350	11,350 (3)	-	-	-	-	-	-	-	-
2018E-5	11/6/2018	5,900	5,900	-	-	5,900	-	-	-	-	-	-
2019A-4	3/5/2019	15,000	8,275	-	-	-	4,435	3,840	-	-	-	-
2019B-4	5/9/2019	15,000	10,140	-	-	-	6,865	3,275	-	-	-	-
2019D-4	8/8/2019	15,000	10,745	-	-	-	9,340	1,405	-	-	-	-
2019F-3/6	10/29/2019	24,600	19,040	-	-	12,780	6,260	-	-	-	-	-
2020A-4	2/20/2020	12,500	8,450	-	-	6,765	1,685	-	-	-	-	-
2021A-4	2/24/2021	70,370	70,370	-	-	70,370	-	-	-	-	-	-
Sub-Total		$ 209,225	$ 161,170	$ 28,250	$ -	$ 95,815	$ 28,585	$ 8,520	$ -	$ -	$ -	$ -

Outstanding Principal Amounts by Coupon

Bond Issue	Dated Date	Amount Issued	Amount Outstanding*	Variable	Fixed						
				Tender / Variable Rate Bonds	Call Priority Bonds	<2.00%	> or = 2.00% & < 3.25%	> or = 3.25% & < 3.75%	> or = 3.75% & < 4.50%	> or = 4.50% & < 4.75%	> or = 4.75% & < 5.00%	> or = 5.00%
Tax-Exempt - Mixed Single Family and Multifamily Pre-Ullman Bonds												
2013B-6	11/14/2013	30,080	19,165	19,165 (1)	-	-	-	-	-	-	-	-
2015E-2	12/16/2015	10,295	10,295	-	-	-	10,295	-	-	-	-	-
2016F-4	11/15/2016	8,410	6,765	-	-	470	4,720	1,575	-	-	-	-
2017A-4	3/2/2017	87,735	17,250	-	-	-	11,900	5,350	-	-	-	-
2017E-2	10/25/2017	8,555	3,780	-	-	2,415	1,365	-	-	-	-	-
2019E-2	10/29/2019	50,015	38,385	-	-	31,855	6,530	-	-	-	-	-
2021A-1/2/3	2/24/2021	193,040	182,865	-	-	182,865	-	-	-	-	-	-
2021B-1/2/3/5	2/24/2021	150,115	146,605	17,290 (4)	22,240 (5)	50,115	56,960	-	-	-	-	-
2021E-1/2/4/5	10/27/2021	126,515	113,225	-	-	19,175	60,685	-	-	-	-	33,365
Sub-Total		$ 664,760	$ 538,335	$ 36,455	$ 22,240	$ 286,895	$ 152,455	$ 6,925	$ -	$ -	$ -	$ 33,365
Federally Taxable - Mixed Single Family and Multifamily Bonds												
2013A	2/28/2013	310,835	88,130	88,130 (3)	-	-	-	-	-	-	-	-
2017F-6	11/14/2017	7,430	7,430	-	-	7,430	-	-	-	-	-	-
Sub-Total		$ 318,265	$ 95,560	$ 88,130	$ -	$ 7,430	$ -	$ -	$ -	$ -	$ -	$ -
Tax Exempt - Multifamily												
2014B	5/29/2014	62,005	46,620	-	-	-	2,315	3,110	41,195	-	-	-
2014F-1/3	12/4/2014	63,875	36,785	-	-	-	2,010	6,725	28,050	-	-	-
2015E-1/3	12/16/2015	50,040	18,970	-	-	-	1,985	1,670	15,315	-	-	-
2016C	7/14/2016	85,970	43,620	-	-	2,270	18,310	23,040	-	-	-	-
2016G	11/15/2016	36,590	17,525	-	-	295	2,035	6,825	8,370	-	-	-
2016D-1	11/30/2016	12,500	12,200	-	-	-	-	12,200	-	-	-	-
2017A-5	3/2/2017	15,495	9,860	-	-	-	5,085	1,085	3,690	-	-	-
2017E-1/3	10/25/2017	41,315	12,090	-	-	-	2,195	4,985	4,910	-	-	-
2018D-1/2	10/24/2018	70,645	31,590	-	-	-	1,990	890	28,710	-	-	-
2019E-1/3	10/29/2019	78,060	59,675	11,505 (4)	-	2,925	25,960	19,285	-	-	-	-
2020D-1/2/3	11/5/2020	119,685	79,435	20,420 (4)	-	9,525	49,490	-	-	-	-	-
2022B-1/2	5/10/2022	84,390	84,390	6,360 (4)	-	-	-	1,690	68,010	-	-	8,330
Sub-Total		$ 720,570	$ 452,760	$ 38,285	$ -	$ 15,015	$ 111,375	$ 81,505	$ 198,250	$ -	$ -	$ 8,330
Federally Taxable - Multifamily Bonds												
2004A-3	5/12/2004	15,000	4,000	4,000 (3)	-	-	-	-	-	-	-	-
2009D	12/22/2009	60,700	54,895	-	-	-	-	-	-	-	-	54,895
2012G-3	12/18/2012	3,700	320	-	-	-	320	-	-	-	-	-
2013C	12/10/2013	40,000	30,320	30,320 (3)	-	-	-	-	-	-	-	-
2014F-2	12/4/2014	18,650	2,235	-	-	-	360	600	1,275	-	-	-
2016D-2	11/30/2016	22,500	17,800	- (6)	-	-	-	-	17,800	-	-	-
2021B-4	2/24/2021	47,455	40,125	-	-	14,285	25,840	-	-	-	-	-
2021C	9/15/2021	217,590	212,340	212,340 (3)	-	-	-	-	-	-	-	-
2021E-3	10/27/2021	20,000	19,265	-	-	7,270	11,995	-	-	-	-	-
Sub-Total		$ 445,595	$ 381,300	$ 246,660	$ -	$ 21,555	$ 38,515	$ 600	$ 19,075	$ -	$ -	$ 54,895
Series No Longer Outstanding		$ 15,959,854	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total		**$ 22,495,349**	**$ 4,229,950**	**$ 1,398,285**	**$ 473,990**	**$ 561,150**	**$ 1,036,840**	**$ 303,805**	**$ 271,930**	**$ -**	**$ -**	**$ 183,950**

* As of June 30, 2022

(1) Variable Rate Bonds supported by Bank Liquidity Facility subject to tender

(2) Floating Rate Index Bonds subject to tender

(3) Floating Rate Index Bonds not subject to tender

(4) Term Rate Bonds subject to tender

(5) Planned Amortization Class Bonds

(6) 2016D-2 is Draw Down Bond

Subsequent Debt Service Payments and Redemptions. Subsequent to June 30, 2022, the Authority had the following debt service and redemption activity with respect to Outstanding Bonds under the Resolution:

- On July 27, 2022, the Authority redeemed $6,795,000 of 2016 Series D, Subseries D-2 Bonds issued under the Resolution;
- On August 4, 2022, the Authority redeemed $3,955,000 of 2019 Series E, Subseries E-3 Bonds issued under the Resolution;
- On August 24, 2022, the Authority redeemed $33,285,000 of various Bonds issued under the Resolution;
- On August 26, 2022, the Authority redeemed $70,370,000 of 2021 Series A, Subseries A-4 Bonds issued under the Resolution;
- On September 15, 2022, the Authority redeemed $6,445,000 of various Bonds issued under the Resolution;
- On October 17, 2022, the Authority redeemed $4,090,000 of 2021 Series C Bonds issued under the Resolution;
- On November 15, 2022, the Authority redeemed $3,800,000 of 2019 Series E, Subseries E-3 Bonds issued under the Resolution, and paid scheduled debt service of $65,685,000 on various Bonds issued under the Resolution;
- On November 17, 2022, the Authority redeemed $5,700,000 of various Bonds issued under the Resolution;
- On December 9, 2022, the Authority redeemed $1,300,000 of 2020 Series D, Subseries D-3 Bonds issued under the Resolution;
- On January 3, 2023, the Authority redeemed $18,360,000 of various Bonds issued under the Resolution; and
- On February 17, 2023, the Authority redeemed $7,215,000 of 2020 Series D, Subseries D-3 Bonds issued under the Resolution.

Variable Rate Demand Obligations and Liquidity Facilities. The table below sets forth, as of June 30, 2022, the Authority's Outstanding variable rate demand obligations (all of which are Tax Exempt bonds) for which liquidity support is available, along with certain information regarding such liquidity support.

[TABLE APPEARS ON NEXT PAGE]

Variable Rate Bonds Outstanding and Liquidity Providers

Bond Series	Bonds Outstanding 6/30/22	Bond Maturity	Liquidity Provider	Liquidity Facility Expiration Date
2013B-6	$19,165,000	05/15/34	Sumitomo Mitsui Banking Corporation	6/26/24
2014C-2	18,095,000	11/15/34	Sumitomo Mitsui Banking Corporation	6/26/24
2014D-3	20,615,000	11/15/34	Sumitomo Mitsui Banking Corporation	6/26/24
2015C-3	45,000,000	11/15/45	Royal Bank of Canada	8/4/27
2016A-3	40,000,000	11/15/45	Royal Bank of Canada	3/2/26
2016B-4	40,000,000	11/15/46	Wells Fargo Bank	4/1/24
2016E-3	40,000,000	11/15/46	State Street Bank and Trust Company	5/19/25
2016F-5	50,000,000	11/15/46	U.S. Bank National Association	5/17/24
2017A-3	38,000,000	11/15/47	State Street Bank and Trust Company	5/19/25
2017C-3	50,000,000	11/15/35	TD Bank, N.A.	5/13/27
2017D-3	50,000,000	05/15/39	TD Bank, N.A.	8/6/27
2018A-3	47,465,000	05/15/48	Bank of America, N.A.	3/1/24
2018B-3	46,720,000	11/15/48	Royal Bank of Canada	5/9/23
2018C-3	23,235,000	11/15/48	TD Bank, N.A.	7/25/23
2018C-4	21,950,000	05/15/39	TD Bank, N.A.	7/25/23
2018E-2	40,000,000	11/15/48	Bank of America, N.A.	11/6/23
2019A-2	11,080,000	11/15/41	U.S. Bank National Association	1/31/25
2019A-3	23,330,000	05/15/49	U.S. Bank National Association	1/31/25
2019B-2	14,085,000	11/15/39	Bank of America, N.A.	5/9/23
2019B-3	19,870,000	11/15/43	Bank of America, N.A.	5/9/23
2019D-3	35,000,000	11/15/43	State Street Bank and Trust Company	8/7/24
2019F-2	35,000,000	11/15/49	State Street Bank and Trust Company	10/28/24
2020C-3	40,000,000	11/15/50	TD Bank, N.A.	8/13/23
2020E-3	15,000,000	11/15/50	State Street Bank and Trust Company	11/9/23
2022A-3	20,000,000	11/15/51	TD Bank, N.A.	3/24/27
Liquidity Contracts entered after June 30, 2022:				
2017F-3	$44,810,000	05/15/40	JP Morgan	12/8/25
2020A-3	31,250,000	05/15/50	UBS AG	12/5/25
2022C-2	20,000,000	11/15/52	JP Morgan	7/21/25
2022E-2	30,000,000	11/15/52	Sumitomo Mitsui Banking Corporation	11/9/2027

Pursuant to the terms of the Authority's existing liquidity contracts, in the event of a failed remarketing of variable rate demand Bonds of the Authority, the applicable liquidity providers are required to purchase such variable rate demand Bonds. See the table entitled "Variable Rate Bonds Outstanding and Liquidity Providers" above for the identity of the Authority's liquidity providers. Bonds so purchased by liquidity providers ("Bank Bonds"), in accordance with the related liquidity contracts, bear various special negotiated rates of interest and include various provisions for required repurchase (or redemption) thereof by the Authority or acceleration of maturities thereof over

various terms of years, as set forth in each such contract. The payments of principal and interest on Bank Bonds will be entitled to the lien created by the pledge under the Resolution on a parity with the Bonds. Upon expiration of a liquidity contract, unless the Authority is able to negotiate an extension of the expiration date for such liquidity contract or provide or cause to be provided an alternate liquidity facility, the applicable Bonds will be subject to mandatory tender and will become Bank Bonds unless they are purchased by the Authority. At the present time, there are no Bank Bonds held by liquidity providers.

Interest Rate Swap Agreements. The Act was amended in 1993 by Public Act No. 93-33, and the Resolution supplemented in accordance therewith, to provide for agreements to moderate interest rate fluctuations ("Swaps"). See "SUMMARY OF CERTAIN OF THE PROVISIONS OF THE RESOLUTION - Issuance of Additional Obligations" in this Part 2. Pursuant to such authorization, the Authority has entered into a number of Swaps in connection with Bonds issued under the Resolution. Generally, scheduled payments made by the Authority to the Swap provider under the Swaps are on a parity with the Bonds and payments made by the Swap provider to the Authority under the Swaps constitute Pledged Receipts under the Resolution. The Authority may from time to time enter into additional Swaps in the future to the extent such action is deemed economically prudent and consistent with the Authority's objectives.

Under certain circumstances (including certain events of default with respect to the Authority or the provider), a swap agreement executed by the Authority under the Resolution may be terminated in whole or in part prior to its stated expiration date. Following any termination of a swap agreement, either the Authority or the swap provider may owe a termination payment to the other, depending upon market conditions and the events that caused such swap agreement to terminate. Under certain circumstances, the Authority could owe a Termination Payment to the related Swap Provider which could be substantial. The obligation of the Authority to make regularly scheduled Swap Payments are on a parity with the related Bonds, while Termination Payments are required to be and are due and payable at the end of the year of termination and subsequent to the payment of debt service on Bonds and Swap Payments in that year. Such Termination Payments, to the extent not paid in such year, will become included in the calculation of "Operating Cost" in the subsequent year and paid in the priority set forth for Operating Costs.

As reflected in the following table, certain Authority Swaps (the "LIBOR Swaps") provide for payment of a variable rate based on United States dollar-denominated LIBOR with a one-month or three-month tenor and have terms that extend beyond the currently anticipated June 30, 2023 cessation of the availability such tenors of LIBOR as representative reference rates. The Authority and the counterparties to the LIBOR Swaps have adhered to the International Swaps and Derivatives Association's 2020 IBOR Fallbacks Protocol, which provides for the automatic substitution of an applicable term adjusted SOFR rate plus a spread for such tenors of LIBOR upon the cessation of their availability.

The following table presents a summary of the Authority's swap exposure as of June 30, 2022.

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Connecticut Housing Finance Authority
Swap Exposure

Counterparty	Bond Series	Notional Amount Outstanding	Effective/ Amendment Date	Termination Date	Index Rate	Fixed Rate	Optional Early Termination Date
Bank of America, N.A.	2018E-2, 2018C-3 & 2018C-4	$18,831,000	11/15/2018	11/15/2048	67% 3M LIBOR	2.4710%	11/15/38 and each 5/15 and 11/15 thereafter
	2016B-4	9,855,000	8/4/2009	11/15/2038	67% 3M LIBOR	3.8490%	
	2016F-5	27,550,000	8/4/2009	11/15/2033	67% 3M LIBOR	3.8450%	
	2016B-4	8,925,000	8/4/2009	11/15/2033	67% 3M LIBOR	3.8550%	
	1998D-4	16,900,000	7/27/2022	11/15/2025	100% 3M LIBOR	6.3200%	
	2016F-5	7,800,000	7/27/2022	11/15/2028	100% 1W SIFMA	4.8700%	
	2017C-3 & 2018C-3	16,345,000	7/27/2022	5/15/2032	67% 1M LIBOR	4.3100%	
	2021C	11,350,000	7/27/2022	11/15/2027	167% 1M LIBOR-SIFMA	5.8200%	
		$117,556,000					
Bank of New York Mellon	2021C	$38,660,000	12/20/2001	5/15/2033	67% 1M LIBOR	4.0900%	
	2001D-5	11,350,000	12/20/2001	11/15/2027	167% 3M LIBOR-SIFMA	5.3600%	
	2017D-3, 2017F-3, & 2018A-3	38,140,000	5/15/2018	5/15/2048	70% 3M LIBOR	2.2475%	5/15/38 and each 2/15, 5/15, 8/15 and 11/15 thereafter
	2018B-3	7,475,000	4/4/2018	11/15/2048	70% 3M LIBOR	2.5000%	5/15/38 and each 2/15, 5/15, 8/15 and 11/15 thereafter
	2017D-3, 2018A-3, & 2018B-3	62,775,000	8/4/2009	11/15/2038	67% 3M LIBOR	3.4300%	
	2021C	15,760,000	8/4/2009	11/15/2028	67% 3M LIBOR	3.8520%	
	2014D-3	20,615,000	8/4/2009	11/15/2034	67% 3M LIBOR	3.4330%	
	2022A-3	15,000,000	3/24/2022	5/15/2031	SIFMA	2.1725%	
		$209,775,000					
Citibank, N.A.	2018C-3 & 2018C-4	$15,170,000	11/30/2009	5/15/2033	67% 1M LIBOR	4.3520%	
	2021C	25,000,000	11/30/2009	5/15/2033	167% 1M LIBOR-SIFMA	5.7400%	
	2019F-2	26,250,000	10/29/2019	11/15/2049	100% 1W SIFMA	1.7080%	
		$66,420,000					
Goldman Sachs Mitsui Marine Derivatives Products, L.P.	2018C-3 & 2018C-4	$9,120,000	3/7/2001	5/15/2032	67% 1M LIBOR	4.1200%	
	2017C-3 & 2017F-3	34,180,000	8/1/2002	5/15/2033	67% 1M LIBOR	3.9810%	
	2021C	19,475,000	3/7/2001	5/15/2032	167% 1M LIBOR-SIFMA	5.4750%	
	2013C & 2021C	37,170,000	2/26/2014	5/15/2024	100% 1M LIBOR	2.7760%	
		$99,945,000					
Royal Bank of Canada	2013B-6 & 2016E-3	$32,865,000	6/15/2015	11/15/2035	67% 3M LIBOR	2.0515%	5/15/25 and each 11/15 and 5/15 thereafter
	2016A-3	40,000,000	11/16/2015	11/15/2045	67% 3M LIBOR	2.1325%	11/15/25 and each 5/15 and 11/15 thereafter
	2015C-3	45,000,000	8/6/2015	11/15/2045	70% 1M LIBOR	2.3625%	11/15/25 and each 5/15 and 11/15 thereafter
	2016B-4	21,220,000	11/15/2018	11/15/2046	70% 1M LIBOR	2.1400%	11/15/28 and each 5/15 and 11/15 thereafter
	2016E-3	24,390,000	8/25/2016	11/15/2046	67% 3M LIBOR	1.7970%	11/15/26 and each 5/15 and 11/15 thereafter
	2017A-3	38,000,000	3/2/2017	11/15/2047	67% 3M LIBOR	2.3350%	11/15/26 and each 5/15 and 11/15 thereafter
	2019A-2	5,000,000	3/5/2019	5/15/2029	67% 3M LIBOR	1.8600%	
	2019B-2 & 2019B-3	25,465,000	5/9/2019	11/15/2043	67% 3M LIBOR	1.9990%	11/15/33 and each 5/15 and 11/15 thereafter

	2020C-3	30,000,000	8/13/2020	11/15/2050	100% 1W SIFMA	1.2660%	11/15/40 and each 5/15 and 11/15 thereafter
		$261,940,000					
Toronto-Dominion Bank	2018B-3	$7,475,000	6/4/2018	5/15/2028	70% 3M LIBOR	2.0710%	
	2018E-2 & 2018C-3 & 2018C-4	18,834,000	11/15/2018	11/15/2028	67% 3M LIBOR	2.2420%	
	2014C-2 & 2020E-3	26,475,000	12/17/2020	11/15/2030	100% 1W SIFMA	0.7231%	
		$52,784,000					
U.S. Bank National Association	2019A-2 & 2019A-3	$18,500,000	3/5/2019	5/15/2049	67% 3M LIBOR	2.2900%	5/15/34 and each 5/15 and 11/15 thereafter
	2019D-3	26,230,000	8/8/2019	11/15/2043	67% 3M LIBOR	1.4725%	11/15/32 and each 2/15, 5/15, 8/15 and 11/15 thereafter
		$44,730,000					
Wells Fargo Bank N.A.	2020A-3 & 2021C	$35,195,000	8/4/2009	5/15/2036	67% 3M LIBOR	3.4175%	
	2017F-3	18,420,000	10/4/2000	11/15/2031	100% 1W SIFMA	5.3970%	
	2016F-5	13,150,000	11/15/2016	11/15/2046	67% 3M LIBOR	1.8200%	
		$66,765,000					
	TOTAL	**$919,915,000**					
Swap agreement entered after June 30, 2022:							
Royal Bank of Canada	2022C-2	$15,000,000	7/21/2022	11/15/2037	100% 1W SIFMA	2.9980%	11/15/2031 and each 5/15 and 11/15 thereafter
Wells Fargo Bank N.A.	2022E-2	22,500,000	11/10/2022	11/15/2037	100% 1W SIFMA	3.8480%	11/15/2031 and each 5/15 and 11/15 thereafter

Application of Recoveries of Principal from Home Mortgage Loans. The principal payments for each additional Series of Bonds issued to finance Home Mortgage Loans are scheduled in amounts that, together with the remaining principal and interest payments on outstanding Bonds, reflect the scheduled principal payments of the mortgage loans expected to be financed with the proceeds of such Bonds, together with the remaining scheduled principal and interest payments on previously financed mortgage loans, without taking into account expected receipt of Recoveries of Principal.

Home Mortgage Loans financed by the Authority permit partial or complete prepayment without penalty and may also be terminated prior to final maturity as a result of such events as default, sale, condemnation, or casualty loss. Amounts received as a result of prepayment or termination of Home Mortgage Loans and similar amounts received with respect to Multifamily Mortgage Loans constitute Recoveries of Principal. Under the Resolution, such amounts are segregated and may be used to finance new mortgage loans (to the extent permitted by the Code) or redeem Bonds. Pending such use, amounts may be invested in Investment Obligations.

To the extent that Recoveries of Principal are actually received, the payment of principal of and interest on Bonds will depend, in part, upon the ability of the Authority (i) to use the resulting Recoveries of Principal to purchase or make mortgage loans on which the scheduled amortization payments will be in such amounts and available at such times that scheduled payments of principal of and sinking fund installments and interest on the Bonds can be made or (ii) to use such Recoveries of Principal to redeem or purchase Bonds. If reinvestment of Recoveries of Principal in Home Mortgage Loans is not feasible or permitted by the Code, the Authority would expect to use those Recoveries of Principal in excess of amounts necessary to make payments of principal of the applicable Series of Bonds to purchase or redeem Outstanding Bonds. Time periods for which Bonds may be called for redemption from Recoveries of Principal vary among each Series of Bonds. Since Home Mortgage Loans financed by the Authority do not provide for a prepayment penalty upon termination, any cost of carrying such Recoveries of Principal until applied to the payment of Bonds or any such termination payment would have to be provided from Pledged Receipts.

The Authority considers numerous factors when determining which particular Bonds are to be selected for redemption from time to time. Such factors include, but are not limited to, (i) constraints imposed by federal tax law, (ii) Resolution or particular series resolution redemption provisions regarding within series bond redemptions and cross series bond redemptions, (iii) economic considerations as to interest costs on Outstanding Bonds compared to estimated interest costs on anticipated future Bond issues to refund or replace such Outstanding Bonds, (iv) annual cashflow balances between Bond debt service requirements and the scheduled Pledged Receipts or projected Recoveries of Principal on its Home Mortgage Loans, and (v) financing plans for issuing additional bonds to finance Home Mortgage Loans. These factors are reviewed regularly, together with the record of the actual Pledged Receipts and Recoveries of Principal, and, accordingly, no assumptions or representations can be made as to how or which of these or other factors will affect the determination, from time to time, of the Authority as to which particular Bonds the Authority will select for redemption.

The table attached hereto as Schedule B sets forth, as of June 30, 2022, the historical rate of prepayment (expressed as a percentage of SIFMA) in prior calendar years with respect to the Home Mortgage Loan Portfolio and the Agency Security Portfolio. The table attached hereto as Schedule C sets forth, for each Series of Outstanding Bonds that are qualified mortgage bonds and for other types of Outstanding Bonds, collectively, the total aggregated principal amount of the Home Mortgage Loan Portfolio and the Agency Security Portfolio that are allocated to such Series for federal tax law purposes. Also presented is the current principal balance and weighted average coupon of such combined allocated Portfolio that was originated in each calendar year.

Currently, under the Internal Revenue Code of 1986, as amended (the "Code"), subject to a $250,000 per issue de minimis exception, repayments and prepayments of principal received more than ten years after the date of issuance of certain qualified mortgage bonds (or, to the extent bonds are treated as refunding bonds, directly or through a series of refundings, the respective dates of issuance of the original bonds) may not be used to make additional mortgage loans but must be used to retire or redeem bonds (the "Ten-Year Rule"). Portions of the loan principal payments and loan prepayments received with respect to each issue of Bonds issued under the Resolution to finance Home Mortgage Loans will be subject to the limitations of the Ten-Year Rule. The portions of the loan principal payments and loan prepayments subject to the Ten-Year Rule increase in percentage over time until they reach 100%. The dates as of which portions or all of the loan principal payments and loan prepayments received with respect to each series of Outstanding Bonds issued under the Resolution to finance Home Mortgage Loans (expressed in

percentages of the total of loan principal payments and loan prepayments received as of each date) become subject to the Ten-Year Rule are listed in Schedule D attached hereto. The dates are for general reference only and may be modified upon review by the Authority and to the extent permitted or required by the Code. See the description of the redemption provisions applicable to the offered Series of Bonds described in Part 1 for the effect of the Ten-Year Rule on redemption of such Series of Bonds.

Other Portfolios within the Investment Trust Subaccount

General. The Authority has previously deposited and from time to time continues to deposit assets and monies in the Investment Trust Subaccount of the Surplus Account maintained under the Resolution in accordance with its terms. See "SUMMARY OF CERTAIN OF THE PROVISIONS OF THE RESOLUTION – Surplus Account" herein. Such amounts are treated as Pledged Receipts under the Resolution and such assets are reflected in the Authority's financial statements as assets of the Housing Mortgage Finance Program. In accordance with the provisions of the Resolution, these amounts and earnings thereon may be expended for "mortgages, mortgage loans, assistance payments or otherwise as may be consistent with and pursuant to any authorized program or purpose of the Authority," including for loans that would otherwise not qualify as Home Mortgage Loans or Multifamily Mortgage Loans under the Resolution. The following paragraphs describe the principal asset portfolios held in the Investment Trust Subaccount.

The DECD Portfolio. On April 9, 2003, the Authority acquired various housing assets from the State Department of Economic and Community Development ("DECD") (including various home acquisition, rehabilitation, repair and homeowner assistance loans), which assets were previously owned and serviced by the State, known as the DECD Portfolio or State Sponsored Housing Portfolio ("SSHP"). Pursuant to the provisions of Section 506(4) of the General Resolution, in fiscal year 2003, the Authority reallocated $45 million of its current budgeted expenditure of cash resources in the Investment Trust Subaccount of the Surplus Account in order to facilitate this authorized purpose of the Authority. Total expenditure of funds for this purpose was $85 million. In 2012, the then administration had proposed a $300 million, 10 year capital investment in the SSHP properties. Also proposed was an incremental increase of $1.5 million each year in appropriations for Rental Assistance Payment (RAP) program subsidies to subsidize approximately 150 units per year. In 2014, the Authority and the Department of Housing ("DOH") released the SSHP Capital Plan, an independent physical, financial and operational assessment report of the SSHP. The Capital Plan provides the Authority and DOH with a road map for the deployment of the Governor's investment and offers the SSHP owners insight into the potential revitalization for their properties. In 2016, the Authority acquired additional multifamily assets valued $16.1 million from DOH for $15 million. The unaudited par value of this portfolio as of December 31, 2021, was $162.0 million (comprised of $161.1 million in the DECD Development Portfolio (multifamily) and $0.9 million in the DECD Consumer Portfolio (single family) and its unaudited carrying value was $21.6 million). The Authority expects to hold and service these assets so that net earnings will be available for future housing programs, but the Authority can give no assurance as to the future performance of the portfolio.

The Federal Grant Portfolio. The Federal Grant Portfolio consists of mortgage loans made through the Tax Credit Assistance Program (TCAP) and the Tax Credit Exchange Program (TCEP). TCAP provided direct funding to the Authority through HUD. The Authority received an allocation of $26.2 million from HUD for investment in projects awarded Low Income Housing Tax Credits (LIHTCs). In 2009, the Authority was provided authorization to allocate the TCAP funds to several developments in Connecticut. TCEP provided the Authority with the ability to exchange returned or unused federal LIHTCs with the U.S. Treasury for a grant at a fixed price. All unused or returned credit allocation from 2007 and 2008 were eligible to be exchanged, as was part of the Authority's 2009 credit allocation. The Authority has provided assistance of TCEP funds to several developments across the State. These programs were part of the American Recovery and Reinvestment Act of 2009 (ARRA). TCAP loans are all non-interest bearing notes with varying loan terms with principal due at maturity. All recovered principal from TCAP loans may be reinvested at the Authority's discretion. TCEP loans are also non-interest bearing notes in which 6.67% of principal is forgiven each year over 15 years so long as there is no event of default. The unaudited par value of this portfolio as of December 31, 2021 was $48.5 million and its unaudited carrying value was $0.

The DAP Portfolio. Public Act No. 95-250 transferred the Home Ownership Loan Program from the Department of Housing ("DOH") to the Authority. Pursuant to this Program, second mortgages are provided to eligible first time home buyers to assist in the purchase of eligible one to four family dwellings. On July 23, 1999,

the DECD transferred all performing loan assets and equity interests, in an approximate par amount of $72.0 million, held by DECD in connection with the Home Ownership Loan Program to the Authority, as provided in Chapter 136 of the Connecticut General Statutes. The Authority is authorized to use such assets and the revenue therefrom to make additional loans under the Home Ownership Loan Program or in any other way the Authority deems to be prudent and effective to help meet the need for down payment assistance for low and moderate income first time home buyers in Connecticut. The unaudited par value of this portfolio as of December 31, 2021, was $87.4 million and its unaudited carrying value was $78.6 million.

Reverse Annuity Mortgage (RAM) Program. As of December 31, 2021 one (1) loan was active under this program with a mortgage amount of $48,549.95. The Authority has targeted senior citizen centers, municipal geriatric social services staff, and other service providers to promote the RAMs. The audited par and carrying value of this portfolio as of December 31, 2021 was $1.3 million.

Other Bonds Held as Investments under the Resolution and Secured by the Housing Mortgage Capital Reserve Fund

In connection with the Federal NIBP (defined and described below under "OTHER ACTIVITIES – Federal New Issue Bond Program"), the Authority also authorized two new general obligation bond resolutions for single family (the "Single Family Other Bond Resolution") and multifamily (the "Multifamily Other Bond Resolution," and collectively with the Single Family Other Bond Resolution, the "Other Bond Resolutions") to issue bonds ("Other Bonds") secured by the Housing Mortgage Capital Reserve Fund under the Resolution. Other Bonds issued and secured in this manner are explicitly provided for and permitted under the Resolution. The Authority may use the proceeds of the Other Bonds to purchase or make, or to participate in the purchase or making of, single family and multifamily mortgage loans, as applicable, under the Authority's Housing Mortgage Finance Program, to pay costs of issuance, and to fund reserves, including reserves for capitalized interest. None of the Accounts established and pledged to secure the Bonds under the Resolution will secure the Other Bonds, other than the Housing Mortgage Capital Reserve Fund.

As of June 30, 2022, the Authority has issued (i) $13,000,000 of Other Bonds pursuant to the Single Family Other Bond Resolution, the proceeds of which have been or will be used to participate in the purchase or making of single family mortgage loans under the Authority's Housing Mortgage Finance Program, to pay costs of issuance and to fund reserves, including reserves for capitalized interest; and (ii) $26,970,000 of Other Bonds pursuant to the Multifamily Other Bonds Resolution the proceeds of which have been used to purchase or make, or to participate in the purchase or making of, multifamily loans, to pay costs of issuance and to fund reserves, including reserves for capitalized interest. The following table sets forth information on the Other Bonds issued and Outstanding as of June 30, 2022. All such Other Bonds were purchased by the Authority upon issuance, and are currently held as investments under the Resolution, both in the Housing Mortgage General Fund and the Housing Mortgage Capital Reserve Fund.

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Housing Mortgage Finance Program Other Bonds
Bonds Outstanding as of June 30, 2022

	Housing Mortgage Finance Program (Multifamily) Other Bonds, 2011 Series A	Housing Mortgage Finance Program (Multifamily) Other Bonds, 2013 Series A, Subseries A-1	Housing Mortgage Finance Program (Multifamily) Other Bonds, 2013 Series A, Subseries A-2
Issue Date	December 15, 2011	July 26, 2013	July 26, 2013
Original Amount	$700,000.00	$26,000,000.00	$270,000.00
Outstanding Amount	$1,143,871.40	$23,870,088.77	$270,000.00
Coupon	4.750%	5.500%	Variable
Deferred or Current Pay	Deferred Pay	Current Pay	Current Pay
Maturity Date	December 1, 2055	May 1, 2053	June 1, 2053
Secured By	Residual Assets after Payment of All Bonds under the MFSOB Resolution	Payments of Principal and Interest on Two Multifamily Mortgage Loans	Receipt of Income on and Residual Balance of Other Bonds Debt Service Reserve

Future Plans

The Authority currently expects to finance Home Mortgage Loans including Agency Securities with monies derived from any of the following five available sources: (i) the sale of additional Bonds or of notes issued in anticipation of Bonds, as provided in the Resolution, (ii) Recoveries of Principal on Home Mortgage Loans previously financed by the Authority under the Housing Mortgage Finance Program, (iii) surplus funds derived by the Authority in any year after it has paid its operating costs, the interest, principal, sinking fund installments, and redemption premiums, if any, due in that year on the Outstanding Bonds, and any required payments into the Housing Mortgage Capital Reserve Fund, (iv) amounts on deposit in the Housing Mortgage Capital Reserve Fund and the Housing Mortgage General Fund under the Resolution which may be invested in pooled mortgages guaranteed by GNMA, FHLMC or FNMA, and (v) the issuance of bonds or notes outside of the Resolution.

The Authority expects to continue making Multifamily Mortgage Loans regardless of whether or not they will be federally subsidized or insured. Actual funding of any development will depend upon various factors, including feasibility, market conditions, and applicable legislation, including the Act. See "THE AUTHORITY - Purpose and Organization" and "THE HOUSING MORTGAGE FINANCE PROGRAM – Multifamily Mortgage Loans" in this Part 2.

The Authority is authorized to incorporate one or more subsidiaries, and to transfer to any such subsidiary any monies, real or personal property, or any housing financed by an Authority mortgage and acquired by foreclosure or otherwise. Each subsidiary will have all the privileges, immunities, tax exemptions and other exemptions of the Authority, except the privileges, immunities, tax exemptions and other exemptions provided under the Connecticut General Statutes for Special Capital Reserve Funds. Each such subsidiary is authorized to assume or take title to such housing subject to any existing mortgage and to mortgage, convey, or dispose of its assets and pledge its revenues to secure any borrowing for the purpose of refinancing, rehabilitating, or improving its assets. Each such borrowing or mortgage will be a special obligation of the subsidiary, which obligation may be in the form of bonds, bond anticipation notes and other obligations to the extent permitted under the Act, payable solely from the assets, revenues, and other resources of the subsidiary, and no such mortgage, borrowing, or pledge of security may eliminate requirements relating to housing that preserve housing for persons and families of low and moderate income without the express written consent of the Authority. The Authority is permitted to make housing mortgage loans to each such

subsidiary, following standard Authority procedures, from the proceeds of its bonds, notes, and other obligations, provided the source and security for the repayment of such mortgage loans is derived from the assets, revenues, and resources of the subsidiary and without recourse to the general funds, revenues, and resources of the Authority pledged under the Resolution. Each subsidiary will be subject to suit and liability solely from its own assets, revenues, and other resources and without recourse to the general funds, revenues, resources, or other assets of the Authority. The Authority has created and is creating subsidiaries to own, operate and manage certain multifamily projects. See "THE HOUSING MORTGAGE FINANCE PROGRAM — Multifamily Mortgage Loans — Multifamily Mortgage Loan Portfolio — Multifamily Mortgage Loan Delinquencies and Foreclosures" in this Part 2.

Declining Markets

As a result of COVID-19, the Authority experienced higher than normal prepayments, forbearances and payment advances on its home mortgage loan portfolio. Low interest rate environment and increase in home value in major parts of the State between 2020 and 2021, contributed to a reduction in available homes for sale within the Authority's purchase price limit. In response to a decrease in housing inventory and an increase in home prices, the Authority made and will continue to make changes to its home mortgage loan policies and programs to ensure it is able to meet the housing needs of low and moderate income families and persons throughout the State.

Changes in Federal or State Law

Legislation affecting the Bonds and the Authority's Mortgage Loans may be considered and enacted by the United States Congress or the Connecticut General Assembly. No assurance can be given that the consideration or enactment of any such legislation will not have an adverse effect on the value of, the timing or amount of payments of, or the security for the Bonds or other risks.

The United States Congress may pass consumer protection and bankruptcy legislation (including legislation that would allow bankruptcy courts to reduce or "cram down" the principal amounts and/or interest rates on mortgage loans on principal residences) as a result of the adverse effects of the mortgage situation on individuals and families in the United States. Likewise, the Connecticut General Assembly may enact consumer protection legislation relating to mortgage loan origination and servicing. Such legislation, if enacted, could have an adverse effect on the Authority's Housing Mortgage Finance Program, including its ability to originate new Mortgage Loans, to collect payments under Mortgage Loans and to foreclose on property securing Mortgage Loans.

In years past, a number of state regulatory authorities took action against certain loan originators and servicers for alleged violations of state laws. Certain of those actions prohibit those servicers from pursuing foreclosure actions. In response to alleged abusive lending and servicing practices, the State could enact legislation or implement regulatory requirements that impose limitations on the ability of mortgage loan originators and servicers to take actions (such as pursuing foreclosures) that may be essential to service and preserve the value of the Mortgage Loans. Any such limitations that applied to the Authority's Mortgage Loans could adversely affect the Authority's ability to collect amounts due on such loans and could impair the value of such loans.

Geographic Concentration in Connecticut

Different geographic regions of the United States from time to time will experience weaker regional economic conditions and housing markets, and, consequently, may experience higher rates of loss and delinquency on mortgage loans generally. Any concentration of the mortgage loans in a region may present risk considerations in addition to those generally present for similar securities without that concentration. If the mortgage loans are concentrated in one or more regions, a downturn in the economy in these regions of the country would more greatly affect the mortgage portfolio than if the mortgage portfolio were more diversified. All of the Authority's Mortgage Loans are secured by mortgaged properties in the State, which has been affected by the national economic downturn. Because of the geographic concentration of the mortgaged properties within the State, losses on the Mortgage Loans may be higher than would be the case if the mortgaged properties were more geographically diversified. If the residential real estate markets in an area of concentration experience an overall decline in property values after the dates of origination of the respective mortgage loans, then the rates of delinquencies, foreclosures and losses on the mortgage loans may increase and the increase may be substantial, which could have a material adverse effect on the Authority's financial condition.

Management Discussion of Revenues and Debt Service

The Authority has projected an approximation of its operating results during the period the Bonds are outstanding under the Resolution on the basis of specific assumptions. Such assumptions include regularly scheduled payments of principal and interest on Home Mortgage Loans and Multifamily Mortgage Loans, receipt of Recoveries of Principal on Home Mortgage Loans based on various prepayment assumptions, earnings on various accounts and the payment of bond interest based on various rates for variable rate bonds. Mortgage and investment data reflect all material transactions, and expectations of subsequent activity concerning each particular mortgage loan and investment held by the Authority, including an analysis of delinquencies, foreclosures, and other aspects of several mortgage loans for multifamily housing. As a result of such projections, the Authority expects that Pledged Receipts, including earnings on various accounts and Recoveries of Principal under the Resolution, will be sufficient to pay, as the same become due, the reasonable and necessary Operating Costs of the Authority and the Principal Installments and interest on the Bonds.

THE ACTUAL OPERATIONS OF THE HOUSING MORTGAGE FINANCE PROGRAM MAY VARY FROM THE PROJECTIONS AS PRESENTLY PREPARED. Among other things, this variance may be due to the extent that (i) the Authority suffers losses as a result of defaults and assumptions on mortgage loans that are not fully covered by insurance, (ii) the Authority is not able to invest in mortgage loans in accordance with its present commitments or reservations or plans with respect to the proceeds of Bonds (see "THE HOUSING MORTGAGE FINANCE PROGRAM" in this Part 2), (iii) prepayments of the Home Mortgage Loans financed or to be financed are either greater or smaller than the amount estimated in establishing the assumptions, (iv) actual investment income varies from the estimated amount due to changes in interest rates and the length of time such investments are held, and (v) withdrawals from the Housing Mortgage Capital Reserve Fund differ from those projected.

The Code requires, in general, that any amount the Authority earns on its investments with respect to tax exempt mortgage revenue bonds issued after 1980 for the purpose of financing Home Mortgage Loans, in excess of the amount that would have been earned on such investments, except for investments in mortgage loans, had such investments provided a return equal to the yield on their respective issues, must be paid or credited to the mortgagors or the United States. For such Bonds issued after 1988, any such amount must be paid to the United States. The Code also requires, in general, that certain amounts the Authority earns on investments with regard to tax exempt bonds issued for multifamily mortgage loans after August 15, 1986, except for investments in mortgage loans, must be paid to the United States. Investment earnings have been assumed at a rate below the yields on those issues, and therefore no such payment or credit is reflected.

Should interest rates on mortgage loans on Connecticut residential property (or on the types of other obligations in which monies in the funds and accounts under the Resolution may be invested) decline substantially from the rates now prevailing and remain at such lower rate for a significant period of time there is a possibility that the Authority might not be able to continue to make permanent and temporary investments generating a sufficient yield to pay operating costs and debt service on its Bonds without recourse to monies available for this purpose in the Housing Mortgage Capital Reserve Fund. Should this contingency occur, the Authority, to the extent practicable, expects to purchase or redeem Bonds so as to minimize or to eliminate any possible need to resort to the Housing Mortgage Capital Reserve Fund for this purpose.

As described under "SUMMARY OF CERTAIN OF THE PROVISIONS OF THE RESOLUTION," Pledged Receipts are applied under the Resolution first for operating costs, second for debt service and third for transfer to the Investment Trust Subaccount of the Surplus Account. During 2021, operating costs (exclusive of servicing fees) were approximately $35.8 million, and the Authority's budget for such costs for 2021 was approximately $41.6 million. For purposes of the preceding discussion, the following assumptions have been made:

(a) the Authority's estimate of annual Pledged Receipts (net of servicing fees retained by servicers) from Home Mortgage Loans, permanent multifamily mortgage loans, and multifamily construction loans that it has financed or committed to finance, or for which it has reserved funds, assumes the unexpended proceeds of other Series of Bonds and Recoveries of Principal on hand will be disbursed in a manner consistent with their respective series resolutions. The Authority projected Recoveries of Principal on all Home Mortgage Loans based on various prepayment assumptions for 30 year fixed rate level payment loans, incorporating a loss factor based on current experience, and otherwise assumed that all other mortgage loans, except certain mortgage loans pertaining to multifamily projects that have been or are in the process of being restructured, would be paid as scheduled and would not be prepaid or otherwise terminate prior to maturity;

(b) the Authority's estimate of certain investment income includes (i) earnings on actual investments current in the Housing Mortgage Capital Reserve Fund and reinvestment of existing principal upon maturity and computed on the basis that the amounts in such fund would exceed the Housing Mortgage Capital Reserve Fund Maximum Requirement, so that investment earnings on such amounts would not be required to be retained in such fund, (ii) earnings on unexpended proceeds of Outstanding Bonds and unexpended Recoveries of Principal, and (iii) earnings on amounts that the Authority expects to be in the Principal Installment Account and Interest Account of the Housing Mortgage General Fund;

(c) the Authority's estimate of the amounts of principal to be withdrawn from the Housing Mortgage Capital Reserve Fund is computed on the basis that after each withdrawal the balance remaining in the Housing Mortgage Capital Reserve Fund would at least equal the Housing Mortgage Capital Reserve Fund Maximum Requirement at the time of such withdrawal;

(d) the estimated total funds available for operating costs and debt service is the sum of the Authority's estimates contained in paragraphs (a), (b), and (c) above;

(e) the Authority's estimate of debt service payable in each year with respect to all Outstanding Bonds is being estimated as the amount of principal installments (including mandatory sinking fund installments) and interest payable each year with respect to such Bonds, based on various interest rate assumptions for variable rate bonds, making the further assumption that certain Bonds would be redeemed prior to maturity in a manner consistent with their respective series resolutions and in accordance with mandatory sinking fund requirements and as may be required due to restructuring of certain multifamily projects; and

(f) the Authority's estimate of amounts that may be utilized for operating costs and other purposes, as permitted under the Resolution and the Act, is the difference between paragraphs (d) and (e).

OTHER ACTIVITIES

Activities other than the Housing Mortgage Finance Program permitted by the present provisions of the Act include the following.

Federal New Issue Bond Program

In October 2009, the U.S. Department of Treasury (the "Treasury"), the Federal Housing Finance Agency and Fannie Mae and Freddie Mac (the "GSEs"), announced the Federal New Issue Bond Program (the "Federal NIBP"), under authority of the Housing Economic Recovery Act of 2008. Pursuant to the Federal NIBP, the GSEs purchase bonds from housing finance agencies created by any of the states or any possession, territory or commonwealth of the United States or any political subdivision thereof ("HFAs") and package them into GSE guaranteed securities for delivery to and purchase by Treasury. The HFA bonds consist of bonds issued to finance single family mortgage loans or multifamily mortgage loans; provided, that if issued to finance single family mortgage loans, these HFA bonds may not consist of more than 60% of a bond issue. The GSE purchased HFA bonds were required to bear interest rates that at the time of issuance of the bonds were either fixed to maturity or were monthly reset bonds that would convert in calendar year 2010 or 2011 to rates fixed to maturity. The fixed interest rates were expected to be lower than prevailing interest rates available through a public bond offering.

The Authority received from Treasury an allocation for GSE purchase of approximately $27 million of multifamily bonds and $191 million of single family bonds, and accordingly, in December 2009, the Authority issued $191,720,000 Single Family Special Obligation Bonds, Series 2009 (Program Bonds) (the "SF NIBP Bonds") and $27,610,000 Multifamily Special Obligation Bonds, Series 2009 (Program Bonds) (the "MF NIBP Bonds" and together with the SF NIBP Bonds, the "NIBP Escrow Bonds"), the proceeds of which were required to be held in escrow pending satisfaction of certain conditions, including the issuance by the Authority of additional taxable or tax exempt single family bonds (the "NIBP Market Bonds," and together with the NIBP Escrow Bonds, the "NIBP Bonds") to be sold to the general public in up to six tranches before the end of calendar year 2011.

The NIBP Bonds were issued as special obligation bonds under two new separate bond resolutions for single family (the "Single Family Special Obligation Bond Resolution") and multifamily (the "Multifamily Special Obligation Bond Resolution"). Accordingly, the NIBP Bonds issued pursuant to such resolutions, and any additional bonds authorized to be issued thereunder (including bonds not issued under the Federal NIBP), are not and will not be secured

by a pledge of Pledged Receipts or Recoveries of Principal under the Resolution and any mortgage loans or participations in mortgage loans financed by such bond issues will have been transferred to the respective special obligation resolution and will not be assets that are subject to the lien of the Resolution. In connection with the Federal NIBP, the Authority also authorized the Other Bond Resolutions to issue Other Bonds secured by the Housing Mortgage Capital Reserve Fund under the Resolution. Other Bonds issued and secured in this manner are explicitly provided for and permitted under the Resolution. See "THE HOUSING MORTGAGE FINANCE PROGRAM — Other Bonds Held as Investments under the Resolution and Secured by the Housing Mortgage Capital Reserve Fund" in this Part 2. To date, the Authority has used the proceeds of the Other Bonds to purchase or make, or to participate in the purchase or making of, single-family and multifamily mortgage loans, as applicable, under the NIBP Resolutions and the Authority's Housing Mortgage Finance Program, to pay costs of issuance, and to fund reserves, including reserves for capitalized interest. None of the Accounts established and pledged to secure the Bonds under the Resolution will secure the Other Bonds other than the Housing Mortgage Capital Reserve Fund. By 2012, the Authority had issued $128,000,000 principal amount of NIBP Market Bonds and converted all $191,720,000 of the SF NIBP Bonds to long term fixed rates of interest and released the proceeds thereof for purchase of Home Mortgage Loans or participations in Home Mortgage Loans. On July 1, 2021, the Authority refunded and redeemed all remaining SF NIBP Bonds and NIBP Market Bonds in full.

Special Needs Housing Projects

The Authority has adopted an indenture of trust (the "Special Needs Housing Indenture of Trust") (previously known as the "Group Home Indenture of Trust") pursuant to the Act for purposes of funding special needs housing projects, which to date have consisted of (i) group homes for housing persons who are intellectually or developmentally disabled, (ii) assisted living demonstration projects which provide affordable housing for residents with special housing needs and (iii) supportive housing facilities which provide housing for one or more persons or families that are homeless or at risk of homelessness and meet the requirements of subsection (d) of Section 17a-485c of the Connecticut General Statutes, as amended. In addition to the group homes, assisted living facilities and supportive housing projects, the Authority has issued bonds under the Special Needs Housing Indenture of Trust to provide financing for the Emergency Mortgage Assistance Program ("EMAP"), as further described below.

Bonds issued under the Special Needs Housing Indenture of Trust shall be limited obligations of the Authority, the principal of, redemption price, if any, and interest on which shall be payable solely from the revenues, receipts, funds or monies pledged therefor as provided thereunder. The revenues are derived principally from the property cost allowance of the room and board portion of payments made to group home residents by the Department of Social Services ("DSS") from State and Federal aid and from rental subsidy payments made with respect to assisted living facilities from DECD to the Authority. The revenues do not include (i) amounts received from the State on account of debt service for bonds issued for supportive housing facilities pursuant to a contract (the "State Assistance Agreement"), among the State Treasurer, the Secretary of the Office of Policy and Management ("OPM") and the Authority, which payments are pledged solely to the payment of the principal of, redemption price, if any, and interest on supportive housing bonds, or (ii) amounts received from the State on account of debt service for bonds issued to provide financing for EMAP pursuant to a contract (the "EMAP State Assistance Agreement"), between the Authority and the State, acting by and through the Secretary of OPM and the State Treasurer, which payments are pledged solely to the payment of the principal of, redemption price, if any, and interest on EMAP bonds. Pursuant to Section 17a- 485(e) of the General Statutes, state assistance to pay debt service on supportive housing bonds is authorized in an amount up to $105 million.

In addition, except for (i) bonds issued to finance supportive housing facilities, which are supported by payments made pursuant to the State Assistance Agreement for which the State has pledged its full faith and credit, and (ii) bonds issued to fund EMAP, which are supported by payments made pursuant to the EMAP State Assistance Agreement for which the State has pledged its full faith and credit, all bonds issued to date under the Special Needs Housing Indenture of Trust are also secured by a special capital reserve fund established therefor, for which amounts are deemed appropriated from the State's general fund under circumstances similar to those under which amounts in the Housing Mortgage Capital Reserve Fund are deemed appropriated. As of June 30, 2022, $167,565,000 of bonds have been issued under the Special Needs Housing Indenture of Trust that are also secured by a special capital reserve fund, of which $62,005,000 were outstanding.

Emergency Mortgage Assistance Program

The rights of certain property owners are protected in Connecticut foreclosure actions by Sections 8-265cc through 8-265kk of the Connecticut General Statutes known as the Emergency Mortgage Assistance Program (EMAP). These provisions afford homeowners the opportunity to avoid foreclosure by enabling them to obtain financial assistance from the State, acting through the Authority. Under these provisions, a qualified homeowner may obtain funds from the Authority to bring a delinquent mortgage or delinquent lien current, and may also obtain assistance with respect to subsequent mortgage or lien payments, to a maximum period of 60 months. If the homeowner defaults at any time during the period of assistance, the lender or lienholder is then permitted to continue prosecution of the foreclosure action.

The 2008 Act amended EMAP, including redefining "financial hardship" to allow a significant increase in the periodic payments of a mortgage to qualify as such, establishing a foreclosure mediation program within the Connecticut court system and extending the period for emergency loans provided by the Authority to sixty months. In 2021, EMAP was further amended by Public Act No. 21-44 allowing any homeowner to apply for emergency lien assistance payment. Lien is defined as "debt secured by a lien on a residential property." If approved for an EMAP loan, the Authority will make the borrower's mortgage or lien payment for up to sixty months provided the total monthly payment shall not be more than 28% of 140% of annual area median income divided by 12. The first payment may include arrearages and reasonable costs and attorney's' fees incurred by the lender or lienholder in connection with foreclosure. Borrowers receiving EMAP loans shall make monthly payments to the Authority in an amount which shall cause borrower's total housing expense to be less than or equal to 35% of the borrower's aggregate family income. The amount by which the EMAP payments to the lender or lienholder exceeds the payments made to the Authority by the borrower shall be a loan evidenced by such documents as the Authority requires. The Authority periodically reviews the borrower's financial circumstances to determine the necessity for continuation, termination or adjustment of the EMAP payments. The Act authorizes the EMAP State Assistance Agreement to pay debt service on bonds issued by the Authority to fund EMAP in an amount up to $50,000,000. To date, the Authority has issued the full $50,000,000 authorized amount of bonds to fund EMAP under the Special Needs Housing Bond Resolution. As of June 30, 2022, $26,535,000 of such bonds were outstanding.

HUD Related Activities

Performance Based Contract Administration. The Authority had been selected by HUD to act as a Performance- Based Contract Administrator (PBCA) effective January 2014; however, subsequent legislation requires HUD to report to Congress on a state by state contracting methodology.

Multifamily Accelerated Processing. The Authority has received conditional approval from HUD to become a Multifamily Accelerated Processing (MAP) lender.

Revolving Credit Facilities

The Authority has entered into a Revolving Credit Agreement, dated July 15, 2021 (the "Revolving Credit Agreement I"), between the Authority and U.S. Bank National Association, pursuant to which the Authority may issue Notes (the "Notes I") thereunder from time to time on a revolving basis in a principal amount not to exceed $75 million. Proceeds thereof will be used to redeem Bonds in exchange for an equal amount available therefor released from the lien and pledge of the Resolution and thereupon held by the Custodian under the Revolving Credit Agreement I. Payment of principal of Notes I and interest thereon are general obligations of the Authority, for which its full faith and credit are pledged, and are additionally secured by such exchanged amounts held by the Custodian. The Notes I are *not* secured by the lien and pledge of the Resolution or by the Housing Mortgage Capital Reserve Fund or any other capital reserve fund. Principal of Notes I is expected to be paid with proceeds of future Bond issuances. Interest on Notes I will be payable on the first business day of each month (i) prior to the occurrence of an Event of Default under the Revolving Credit Agreement I, at the Index Rate, which will be equal to the sum of a spread based on the ratings of the Bonds and one-month LIBOR (which under the terms of the Revolving Credit Agreement I will be replaced with a SOFR-based rate once one-month LIBOR is no longer available) and (ii) upon the occurrence of an Event of Default under the Revolving Credit Agreement I, at the Default Rate, which will be equal to not less than 12% per annum. The Expiration Date of the Revolving Credit Agreement I is December 14, 2023 (unless otherwise extended or terminated).

The Authority has entered into a Revolving Credit Agreement, dated November 4, 2021 (the "Revolving Credit Agreement II"), between the Authority and Wells Fargo Bank, National Association, pursuant to which the Authority

may issue Notes (the "Notes II") thereunder from time to time on a revolving basis in a principal amount not to exceed $100 million. Proceeds thereof will be used to redeem Bonds in exchange for an equal amount available therefor released from the lien and pledge of the Resolution and thereupon held by the Custodian under the Revolving Credit Agreement II. Payment of principal of Notes II and interest thereon are general obligations of the Authority, for which its full faith and credit are pledged, and are additionally secured by such exchanged amounts held by the Custodian. The Notes II are *not* secured by the lien and pledge of the Resolution or by the Housing Mortgage Capital Reserve Fund or any other capital reserve fund. Principal of Notes II is expected to be paid with proceeds of future Bond issuances. Interest on Notes II will be payable on the first business day of each month (i) prior to the occurrence of an Event of Default under the Revolving Credit Agreement II, at the Index Rate, which will be equal to the sum of a spread based on the ratings of the Bonds and one-month LIBOR (which under the terms of the Revolving Credit Agreement II will be replaced with a SOFR-based rate on March 31, 2023) and (ii) upon the occurrence of an Event of Default under the Revolving Credit Agreement II, at the Default Rate, which will be equal to not less than 10% per annum. The Expiration Date of the Revolving Credit Agreement II is November 3, 2023 (unless otherwise extended or terminated).

The Authority has entered into a Revolving Credit Agreement, dated April 27, 2022 (the "Revolving Credit Agreement III"), between the Authority and Bank of America, N.A., pursuant to which the Authority may issue Notes (the "Notes III") thereunder from time to time on a revolving basis in a principal amount not to exceed $75 million. Proceeds thereof will be used for the purchase and warehousing of single family mortgage loans. Payment of principal of Notes III and interest thereon are general obligations of the Authority, for which its full faith and credit are pledged. The Notes III are *not* secured by the lien and pledge of the Resolution or by the Housing Mortgage Capital Reserve Fund or any other capital reserve fund. Principal of Notes III is expected to be paid with proceeds of future Bond issuances. Interest on Notes III will be payable on the first business day of each month or quarter, as determined by the Authority, (i) prior to the occurrence of an Event of Default under the Revolving Credit Agreement III, at a rate equal to the sum of a spread based on the ratings of the Bonds and the applicable BSBY Rate and (ii) upon the occurrence of an Event of Default under the Revolving Credit Agreement III, at the Default Rate, which will be equal to not less than 11% per annum. The Maturity Date of the Revolving Credit Agreement III is April 26, 2024 (unless otherwise extended or terminated).

The Authority may enter into other revolving credit facilities in the future with terms that may or may not be similar to those of the existing Revolving Credit Agreements.

SUMMARY OF CERTAIN OF THE PROVISIONS OF THE RESOLUTION

The Resolution contains various covenants and security provisions, certain of which are summarized below. Various words or terms used in the following summary are defined in the Resolution and reference thereto is made for full understanding of their import. See also APPENDIX D – "DEFINITIONS OF CERTAIN TERMS" in this Part 2. The Resolution defines "Housing Mortgage Finance Program" to mean and include any act or thing done by the Authority for the purpose of alleviating the shortage of Housing through providing additional construction and permanent financing for Housing, by the making of commitments to purchase, and the purchase, servicing, and selling of Mortgage Loans, or the making of Mortgage Loans directly upon the security of any Mortgage, provided the underlying Mortgage Loans shall have been made and shall be continued to be used solely to finance or refinance the construction, rehabilitation, purchase, or leasing of Housing under the Act.

Resolution Constitutes Contract (Section 202)

The provisions of the Resolution shall constitute a contract between the Authority, the Trustee and the Holders from time to time of the Bonds and coupons, and the provisions, covenants and agreements to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds and coupons.

Pledge Effected by the Resolution (Section 501)

For the payment of principal and Redemption Price of, and interest on the Bonds, and the Sinking Fund Installments for the retirement thereof, there are pledged, subject to the provisions of the Resolution permitting the application thereof, for or to the purposes and on the terms and conditions set forth in the Resolution, the proceeds of sale of the Bonds, the Pledged Receipts and Recoveries of Principal, and all Funds established or confirmed by the Resolution, including Accounts thereof and monies and securities therein. See also information under the caption "Issuance of Additional Obligations" below.

Establishment of Funds and Accounts Therein (Section 502)

The Authority by the Resolution has established the following Funds and Accounts which are to be held as follows:

Fund		Held by
Housing Mortgage Capital Reserve Fund Housing Mortgage General Fund		Trustee
1)	Cost of Issuance Account	Trustee
2)	Bond Proceeds Account	Trustee
3)	Pledged Account	Trustee
4)	Recoveries of Principal Account	Trustee
5)	Operating Account	Authority
6)	Interest Account	Trustee
7)	Principal Installment Account	Trustee
8)	Surplus Account	Trustee
9)	Redemption Account	Trustee

Cost of Issuance Account (Section 503)

There shall be deposited in the applicable Series sub account of the Cost of Issuance Account the amount of monies necessary to pay the Cost of Issuance of each Series of Bonds from the proceeds of the Bonds of such Series, other monies received from time to time by the Authority or monies deposited therein from the Operating Account. The Trustee shall pay the Cost of Issuance of such Series of Bonds therefrom, and any excess in said sub account after the payment of the Cost of Issuance shall be transferred to the applicable Series sub account of the Bond Proceeds Account.

Bond Proceeds Account (Section 504)

There shall be deposited into the applicable Series sub account of the Bond Proceeds Account, the amount of proceeds of Bonds of any Series required to be deposited therein by the Series Resolution with respect to such Series. Monies in the Bond Proceeds Account may be expended only for the Financing of Mortgages under the Housing Mortgage Finance Program, payments of Notes of the Authority, repayment of monies advanced by the State to the Authority other than through operation of the Housing Mortgage Capital Reserve Fund, and to the extent other monies are not available, payment of Principal Installments of and interest on Bonds when due. A separate sub account has been established within the Bond Proceeds Account and additional temporary sub accounts may be established therein for deposits of proceeds of Notes.

Unless the Authority in any year shall Finance Mortgages from monies in each Series sub account of the Bond Proceeds Account, which require all Pledged Receipts to be paid prior to the final Principal Installment on the Outstanding Bonds of such Series and which Pledged Receipts are so scheduled as to approximate the Principal Installments and interest due in such year and all subsequent years on such Outstanding Bonds, to be determined by the Authority by considering the Pledged Receipts of other Mortgages Financed or to be Financed with monies in such Series sub account and reasonable factors that may result in a Recovery of Principal on such Mortgage and Recoveries of Principal on such other Mortgages, the Authority shall file with the Trustee a certificate, which is to be made available to any Bondholder upon request stating either that a Mortgage and the amount thereof has been Financed which calls for Pledged Receipts to be received after the final Principal Installment on the Outstanding Bonds of such Series, or that such a

Mortgage and amount has been Financed without regard to the scheduling as permitted above, or, if applicable, making both such statements. At the direction of the Authority, monies unexpended in a Series sub account of the Bond Proceeds Account shall be transferred to the applicable Series sub account of the Redemption Account.

Pledged Account (Section 505)

The Authority shall cause all monies (a) received by the Servicer, if there be one, or by the Authority, as Pledged Receipts and Recoveries of Principal, to be deposited promptly or at least once every two weeks with a Depository to be designated for each Acquired Program Mortgage by the Authority with the approval of the Trustee and subject to the control and direction of the Trustee, to the credit of the Pledged Account, (b) received as Swap Receipts to be deposited promptly in the Interest Account and (c) received as Termination Receipts to be deposited promptly in the Operating Account.

Upon receipt each month of a statement of account from the Authority, the Trustee from the Pledged Account shall deposit the amount of monies received as Pledged Receipts as set forth in the statement of account into the following Accounts and Fund, but as to each such Account and Fund only within the limitations herein below indicated with respect thereto and only after maximum payment within such limitation has been made into each such Account or Fund previously mentioned in the following tabulation:

FIRST: Into the Operating Account, the Monthly Requirement, to pay the reasonable and necessary monthly Operating Costs in accordance with the Annual Budget.

SECOND: Into the Interest Account, the amount necessary to increase the amount in such Account so that it equals the Interest Account Requirement on the Outstanding Bonds accrued and unpaid and to accrue to the fifteenth day of the then current month.

THIRD: Into the Principal Installment Account, assuming the accrual of Principal Installments on the same basis as interest accrues commencing one year prior to the next Principal Installment Date, and with respect only to the Principal Installments on Outstanding Bonds due and payable on the next succeeding November 15th or at any time within one year prior to such date, the amount necessary to increase the amount in such Account so that it equals such Principal Installments accrued and to accrue to the fifteenth day of the then current month.

FOURTH: Into the Housing Mortgage Capital Reserve Fund, the amount, if any, necessary to increase the amount in such Fund so that it equals the Housing Mortgage Capital Reserve Fund Maximum Requirement.

FIFTH: Into the Surplus Account, the amount remaining.

The Trustee shall deposit Recoveries of Principal into the sub account of the Recoveries of Principal Account of the Series of Bonds, the proceeds of which were used to Finance the Mortgage for which the Recovery of Principal has been received, as set forth on the statement of account; except that the Authority may direct the Trustee to deposit from any Recoveries of Principal in the Pledged Account into the Operating Account the amount, if any, necessary to increase the amount in the Operating Account so that it equals the Monthly Requirement.

Surplus Account (Section 506)

Monies in the Surplus Account are required, if needed, to be timely transferred to the Interest Account, the Principal Installment Account and the Housing Mortgage Capital Reserve Fund, and, if not so needed, such monies may be paid upon the direction of the Authority, on any date after November 11 and before December 2 of each year, first to the payment of any Termination Payment, any Subordinated Swap Payments or any termination payment on Swaps (other than Termination Payments) and then to the Redemption Account, to the surplus sub account of the Bond Proceeds Account or to the Investment Trust Subaccount in such amounts as the Authority shall determine, or to the Authority, free and clear of the lien and pledge of the Resolution, for any corporate purpose of the Authority, including the payment of Notes and the interest thereon, and, in the event the Authority determines it does not need such amounts to keep it self-supporting, to repay the State such amounts paid to the Authority by operation of the Housing Mortgage Capital Reserve Fund. Failing exercise of such direction by the Authority, such monies shall be transferred by the Trustee to the Redemption Account.

There is established a separate sub account within the Surplus Account designated "Investment Trust Subaccount." There shall be transferred to the Housing Mortgage General Fund (i) any mortgages, mortgages loans or other assets previously made, financed or otherwise attributed to or accounted for by the Authority under its Investment Trust Fund, as approved by resolution on November 11, 1999 and (ii) any other mortgage, loan or other asset of the Authority which, from time to time, by resolution of the Authority is approved for deposit or transfer from the Investment Trust Fund to the Housing Mortgage General Fund. Upon such deposit or transfer, the related mortgage, mortgage loan or other asset will be deemed to have been credited to or shall be deposited in the Investment Trust Subaccount.

Monies in the Investment Trust Subaccount of the Surplus Account may be expended for either the Financing of Mortgages or, notwithstanding other provisions of the Resolution but under the Resolution, the making of mortgages, mortgage loans, assistance payments or otherwise as may be consistent with and pursuant to any authorized program or purpose of the Authority. Any money received on account of any Investment Trust Subaccount asset shall be treated as and deemed a Pledged Receipt under the Resolution unless there is a legal restriction on the use of such money by the Authority, provided, however, that, pending disbursement as an expenditure as set forth in the immediately preceding sentence hereof, and upon instruction from an Authorized Officer, the Trustee shall invest monies earned on such assets in such Subaccount in Investment Obligations so as to have monies, not otherwise restricted, available therefrom on each Interest Payment Date to pay any interest, Principal Installment or Swap Payment not then paid from the other amounts in the Interest Account or Principal Installment Account, as applicable.

Operating Account (Section 507)

There shall be paid into the Operating Account the Monthly Requirement, and there may be paid into the Operating Account any monies received by the Authority from any source, unless required to be otherwise applied as provided by the Resolution. Amounts in the Operating Account shall be paid out from time to time by the Authority for reasonable or necessary Operating Costs provided, however, the Authority may at any time deposit monies in the Operating Account into any other accounts of the Housing Mortgage General Fund or into the Housing Mortgage Capital Reserve Fund. To the extent that other monies are not available therefor, amounts in the Operating Account shall be applied to the payments of Principal Installments of and interest on Bonds or Swap Payments when due.

Interest Account (Section 508)

The Trustee shall pay out of the Interest Account to the respective Paying Agents for any of the Bonds, on the day preceding each interest payment date, the amount required for the payment of interest on the Bonds and Swap Payments due on such date and on the day preceding the Redemption Date or date of purchase, the amount required for the payment of accrued interest on Bonds redeemed or purchased for retirement unless the payment of such accrued interest shall be otherwise provided for, and such amounts shall be applied by the Paying Agents to such payment.

Principal Installment Account (Section 509)

The Trustee shall pay out of the Principal Installment Account to the respective Paying Agents, on the day preceding each Principal Installment date for any of the Bonds, the amounts required for the payment of principal due on such date and such amounts shall be applied by the Paying Agents to such payments.

The amount accumulated in the Principal Installment Account for each Sinking Fund Installment may and, if so directed by the Authority, 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 to:

(a) The purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the applicable Redemption Price, plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as the Trustee shall determine; or

(b) The redemption of such Bonds, pursuant to the Resolution, if then redeemable by their terms.

As soon as practicable after the forty fifth day preceding the due date of any such Sinking Fund Installment, the Trustee, whether or not it then has monies in the Principal Installment and Interest Accounts sufficient to pay the applicable Redemption Price and interest thereon, shall proceed to call for redemption, pursuant to the Resolution, on such due date Bonds of the Series and maturity 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 and maturity.

Recoveries of Principal Account (Section 510)

Recoveries of Principal include monies received from any prepayment of principal on Acquired Program Mortgages, condemnation or foreclosure payments received by the Authority with respect to mortgaged premises, mortgage insurance proceeds, and amounts received from the sale of or other disposition by the Authority of any such Mortgage.

Amounts in the Recoveries of Principal Account shall be expended and applied by the Authority from time to time only to payments:

(a) For the Financing of Mortgages under the Housing Finance Program; and

(b) To the extent that other monies are not available, of Principal Installments of and interest on Bonds when due.

The Authority shall Finance Mortgages, from monies in each Series sub account of the Recoveries of Principal Account, which Pledged Receipts shall be so scheduled as to approximate the aggregate debt service requirement on the Outstanding Bonds of said Series, to be determined by the Authority by considering only the Pledged Receipts of other Acquired Program Mortgages applicable to such Series, provided, however, that the Authority shall not Finance at any one time Mortgages as aforesaid if the yield thereon would be less than the remaining interest cost of the Authority on the then Outstanding Bonds of such Series.

At any time, the Authority, by delivery to the Trustee of an Authorized Officer's certificate, is permitted and may direct the Trustee to transfer any monies in a Series sub account of the Recoveries of Principal Account to the sub account of such Series in the Redemption Account.

In addition, in lieu of transferring any monies in the Series sub account of the Recoveries of Principal Account to the sub account of such Series in the Redemption Account for the redemption of Bonds of such Series, the Authority, by delivery to the Trustee of an Authorized Officer's Certificate, is permitted and may direct the Trustee to transfer any monies in such Series sub account of the Recoveries of Principal Account to (a) any Series sub account of the Redemption Account for any other Series of Bonds or (b) the General Redemption sub account in the Redemption Account, for, in each case, the redemption of Bonds of any other Series at the Redemption Price and subject to the redemption provisions

applicable in accordance with the Series Resolution authorizing the issuance of such other Series of Bonds; as a condition precedent to any such transfer, the Authorized Officer's Certificate shall identify the other Bonds to be redeemed and the applicable Redemption Price thereof, and shall demonstrate that the redemption of such other Bonds upon such transfer shall produce a cash flow, net present value, or other economic savings to the Authority, consistent with Section 707 and Section 713 of the Resolution, greater than would otherwise obtain from the redemption of Bonds of such Series.

Redemption Account (Section 512)

The Trustee shall establish in the Redemption Account a separate sub account for the Bonds of each Series, and has established a single separate sub account designated the General Redemption sub account. Any monies which are required or authorized to be transferred into a Series sub account of the Redemption Account from the Bond Proceeds Account or Recoveries of Principal Account shall be set aside in such Series sub account. Upon deposit of such monies in any such Series sub account, or within thirty days thereafter, the Authority may give written direction, signed by an Authorized Officer, of the Redemption Date, the maturity or maturities of the Bonds of such Series and the amounts thereof to be purchased or redeemed, subject to any limitations with respect thereto contained in the Resolution and the Series Resolution of such Series.

Amounts otherwise in the Redemption Account shall be applied by the Trustee to the purchase or redemption of Bonds (accrued interest on such Bonds to be provided out of the Interest Account), provided, however, subject to the provisions of any Series Resolution directing or permitting the application of any part of the monies in the Redemption Account to the purchase or redemption of Bonds of any particular Series, and subject to the redemption provisions of the Bonds, the Authority shall direct the selection of the Bonds to be purchased so as to apply amounts in said Account to such purposes as rapidly as in its judgment is reasonably practicable.

The Authority may, from time to time, by written instruction direct the Trustee to make purchases only after receipt of tenders after published notice.

Upon any purchase or redemption of Bonds of any Series and maturity 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 of all or any one or more of such Sinking Fund Installments, as directed by the Authority, or, failing such direction by the fifteenth day of the second month preceding the date of the applicable Sinking Fund Installment, toward such Sinking Fund Installments in inverse order of their due dates. Such applicable Redemption Prices shall be the respective Redemption Prices which would be applicable upon the redemption of such Bonds from the respective Sinking Fund Installments on the due dates thereof. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of the calculation of Principal Installments due on a future date.

Housing Mortgage Capital Reserve Fund (Section 513 and Section 713)

Upon the delivery of any Bonds pursuant to the Resolution, the Authority shall pay to the Trustee from the proceeds of such Bonds or otherwise, the sum of money, if any, necessary to increase the amount in the Housing Mortgage Capital Reserve Fund to the Housing Mortgage Capital Reserve Fund Maximum Requirement, which shall be an amount equal to the greatest amount of Principal Installments and Interest Account Requirement maturing and becoming due in the year in which such computation is made or in any succeeding calendar year on Outstanding Bonds. In addition to the amounts required to be deposited in the Housing Mortgage Capital Reserve Fund by the Resolution, in each year prior to the making and delivery of the certificate referred to below, and in any event before December 1 of such year, the Authority shall pay to the Trustee the sum of money, if any, necessary to increase the amount in the Housing Mortgage Capital Reserve Fund to the Housing Mortgage Capital Reserve Fund Maximum Requirement, from any monies available to the Authority and determined by the Authority to be utilized therefor.

The Authority covenants that it shall at all times maintain the Housing Mortgage Capital Reserve Fund and do and perform or cause to be done and performed each and every act and thing with respect to the Housing Mortgage Capital Reserve Fund provided to be done or performed by or on behalf of the Authority or the Trustee or the Paying Agents under the present terms and provisions of the Act and under the Resolution.

In order better to secure the Bonds and to make such Bonds marketable and to maintain in the Housing Mortgage Capital Reserve Fund an amount equal to the Housing Mortgage Capital Reserve Fund Minimum Requirement, which shall be an amount equal to the amount of Principal Installments and Interest Account Requirement maturing and becoming due in the next succeeding calendar year on Outstanding Bonds, the Authority shall cause the Chairman annually, on or before December 1 of each year, to make and deliver to the Secretary of the Office of Policy and Management of the State his certificate stating the amount, if any, required to restore the Housing Mortgage Capital Reserve Fund to an amount equal to the amount of the Housing Mortgage Capital Reserve Fund Minimum Requirement. The Authority shall cause all monies due the Authority from the State in accordance with the provisions of the Act pursuant to any such certification to be paid by the State directly to the Trustee for deposit and credit to the Housing Mortgage Capital Reserve Fund in accordance with the Resolution.

If at any time any interest on Bonds or principal or Redemption Price of Bonds or any Sinking Fund Installment or any Swap Payment has become due and payment thereof in full has not been made or provided for, the Trustee shall forthwith withdraw from the Housing Mortgage Capital Reserve Fund an amount not exceeding the amount required to provide for such payment in full and subject to the terms and provisions of the Resolution apply the amount so withdrawn to such payment.

See also the information under the caption "Issuance of Additional Obligations."

Notes and State Monies (Section 514)

The Authority may, at any time or from time to time, issue Notes payable out of and which may be secured by a pledge of, such amounts as may be payable from time to time to the Pledged Account; provided, however, that the Notes shall be issued only for a purpose for which amounts in the Bond Proceeds Account could be applied and such pledge shall be, and shall be expressed to be, subordinate (except as to certain Bond proceeds pledged to pay Notes) to the pledge of the Pledged Receipts and Recoveries of Principal, monies, securities and Funds and Accounts thereof created by the Resolution. The proceeds of any Notes, except for amounts reasonable and necessary to pay expenses of the Authority in connection with the sale and issuance thereof, and any monies received from the State for the Financing of Mortgages under the Housing Mortgage Finance Program, except those received as a result of the operation of the Housing Mortgage Capital Reserve Fund, shall be deposited into a temporary sub account of the Bond Proceeds Account and shall be transferred or deemed transferred (i) to the Series sub account of the Series of Bonds, in the event the proceeds of such Series are applied for payments of such Notes or for payments to the State, or (ii) to the Surplus sub account of the Bond Proceeds Account in the event that the Authority applies monies in such Surplus sub account for the payments of such Notes or for payments to the State. Any Recoveries of Principal on a Mortgage Financed with proceeds of Notes may be used to pay outstanding Notes. The Authority is permitted to issue Notes in anticipation of Bonds and pledge the proceeds of such Bonds in priority to any other pledge, to the repayment of the Notes.

Payment of Bonds (Section 702)

The Authority covenants that it shall duly and punctually pay or cause to be paid the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner mentioned in the Bonds and in the coupons thereto appertaining, according to the true intent and meaning thereof, and shall duly and punctually pay or cause to be paid all Sinking Fund Installments, if any, becoming payable with respect to any Series of Bonds.

Powers as to Bonds and Pledge (Section 705)

The Authority covenants that it is duly authorized pursuant to law to authorize and issue the Bonds and to adopt the Resolution and to pledge the Pledged Receipts, Recoveries of Principal and other monies, securities and funds purported to be pledged by the Resolution in the manner and to the extent provided in the Resolution. The Authority further covenants to preserve the pledge of the Pledged Receipts, Recoveries of Principal and other funds, and all the rights of Bondholders under the Resolution, against all claims and demands by all persons.

Agreement of the State (Section 706)

In accordance with the provisions of the Act, the Authority as agent for the State does pledge to and agree with the Bondholders that the State will not limit or alter the rights vested by the Act in the Authority to fulfill the terms of any agreements made with Bondholders or in any way impair the rights and remedies of the Bondholders until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the Bondholders, are fully met and discharged, provided nothing contained in the Resolution shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the Bondholders.

Tax Covenant (Section 707)

The Authority covenants to do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Authority on the Bonds shall, for the purposes of the Federal income tax, be exempt from all income taxation under any valid provision of law, except for any period that any Bond is held by a person referred to in Section 103(b)(13) [now Section 147(a) of the Internal Revenue Code of 1986, as amended] (a substantial user of the facilities or a related person) of the Internal Revenue Code of 1954, as amended.

The Authority covenants not to permit at any time or times any of the proceeds of the Bonds or other funds of the Authority to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in subsection (c)(2) of Section 103 [now Section 143(g) and Section 148 of the Internal Revenue Code of 1986, as amended] of the Code unless the interest on the Bonds shall be excludable from the gross income of a recipient thereof for Federal income tax purposes without regard to compliance with the provisions of subsection (c) of Section 103 [now Section 143(g) and Section 148 of the Internal Revenue Code of 1986, as amended] of the Code.

In order to assure compliance with such covenants, thereby better securing and protecting the Bonds and making the Bonds more marketable, the Authority from the date of adoption of the Resolution covenants not to:

(a) Finance any Mortgage from the proceeds or Recoveries of Principal of each such Series of Bonds or from monies in the Surplus sub account in the Bond Proceeds Account that produces a yield in excess of the applicable maximum yield permitted by the Code.

(b) Invest or direct the Trustee to, and the Trustee shall not, invest any monies in any such Fund or Account or sub account in Investment Obligations that produce a yield in excess of such maximum applicable yield.

The tax covenant set forth herein shall only be applicable to Bonds of the Authority which are issued with the express provision to exclude the interest paid thereon by the Authority from all income taxation under any statutory provision of Federal law. The Authority may issue Bonds the interest on which may be includible under the Code, in accordance with the Act, and in such event, any Resolution provision designed to ensure such exemption from Federal income taxation shall be inapplicable to such taxable Bonds of the Authority.

Accounts and Reports (Section 708)

The Authority covenants that it shall keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all its transactions relating to the Housing Mortgage Finance Program and all funds and accounts established by the Resolution, which shall at all reasonable times be subject to the inspection of the Trustee and the Holders of an aggregate of not less than 5% in principal amount of Bonds then Outstanding or their representatives duly authorized in writing.

The Authority shall annually, within ninety days after the close of each Calendar Year, file with the Trustee a copy of an annual report for such Calendar Year, accompanied by an Accountant's Certificate setting forth in reasonable detail:

(a) Its operations and accomplishments;

(b) Its receipts and expenditures in accordance with the categories or classifications established by the Authority for its operating and Housing Mortgage Finance Program purposes; and

(c) Its assets and liabilities at the end of such Year, including all funds and accounts established by the Resolution, and a schedule of its Bonds Outstanding and Notes and other obligations outstanding at the end of such Calendar Year.

A copy of each such annual report and Accountant's Certificate shall be mailed promptly thereafter by the Authority to each Bondholder who shall have filed his name and address with the Authority for such purpose.

Budgets (Section 709)

The Authority shall prepare a preliminary budget covering its fiscal operations for the succeeding year at least sixty days prior to December 1 of each year and shall prepare a summary of such budget which summary shall be mailed to each Bondholder who shall have filed his name and address with the Authority for such purpose. In the event requested by the Holders of 10% or more in principal amount of Outstanding Bonds, the Authority shall hold a public hearing on the budget in the manner provided by the terms of the Resolution.

The Authority shall adopt an annual budget covering its fiscal operations for the succeeding calendar year not later than December 1 of each year, and file the same with the Trustee and with such officials of the State as may be required by the Act, as then amended. The annual budget shall at least set forth for such calendar year the estimated Pledged Receipts, Principal Installments and interest due and payable or estimated to become due and payable during such calendar year and estimated Operating Costs. The Authority may at any time adopt and file with the Trustee an amended annual budget for the remainder of the then current calendar year in the manner provided in the Resolution for the adoption of the annual budget. Copies of the annual budget and any amended annual budget shall be made available by the Trustee for inspection by any Bondholder.

Covenant with Respect to Housing Mortgage Finance Program (Section 714)

Except as otherwise authorized by the State Bond Commission, in order to provide sufficient monies with which to pay its Operating Costs and the principal, Sinking Fund Installments and interest when due and payable on its Bonds and Notes, the Authority shall from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act as then amended and in effect and with the provisions of the Resolution, use and apply the proceeds of the Bonds and Notes, to the extent not reasonably or otherwise required for other Housing Mortgage Finance Program purposes of the Authority, to Finance Mortgages pursuant to such Act as so amended and the Resolution, and shall do all such acts and things necessary to receive and collect Pledged Receipts and, when applicable, Recoveries of Principal, and shall diligently enforce, and take all steps, actions and proceedings for the enforcement of all terms, covenants and conditions of Acquired Program Mortgages.

Issuance of Additional Obligations (Section 717 and Section 207)

The Authority shall not hereafter create or permit the creation of or issue any obligations or create any additional indebtedness which will be secured by a charge and lien on the Housing Mortgage General Fund or Housing Mortgage Capital Reserve Fund, except that (a) additional Series of Bonds may be issued from time to time on a parity with the Bonds of the initial Series of Bonds and secured by an equal charge and lien on the Pledged Receipts or Recoveries of Principal and payable equally from the Housing Mortgage General Fund and Housing Mortgage Capital Reserve Fund, (b) the Authority expressly reserves the right to adopt one or more general bond resolutions for the purposes of the Housing Mortgage Finance Program and to issue bonds thereunder secured by an equal pledge or lien on the Housing Mortgage General Fund or the Housing Mortgage Capital Reserve Fund, provided the same does not create a charge or lien on the Acquired Program Mortgages, Pledged Receipts or Recoveries of Principal or any account or sub account of the Housing Mortgage General Fund established and maintained pursuant to and under the Resolution and (1) the authorization or issuance of such Bonds, if the same had been issued under the Resolution, would meet the requirements under the Resolution for the issuance of additional Series of Bonds as set forth in (a), (b), (c) and (d) below, and (2) unless the authorization of such bonds has been approved by the State Bond Commission, a certificate of the Chairman of the Authority is filed with the Trustee under the Resolution dated as of the date of the resolution authorizing such

Bonds, stating that the monies and revenues expected to be available as a result of the issuance of such Bonds and the use of the proceeds thereof will be sufficient to pay the applicable operating expenses of the Authority and to pay as the same become due all installments of principal (whether upon maturity or by operation or Sinking Fund Installments) of and interest on such Bonds, and (c) the Authority expressly reserves the right to refund one or more Series or part of one or more Series of Outstanding Bonds, which Refunding Bonds shall be issued in a principal amount sufficient, together with other monies therefor, to accomplish said refunding and to make all required deposits pursuant thereto.

No additional Series of Bonds may be authorized and issued under the Resolution and no Swap shall be entered into by the Authority unless:

(a) The principal amount thereof, together with the principal amount of the bonds, notes and other obligations of the Authority theretofore authorized and unissued and theretofore authorized, issued and outstanding, will not exceed in aggregate principal amount any limitation thereon imposed by law;

(b) There is at the time of authorization thereof, no deficiency in the Housing Mortgage Capital Reserve Fund;

(c) The amount of the Housing Mortgage Capital Reserve Fund, upon the issuance and delivery of such additional Bonds and the placing in the Housing Mortgage Capital Reserve Fund of any amount provided therefor in the Series Resolution authorizing the issuance of such additional Bonds shall not be less than the Housing Mortgage Capital Reserve Fund Maximum Requirement;

(d) At the time of authorization and issuance thereof, the provisions of the Act providing for the restoration of the Housing Mortgage Capital Reserve Fund to an amount equal to the Housing Mortgage Capital Reserve Fund Minimum Requirement shall not have been validly repealed or amended to the detriment of Bondholders;

(e) A certificate signed by an Authorized Officer dated as of the date of authorization of the Series of Bonds or the Swap shall have been delivered to the Trustee stating that (i) the Pledged Receipts and Recoveries of Principal estimated to be received from Mortgages Financed or to be Financed with the proceeds of the additional Series of Bonds, and amounts in Funds or Accounts or payable thereto as a result of the issuance of such additional Series of Bonds during the period such additional Series of Bonds are Outstanding including Swap Receipts, shall be sufficient to pay as the same become due the reasonable and necessary Operating Costs of the Authority which are estimated will be incurred as a result of the issuance of such additional Series of Bonds and the use of the proceeds thereof and the estimated Principal Installments of, Swap Payments, if any, and interest on such additional Bonds; (ii) the Pledged Receipts and Recoveries of Principal estimated to be received from Mortgages including Mortgages Financed or to be Financed with the proceeds of Bonds and the additional Series of Bonds, and amounts in Funds or Accounts or payable thereto including Swap Receipts:

(A) Shall be sufficient to pay the reasonable and necessary Operating Costs which are estimated will be incurred during the period such Bonds and such additional Series of Bonds are Outstanding and all estimated Principal Installments of and the Interest Account Requirement on such Bonds and such additional Series of Bonds; or

(B) Together with other monies received or estimated to be received by the Authority from, and available or to be made available to the Authority for the Housing Mortgage Program by the State, the United States or some other source, shall be sufficient to pay the reasonable and necessary Operating Costs which are estimated will be incurred during the period such Bonds and such additional Series of Bonds are Outstanding and all estimated Principal Installments of and the Interest Account Requirement on such Bonds and such additional Series of Bonds; in the event that a certificate is filed with the Trustee in accordance with sub paragraph (ii)(B), it shall be accompanied by a certificate to evidence that such other monies are or will be made available to the Authority for Housing Mortgage Finance Program; or (iii) the authorization of the additional Series of Bonds has been approved by the State Bond Commission; and

(f) With respect to any Swap, written confirmation filed with the Trustee affirming any existing rating of the Authority's long term debt.

The Authority expressly reserves the right to adopt one or more other general bond resolutions and reserves the right to issue other obligations so long as same are not a charge or lien on the Acquired Program Mortgages, Pledged Receipts and Recoveries of Principal or payable from the Accounts of the Housing Mortgage General Fund or Housing Mortgage Capital Reserve Fund.

Events of Default (Section 1002)

Each of the following events is declared an "event of default":

(a) If the Authority shall default in the payment of the principal or Redemption Price of any Bond when and as the same shall become due, whether at maturity or upon call for redemption or otherwise;

(b) If payment of any installment of interest on any of the Bonds shall not be made within thirty days after the same shall become due;

(c) If the Authority shall fail or refuse to comply with the provisions of subdivision (a) Section 8-258 of the Act, or such amounts as shall be certified by the Chairman of the Authority to the Secretary of the Office of Policy and Management of the State pursuant to such provisions of the Act shall not be allotted and paid, from the state general fund, to the Authority and such allotment and payment is not made prior to the second day succeeding the final adjournment of (a) the session of the General Assembly of the State convening when such certification shall have been made, or (b) if the General Assembly is not then in session, the first session of the General Assembly of the State convening after such certification shall have been made; or

(d) If the Authority shall fail or refuse to comply with the provisions of the Act, other than as provided in (c) above, or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part in the Resolution, any Series Resolution, a Supplemental Resolution, or in the Bonds contained, and such failure, refusal or default shall continue for a period of forty five days after written notice thereof by the Holders of not less than 5% in principal amount of the Outstanding Bonds.

Remedies (Section 1003 and Section 1007)

Upon the happening and continuance of any event of default specified in paragraphs (a) and (b) above, the Trustee shall proceed, or upon the happening and continuance of any event of default specified in paragraphs (c) and (d) above, the Trustee may proceed, and upon the written request of the Holders of not less than 25% in principal amount of the Outstanding Bonds, shall proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(a) By mandamus or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, including the right to require the Authority to receive and collect Pledged Receipts and Recoveries of Principal adequate to carry out the covenants and agreements as to, and pledge of, such Pledged Receipts and Recoveries of Principal, and to require the Authority to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act;

(b) By bringing suit upon the Bonds;

(c) By action or suit in equity, require the Authority to account as if it were the trustee of an express trust for the Holders of the Bonds;

(d) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds;

(e) In accordance with the provisions of the Act, by declaring all Bonds due and payable, and if all defaults shall be made good, then, with written consent of the Holders of not less than 25% in principal amount of the Outstanding Bonds, to annul such declaration and its consequences.

All remedies conferred upon or reserved to the Holders of Bonds may also be conferred upon and reserved to the provider of a related Bond Facility, a Swap Provider or the provider of a Swap Facility authorized by a Series Resolution. Nothing in the Resolution shall preclude the Authority from providing in an applicable Series Resolution or in any Bond Facility, any Swap or any related Swap Facility authorized thereby, that the exercise of any remedy under the Resolution or the waiver of any event of default under the Resolution by the Trustee or the Holder of any such Bond shall be subject to the prior written consent of the provider of any related Bond Facility, any Swap Provider or the provider of a related Swap Facility.

No Holder of any Bond shall have any right to institute any suit unless the Holders of 25% in principal amount of the Bonds then Outstanding shall have made written request to, and offered to indemnify the Trustee and the Trustee shall not have complied with such request within a reasonable time.

Compensation of Trustee (Section 1105)

The Authority shall pay to the Trustee and to each Paying Agent from time to time reasonable compensation for all services rendered under the Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorney, agents and employees, incurred in and about the performance of their powers and duties under the Resolution, and the Trustee and each Paying Agent shall have a lien therefor on any and all funds at any time held by it under the Resolution.

Defeasance (Section 1201)

If the Authority shall pay or cause to be paid to the Holders of the Bonds and coupons, the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then the pledge of any Pledged Receipts and Recoveries of Principal or other monies and securities thereby pledged and all other rights granted thereby shall be discharged and satisfied.

Bonds or coupons or interest installments for the payment or redemption of which monies shall have been set aside and shall be held in trust by Fiduciaries (through deposit by the Authority of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the above paragraph. Any Outstanding Bonds and all coupons appertaining to such Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect so expressed if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to publish, as provided in the Resolution, notice of redemption on said date of such Bonds, (b) there shall have been deposited with the Trustee either monies in an amount which shall be sufficient, or Investment Obligations the principal of and the interest on which when due will provide monies which, together with the monies, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to publish, as soon as practicable, at least twice, at an interval of not less than seven days between publications, in Authorized Newspapers a notice to the Holders of such Bonds and coupons that the deposit required by (b) above has been made with the Trustee and that said Bonds and coupons are deemed to have been paid and stating such maturity or redemption date upon which monies are to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds. Neither Investment Obligations or monies so deposited with the Trustee 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; but 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 reinvestment shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien or pledge.

Investment obligations deposited with the Trustee pursuant to Section 1201 of the Resolution shall only include: direct obligations of or obligations guaranteed by the United States of America; Public Housing Bonds issued by Public Housing Authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions

under an Annual Contributions Contract or Contracts with the United States of America, or Project Notes issued by Local Public Agencies and Public Housing Authorities, in each case, fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America; direct and general obligations of or obligations guaranteed by the State of Connecticut, to the payment of the principal of and interest on which the full faith and credit of the State is pledged; or deposits in interest bearing time or demand deposits or certificates of deposit secured by any of the foregoing obligations.

FINANCIAL STATEMENTS

The financial statements of Connecticut Housing Finance Authority appearing in Appendix B to this Part 2 as of and for the years ended December 31, 2021 and 2020, have been audited by CliftonLarsonAllen LLP, independent auditors, as set forth in their report included therein.

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SCHEDULES

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SCHEDULE A
MULTIFAMILY MORTGAGE LOAN PORTFOLIO AND
DECD DEVELOPMENT PORTFOLIO

No. of Projects	No. of Mortgages		Gross Mortgage Balance at 12/31/2021	Net Funding Activity to 6/30/22	Net Repayments to 06/30/22	Gross Mortgage Balance at 06/30/22
173		**Bond Criteria Projects**				
	224	Bond Financed Mortgages	$949,128,803	-	($26,256,617)	$ 922,872,187
	8	FAF Financed Mortgages	21,754,321	-	(66,669)	21,687,651
	51	ITA Financed Mortgages	55,801,501	$33,914	(415,772)	55,419,643
	16	DECD Financed Mortgages	39,657,900	-	(10,320)	39,647,580
	299		$1,066,342,525	$33,914	($26,749,378)	$1,039,627,061
91		**ITA Criteria Projects**				
	106	ITA Financed Mortgages	$218,064,388	$3,641,539	($3,698,060)	$218,007,867
	4	Other Bonds Financed Mortgages	85,286	-	95,419	180,705
	21	DECD Financed Mortgages	36,563,128	-	(6,278)	36,556,851
	131		$254,712,802	$3,641,539	($3,608,919)	$254,745,422
60		**DECD Criteria Projects**				
	67	DECD Financed Mortgages	$ 56,294,837	-	($1,340,717)	$ 54,954,120
324	497		$1,377,350,164	$3,675,453	($31,699,014)	$1,349,326,604
		All Projects				
	224	Bond Financed Mortgages	$949,128,803	-	($26,256,617)	$ 922,872,187
	4	Other Bonds Financed Mortgages	85,286	-	95,419	180,705
	8	FAF Financed Mortgages	21,754,321	-	(66,669)	21,687,651
	157	ITA Financed Mortgages	273,865,889	$3,675,453	(4,113,832)	273,427,510
	393		$1,244,834,298	$3,675,453	($30,341,698)	$1,218,168,053
	104	DECD Financed Mortgages	$132,515,866	-	($1,357,315)	$ 131,158,550
	497		$1,377,350,164	$3,675,453	($31,699,014)	$1,349,326,604

SCHEDULE A

The following table presents certain information regarding the Authority's Multifamily Mortgage Loan Portfolio and DECD Development Portfolio held under the Resolution as of June 30, 2022

Project Name	Location	Rental Subsidy and Insurance	Occupancy Type (1)	Number of Units	Occupancy Level (3)	Current Financing Series		Loan Type (5)	Permanent Interest Rate	Permanent Loan Maturity	Reported 06/30/2022 Balance
21 Colony Street	Meriden		F	63	94%						
						ITA		Permanent	4.00%	2058	3,407,250.06
213 Buckingham Street	Hartford		F	24	92%						
						ITA		Permanent	0.00%	2053	492,711.29
						ITA		Permanent	1.00%	2053	245,873.18
54 Grand St	Middletown		F	3	100%						
						ITA		Permanent	0.00%	2058	211,647.81
Alfred E Plant Elderly Apartments	West Hartford		E	137	96%						
						ITA		Permanent	4.00%	2053	7,046,529.86
Amston Village	Colchester		E	32	100%						
						Paid Bonds		Permanent	6.25%	2049	802,528.33
Armstrong Court Ph I	Greenwich		F	18	N.A.						
						2019E-1/3		Permanent	5.63%	2061	2,506,267.76
Armstrong Court Ph II	Greenwich		F	42							
						2021B-1/2/3/4/5		Interim Construction			5,818,147.00
						2021B-1/2/3/4/5		Permanent	4.00%	2063	4,168,542.00
Artloft West	New Haven		F	18	100%						
						ITA		Permanent	3.50%	2054	804,713.73
Artspace Norwich	Norwich		F	58	91%						
						ITA		Permanent	4.00%	2041	1,433,417.83
Artspace Windham	Windham		F	48	90%						
						ITA		Permanent	2.50%	2045	2,510,006.51
Atlantic Park Apartments	Stamford		S	27	96%						
						DECD		Permanent	1.00%	2042	1,687,500.00
						ITA		Permanent	1.00%	2042	337,500.00
Atlantic, The	Stamford		E	28	100%						
						DECD		Permanent	1.00%	2028	3,047,167.00
Augustana/Bishop Curtis Homes	Bethel		E	44	N.A.						
						DECD		Permanent	0.00%	2032	148,559.00
Avery Heights	Groton	Section 8	E	105	98%						
						2009D		Permanent	7.20%	2040	2,247,632.23
						ITA		Permanent	4.50%	2050	1,661,738.96
						2021B-1/2/3/4/5		Permanent	6.40%	2050	1,495,997.90
						ITA		Permanent	7.88%	2050	810,065.61
Barnum House	Bridgeport	Section 8	E	84	95%						
						2021B-1/2/3/4/5		Permanent	3.96%	2051	8,813,184.55
Bayview Towers	Stamford		F	200	98%						
						2021E-1/2/3	2012G-3	Permanent	6.25%	2054	14,715,268.75
Beechwood Gardens	New Haven		F	82	100%						
						2017E-1/3	BP SURPLUS	Permanent	4.50%	2059	7,005,711.08
						DECD		Permanent	0.00%	2059	3,512,481.22
Berry Patch I	South Windsor		E	102	98%						
						ITA		Permanent	4.00%	2036	3,788,968.01
Berry Patch II	South Windsor		E	94	96%						
						ITA		Permanent	4.00%	2037	3,823,448.48
Bethel Ame Norwalk Housing	Norwalk		F	10	80%						
						ITA		Permanent	3.00%	2022	349,681.73
Billings Forge Apartments	Hartford		F	112	97%						
						2015E-1/3		Permanent	5.61%	2058	3,092,936.76
Birch Meadow Apartments	Manchester		E	100	99%						
						ITA		Permanent	5.00%	2044	3,220,536.35
Bloomfield Specialty Housing	Bloomfield		F	38							
						2019E-1/3		Permanent	5.86%	2062	1,694,188.00
Boulder Ridge	Canton		E	98	98%						
						2021C	2004A	Permanent	5.00%	2035	2,863,472.53
Bradley Estates I	Meriden	Section 8	F	74	100%						
						2021C	2013A	Permanent	7.50%	2041	2,368,110.37
						2016C-2/3		Permanent	7.50%	2051	891,854.19
						ITA		Permanent	4.50%	2051	346,692.78
Bradley Estates II	Meriden	Section 8	F	42	100%						
						2021C	2013A	Permanent	7.50%	2041	1,718,039.94
						2016C-2/3		Permanent	7.50%	2027	542,507.01
						ITA		Permanent	4.50%	2051	173,316.86
Brick Row	Windham		S	30	100%						
						DECD		Permanent	1.00%	2043	1,875,000.00
						ITA		Permanent	1.00%	2043	375,000.00

Project Name	Location	Rental Subsidy and Insurance	Occupancy Type (1)	Number of Units	Occupancy Level (3)	Current Financing Series			Loan Type (5)	Permanent Interest Rate	Permanent Loan Maturity	Reported 06/30/2022 Balance
Bridgeport Elderly	Bridgeport	Section 8	E	85	100%							
						2018D-1/2			Permanent	6.00%	2050	3,253,931.27
						ITA			Permanent	7.50%	2028	768,218.63
Bristol H.A. - Zbikowski Park	Bristol		F	90	N.A.							
						2016C-1/4			Permanent	6.40%	2058	2,924,605.77
Bristol H.A. - Zbikowski Park Section 8	Bristol		F	32	100%							
						ITA			Permanent	4.00%	2053	1,060,958.38
Brookfield Village	Brookfield		F	48	98%							
						2016G-1/2			Permanent	4.75%	2058	5,533,004.28
Brooks Quarry	Brookfield		E	35	91%							
						DECD			Permanent	0.00%	2030	92,200.00
Brookside Commons Apartments	East Hartford		F	258	93%							
						2013C	2021C		Permanent	5.50%	2054	11,580,452.21
Brookside Phase I	New Haven		F	101	97%							
						ITA	2020D-1/2/3	Paid Bonds	Permanent	6.25%	2053	5,616,722.91
Brytania Square	New Britain		F	66	97%							
						ITA			Permanent	2.50%	2055	4,221,497.05
						ITA			Permanent	1.00%	2052	615,000.00
Burritt House	New Britain	Section 8	E	65	100%							
						2009D			Permanent	7.20%	2040	2,923,749.58
						ITA			Permanent	6.89%	2050	1,014,219.97
Byam Village	Waterbury	Section 8	F	46	98%							
						2021C	2013A		Permanent	7.50%	2041	1,462,656.74
						2016C-2/3			Permanent	7.70%	2027	576,252.61
						ITA			Permanent	4.50%	2051	88,894.67
Canton Specialty Housing	Canton		F	40	95%							
						2018D-1/2			Permanent	5.35%	2051	2,487,100.35
CAPITAL FOR CHG, INC FKA CHIF, INC	N.A.		N.A.	N.A.	N.A.	ITA			Permanent	3.00%	2032	785,993.50
Capitol Towers Apartments	Hartford		E	144	98%							
						2021E-1/2/3			Permanent	6.25%	2053	5,555,463.09
Carmen Romano Apartments	North Haven		E	103	97%							
						ITA			Permanent	4.00%	2048	4,776,183.61
Casa Familia	New Haven		F	30	93%							
						ITA			Permanent	4.00%	2048	962,919.97
Casa Nueva	Hartford		F	79	97%							
						2016G-1/2			Permanent	4.81%	2058	5,304,588.99
						ITA			Permanent	5.00%	2056	2,106,372.16
Cedar Hill Apartments	New Haven		S	25	92%							
						DECD			Permanent	1.00%	2043	1,562,500.00
						ITA			Permanent	1.00%	2043	312,500.00
Center Village	Glastonbury		E	72	N.A.							
						2017E-1/3			Permanent	5.37%	2057	2,992,776.73
Chamberlain Heights	Meriden		F	124	99%							
						ITA			Permanent	4.00%	2043	8,089,311.86
Charles Street Place	Meriden		F	80	99%							
						ITA			Permanent	3.83%	2055	1,102,805.33
						2015E-1/3			Permanent	6.40%	2057	962,197.33
Cherry St Cooperative	Waterbury		F	6	N.A.							
						DECD			Permanent	0.00%	2035	32,981.17
Cherry Street Lofts	Bridgeport		F	157								
						2016D-1			Permanent	4.25%	2049	12,500,000.00
						2016D-2			Interim Construction			11,004,810.23
						FAF			Advances to Permanent	0.00%	2049	5,000,000.00
Cheshire Hillside Village I	Cheshire	Section 8	E	50	100%							
						ITA			Permanent	4.00%	2048	1,489,123.77
Cheshire Hillside Village II	Cheshire	Section 8	E	50	98%							
						ITA			Permanent	4.00%	2043	1,525,543.24
Chestnut Grove	New Milford		E	40	75%							
						ITA			Permanent	2.00%	2026	392,730.46
						ITA			Permanent	4.00%	2044	292,362.98
CHIF Neighborhood Rebuild Program	Multiple		F	N.A.		ITA			Permanent	3.00%	2028	728,473.79
Cityscape Apartments	Hartford		F	74	91%							
						2021E-1/2/3			Permanent	0.00%	2055	2,191,851.90
						2021E-1/2/3			Permanent	0.00%	2055	571,751.00
Clay Arsenal Renaissance Apts	Hartford		F	150	N.A.							
						ITA			Permanent	3.80%	2062	22,147,461.55
Clifford House	Bridgeport	Section 8	E	101	93%							
						ITA			Permanent	6.50%	2029	356,645.51
Clinton Commons	Bridgeport		F	33	N.A.							
						ITA			Permanent	1.00%	2043	3,851,530.00
						2021C	2007A-5		Permanent	4.00%	2043	2,393,388.80

Project Name	Location	Rental Subsidy and Insurance	Occupancy Type (1)	Number of Units	Occupancy Level (3)	Current Financing Series		Loan Type (5)	Permanent Interest Rate	Permanent Loan Maturity	Reported 06/30/2022 Balance
Clocktower Mill	Manchester		F	185	95%						
						2021C	2004A	Permanent	6.00%	2024	1,256,059.87
						ITA		Permanent	6.00%	2024	734,881.02
Clover Gardens	N.A.		N.A.	N.A.							
						2020D-1/2/3		Interim Construction			5,580,523.00
Cobbs Mill Crossing Cooperative	Glastonbury		F	32	N.A.						
						DECD		Permanent	4.00%	2025	149,662.28
Coleman Towers Apartments	Stamford		F	132							
						2022B		Permanent	4.32%	2064	8,624,755.00
						2022B		Interim Construction			2,087,496.00
Colony Apartments, The	Stamford		S	29	97%						
						DECD		Permanent	1.00%	2041	1,812,500.00
						ITA		Permanent	1.00%	2041	362,500.00
Common Thread Cooperative	Manchester		F	16	N.A.						
						DECD		Permanent	0.00%	2032	90,856.00
Cornfield Apartments	Ellington		F	216	97%						
						2016C-2/3	ITA	Permanent	5.00%	2054	9,257,508.10
						2016C-2/3	2021E-1/2/3	Permanent	0.00%	2054	3,733,340.20
Country Place	Colchester		F	112	96%						
						DECD		Permanent	2.50%	2024	6,425,000.00
						Paid Bonds	Paid Bonds	Permanent	9.00%	2024	390,223.67
						ITA		Permanent	5.50%	2044	367,615.15
Country Place II	Colchester		F	82	94%						
						ITA		Permanent	7.69%	2026	3,646,000.00
						2014F-2		Permanent	10.25%	2026	467,070.51
						ITA		Permanent	5.50%	2044	237,868.33
Country Village Apartments	Waterbury	Section 8	F	232	95%						
						2021E-1/2/3		Permanent	5.63%	2045	13,774,514.15
						DECD	2021E-1/2/3	Permanent	0.00%	2045	2,713,132.53
Countrywood at Vernon	Vernon		F	148	95%						
						2021C	2013A	Permanent	5.50%	2052	5,179,160.46
						2021B-1/2/3/4/5		Permanent	7.00%	2052	1,820,450.01
Courtland Arms	New Britain		F	24							
						2019E-1/3		Interim Construction			3,800,000.00
						2019E-1/3		Permanent	5.44%	2051	248,036.22
Crescent Building	Bridgeport		S	38	95%						
						ITA		Permanent	1.00%	2042	475,000.00
Crescent Crossings Phase I	Bridgeport		F	93	96%						
						FAF		Permanent	1.00%	2053	3,658,175.59
Crestview Ridge	Oxford		E	34	97%						
						DECD		Permanent	0.00%	2031	153,200.00
Crestwood Cooperative	Norwalk		F	19	100%						
						ITA		Permanent	3.00%	2022	84,026.22
CUHO - 92-94 Arch Street	New Haven		F	N.A.							
						ITA		Interim Construction			17,000.00
CUHO - The Island	New Haven		F	N.A.							
						ITA		Advances to Permanent	0.00%	2025	96,838.89
Danbury Ha/Fairfield/Mill RDG	Danbury		F	58	100%						
						2017E-1/3	BP SURPLUS	Permanent	5.50%	2058	2,527,381.31
Danbury Tower	Danbury	Section 8	E	81	99%						
						2009D		Permanent	7.20%	2040	1,443,602.10
						ITA		Permanent	4.50%	2050	1,027,960.69
						2021A-3		Permanent	6.80%	2050	898,063.64
						ITA		Permanent	7.69%	2050	618,463.10
DECD Infrastructure	Scattered		F		N.A.						
						DECD		Permanent	1.00%	2024	21,643.61
DECD Pre-Development	Scattered				99%						
						DECD		Permanent	0.00%	2046	245,600.00
Deer Meadow	Bloomfield		F	48	98%						
						DECD		Permanent	0.00%	2023	2,314,980.00
						2012G-3		Permanent	6.00%	2043	2,298,885.66
Deerfield Village	East Lyme		F	100	99%						
						ITA		Permanent	9.00%	2025	4,873,065.00
						DECD		Permanent	1.00%	2025	4,600,000.00
						ITA		Permanent	9.72%	2025	264,674.44
Deerfield Windsor Apartments	Windsor		F	176	93%						
						2013C	2021C	Permanent	5.50%	2054	12,043,670.59
						ITA		Permanent	5.50%	2023	2,653.46
Deming Ridge	Berlin		F	88	N.A.						
						2022B		Permanent	4.30%	2064	1,181,617.00
Dillon Place	Hartford		F	65	98%						

Project Name	Location	Rental Subsidy and Insurance	Occupancy Type (1)	Number of Units	Occupancy Level (3)	Current Financing Series		Loan Type (5)	Permanent Interest Rate	Permanent Loan Maturity	Reported 06/30/2022 Balance
						2021C	2004A	Permanent	4.00%	2031	1,142,933.48
Dodge Farms	Washington		F	14	86%						
						DECD		Permanent	1.00%	2035	202,049.54
Dottie Dewar Cooperative	Waterbury		F	12	N.A.						
						DECD		Permanent	0.00%	2031	51,702.79
Dutton Heights	Bristol		F	84	94%						
						2021E-1/2/3		Permanent	5.63%	2055	5,684,665.22
						ITA	2018D-1/2	Permanent	1.00%	2055	4,860,000.00
Dye House Apartments	Manchester		F	57	100%						
						ITA		Permanent	4.00%	2051	1,258,291.97
East Hampton Housing Authority	East Hampton		E	30	N.A.						
						ITA		Permanent	4.20%	2043	626,293.23
Easton Place	East Hartford		F	50	92%						
						ITA		Permanent	3.50%	2039	1,519,202.01
Edith Johnson Tower	N.A.		N.A.	N.A.							
						2022B		Interim Construction			1,089,485.00
Elias Howe Elderly Housing	Bridgeport		E	37	89%						
						FAF		Permanent	0.00%	2055	1,206,437.86
Elizabeth Street Apartments	Norwich		F	29	93%						
						2017A-5		Permanent	6.25%	2028	195,504.41
Ella Grasso Gardens	Putnam	Section 8	E	72	96%						
						2021C	2004A	Permanent	4.00%	2033	2,789,507.62
Enterprise And Abbott Tower Apts	Waterbury		E	187							
						2020D-1/2/3	ITA	Interim Construction			9,795,767.00
						2020D-1/2/3		Permanent	3.75%	2062	9,038,331.00
Executive Square House	Wethersfield	Section 8	E	240	96%						
						2009D		Permanent	7.20%	2040	12,791,407.04
						2017A-4		Permanent	6.76%	2050	4,343,717.53
Fair Haven	New Haven		F	N.A.	100%						
						ITA		Permanent	0.00%	2053	744,028.30
Fair Street Apartments	Norwalk		F	57	88%						
						2019E-1/3		Permanent	5.50%	2051	3,460,939.00
Fairfield Avenue	Bridgeport		S	34	94%						
						DECD		Permanent	1.00%	2028	2,125,000.00
						ITA		Permanent	1.00%	2043	425,000.00
Fairfield HA/Pine Tree Apartments	Fairfield		F	50	100%						
						FAF		Permanent	0.00%	2058	5,500,000.00
						ITA		Permanent	3.00%	2058	3,184,868.00
						2016C-1/4		Permanent	5.10%	2058	2,683,055.71
Fairgate	Stamford		F	90	99%						
						ITA		Permanent	4.00%	2040	5,167,264.18
Farmington H.A. - Maple Village	Farmington		E	40	93%						
						ITA		Permanent	5.00%	2039	133,022.98
Faylor Apts	East Lyme		F	36	100%						
						DECD		Permanent	5.25%	2032	579,899.87
						DECD		Permanent	0.00%	2031	312,000.00
						DECD		Permanent	0.00%	2019	101,514.00
First Church Village	Wethersfield	Section 8	E	75	100%						
						ITA		Permanent	4.00%	2041	1,321,398.19
						2017A-4		Permanent	6.56%	2041	642,781.06
Flagg Road	West Hartford		F	10	N.A.						
						DECD		Permanent	1.00%	2040	262,779.07
Florence Virtue Homes	New Haven		F	129	93%						
						DECD		Permanent	5.57%	2032	2,500,000.00
		(6)				ITA		Permanent	3.00%	2032	1,297,224.33
						ITA		Permanent	5.00%	2032	121,836.51
Foote Commons	Cheshire		F	20	95%						
						ITA		Permanent	4.00%	2054	633,403.35
						2021C	2013A	Permanent	5.50%	2054	622,568.53
Forest Court	Farmington		F	36							
						2022B		Permanent	3.80%	2064	2,913,257.00
						2022B		Interim Construction			250,000.00
Freshwater Pond	Enfield	Section 8	F	75	99%						
						2009D		Permanent	7.20%	2040	1,544,106.42
						2021B-1/2/3/4/5		Permanent	6.50%	2050	1,150,032.62
						ITA		Permanent	4.50%	2050	510,903.63
						ITA		Permanent	7.89%	2050	137,125.25
Friendship House	Stamford		F	121	100%						
						2018D-1/2		Permanent	5.50%	2053	7,220,702.56
Frog Hollow Homes	Hartford		F	26	100%						
						ITA		Permanent	1.00%	2054	227,753.81

Project Name	Location	Rental Subsidy and Insurance	Occupancy Type (1)	Number of Units	Occupancy Level (3)	Current Financing Series			Loan Type (5)	Permanent Interest Rate	Permanent Loan Maturity	Reported 06/30/2022 Balance
Frost Homestead	Waterbury		F	63	97%							
						2015E-1/3			Permanent	6.00%	2057	502,779.38
Full Circle Coop	Glastonbury		F	20	100%							
						ITA			Permanent	5.00%	2034	216,592.07
G. Washington Carver Housing	New London		E	130	81%							
						DECD			Permanent	0.00%	2046	137,817.47
						DECD			Permanent	0.00%	2032	109,000.00
						DECD			Permanent	0.00%	2032	97,602.00
						DECD			Permanent	0.00%	2032	73,500.00
						DECD			Permanent	0.00%	2046	48,077.30
Glen, The	Winsted		E	49	92%							
						2020D-1/2/3			Permanent	6.00%	2058	1,410,555.19
						ITA			Permanent	3.00%	2052	1,155,420.25
						FAF			Permanent	0.00%	2058	500,000.00
GNHCLF Long Term Financing	New Haven		F	N.A.	100%	ITA			Permanent	3.00%	2030	1,141,000.00
Gordon/Riozzi Courts	New London		E	80	95%							
						DECD			Permanent	0.00%	2031	110,758.76
GREATER NEW HAVEN COMM LN FUND	New Haven		F	N.A.	N.A.	ITA			Permanent	2.00%	2040	1,227,668.52
Green Court/ Nehemiah	Middletown		F	14	86%							
						DECD			Permanent	0.00%	2050	87,870.62
						ITA			Permanent	2.00%	2038	58,000.00
						ITA			Permanent	2.00%	2023	18,280.40
Greenbriar Hills Apartments	Watertown		F	182	99%							
						ITA	2021C	2013A	Permanent	4.76%	2055	12,803,455.44
Greenwood Manor	Voluntown		E	20	95%							
						DECD			Permanent	0.00%	2030	179,809.61
Griswold Hills	Newington		F	128	97%							
						ITA			Permanent	3.25%	2039	5,714,004.21
Groton Estates	Groton		F	340	94%							
						ITA			Permanent	5.50%	2044	494,391.48
Hamden Specialty Housing	Hamden		F	77	99%							
						2017E-1/3	BP SURPLUS		Permanent	4.75%	2049	3,068,928.11
Hamden Village	Hamden		E	60	97%							
						ITA			Permanent	3.00%	2048	2,359,870.83
Hamilton Park Apartments	Norwich	Section 8	E	120	98%							
						2021C	2013A		Permanent	7.50%	2041	6,848,943.37
						Paid Bonds	Paid Bonds		Permanent	6.09%	2051	616,214.36
Hanh Rad	New Haven		E	144	N.A.							
						2018D-1/2			Permanent	5.69%	2060	4,758,210.47
Hanh Rad Group 2	New Haven		F	70	N.A.							
						2019E-1/3			Permanent	5.90%	2051	7,026,122.77
Hanover Towers	Meriden	Section 8	E	100	98%							
						2021C	2013A		Permanent	7.50%	2041	4,689,785.94
						2016C-2/3			Permanent	7.70%	2027	1,387,476.19
						ITA			Permanent	4.50%	2051	1,301,751.05
Harbor Towers	Meriden	Section 8	E	202	98%							
						2021C	2013A		Permanent	7.50%	2041	8,218,732.88
						2016C-2/3			Permanent	7.85%	2027	3,997,577.51
						2016C-2/3	2017A-5		Permanent	5.80%	2051	1,639,343.87
						ITA			Permanent	4.50%	2051	1,181,743.38
Harrington Place Cooperative	Hartford		F	18	N.A.							
						DECD			Permanent	3.00%	2031	141,795.35
Harrison Apartments	Bridgeport		S	102	94%							
						ITA	ITA		Permanent	1.00%	2029	2,517,659.39
						ITA			Permanent	1.00%	2030	89,631.45
Harry Schwartz Manor	Norwich		E	48	94%							
						DECD			Permanent	0.00%	2031	37,000.00
Hart Street Gardens	New Britain		F	20	95%							
						ITA			Permanent	1.00%	2026	501,700.00
						2014F-2			Permanent	9.92%	2026	63,376.49
HARTFORD COMMUNITY LN FUND INC	Hartford		F	N.A.	80%	ITA			Permanent	2.00%	2043	1,386,622.49
Hartford H. A. - Bowles & Westbrook	N.A.		N.A.	N.A.	94%							
						DECD			Permanent	0.00%	2052	3,260,913.99
Hartford Preservation	Hartford		F	206								
						2021E-1/2/3	ITA		Advances to Permanent	3.84%	2063	18,424,661.00
Hedgewood Apartments	Norwich		F	100	96%							
						2020D-1/2/3			Permanent	6.50%	2042	1,564,455.26
						ITA			Permanent	4.00%	2042	768,823.83
Herbert T. Clark	Glastonbury		E	25	88%							
						DECD			Permanent	3.00%	2045	990,000.00
Heritage Commons	Middletown		E	89	83%							

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						2017A-5		Permanent	6.65%	2034	4,310,573.81
Heritage Glen Apartments	Farmington		F	68	97%	2021C	2013A	Permanent	5.50%	2034	3,224,968.07
						DECD		Permanent	1.00%	2026	4,699,947.50
Highwood Gardens	Hamden	Section 8	F	16	94%	2014F-2		Permanent	9.75%	2026	598,158.25
Hill to Downtown	New Haven		F	30		2021C	2013A	Permanent	5.50%	2042	705,742.76
Hillcrest	South Windsor		E	88	97%	2020D-1/2/3		Permanent	3.50%	2062	1,500,000.00
Hillside View	Waterbury		F	18	N.A.	ITA		Permanent	4.00%	2041	4,521,589.88
Historic Asylum Hill	Hartford		F	24	N.A.	DECD		Permanent	0.00%	2032	78,372.34
						Paid Bonds		Permanent	0.00%	2051	313,671.34
Historic Townley St Apartments	Hartford		F	28	100%	ITA		Permanent	0.00%	2051	95,603.89
						DECD		Permanent	1.00%	2036	921,504.54
Hoffman Heights	Seymour		F	5	N.A.	ITA		Permanent	4.00%	2051	151,339.35
Holinko Estates	Mansfield		F	35	100%	DECD		Permanent	2.00%	2032	52,096.22
Hollander Building	Hartford		F	70	84%	DECD		Permanent	0.00%	2032	562,500.00
Homes at Pride Point	New London		F	126	98%	2018D-1/2		Permanent	5.25%	2042	3,534,098.93
Homes at Progress Point	New London		F	106	99%	ITA		Permanent	4.00%	2053	4,818,517.88
Horace Bushnell Apartments	Hartford				100%	ITA		Permanent	4.00%	2053	3,819,449.64
Hudson View Commons	Hartford		S	28	96%	DECD		Permanent	0.00%	2030	500,000.00
						DECD		Permanent	1.00%	2042	1,750,000.00
Hunter's Ridge	Farmington		E	51	98%	ITA		Permanent	1.00%	2042	350,000.00
Huntington Place	Trumbull		E	40	98%	ITA		Permanent	4.00%	2042	1,521,966.59
Huntington Towers	New London		E	120		ITA		Permanent	4.00%	2044	849,902.44
						2021E-1/2/3	ITA	Permanent	0.00%	2063	11,984,798.00
Huntington Woods	Bristol		F	280	98%	2019F-6		Interim Construction			2,568,750.00
						DECD		Permanent	8.50%	2052	8,583,610.11
Indian Field Apartments	New Milford		F	40	98%	ITA		Permanent	8.50%	2052	4,462,460.28
Industria Commons	New Britain		F	235	97%	ITA		Permanent	4.00%	2050	1,265,936.66
						ITA		Permanent	2.50%	2056	12,781,505.20
John B Sliney Apartments	Branford	Section 8	E	38	100%	ITA		Permanent	1.00%	2062	3,285,000.00
John Fitch Court Apartments	Windsor		E	40	85%	ITA		Permanent	5.00%	2052	1,874,884.10
						ITA		Permanent	4.00%	2054	643,787.41
Josephine Towers	Waterbury	Section 8	E	125	98%	ITA		Permanent	4.00%	2054	355,434.83
						2009D		Permanent	7.20%	2040	2,855,224.57
						2021A-3		Permanent	6.79%	2050	1,471,545.08
						ITA		Permanent	7.69%	2050	1,378,280.42
						ITA		Permanent	4.50%	2050	1,065,445.95
Keleher, Cedar & New Meadow Village	Newington		E	40	95%	ITA		Permanent	3.00%	2049	662,742.50
Kensington Square I Apartments	New Haven		F	120	98%	2016C-1/4		Permanent	5.14%	2058	3,687,695.53
Killing H.A. - Maple Court	Killingly		E	40	98%	ITA		Permanent	4.00%	2027	120,856.88
Kimberly Place	Danbury	Section 8	E	117	98%	2021E-1/2/3	2013B-4	Permanent	5.50%	2045	5,657,696.11
King George Apartments	New Haven		F	58	84%	2021C	2004A	Permanent	3.00%	2029	288,641.27
Kingswood Apartments	Windham		F	110	98%	2020D-1/2/3		Permanent	6.50%	2042	1,888,409.18

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						ITA			Permanent	4.00%	2042	1,106,500.65
Kugeman Village	Cornwall		F	18	100%							
						DECD			Permanent	1.00%	2024	66,202.06
Laurel Commons	Winsted		E	44	86%							
						ITA			Permanent	5.00%	2036	509,527.96
						ITA			Permanent	4.00%	2036	64,190.96
Laurel Estates	Waterbury	Section 8	F	276	99%							
						Paid Bonds	2017A-4	2017E-2	Permanent	7.50%	2023	1,114,091.98
						2017A-4			Permanent	10.00%	2023	59,777.10
Laurelwood Place Apartments	Bridgeport		E	102	99%							
						2015E-1/3			Permanent	5.00%	2056	9,451,093.38
Lawnhill Terrace	N.A.		N.A.	N.A.	47%							
						DECD			Permanent	0.00%	2020	33,333.36
Lawrence Crest Co-operative	Waterbury		F	13	N.A.							
						DECD			Permanent	1.00%	2052	220,326.21
						ITA			Permanent	4.50%	2052	124,379.42
Liberty Commons	Middletown		S	40	100%							
						ITA			Permanent	1.00%	2041	500,000.00
Liberty Place	Clinton		F	21	95%							
						FAF			Permanent	1.00%	2059	4,765,000.00
						2017E-1/3			Permanent	5.19%	2059	863,086.89
Lincoln Park	Preston		E	40	100%							
						DECD			Permanent	0.00%	2099	200,000.00
Local Initiatives Support Corp.	Hartford											
						ITA			Advances to Permanent	3.00%	2023	5,000,000.00
Lofts @ Ponemah Mills Ph 3, The	Norwich		F	77								
						2020D-1/2/3			Permanent	3.50%	2062	8,500,000.00
						2020D-1/2/3	2019F-6		Interim Construction			4,550,000.00
Lofts At Ponemah Mills	Norwich		F	116	97%							
						2016C-1/4			Permanent	5.00%	2058	8,096,058.75
Lofts At Ponemah Mills Ph 2	Norwich		F	121	99%							
						2018D-1/2	BP SURPLUS		Permanent	5.68%	2060	7,799,980.72
Londonberry Gardens	New London		F	86	98%							
						DECD			Permanent	5.00%	2043	2,948,228.40
Loom City Lofts Apt	Vernon		F	68	100%							
						2014F-1/3			Permanent	5.63%	2056	3,808,349.48
Luther Ridge	Middletown		E	45	82%							
						DECD			Permanent	0.00%	2045	2,810,000.00
M.D. Fox School	Hartford	Section 8	E	90	99%							
						2014B			Permanent	5.63%	2056	5,325,578.65
Maple Hill Apartments	Meriden	Section 8	F	32	100%							
						2021C	2013A		Permanent	7.50%	2041	882,237.17
						ITA			Permanent	4.50%	2051	331,014.46
						2016C-2/3			Permanent	7.50%	2027	222,029.25
Mapleview Towers	Stamford	Section 8	E	101	94%							
						2021B-1/2/3/4/5	ITA		Permanent	3.83%	2056	21,938,305.40
Maplewood Court	N.A.		F	32								
						2020D-1/2/3			Interim Construction			3,202,637.00
						ITA			Permanent	3.00%	2052	813,365.00
Marjorie Moore Village	Berlin		E	40	100%							
						DECD			Permanent	6.75%	2019	307,658.62
Market Square	Newington	Section 8	E	76	100%							
						2021B-1/2/3/4/5	ITA		Permanent	3.45%	2056	8,045,753.93
Marshall Commons	Stamford		F	50	98%							
						2021C	2013A		Permanent	5.00%	2054	1,654,043.49
						ITA			Permanent	4.00%	2054	1,349,675.34
						ITA			Permanent	1.00%	2051	1,228,795.00
Mary Seymour Place Apartments	Hartford		S	30	93%							
						DECD			Permanent	1.00%	2042	1,875,000.00
						ITA			Permanent	1.00%	2042	375,000.00
Mckinney Terrace I	Greenwich		F	21	100%							
						DECD			Permanent	3.00%	2029	808,990.60
Mill At Killingly, Llc	Killingly		F	32	N.A.							
						ITA			Permanent	0.00%	2055	600,000.00
Mill Ridge/Fairfield Ridge	Danbury		F	30	93%							
						DECD			Permanent	5.25%	2023	61,721.69
Mount Carmel	Hamden		E	30	N.A.							
						DECD			Permanent	0.00%	2019	161,000.00
Mystic River Homes Congregate	Groton		E	51	N.A.							
						ITA			Permanent	5.00%	2040	385,872.79
Naubuc Green	Glastonbury	Section 8	E	110	99%							

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						2021C	2013A	Permanent	7.50%	2041	5,548,804.72
						Paid Bonds	Paid Bonds	Permanent	6.74%	2051	1,051,586.68
New Algiers	Stamford	Section 8	F	12	100%						
						ITA		Permanent	4.00%	2054	1,132,032.28
New Horizons	Middlebury		F	5	80%						
						DECD		Permanent	0.00%	2032	16,554.00
Nilsa Marrero	Waterbury		F	18	N.A.						
						DECD		Permanent	0.00%	2031	76,787.76
Ninth Square (Tax Exempt)	New Haven		F	258							
						2019E-1/3	ITA	Permanent	5.15%	2062	46,071,945.18
						ITA	2020D-1/2/3	Permanent	2.33%	2061	24,315,752.00
						2021B-1/2/3/4/5	ITA	Permanent	1.00%	2061	13,496,893.00
North End Gateway	Hartford		F	57	88%						
						ITA		Permanent	4.00%	2040	1,652,089.70
North Village Apartments	N.A.		N.A.	N.A.	N.A.						
						ITA		Permanent	0.00%	2052	194,000.00
Norwalk Elderly Apartments	Norwalk	Section 8	E	52	100%						
						ITA		Permanent	5.50%	2044	1,247,817.42
						ITA		Permanent	6.50%	2031	262,694.98
Oak Park	Stamford		F	168	80%						
						DECD		Permanent	4.00%	2032	345,411.78
Oaks at Manchester Apartments	Manchester		F	200	98%						
						2013C	2021C	Permanent	5.50%	2054	12,970,107.13
Ojakian Commons	Simsbury		F	48	100%						
						ITA		Permanent	6.50%	2056	2,403,912.24
Old Farms Crossing	Avon		F	46	98%						
						2021C	2004A	Permanent	3.00%	2029	936,019.78
Old Marvin, The	Norwalk		E	50	N.A.						
						DECD		Permanent	1.00%	2037	4,858,725.00
Old Middletown High School Apartments	Middletown		E	65	N.A.						
						2014B		Permanent	4.00%	2056	2,478,070.03
Old Talcot Mill	Vernon		F	83	95%						
						2015E-1/3		Permanent	5.64%	2058	4,934,218.57
Orchard Ridge Apartments	Berlin		E	120	98%						
						ITA		Permanent	5.00%	2043	4,085,993.69
Parish Court	Fairfield	Section 8	E	100	100%						
								Permanent	5.00%	2041	3,339,726.18
						ITA		Permanent	5.50%	2041	434,644.49
Park Ridge Towers II	New Haven	Section 8	E	28	100%						
						ITA		Permanent	4.00%	2048	2,763,608.58
Park West Apartments	Vernon		F	189	98%						
						2014F-1/3		Permanent	4.00%	2056	14,816,689.34
Parkside Village I	Branford		E	50	76%						
						DECD		Permanent	0.00%	2020	40,044.79
Patchogue Place Cooperative	Westbrook		F	12	N.A.						
						DECD		Permanent	1.00%	2034	360,859.74
Peachtree Village	Avon		E	103	98%						
						ITA		Permanent	4.00%	2052	6,928,925.63
Pine Grove Manor, Inc.	Enfield		F	8	N.A.						
						DECD		Permanent	0.00%	2032	63,530.17
Plaza on the Green	Waterbury	Section 8	E	157	99%						
						2009D		Permanent	7.20%	2040	5,390,664.64
						2015E-2	2021B-1/2/3/4/5	Permanent	5.73%	2050	791,462.50
						ITA		Permanent	4.50%	2050	397,906.76
Pleasant Street Coop	Enfield		F	12	N.A.						
						DECD		Permanent	2.00%	2043	202,449.24
Poquonnock Village	Groton	Section 8	E	114	98%						
						2009D		Permanent	7.20%	2040	5,801,816.55
						2017A-5		Permanent	6.80%	2050	1,196,900.36
Prospect Ridge Congregate	Ridgefield		E		98%						
						DECD		Permanent	0.00%	2032	243,012.80
Putnam Park	Hartford		F	18	67%						
						ITA		Permanent	0.00%	2053	1,245,003.84
						ITA		Permanent	1.00%	2053	230,436.87
						ITA		Permanent	1.00%	2054	118,702.68
Quinnipiac Terrace Phase 3	New Haven		F	33	97%						
						2020D-1/2/3		Permanent	6.25%	2042	1,887,163.74
Quintard Manor	Stamford		E	60	95%						
						2014B		Permanent	4.00%	2055	3,626,270.44
Redstone Gardens	Bristol		F	132	92%						
						2020D-1/2/3		Permanent	6.50%	2042	2,911,296.09

Project Name	Location	Rental Subsidy and Insurance	Occupancy Type (1)	Number of Units	Occupancy Level (3)	Current Financing Series		Loan Type (5)	Permanent Interest Rate	Permanent Loan Maturity	Reported 06/30/2022 Balance
						ITA		Permanent	4.00%	2042	1,383,127.81
Rehoboth Place Cooperative	Hartford		F	15	80%						
						ITA		Permanent	4.00%	2047	112,801.48
						DECD		Permanent	4.00%	2047	35,648.49
Renaissance Plaza	Bridgeport		F	81	98%						
						DECD		Permanent	1.00%	2022	3,832,727.55
						ITA		Permanent	7.00%	2022	2,730,000.00
						2017A-5		Permanent	10.50%	2022	1,044,940.87
Retreat, The	Hartford		E	100	91%						
						DECD		Permanent	2.00%	2047	5,000,000.00
Ribbon Row Mutual Housing	N.A.		N.A.	N.A.							
						2021B-1/2/3/4/5		Interim Construction			6,073,974.00
River Commons Apartments	Norwalk		F	34	85%						
						ITA		Permanent	0.00%	2053	3,608,845.00
						DECD		Permanent	3.00%	2054	2,291,788.52
						2014F-2		Permanent	1.85%	2054	416,205.91
						Paid Bonds		Permanent	5.63%	2054	280,932.72
River Mill Village	Thompson		F	53	96%						
						DECD		Permanent	2.64%	2046	5,780,465.33
						DECD		Permanent	2.64%	2044	3,565,000.00
River Ridge Apartments	Hamden		F	62	98%						
						ITA		Permanent	5.00%	2043	1,852,902.22
River Run	New Haven	Section 8	E	140	96%						
						2021B-1/2/3/4/5	2021E-1/2/3	Permanent	6.25%	2053	8,490,738.07
						Paid Bonds	Paid Bonds	Permanent	8.00%	2052	2,408,221.10
Riverside School Coop	Torrington		F	12	N.A.						
						ITA		Permanent	4.00%	2053	119,688.45
						DECD		Permanent	0.00%	2030	83,931.05
Rocky Neck Village	East Lyme		F	56							
						BP SURPLUS		Interim Construction			11,052,803.00
						BP SURPLUS		Permanent	3.75%	2057	2,016,711.00
Rolling Ridge Apartments	West Haven		F	180	95%						
						2020D-1/2/3		Permanent	5.91%	2050	4,552,257.72
						ITA		Permanent	5.91%	2050	2,447,349.68
						ITA		Permanent	4.00%	2050	444,146.51
Rose Garden Cooperative	Hartford		F	8	N.A.						
						DECD		Permanent	4.50%	2024	82,770.13
						ITA		Permanent	4.50%	2038	27,504.55
Sage Pond Place	Berlin		E	84	98%						
						ITA		Permanent	4.00%	2049	3,563,311.97
Saint Mary Place	N.A.		F								
						2019E-1/3		Interim Construction			3,783,440.00
Samuels Court	Danbury		S	28	100%						
						ITA		Permanent	1.00%	2049	875,112.10
Saranor Apartments	Milford		E	120	94%						
						ITA		Permanent	3.00%	2040	2,849,229.63
						2021B-1/2/3/4/5	Paid Bonds	Permanent	5.50%	2041	1,562,709.67
Sasco Creek Village	Westport		F	54	100%						
						2014F-1/3		Permanent	4.00%	2056	6,377,863.58
Saye Brooke Village West	Old Saybrook		E	14	N.A.						
						ITA		Permanent	4.25%	2042	377,410.91
						ITA		Permanent	3.00%	2042	123,732.39
School Apartments	New Britain	Section 8	E	226	98%						
						2014B		Permanent	4.00%	2055	16,586,559.45
Schoolhouse Apartments	Waterbury		E	213	95%						
						2016G-1/2		Permanent	4.99%	2059	6,794,058.80
Science Park	New Haven		N	0							
						ITA		Advances to Permanent	5.00%	2028	9,556,339.83
Shad Run Terrace	Windsor		E	30	90%						
						DECD		Permanent	0.00%	2019	38,178.76
Sharon Ridge	Sharon		F	20	100%						
						DECD		Permanent	0.00%	2032	287,500.00
Shepherd Park	Hartford	Section 8	E	373	97%						
						2021B-1/2/3/4/5		Permanent	5.75%	2052	21,263,226.40
						2017A-4	2010A-3	Permanent	5.75%	2052	959,912.65
Silver Pond Apartments	Wallingford		E	160	97%						
						ITA		Permanent	4.00%	2042	1,210,238.15
						2020D-1/2/3		Permanent	6.50%	2042	1,022,886.63
Sleeping Giant Apartments	Vernon		F	106	93%						
						2020D-1/2/3		Permanent	6.50%	2042	1,967,091.51
						ITA		Permanent	4.00%	2042	760,721.60

Project Name	Location	Rental Subsidy and Insurance	Occupancy Type (1)	Number of Units	Occupancy Level (3)	Current Financing Series		Loan Type (5)	Permanent Interest Rate	Permanent Loan Maturity	Reported 06/30/2022 Balance
Smith Acres	Seymour		F	19	N.A.						
						DECD		Permanent	0.00%	2032	182,535.00
Smithfield Gardens	Seymour		E	56	91%						
						DECD		Permanent	0.00%	2049	3,200,000.00
						ITA		Permanent	3.00%	2049	63,969.49
Snipsic Village I	Ellington		E	30	83%						
						DECD		Permanent	0.00%	2020	143,009.93
Sojourner House	Torrington		F	14	N.A.						
						DECD		Permanent	0.00%	2020	58,696.72
Soromundi Commons	Hartford		S	48	100%						
						DECD		Permanent	1.00%	2035	3,000,000.00
South Green	Middletown	Section 8	E	125	97%						
						2009D		Permanent	7.20%	2040	2,512,597.49
						ITA		Permanent	6.85%	2050	1,558,863.33
						ITA		Permanent	7.84%	2050	939,112.91
						ITA		Permanent	4.50%	2050	292,362.14
South Side Terrace	Wallingford		E	40	95%						
						DECD		Permanent	0.00%	2019	210,000.00
Southford Park Apartments	Waterbury		F	212	99%						
						2020D-1/2/3		Permanent	6.50%	2042	3,473,882.29
						ITA		Permanent	4.00%	2042	2,005,533.97
Southwest Terrace Apartments	Windsor Locks		E	40	100%						
						ITA		Permanent	5.00%	2029	119,128.80
Southwood Square Phase I	Stamford		F	149	97%						
						ITA		Permanent	4.00%	2044	5,483,747.23
						DECD		Permanent	0.10%	2052	2,660,263.00
Southwood Square Phase II	Stamford		F	110	98%						
						ITA		Permanent	5.00%	2046	4,606,781.05
						DECD		Permanent	4.00%	2054	4,372,900.00
Southwood Square Phase III	Stamford		F	56	93%						
						DECD		Permanent	0.10%	2056	4,721,852.00
						ITA		Permanent	4.00%	2048	793,262.11
Spencer Village & Spencer Village Ext	Manchester		E	80							
						2020D-1/2/3		Permanent	3.50%	2052	1,865,000.00
						2020D-1/2/3		Interim Construction			308,293.00
St Mary's Residence	New Britain		F	51	N.A.						
						ITA		Permanent	2.00%	2052	367,931.77
						ITA		Permanent	2.00%	2052	300,000.00
St Mary's Residence II	New Britain		F	20	N.A.						
						DECD		Permanent	1.00%	2046	307,168.22
						ITA		Permanent	4.50%	2046	206,116.05
St Pauls Flax Hill Coop Inc.	Norwalk		F	86	88%						
						BP SURPLUS		Permanent	3.50%	2050	5,167,932.20
St Stephen's Townhouses	Branford		F	7	100%						
						ITA		Permanent	3.00%	2034	232,339.55
Stamford H.A.	Stamford		F		N.A.						
						DECD		Permanent	0.00%	2046	5,216,243.18
						DECD		Permanent	0.00%	2046	500,000.00
Steele Berger Apartments	New Haven	Section 8	E	144	99%						
						2014B		Permanent	4.00%	2056	14,924,048.89
Sterling Market Lofts	Bridgeport		F	61	98%						
						ITA		Permanent	4.00%	2047	2,456,130.53
Stonebridge Apartments	Berlin		E	110	99%						
						ITA		Permanent	4.52%	2038	4,714,861.82
Stonebridge II	Berlin		E	84	100%						
						ITA		Permanent	4.20%	2038	3,318,543.45
Summer Brook Apartments	Southington		F	180	N.A.						
						2021B-1/2/3/4/5	Paid Bonds	Permanent	6.88%	2045	5,373,770.79
						ITA		Permanent	5.00%	2045	1,273,629.12
Sunset Ridge	New Haven		F	312	96%						
						2016C-2/3		Permanent	7.00%	2042	7,401,764.77
						2021C	2013A	Permanent	5.50%	2042	6,135,883.59
Sunset Ridge	Waterbury		F	18	N.A.						
						DECD		Permanent	0.00%	2032	79,105.92
Taftville	Norwich		F	17	N.A.						
						2021E-1/2/3		Permanent	3.00%	2042	396,437.58
Tannery Brook Cooperative	Litchfield		F	16	N.A.						
						DECD		Permanent	0.00%	2033	256,864.92
Theresa A. Rook Retirement Community	Cromwell		E	64	97%						
						ITA		Permanent	2.00%	2046	1,988,787.28
						ITA		Permanent	2.00%	2046	1,309,541.78

Project Name	Location	Rental Subsidy and Insurance	Occupancy Type (1)	Number of Units	Occupancy Level (3)	Current Financing Series	Loan Type (5)	Permanent Interest Rate	Permanent Loan Maturity	Reported 06/30/2022 Balance
Threadmill Apartments	Stonington		F	58	N.A.					
						2014F-1/3	Permanent	4.00%	2058	7,392,063.07
						ITA	Permanent	0.00%	2058	672,192.00
Torringford West Apartments	Torrington	Section 8	E	79	99%					
						2014B	Permanent	5.63%	2054	3,332,646.73
						ITA	Permanent	1.00%	2053	2,652,819.21
						ITA	Permanent	1.00%	2053	58,160.59
Tower II	Bridgeport	Section 8	E	137	96%					
						ITA	Permanent	5.00%	2045	1,365,450.35
Trinity Park Apartments	Stamford		F	48	100%					
						ITA	Permanent	1.00%	2047	661,651.03
Trinity Rowe Apartments	New Haven		F	104	N.A.					
						2020D-1/2/3	Permanent	6.25%	2042	4,026,509.85
Twenty One	Canton		E	40	98%					
						DECD	Permanent	6.75%	2040	383,656.99
Ulbrich Heights	Wallingford		F	88	94%					
						DECD	Permanent	4.50%	2034	167,846.91
						DECD	Permanent	4.50%	2034	120,000.00
Union St Cooperative, Inc	Windham		F	7	N.A.					
						DECD	Permanent	0.00%	2030	74,831.41
						ITA	Permanent	5.00%	2037	20,727.58
Union Street Cooperative	Manchester		F	25	100%					
						DECD	Permanent	0.00%	2030	400,000.00
						ITA	Permanent	0.75%	2030	202,368.19
Unity Square	Waterbury		F	18	N.A.					
						DECD	Permanent	0.00%	2032	79,105.92
Valley Park Apt	Torrington		S	13	100%					
						ITA	Permanent	1.00%	2038	338,100.00
						2021E-1/2/3	Permanent	1.00%	2038	302,462.84
Victoria Gardens Apartments	Waterford		E	90	100%					
						BP SURPLUS	Permanent	4.50%	2047	3,992,023.56
						ITA	Permanent	0.00%	2047	225,000.00
Village At Hales Court	Westport		F	78	100%					
						ITA	Permanent	4.00%	2052	6,071,031.93
Village at Killingly, The	Dayville		F	116	88%					
						ITA	Permanent	3.00%	2049	2,240,729.26
						DECD	Permanent	4.00%	2049	812,737.94
Village Court	Norwich	Section 8	E	75	100%					
						2009D	Permanent	7.20%	2040	1,301,981.22
						2021A-3	Permanent	6.80%	2050	874,812.53
						ITA	Permanent	7.78%	2050	536,494.41
						ITA	Permanent	4.50%	2050	469,247.65
Wangum Village	North Canaan		E	40	98%					
						DECD	Permanent	0.00%	2050	156,989.00
Washington Street School	New Britain		F	50	100%					
						DECD	Permanent	1.50%	2031	1,718,464.71
						DECD	Permanent	0.00%	2050	195,345.00
						DECD	Permanent	0.00%	2099	163,009.48
Washington Village Ph II - 4%	Norwalk		F	42	N.A.					
						2018D-1/2	Permanent	5.90%	2061	3,693,090.80

Project Name	Location	Rental Subsidy and Insurance	Occupancy Type (1)	Number of Units	Occupancy Level (3)	Current Financing Series		Loan Type (5)	Permanent Interest Rate	Permanent Loan Maturity	Reported 06/30/2022 Balance
Washington Village Ph II - 9%	Norwalk		F	43	N.A.						
						BP SURPLUS		Permanent	5.90%	2041	3,655,876.14
Washington Village Ph III - 4%	Norwalk		F	58							
						2020D-1/2/3		Permanent	3.25%	2052	6,071,978.00
Watertown Crossing	Waterbury		F	108	100%						
						2014F-1/3		Permanent	4.00%	2056	4,656,407.95
						ITA		Permanent	0.00%	2054	3,029,621.97
						ITA		Permanent	1.00%	2054	2,879,399.50
Watson Farm	South Windsor		E	72	99%						
						2021C	2004A	Permanent	5.00%	2034	1,809,741.31
Wauregan Hotel	Norwich		F	70	99%						
						DECD		Permanent	1.00%	2036	3,650,000.00
						ITA		Permanent	1.00%	2036	834,022.50
Webster Street Mutual Hsg	Hartford		F	30	93%						
						2021C	2004A	Permanent	4.00%	2033	156,542.31
Wequonnoc Village	Norwich	Section 8	E	98	100%						
						2009D		Permanent	7.20%	2040	4,933,827.56
						Paid Bonds	Paid Bonds	Permanent	7.62%	2050	1,594,783.49
Westbrook Village (Note A) HTFD HA	Hartford		F	75	93%						
						DECD		Permanent	0.00%	2052	2,341,157.46
Westwoods Apartments	Farmington		F	34	97%						
		(6)				2021C	2004A	Permanent	3.00%	2028	516,969.60
Whispering Pines Phase II	Avon		E	53	96%						
						ITA		Permanent	4.25%	2040	1,626,556.58
William H. Warner Village	Woodbridge		E	30	100%						
						Paid Bonds		Permanent	4.86%	2021	947,479.02
						ITA		Permanent	4.86%	2036	603,491.68
						ITA		Permanent	1.00%	2036	199,848.62
Willimantic H.A. - Hervin Terrace	Windham		F	90							
						ITA		Advances to Permanent	4.18%	2054	281,402.00
Willimantic H.A. - Honan & Trumbull	Windham		E	50	95%						
						ITA		Permanent	5.00%	2039	117,140.54
Willow Arms	East Hartford	Section 8	E	96	99%						
						2009D		Permanent	7.20%	2040	3,928,788.51
						ITA		Permanent	4.50%	2050	345,361.67
						2017A-4		Permanent	5.73%	2050	286,423.06
						ITA		Permanent	6.41%	2050	43,250.15
Willow Creek Apts Rental Ph I	Hartford		F	62	98%						
						FAF		Permanent	0.00%	2060	574,000.00
Willow Creek Apts Rental Ph II	Hartford		F	43							
						FAF		Advances to Permanent	0.00%	2060	484,038.00
Willowcrest Apartments	Middletown		F	151	96%						
						2020D-1/2/3		Permanent	6.50%	2042	3,285,043.30
						ITA		Permanent	4.00%	2042	1,867,222.36
Wilton Commons	Wilton		E	51	98%						
						2021B-1/2/3/4/5	2021E-1/2/3	Permanent	4.75%	2054	1,928,914.57
Windward Apartments	Bridgeport		F	54							
						ITA		Interim Construction			500,000.00
Windy Lane	Waterbury		F	18	N.A.						
						DECD		Permanent	0.00%	2032	79,080.06
Wolcott Place	Hartford		F	18	94%						
						DECD		Permanent	7.50%	2031	224,181.32
Woodland Hills Apartments	Torrington		F	176	99%						
						2022B		Permanent	4.27%	2064	16,233,649.00
Woodside Village	Bloomfield	Section 8	E	177	100%						
						2009D		Permanent	7.20%	2040	3,275,513.62
						ITA		Permanent	4.50%	2050	2,806,222.99
						2021B-1/2/3/4/5		Permanent	6.41%	2050	2,310,901.81
						ITA		Permanent	7.80%	2050	1,731,078.68
Woodview Apartments	Watertown	Section 8	E	80	99%						
						2009D		Permanent	7.20%	2040	3,106,484.32
						2017A-5		Permanent	6.11%	2050	537,268.15
Woodward Cliffs	Norwalk		F	6	100%						
						ITA		Permanent	3.00%	2026	71,871.34
Wright`S Village	Mansfield		E	10	100%						
						DECD		Permanent	0.00%	2020	48,000.00
Yale Street Commons	Bridgeport		F	44	95%						
						ITA		Permanent	4.00%	2040	989,313.92
Yorkshire Village	Farmington		E	92	97%						
						ITA		Permanent	4.00%	2040	4,908,996.06
											1,349,326,604

(1) E for Elderly; F for Family; S for Supportiv

(2) Const. Loan for Mortgages carried as Construction Loan by the Authority; No Payment for Projects with Mortgage Loans that do not require fixed paymments; Commercial for Commercial Property; Loan Program for Development or Revolving Financing Fa

(3) N.A. for Not Applicable based on Operations and Reporting Statu

(4) Ratio of (i) Net Operating Income from Project Audit for most recent period ending no later than June 30, 2022, to (ii) fixed regular payments on Mortgage Loans (excluding balloon payments). Only computed for Projects with at least one Mortgage
funded from the proceeds of Housing Mortgage Finance Bonds

(5) Interim to Takeout for Construction Loan expected to b repaid from permanent financing or equity contribution by third pa

(6) Section of National Housing Act, or FHA Risk Shar

SCHEDULE B

HISTORICAL MORTGAGE PREPAYMENT REPORT

(*SEE NEXT PAGE*)

SCHEDULE B

The following table sets forth, as of June 30, 2022, the historical rate of prepayment (expressed as a percentage of SIFMA) in prior calendar years with respect to (i) the Home Mortgage Loan Portfolio and (ii) the Agency Security Portfolio

Connecticut Housing Finance Authority
Historical Mortgage Prepayment Report - As of June 30, 2022
Single Family Home Mortgage Loans and Agency Security Portfolio

					1 Year SIFMA											
Year of Origin	**Original Balance**	**Current Balance**	**Current WAC**	**No. of Loan**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**Partial 2021**	**Partial 2022**	**Lifetime**
Before 1995	$1,713,244,929	$ 2,371,430	7.49%	24,864	159	128	130	116	93	167	151	196	177	142	107	185
1995-2001	2,716,380,430	45,442,646	6.42%	30,221	179	205	138	163	117	153	127	150	133	157	166	282
2002-2011	4,836,870,126	629,472,451	4.87%	32,335	227	248	147	157	169	159	136	151	218	303	267	249
2012	208,450,761	83,304,380	3.06%	1,395		70	56	38	82	98	131	126	189	193	209	113
2013	244,582,121	107,762,394	2.91%	1,539			45	49	64	81	114	91	202	242	197	112
2014	313,298,356	134,067,998	3.39%	1,944				46	47	77	91	121	212	359	262	138
2015	460,604,445	227,210,441	3.25%	2,743					44	50	64	112	198	310	258	129
2016	620,594,034	352,369,676	3.10%	3,675						52	64	88	150	251	219	117
2017	511,404,366	324,238,270	3.30%	2,968							38	42	139	245	225	113
2018	574,004,518	352,604,567	3.75%	3,205								38	180	311	292	164
2019	526,967,234	374,783,255	3.66%	2,897									171	237	236	149
2020	294,258,476	263,792,514	2.97%	1,645										102	96	63
2021	238,622,035	232,385,163	2.68%	1,174											17	31
2022	150,367,844	147,091,746	3.12%	695												†
Sub-Total	$13,409,649,673	$3,276,896,933	3.62%	111,300												
Grand Total	**$13,409,649,673**	**$3,276,896,933**	**3.62%**	**111,300**	**114**	**229**	**236**	**129**	**123**	**113**	**100**	**88**	**92**	**172**	**260**	

Notes:
The figures above are based on information currently available and are not guaranteed.
Annual amounts are not reported for the Year of Origin due to diversity of origination month, however all data is included in Lifetime figures.
Values in the "Before 1995" cohort are based on loans that were outstanding on 12/31/1994.
† Indicates that the prepayment speed is not meaningful since the size of the cohort is less than 1 loans or the origination period is incomplete.

SCHEDULE C

HOME MORTGAGE LOAN AND AGENCY SECURITY PORTFOLIO FINANCED WITH HOUSING MORTGAGE FINANCE PROGRAM BOND PROCEEDS

(*SEE NEXT PAGE*)

SCHEDULE C

The following table sets forth, for each Series of Outstanding Bonds that are Qualified Mortgage Bonds, and for other types of Outstanding Bonds collectively, the total aggregate principal amount of the Home Mortgage Loan Portfolio and the Agency Security Portfolio that are allocated to each such Series for federal tax law purposes.

Home Mortgage Loan and Agency Security Portfolio
Distribution by Issue and Year of Origination - Outstanding Balances as of June 30, 2022
(All Amounts in $ 000's)

	Before 2010		2010		2011		2012		2013		2014		2015		2016		2017		2018		2019		2020		2021		2022		Total	
	Balance	WAC	Balance	WAC	Balance	WAC	Balance	WAC	Balance	WAC	Balance	WAC	Balance	WAC	Balance	WAC	Balance	WAC	Balance	WAC	Balance	WAC	Balance	WAC	Balance	WAC	Balance	WAC	Balance	WAC
Allocated to Tax Exempt - Single Family Qualified Mortgage Bonds																														
2010G	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
2013B-1/2/3/5	14,494	5.0%	5	4.4%	605	3.9%	278	3.1%	21,787	3.3%	16,795	3.4%	1,390	3.3%	8,936	3.3%	640	2.9%	1,269	3.9%	883	3.4%	819	2.8%	835	2.8%	1,132	3.0%	69,867	3.7%
2014A	-	0.0%	-	0.0%	-	0.0%	-	0.0%	3,466	3.0%	28,544	3.5%	863	3.3%	9,614	3.5%	453	2.9%	1,820	3.9%	789	3.6%	584	2.8%	640	2.8%	953	3.0%	47,727	3.4%
2014C	9,647	5.2%	0	4.4%	30	3.9%	115	3.2%	114	2.8%	37,339	3.4%	2,048	3.2%	14,273	3.4%	439	2.9%	990	4.1%	370	3.4%	478	2.8%	475	2.8%	426	2.9%	66,745	3.7%
2014D	31,260	4.9%	3	4.4%	614	3.9%	498	3.2%	260	2.8%	21,650	3.3%	20,743	3.2%	9,715	3.2%	1,283	2.9%	2,254	4.2%	1,210	3.4%	2,418	2.8%	4,460	2.8%	1,697	3.0%	98,064	3.8%
2015A	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	70,715	3.2%	3,106	3.2%	858	2.9%	3,748	4.1%	296	3.4%	4,381	2.8%	359	2.8%	403	2.9%	83,866	3.2%
2015C	4,006	5.1%	0	4.4%	79	3.9%	753	3.3%	218	2.7%	591	3.4%	72,313	3.3%	182	2.8%	956	2.9%	4,070	3.9%	3,491	3.5%	5,860	2.8%	234	2.8%	1,596	3.0%	94,350	3.4%
2015E-2	223	5.7%	-	0.0%	0	3.9%	1	3.3%	3	2.8%	9	3.4%	724	3.2%	-	0.0%	-	0.0%	7	3.9%	11	3.4%	7	2.8%	6	2.8%	-	0.0%	991	3.8%
2016A	9,122	5.3%	907	4.4%	5,662	3.7%	2,892	3.3%	28	2.8%	229	3.4%	18,751	3.4%	51,663	3.2%	202	2.9%	287	3.9%	355	3.8%	241	2.8%	288	2.8%	193	2.9%	90,819	3.5%
2016B	14,974	5.2%	1	4.4%	2	3.9%	26	3.2%	18	2.7%	134	3.4%	116	3.3%	69,676	3.2%	73	2.9%	312	3.9%	818	4.0%	57	2.8%	56	2.8%	-	0.0%	86,263	3.5%
2016E	10,624	5.1%	90	4.4%	706	3.7%	363	3.3%	5,412	3.3%	4,242	3.4%	416	3.3%	79,748	3.0%	346	3.1%	483	3.9%	631	3.8%	250	2.8%	258	2.8%	221	2.9%	103,791	3.3%
2016F-1/2/3/5	16,026	5.4%	4,530	4.4%	764	3.9%	352	3.1%	155	2.9%	775	3.4%	624	3.3%	72,108	2.9%	10,523	3.1%	655	3.9%	1,018	3.8%	1,975	2.7%	49	2.8%	305	2.9%	109,860	3.4%
2017A-1/2/3	8,313	5.4%	5,067	4.4%	136	3.9%	97	3.2%	70	2.9%	371	3.4%	375	3.3%	11,150	2.9%	70,080	3.1%	290	3.9%	341	3.7%	209	2.8%	217	2.8%	198	2.9%	96,914	3.4%
2017C	6,475	5.5%	1	4.4%	12,881	3.8%	1,077	3.0%	90	2.9%	685	3.4%	719	3.3%	478	3.4%	78,116	3.4%	540	3.9%	293	3.4%	8,231	2.8%	34	2.8%	204	2.9%	109,824	3.6%
2017D	11,814	5.2%	0	4.4%	1	3.9%	20	3.2%	14	2.7%	106	3.4%	92	3.3%	41	4.6%	80,599	3.3%	182	3.9%	433	3.9%	45	2.8%	44	2.8%	-	0.0%	93,393	3.6%
2017F-1/2/3/4/5	2,861	6.2%	2,129	4.4%	13,296	3.7%	6,761	3.3%	44	2.8%	371	3.4%	416	3.3%	522	3.9%	71,469	3.3%	11,909	3.4%	1,067	3.9%	1,529	2.9%	301	2.8%	291	2.9%	112,966	3.5%
2018A-1/2/3	9,467	5.0%	1,002	4.5%	3	3.9%	47	3.2%	41	2.8%	249	3.4%	273	3.3%	11	4.6%	116	2.9%	78,059	3.4%	387	3.9%	6,273	2.8%	146	2.8%	270	2.9%	96,345	3.5%
2018B-1/2/3	9,468	5.0%	1,002	4.5%	3	3.9%	47	3.2%	41	2.8%	249	3.4%	273	3.3%	11	4.6%	117	2.9%	74,513	3.8%	406	3.9%	5,924	2.8%	138	2.8%	-	0.0%	92,191	3.8%
2018C-1/2/3/4	6,179	5.5%	1	4.4%	12,290	3.8%	1,028	3.0%	86	2.9%	654	3.4%	686	3.3%	456	3.4%	575	2.9%	70,225	3.9%	1,057	3.8%	293	2.8%	618	2.8%	237	2.9%	94,385	3.9%
2018E-1/2/3/4	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	71,175	4.0%	4,567	4.0%	-	0.0%	-	0.0%	-	0.0%	75,742	4.0%
2019A-1/2/3	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	68,020	4.2%	-	0.0%	-	0.0%	-	0.0%	68,020	4.2%
2019A-4	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	8,538	4.2%	-	0.0%	-	0.0%	-	0.0%	8,538	4.2%
2019B-1/2/3	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	75,111	3.8%	27	2.8%	23	2.8%	-	0.0%	75,162	3.8%
2019B-4	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	10,881	3.7%	27	2.8%	23	2.8%	-	0.0%	10,931	3.7%
2019D-1/2/3	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	84,529	3.5%	16	2.8%	15	2.8%	-	0.0%	84,561	3.5%
2019F-1/2/4/5	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	63,434	3.2%	25,358	3.1%	24	2.8%	-	0.0%	88,816	3.2%
2020A-1/2/3	-	0.0%	13,611	4.2%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	98,919	3.1%	105	2.8%	192	2.9%	112,827	3.2%
2020C-1/2/3	-	0.0%	27,739	4.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	68,375	2.8%	39,735	2.8%	-	0.0%	135,849	3.1%
2020E-1/2/3/4	11,936	5.2%	16,630	4.1%	9,613	3.8%	13,650	3.1%	914	3.0%	284	3.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	77,707	2.7%	-	0.0%	130,733	3.2%
2021A-1/2	20,599	5.2%	6,902	4.2%	3,242	3.9%	21,565	3.0%	12,411	2.7%	1,400	3.4%	980	3.3%	3,585	3.0%	608	2.9%	1,190	3.6%	486	3.6%	2,244	2.9%	43,584	2.6%	431	2.9%	119,228	3.3%
2021B-1	2,245	5.2%	1,014	3.9%	1,929	3.8%	3,450	3.1%	1,929	3.0%	538	3.3%	24	3.3%	3,524	3.9%	15	2.9%	29	3.6%	12	3.6%	55	2.9%	35,877	2.6%	22,659	2.7%	73,300	2.9%
2021D-1/2	8,684	4.9%	1	4.4%	226	3.9%	2,804	2.8%	35,978	2.8%	1,311	3.4%	1,303	3.3%	5,606	2.8%	720	2.9%	2,026	3.8%	275	3.4%	438	2.8%	17,596	2.6%	80,849	3.3%	157,820	3.2%
2021E-4/5	13,714	5.2%	4,595	4.2%	2,158	3.9%	14,357	3.0%	8,263	2.7%	932	3.4%	653	3.3%	2,387	3.0%	405	2.9%	792	3.6%	324	3.6%	1,494	2.9%	36	2.8%	5,566	3.8%	55,676	3.7%
2022A-1/2/3	-	0.0%	-	0.0%	-	0.0%	-	0.0%	9,118	2.7%	-	0.0%	-	0.0%	663	2.7%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	21,917	2.8%	31,698	2.7%
Total Mortgage Loans & Agency Securities	**222,130**	**5.2%**	**85,231**	**4.2%**	**64,241**	**3.8%**	**70,181**	**3.0%**	**100,460**	**2.9%**	**117,457**	**3.4%**	**194,497**	**3.3%**	**347,457**	**3.1%**	**318,594**	**3.3%**	**326,827**	**3.7%**	**330,032**	**3.7%**	**236,528**	**3.0%**	**223,888**	**2.7%**	**139,741**	**3.1%**	**2,777,263**	**3.5%**
Taxable Series (1)	23,315	5.4%	346	4.4%	4	3.9%	12	3.1%	62	3.0%	517	3.3%	1,785	3.3%	311	4.8%	283	2.9%	849	3.9%	25,303	3.4%	11,299	3.1%	2,028	2.7%	809	2.9%	66,922	4.1%
Pre-Ullman Series (2)	8,288	5.6%	5,459	4.4%	4,316	3.8%	3,421	3.4%	4,624	2.8%	3,597	3.4%	18,150	3.2%	4,384	3.0%	-	0.0%	5,991	3.3%	5,776	2.8%	9,894	2.9%	293	2.8%	259	2.9%	74,453	3.5%
Taxable Mixed Series (3)	9,538	5.6%	58	4.4%	2	3.9%	7	3.1%	22	3.0%	318	3.3%	1,097	3.3%	-	0.0%	174	2.9%	456	3.9%	882	3.9%	229	2.8%	218	2.8%	168	2.9%	13,167	5.0%
ITA and Retired Series	230,870	5.5%	6,873	4.2%	16,615	3.8%	9,684	3.1%	2,595	2.8%	12,178	3.4%	11,682	3.3%	218	4.9%	5,188	2.9%	18,482	4.0%	12,790	3.7%	5,842	2.8%	5,958	2.8%	6,116	3.0%	345,092	4.8%
Total Mortgage Loans & Agency Securities	**272,012**	**5.5%**	**12,736**	**4.3%**	**20,937**	**3.8%**	**13,124**	**3.2%**	**7,303**	**2.8%**	**16,611**	**3.4%**	**32,713**	**3.2%**	**4,913**	**3.2%**	**5,644**	**2.9%**	**25,778**	**3.8%**	**44,751**	**3.4%**	**27,264**	**3.0%**	**8,498**	**2.8%**	**7,351**	**2.9%**	**499,634**	**4.5%**
Total Mortgage Loans & Agency Securities	**494,142**	**5.3%**	**97,966**	**4.2%**	**85,178**	**3.8%**	**83,304**	**3.1%**	**107,762**	**2.7%**	**134,068**	**3.4%**	**227,210**	**3.3%**	**352,370**	**3.1%**	**324,238**	**3.3%**	**352,605**	**3.7%**	**374,783**	**3.7%**	**263,793**	**3.0%**	**232,385**	**2.7%**	**147,092**	**2.7%**	**3,276,897**	**3.6%**

(1) Federally Taxable - Single Family Mortgage Bonds
(2) Tax-Exempt - Mixed Single Family and Multifamily Pre-Ullman Bonds
(3) Federally Taxable - Mixed Single Family and Multifamily Bonds

SCHEDULE D

TEN YEAR RULE RESTRICTION PERCENTAGES

(*SEE NEXT PAGE*)

Schedule D

The following table sets forth the dates on which portions or all of the loan principal payments and loan prepayments received by the Authority with respect to each series of Outstanding Bonds as of June 30, 2022 issued under the Resolution to finance home mortgage loans (expressed in percentages of the total of loan principal payments and loan prepayments received as of each date) become subject to the Ten-Year Rule. See "THE HOUSING MORTGAGE FINANCE PROGRAM - Housing Mortgage Finance Program Bonds - Application of Recoveries of Principal from Home Mortgage Loans."

Single Family Qualified Mortgage Bond Issue
Ten Year Rule Restriction Percentages as of Selected Dates

Issue	As of: 6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026	6/30/2027	6/30/2028	6/30/2029	6/30/2030	6/30/2031	6/30/2032
2013B-1/2/3/5	41	41	100	→	→	→	→	→	→	→	→
2014A	0	0	100	→	→	→	→	→	→	→	→
2014C	26	26	26	100	→	→	→	→	→	→	→
2014D	45	45	45	100	→	→	→	→	→	→	→
2015A	0	0	0	100	→	→	→	→	→	→	→
2015C	13	13	19	19	100	→	→	→	→	→	→
2016A	40	40	45	45	100	→	→	→	→	→	→
2016B	52	52	55	57	100	→	→	→	→	→	→
2016E	37	37	37	44	50	100	→	→	→	→	→
2016F-1/2/3/5	55	58	59	62	62	100	→	→	→	→	→
2017A-1/2/3	26	26	47	49	52	100	→	→	→	→	→
2017C	43	44	49	50	51	100	→	→	→	→	→
2017D	33	33	36	41	45	45	100	→	→	→	→
2017F-1/2/3	32	32	32	32	32	32	100	→	→	→	→
2018A-1/2/3	46	46	50	65	71	74	100	→	→	→	→
2018B-1/2/3	42	43	46	49	50	51	100	→	→	→	→
2018C-1/2/3/4	30	30	34	37	39	41	42	100	→	→	→
2018E-1/2	10	10	12	12	12	12	13	100	→	→	→
2019A-1/2/3	12	12	16	23	27	30	31	100	→	→	→
2019B-1/2/3	37	37	46	51	56	60	62	100	→	→	→
2019D-1/2/3	24	24	29	34	36	39	41	41	100	→	→
2019F-1/2/4/5	11	12	14	17	18	18	19	19	100	→	→
2020A-1/2/3	38	38	46	52	57	64	67	69	100	→	→
2020C-1/2/3	56	57	62	67	70	73	74	81	82	100	→
2020E-1/2/3/4	50	50	50	50	50	50	50	50	50	100	→
2021A-1/2	76	76	85	90	97	99	99	100	→	→	→
2021B-1	50	50	54	60	63	75	85	94	94	100	→
2021D-1/2	11	42	42	42	42	42	42	42	42	42	100
2021E-4/5	81	81	83	86	87	92	96	100	100	→	→
2022A-1/2/3	9	9	9	9	9	9	9	9	9	9	100

Note: The above percentages are based upon information currently available and are not guaranteed.

There can be no assurance that federal tax law, rules or regulations enacted or proposed and the interpretation thereof will not alter the above percentages.

APPENDIX A

CERTAIN PRESENT PROVISIONS OF THE ACT RELATING TO MORTGAGE LOANS OF THE AUTHORITY

The Authority may make or insure mortgage loans for housing upon such terms and conditions as the Authority may prescribe. Mortgage loans made may be for construction financing as well as permanent financing, and shall be secured by a first or (unless financed from proceeds of Bonds) second mortgage.

Permanent mortgage loans made or insured by the Authority under the provisions of the Act shall:

(1) Not exceed (i) ninety percent of the estimated cost of the proposed housing if owned or to be owned by a profit making mortgagor or (ii) one hundred percent of the estimated cost of the proposed housing if owned or to be owned by a housing authority, a municipal developer, a non-profit corporation, or cooperative or by a resident owner of a structure containing not more than three dwelling units, or of a condominium;

(2) Have a maturity satisfactory to the Authority but in no case longer than fifty years from the date of the issuance of the loan or insurance;

(3) Contain amortization provisions satisfactory to the Authority requiring periodic payments by the mortgagor not in excess of the mortgagor's reasonable ability to pay as determined by the Authority; and

(4) Be in such form and contain such terms and provisions with respect to maturity, property insurance, repairs, alterations, payment of taxes and assessments, default reserves, delinquency charges, default remedies, anticipation of maturity, additional and secondary liens, equitable and legal redemption rights, and other matters as the Authority may prescribe.

Construction mortgage loans made by the Authority under the provisions of the Act may be advanced at the discretion of the Authority in installments as the work progresses, provided that the total of all advances equals but does not exceed ninety percent of the project cost if owned or to be owned by a profit making mortgagor, or one hundred percent of the project cost if owned by a housing authority, a municipal developer, a non-profit corporation, or a cooperative. The final advance shall not be made until the completed construction or rehabilitation has been inspected and approved by the Authority.

Construction loans made by the Authority shall also be subject to the following terms and conditions:

(1) A loan may be prepaid after a period of twenty years or sooner with the permission of the Authority, provided that non-profit mortgagors may prepay their loans prior to maturity only with the consent of the Authority. The Authority shall grant such consent if it finds (A) that it may reasonably be expected that the prepayment of the loan will not result in a material escalation of rents charged to occupants of the project and (B) that the need for low and moderate income housing in the area concerned is no longer acute.

(2) The interest rate on the loan shall be established by the Authority at the lowest level consistent with the Authority's cost of operation and its responsibilities to the holders of its bonds, bond anticipation notes, and other obligations.

(3) The Authority shall require the mortgagor or its contractor to post labor and materials and construction performance surety bonds or enter into an escrow arrangement acceptable to the Authority, in amounts related to the project cost as established by regulation, and to execute such other assurances and guarantees as the Authority may deem necessary.

(4) The loan shall be subject to an agreement between the Authority and the mortgagor that will subject said mortgagor and its principals or stockholders to limitations established by the Authority as to rentals,

carrying charges, and other charges, profits, and fees, and the disposition of its property and franchises to the extent more restrictive limitations are not provided in the law under which the mortgagor is incorporated or organized.

(5) A loan to a mortgagor, other than a municipal developer, a non-profit corporation having as one of its purposes the construction or rehabilitation of housing, shall be subject to an agreement between the Authority and the mortgagor limiting the mortgagor, and its principals or stockholders, to such a return on the mortgagor's equity in any project assisted with a loan from the Authority as may be established or permitted by the Authority. The mortgagor's equity in a project shall consist of the difference between the amount of the loan and the total project cost, whether or not such costs have been paid in cash or in a form other than cash. With respect to every project, the Authority shall, pursuant to rules and regulations adopted by it, establish the mortgagor's equity, based upon certification or other assurances of project cost by the mortgagor.

(6) No loan shall be executed, except a loan made to a non-profit corporation having as one of its purposes the construction or rehabilitation of housing, unless the mortgagor agrees (A) to certify upon completion of project construction or rehabilitation, subject to audit by the Authority, either that the actual project cost as defined in the Act exceeded the amount of the loan proceeds by ten percent or more, or the amount by which the loan proceeds exceed ninety percent of total project cost, and (B) to pay forthwith to the Authority, for application to reduction of principal of the loan, the amount, if any, of such excess loan proceeds, subject to audit and determination by the Authority. No loan shall be made to a municipal developer, a non-profit corporation unless such mortgagor agrees to certify the actual project cost upon completion of the project, and further agrees to pay forthwith to the Authority, for application to reduction of the principal of the loan, the amount, if any, by which the proceeds of the loan exceed the certified project cost, subject to audit and determination by the Authority. Notwithstanding the provisions of this subsection of the Act, the Authority may accept, in lieu of any certification of project cost as provided in the Act, such other assurance of the said project cost, in any form or manner whatsoever, as will enable the Authority to determine with reasonable accuracy the amount of said project cost.

(7) As a condition of the loan, the Authority shall have the power at all times during the construction and rehabilitation of a housing project and the operation thereof (A) to enter upon and inspect without prior notice any project, including all parts thereof, for the purpose of investigating the physical and financial condition thereof, and its construction, rehabilitation, operation, management, and maintenance, and to examine all books and records with respect to capitalization, income, and other matters relating thereto and to make such charges as may be required to cover the cost of such inspections and examinations; (B) to order such alterations, changes, or repairs as may be necessary to protect the security of its investment in a housing project or for the health, safety, and welfare of the occupants thereof; (C) to order any managing agent, project manager, or owner of a housing project to do such acts as may be necessary to comply with the provisions of all applicable laws and ordinances or any rule or regulation of the Authority or the terms of any agreement concerning the said project or to refrain from doing any act in violation thereof and in this regard the Authority shall be a proper party to file a complaint and to prosecute thereon for any violation of laws or ordinances as set forth herein; (D) to require the adoption and continuous use of uniform systems of accounts and records for a project and to require all owners or managers of same to file annual reports containing such information and verified in such manner as the Authority shall require and to file at such times and on such forms as the Authority may prescribe reports and answers to specific inquiries of the Authority to determine the extent of compliance with any agreement, the terms of the loan, the provisions of the Act and any other applicable law; and (E) to enforce, by court action if necessary, the terms and provisions of any agreement between the Authority and the mortgagor as to schedules of rentals or carrying charges, aggregate family income limits as applied to applicants for housing or the occupants thereof, or any other limitation imposed upon the mortgagor as to financial structure, construction, operation, or disposition of the housing.

(8) If (A) the Authority determines that the loan or advance made is in jeopardy of not being repaid; (B) the Authority determines that the proposed housing project for which the loan or advance made is in jeopardy of not being constructed; (C) the recipient is a non-profit corporation, and the Authority determines that some part of the net income or earnings of the corporation is inuring to the benefit of any private individual, firm, partnership, corporation, or association, or that the corporation is in some manner controlled by or under the direction of or acting in the substantial interest of any private individual, firm, corporation, partnership, or association seeking to derive benefit or gain therefrom or seeking to eliminate or minimize losses in any dealings or transactions therewith; (D) the recipient is a for profit corporation or unincorporated association, and the Authority determines that some part of the net income or earnings of the recipient, in excess of that permitted by other provisions of the Act, shall inure to the benefit of any private individual, firm, corporation, partnership, or association; (E) the Authority determines that the recipient is in

violation of any rules or regulations promulgated by the Authority under the provisions of the Act; or (F) the Authority determines that the recipient is in violation of any agreements entered into with the Authority providing for regulation by the Authority of the planning, development, and management of any housing undertaken by the recipient or the disposition of the property and franchises of such recipient; then the Authority may appoint a majority of new directors to the board of directors of a mortgagor corporation, or appoint a new managing agent for an unincorporated association. The persons so appointed need not be stockholders or partners or meet other qualifications which may be prescribed by the articles of incorporation or other basic documents of organization or the bylaws of such mortgagor. In the absence of fraud or bad faith, the persons so appointed shall not be personally liable for the debts, obligations, or liabilities of such mortgagor; and shall serve only for a period co existent with the duration of the reasons for their appointment or until the Authority is assured, in a manner satisfactory to it, that the need for such services no longer exists; and they shall serve as directors or managing agents for such compensation as the Authority may determine and shall be entitled to be reimbursed for all necessary expenses incurred in the discharge of their duties as directors or managing agents of such mortgagor.

All land and improvements owned by the Authority or in which the Authority has an interest through a mortgage held or insured by it shall be subject to the planning, zoning, health and building laws, ordinances, and regulations applicable to the town in which such land and improvements are situated, provided, as to land owned by the Authority, the Authority shall have the same rights of appeal and review from an adverse decision or order based on such laws, ordinances, and regulations as are granted by such laws, ordinances, and regulations to other owners.

If a loan made by the Authority is insured or if the project or any units therein are assisted by any department, agency, or instrumentality of the United States Government or the State, and the terms of the mortgage insurance commitment or regulatory agreement covering such insurance or other assistance are inconsistent with the terms and conditions required by or established by the Authority under the Act, the terms of such mortgage insurance commitment or regulatory agreement shall prevail, to the extent of such inconsistency.

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APPENDIX B

AUDITED FINANCIAL STATEMENTS

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CONNECTICUT HOUSING FINANCE AUTHORITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2021 AND 2020

WEALTH ADVISORY | OUTSOURCING
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CONNECTICUT HOUSING FINANCE AUTHORITY

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CliftonLarsonAllen LLP
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Independent Auditors' Report

Board of Directors
Connecticut Housing Finance Authority
Rocky Hill, Connecticut

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Connecticut Housing Finance Authority, a component unit of the state of Connecticut, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise Connecticut Housing Finance Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Connecticut Housing Finance Authority, as of December 31, 2021 and 2020, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Connecticut Housing Finance Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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 Connecticut Housing Finance Authority ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* 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 and Government Auditing Standards, 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 Connecticut Housing Finance Authority'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 Connecticut Housing Finance Authority'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 and the pension and OPEB schedules, as presented 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Connecticut Housing Finance Authority's basic financial statements. The combining and supplementary schedules 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 GAAS. In our opinion, the combining and supplementary schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2022, on our consideration of the Connecticut Housing Finance Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Connecticut Housing Finance Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Connecticut Housing Finance Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

West Hartford, Connecticut
March 24, 2022

This section of the Connecticut Housing Finance Authority's (the "Authority") financial statements, Management's Discussion and Analysis, presents an overview of the Authority's financial performance for the years ended December 31, 2021 and 2020. It provides an assessment of the Authority's financial position and identifies the factors that in management's view, significantly affected the Authority's overall financial position. It may contain assumptions or conclusions by the Authority's management that should not be considered a replacement for, and must be read in conjunction with, the financial statements described below.

Overview of the Financial Statements

This annual financial report consists of four parts: *Management's Discussion and Analysis*, the *Basic Financial Statements, Required Supplementary Information* and *Supplementary Information*. The Authority is a self-supporting quasi-public agency established for the purpose of alleviating the shortage of affordable housing for low and moderate income households in the state of Connecticut and, when appropriate, to promote or maintain the economic development of Connecticut through employer-assisted housing efforts. The financial statements are presented using the accrual basis of accounting. The Authority operates in a manner similar to a private business that includes activities such as the financing of home mortgage loans and multifamily and special needs housing real estate development.

The Basic Financial Statements

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

The Statement of Revenues, Expenses and Changes in Net Position accounts for all of the current year's revenues and expenses, measures the success of the Authority's operations over the past year and can be used to determine how the Authority has funded its costs.

The Statement of Cash Flows provides information about the Authority's cash receipts, cash payments and net changes in cash resulting from operations, financing, capital and investing activities.

The Notes to the Financial Statements

The Notes to Financial Statements provide:

- Information that is essential to understanding the basic financial statements, such as the Authority's accounting methods and policies.
- Details of contractual obligations, future commitments and contingencies of the Authority.
- Other events or developing situations that could materially affect the Authority's financial position.

Required Supplementary Information and Supplementary Information

Required Supplementary Information represents information required by GASB, which supplements the basic financials statements and notes. These schedules provide additional information about the Authority's proportionate share of the Net OPEB Liability, Net Pension Liability and schedules of the Authority's contributions to the State Employees' Retirement System (SERS).

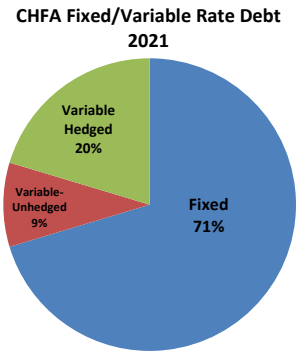
The Supplementary Information includes individual program schedules that present the Authority's financial statements in more detail.

Financial Highlights – Year Ended December 31, 2021

During 2021, the Authority closed $237 million in single family loans bringing homeownership to 1,152 homebuyers. The need for multifamily financing remained strong. Through new construction and/or rehabilitation, the Authority financed 976 affordable multifamily units for a total investment commitment of $140.1 million.

During 2021, the Authority issued five series of Housing Mortgage Finance Program Bonds generating $1 billion in proceeds to provide financing for its home mortgage and multifamily mortgage housing programs in addition to refunding approximately $641 million in outstanding bonds to take advantage of lower interest rates. Under the Special Needs Housing Mortgage Finance Program, the Authority issued four series of bonds totaling $54.1 million, $29.3 million of which are considered obligations of the State of Connecticut and are not reflected on the Authority's Statements of Net Position, however those issuances are disclosed in the Conduit Debt section of Note 8. The proceeds of these funds were used to refund $45.8 million in outstanding bonds with the remainder being used to fund the financing of thirteen group homes. The group homes provide housing and support services for individuals with special needs. Under various programs, the Authority has also made funds available from net position.

Single family loan production continued to be impacted by the COVID-19 pandemic. The single family housing market was a challenging one for first time homebuyers as they faced rising home prices and reduced inventory. The Authority made changes to its downpayment assistance program to help improve its homebuyers' purchasing power.



The low interest rate environment during 2021 resulted in lower investment earnings and propelled an increase in single family loan payoffs as existing borrowers sought to refinance.

Financial Highlights – Year Ended December 31, 2020

During 2020, the Authority closed $302.8 million in single family loans bringing homeownership to 1,636 homebuyers. The need for multifamily financing remained strong. Through new construction and/or rehabilitation, the Authority financed 936 affordable multifamily units for a total investment commitment of $107.3 million.

During 2020, the Authority issued five series of Housing Mortgage Finance Program Bonds generating $769 million in proceeds to provide financing for its home mortgage and multifamily mortgage housing programs. The Authority was able to restructure and refund approximately $262 million in outstanding bonds to take advantage of lower interest rates. As a result of the reduction in single family loan production, the Authority ended the year issuing less single family bonds than originally anticipated.

Single family loan production was impacted by the COVID-19 pandemic. The ability to continue to offer below market interest rates on new mortgages for its borrowers became more challenging during 2020 as rates offered for conventional loans by private banks became competitive with the Authority's rates. In addition, buyer and seller health concerns slowed home purchase activity for a period of time early in the year. There was an unprecedented influx of buyers relocating from New York to Connecticut, many of which elected conventional financing options or made cash purchases. The low interest rate environment during 2020 resulted in lower investment earnings and propelled an increase in single family loan payoffs as existing borrowers sought to refinance.

Financial Analysis of the Authority

The following table summarizes the changes in Net Position between December 31, 2021, 2020, and 2019:

	(in millions)			% Change	
	2021	2020	2019	2021/2020	2020/2019
Assets					
Current assets	$ 1,388.8	$ 1,188.6	$ 892.7	16.8 %	33.1 %
Capital assets	3.3	3.1	2.9	6.6	7.4
Noncurrent assets	4,753.9	5,168.5	5,260.5	(8.0)	(1.7)
Total assets	**6,146.0**	**6,360.2**	**6,156.1**	**(3.4)**	**3.3**
Deferred outflows of resources					
Unamortized deferred bonds refunding costs	71.1	75.7	84.6	(6.1)	(10.6)
Derivative Financial Instruments		39.9		100.0	100.0
Deferred amounts for OPEB	17.5	24.0	13.3	(26.9)	80.8
Deferred amounts for pensions	11.1	12.9	18.5	(13.5)	(30.3)
Total deferred outflows of resources	**99.7**	**152.5**	**116.4**	**(34.6)**	**31.0**
Liabilities					
Long-term bonds payable	4,051.0	4,453.2	4,626.9	(9.0)	(3.8)
Net OPEB liability	77.3	82.4	78.5	(6.1)	4.9
Net pension liability	64.9	70.5	76.5	(7.9)	(7.9)
Other liabilities	986.6	837.9	555.7	17.7	50.8
Total liabilities	**5,179.8**	**5,444.0**	**5,337.6**	**(4.9)**	**2.0**
Deferred inflow of resources					
Deferred amount for OPEB	17.0	16.2	5.9	5.2	172.8
Deferred amount for pensions	9.7	8.6	5.5	12.4	57.9
Derivative Financial Instruments	26.9		12.8	100.0	(100.0)
Total deferred inflows of resources	**53.6**	**24.8**	**24.2**	**116.4**	**2.4**
Net position					
Net investment in capital assets	3.3	3.1	2.9	6.6	7.4
Restricted	1,009.0	1,040.8	907.8	(3.1)	14.7
Total Net Position	$ **1,012.3**	$ **1,043.9**	$ **910.7**	**(3.0)** %	**14.6** %

Change 2021/2020

- Mortgage loans receivable decreased $160.1 million or 5.8%.
  - During 2021, the Authority's multifamily loan portfolio experienced overall net growth, while its home mortgage whole loan portfolio continued to experience a net reduction. For reasons outlined in the Financial Highlights section, the home mortgage loan program, which includes both whole loans and mortgage loans securitized into mortgage backed securities (MBS's), experienced a year-over-year decrease of 11.6%.

- Cash and investments in securities decreased $56.6 million or 1.6% primarily resulting from:
  - A net increase of $18.0 million in bond proceeds and other funds held to be used for the financing of mortgage loans, the retirement of bond debt and the payment of administrative costs.
  - A $74.6 million decrease attributable to the decrease in investment fair values specifically related to GNMA, FNMA and FHLMC Program Assets (see Note 4 of the financial statements).

- Accounts receivable and other assets increased $6.4 million or 21.6%. This increase substantially attributed to:
  - A $4.1 million reallocation of FAF funds from other assets to investments.
  - The Authority has an arrangement with a GNMA/FNMA/FHLMC seller/servicer. The terms of the agreement provide for immediate reimbursement of single family loans that have been originated but are waiting to be pooled and securitized. The time lag between reimbursement and securitization varies but is generally 45 days. The Authority earns interest at the note rate during this time. As of year-end there was an $11.0 million increase from prior year in the reimbursed loans waiting to be securitized. This is mostly due to the increase in single family loan production towards the end the year.

- Deferred outflows of resources decreased $52.8 million or 34.6%. This decrease is substantially attributed to:
  - A $1.7 million decrease in deferred amounts for pensions and $6.4 million decrease in deferred amounts for OPEB. The deferred amounts are allocated to the Authority from an actuarial analysis prepared by the State of Connecticut. It is comprised of the difference between expected and actual experience, changes in actuarial assumptions, changes in proportion and differences between employer contributions and proportionate share of employer contributions and lastly, the employer contributions made between the measurement date of June 30, 2021 and the Authority's year-end of December 31, 2021.
  - A net decrease of $4.7 million in unamortized deferral on bond refundings. During 2021 the Authority refunded certain variable rate bonds that were being hedged by interest rate swaps. $9.3 million in fair value of the swaps at the time of the refundings was reclassified from derivative financial instruments-deferred outflows to unamortized deferral on bond refundings. The amounts reclassed are then amortized over the shorter of the life of the refunded or new debt. The $9.3 million increase to unamortized deferral on bond refundings was offset by $14.0 million of such amortizations.
  - A $39.9 million decrease in derivative financial instruments. At prior year-end, there was a $39.9 million balance in deferred outflows for derivative financial instruments. The current year activity produced a $66.8 million swing from deferred outflows to deferred inflows. This resulted from a net decrease in swap notional value of $15.7 million due to amortizations, a decrease in market value of $41.8 million and $9.3 million reclassification from derivative financial instruments to deferred outflows due to the refunding of variable rate bonds hedged with interest rate swaps.

- Escrow deposits and unearned revenue increased $12.0 million and 6.3%. During 2021, the Authority was awarded funds under the Housing Assistance Fund Program and Housing Stability Counseling Program, which accounts for the majority of the increase.
- Line of credit payable increased by $144.1 million. During 2021, the Authority entered into two revolving line of credit agreements to preserve single family mortgage prepayments and reduce interest costs by refunding the corresponding bonds. The agreements are further described in Note 8 of the financial statements.

- Bonds payable decreased by $351.1 million or 7.2%. The decrease is attributed to:
  - An increase of $1.031 billion as a result of new bonds issued including original issue premium.
  - An increase of $0.5 million due to capital appreciation bond accretions.
  - A decrease of $1.372 billion as a result of redemptions.
  - A decrease of $11.0 million due to amortization of original issue premiums.
- Net OPEB liability decreased by $5.1 million or 6.1%. Net pension liability decreased by $5.6 million or 7.9%. The Authority is a component unit of the State of Connecticut and participates in the State's OPEB and pension plan. Liabilities are allocated based on the Authority's proportionate share of the State of Connecticut's net OPEB and pension liability. Both liabilities are adjusted annually based on an actuarial valuation prepared by the State (see Note 13 and Note 14 of the financial statements).

- Deferred inflows of resources increased $28.9 million or 116.4%. This includes:
  - A $0.8 million increase in deferred amount for OPEB and $1.2 million increase in deferred amounts for pensions. The deferral changes are explained in further detail in Note 13 and Note 14 of the financial statements.
  - A $26.9 million increase in derivative financial instruments. The 2021 activity (further explained above in the deferred outflows section) resulted in a balance shift from deferred outflows to deferred inflows.

Change 2020/2019

- Mortgage loans receivable decreased $149.8 million or 5.2%.
  - During 2020, the Authority's multifamily loan portfolio experienced overall net growth, while its home mortgage whole loan portfolio continued to experience a net reduction. For reasons outlined in the Financial Highlights section, the home mortgage loan program, which includes both whole loans and mortgage loans securitized into mortgage backed securities (MBS's), experienced a year-over-year decrease of 5.6%.

- Cash and investments in securities increased $378 million or 11.9% primarily resulting from:
  - A net decrease of $1.0 million in bond proceeds and other funds held to be used for the financing of mortgage loans, the retirement of bond debt and the payment of administrative costs.
  - In 2020, 89% of new qualified home mortgage loans were securitized into mortgage backed securities. $258 million in bond proceeds were used to directly purchase investments as opposed to whole loans.
  - A $119.3 million increase attributable to the increase in investment fair values specifically related to GNMA, FNMA and FHLMC Program Assets (see Note 4 of the financial statements).

- Accounts receivable and other assets decreased $17.5 million or 37%. This decrease is due to:
  - A $3.2 million decrease in reimbursable expenses related to the Authority's single family real estate owned (REO) properties. This is a direct result of the significant reduction in the Authority's single family REO portfolio.

- The Authority has an arrangement with a GNMA/FNMA/FHLMC seller/servicer. The terms of the agreement provide for immediate reimbursement of single family loans that have been originated but are waiting to be pooled and securitized. The time lag between reimbursement and securitization varies but is generally 45 days. The Authority earns interest at the note rate during this time. As of year-end there was a $14.3 million decrease from prior year in the reimbursed loans waiting to be securitized. This is mostly due to the reduction in single family loan production.

- Deferred outflows of resources increased $36.2 million or 31.1%. This increase is substantially attributed to:
  - A $5.6 million decrease in deferred amounts for pensions and $10.7 million increase in deferred amounts for OPEB. The deferred amounts are allocated to the Authority from an actuarial analysis prepared by the State of Connecticut. It is comprised of the difference between expected and actual experience, changes in actuarial assumptions, changes in proportion and differences between employer contributions and proportionate share of employer contributions and lastly, the employer contributions made between the measurement date of June 30, 2020 and the Authority's year-end of December 31, 2020.
  - A $8.9 million decrease in unamortized deferral on bond refundings. The Authority periodically refunds certain variable rate bonds that are being hedged by interest rate swaps. The fair value of these swaps at the time of the refunding were reclassified from derivative financial instruments-deferred outflows to unamortized deferral on bond refundings. The amounts reclassified are then amortized over the shorter of the life of the refunded or new debt. The $8.9 million decrease represents the current year amortization of these deferred amounts.
  - A $39.9 million increase in derivative financial instruments. At prior year-end, there was a $12.8 million balance in deferred inflows for derivative financial instruments. The current year activity produced a $52.7 million swing, resulting from a net increase in swap notional of $29.2 million and an increase in market value of $23.5 million.

- Bonds payable increased by $49.3 million or 1.0%. The increase is attributed to:
  - An increase of $769.4 million as a result of new bonds issued including original issue premium.
  - An increase of $1.0 million due to capital appreciation bond accretions.
  - A decrease of $711.8 million as a result of redemptions.
  - A decrease of $9.3 million due to amortization of original issue premiums.

- Net OPEB liability increased by $3.8 million or 4.9%. Net pension liability decreased by $6.0 million or 7.9%. The Authority is a component unit of the state of Connecticut and participates in the State's OPEB and pension plan. Liabilities are allocated based on the Authority's proportionate share of the state of Connecticut's net OPEB and pension liability. Both liabilities are adjusted annually based on an actuarial valuation prepared by the State (see Note 13 and Note 14 of the financial statements).

- Deferred inflows of resources increased $0.6 million or 2.4%. This includes:
  - A $10.2 million increase in deferred amount for OPEB and $3.2 million increase in deferred amounts for pensions. The deferral changes are explained in further detail in Note 13 and Note 14 of the financial statements.
  - A $12.8 million decrease in derivative financial instruments. The 2020 activity (further explained above in the deferred outflows section) resulted in a balance shift from deferred inflows to deferred outflows.

The home mortgage, rental housing and special needs housing loan portfolios are one of the Authority's primary assets.

New loans financed under the Authority's home mortgage and special needs housing programs (including GNMA, FNMA & FHLMC Program Assets, excluding the acquired portfolio from the state) exceeded payoffs for the year ended December 31, 2019. Payoffs of loans for the years ended December 31, 2020 and December 31, 2021 exceeded new loans financed as follows:

	(in millions)		
	New Loans Financed	Payoffs	Net
2021	$ 248.9	$ 562.3	$ (313.4)
2020	308.0	395.4	(87.4)
2019	532.8	208.6	324.2

The change in the multifamily rental housing and special needs housing portfolios (excluding the acquired portfolio from the State) is summarized as follows:

	(in millions)			% Change	
	2021	2020	2019	2021/2020	2020/2019
Construction loan balances	$ 153.0	$ 149.7	$ 122.7	2.2 %	22.0 %
Permanent loan balances	1,195.5	1,139.9	1,132.6	4.9	0.6
Special needs housing permanent loan balances	65.9	60.9	63.1	8.2	(3.5)
Total Multifamily Mortgage Loans	$ 1,414.4	$ 1,350.5	$ 1,318.4	4.7 %	2.4 %

As a result of legislation that was passed during calendar year 2002, on April 9, 2003 the Authority acquired housing assets from the Connecticut Department of Economic and Community Development from a reallocation of $85 million of its available cash resources. The par value of this acquired portfolio at December 31, 2003 was $213.3 million. After evaluation of the underlying loans by the Authority, the carrying value of this portfolio was written down to $65.0 million.

During calendar year 2016, further legislation was passed which resulted in the Authority acquiring multifamily housing assets from the Connecticut Department of Housing from a reallocation of $15 million of the Authority's available cash resources. The par value of this acquired portfolio at December 31, 2016 was $16.1 million. After evaluation of the underlying loans by the Authority, the carrying value of this portfolio was written down to zero.

The status of these acquired portfolios combined, as of December 31, 2021, 2020, and 2019, is summarized as follows (in millions):

	December 31, 2021		
	Par Value	Allowance for Losses	Carrying Amount
Home mortgage loans	$ 0.9	$ (0.6)	$ 0.3
Multifamily mortgage loans	161.1	(139.8)	21.3
Total acquired portfolio	$ 162.0	$ (140.4)	$ 21.6
Allowance for losses % to par value		86.7%	

	December 31, 2020		
	Par Value	Allowance for Losses	Carrying Amount
Home mortgage loans	$ 1.1	$ (0.8)	$ 0.3
Multifamily mortgage loans	167.6	(144.2)	23.4
Total acquired portfolio	$ 168.7	$ (145.0)	$ 23.7
Allowance for losses % to par value		85.9%	

	December 31, 2019		
	Par Value	Allowance for Losses	Carrying Amount
Home mortgage loans	$ 1.4	$ (0.9)	$ 0.5
Multifamily mortgage loans	169.3	(145.5)	23.8
Total acquired portfolio	$ 170.7	$ (146.4)	$ 24.3
Allowance for losses % to par value		85.8%	

Mortgage loan earnings, including earnings on GNMA, FNMA and FHLMC Program Assets, which are included in "interest on investments," represent the Authority's major source of operating revenue. The Authority also charges various program fees that include but are not limited to application fees, commitment fees, extension fees and financing fees.

The following table summarizes the changes in operating income between December 31, 2021, 2020, and 2019.

	(in millions)			% Change	
	2021	2020	2019	2021/2020	2020/2019
Operating Revenues:					
Interest on mortgage loans	$ 122.9	$ 129.0	$ 140.9	(4.7) %	(8.5) %
Interest on investments	62.7	72.7	76.4	(13.7)	(4.9)
Fees and other income	18.6	13.5	15.5	38.3	(13.0)
Total operating revenues	**204.2**	**215.2**	**232.8**	**(5.1)**	**(7.6)**
Operating Expenses:					
Interest	128.4	144.0	153.4	(10.8)	(6.2)
Bond issuance costs	8.1	6.0	6.2	36.0	(3.7)
Servicer fees	7.9	7.3	9.6	7.8	(24.1)
Administrative	35.8	34.8	36.3	3.0	(4.3)
Provision for (reduction to) loan loss reserve	(16.1)	3.8	(10.6)	(522.3)	(136.1)
Total operating expenses	**164.1**	**195.9**	**194.9**	**(16.2)**	**0.5**
Operating income (loss)	40.1	19.3	37.9	108.0	(49.2)
Nonoperating Revenues (Expenses):					
Actuarial assumption changes pension & OPEB	0.4	(6.1)	(7.8)	107.4	(22.5)
Net increase (decrease) in the fair value of investments	(74.6)	119.3	109.1	(162.5)	9.4
Other	2.5	0.7	2.7	257.1	(75.0)
Total nonoperating income (loss)	**(71.7)**	**113.9**	**104.0**	**(162.9)**	**(9.5)**
Change in Net Position	$ (31.6)	$ 133.2	$ 141.9	(123.8) %	6.2 %

Change 2021/2020

- Net position decreased $31.6 million in 2021. Operating income was $40.1 million, an increase of $20.8 million from the prior year.

  - Operating revenues decreased $11.0 million or 5.1%. This decrease is primarily due to:
    - On a combined basis, mortgage and investment interest income decreased by $16.0 million in 2021. This is being driven by a $216 million net decrease in program assets (mortgage loans receivable and investments in securities) and a reduction in interest rates year-over-year.
    - Fees and other income increased by $5.1 million over prior year. This is primarily due to the recognition of nonrecurring fee income during 2021.

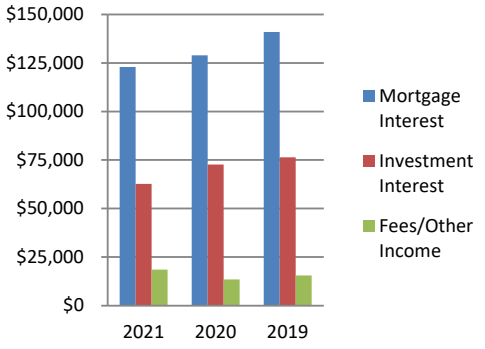
  - Operating expenses decreased $31.8 million or 16.2%. This decrease is substantially attributable to:
    - A $15.5 million decrease in bond interest costs. Bonds payable decreased $351.1 million from prior year. The Authority also refinanced over $640 million in outstanding bonds and was able to recognize interest savings in the form of lower interest rates.
    - A $2.1 million increase in bond issuance costs. The bonds issued in 2021 exceeded the prior year by $291 million.

- A $19.9 million decrease in provision for loan loss reserves. The decrease was due to:
  - An updated appraisal was received on a distressed multifamily property. The appraised value was substantially equivalent to the outstanding loan balance. A modification to the existing loan is anticipated. For these reasons the loss reserve on this specific loan was reduced by $8.3 million resulting in a loss reserve of 15% of the unpaid balance.
  - During 2021, the Authority received an unprecedented amount of EMAP loan payoffs as borrowers took advantage of the hot real estate market and low interest rates and either sold their homes or refinanced their mortgages. The increased payoffs resulted in a reduction of the EMAP loan loss reserves of $3.6 million.
  - The State acquired multifamily loan portfolio experienced a reduction of $6.7 million during 2021, being in part driven by loan payoffs. The loss reserves for the portfolio were adjusted down accordingly by $4.5 million.
  - A $3.5 million reduction due to routine fluctuations and performance changes in the multifamily portfolio.

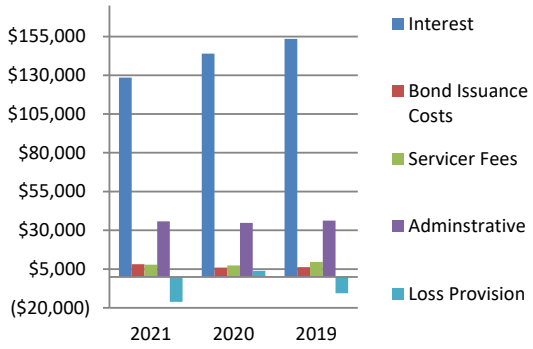
- Nonoperating income was $113.9 million in 2020. Nonoperating loss was $71.7 million in 2021. The $185.6 million difference is attributable to:
  - A $6.5 million increase resulting from pension and OPEB actuarial assumption changes. Pension and OPEB liabilities and expenses are allocated to the Authority per an actuarial analysis prepared by the State of Connecticut. See Notes 13 and 14 for further detail.
  - During 2021, there was a $74.6 million decrease in the fair value of the Authority's investment portfolio, specifically the Authority's GNMA, FNMA and FHLMC Program Assets discussed in Note 4 of the financial statements. When compared to the fair value increase of $119.3 million during 2020, the result is a year-over-year decrease of $193.9 million. Interest rates have increased since a substantial portion of the portfolio was purchased. The change in market interest rates has an inverse relationship to the fair value of mortgage backed securities.

  - Grant program funding increased $6.8 million. The increase was substantially attributed to:
    - The receipt of the Capital Magnet Grant funding in the amount of $3 million which was received for the first time in 2021.
    - The recognition of earned revenue from the Homeowner Assistance Fund grant in the amount of $4.9 million.
  - Grant program expenses increased $5.1 million. The increase was substantially attributed to:
    - Homeowner Assistance Fund grant expenditures in the amount of $4.9 million.

Operating Revenue ($000)



Operating Expenses ($000)



Change 2020/2019

- Total net position increased $133.2 million in 2020. Operating income was $19.3 million, a decrease of $18.7 million from the prior year.
  - Operating revenues decreased $17.8 million or 7.6%. This decrease is primarily due to:
    - On a combined basis, mortgage and investment interest income decreased by $15.8 million in 2020. This is being driven by a $232 million net decrease in program assets (mortgage loans receivable and investments in securities) and a reduction in interest rates year-over-year.
    - Fees and other income decreased by $2.0 million over prior year. This is primarily due to the recognition of nonrecurring fee income during 2019.
  - Operating expenses increased $0.9 million or 0.5%. This increase is substantially attributable to:
    - A $9.4 million decrease in bond interest costs. Although bonds payable is up slightly over prior year, the Authority refinanced over $262 million in outstanding bonds and was able to recognize interest savings in the form of lower interest rates. As interest rates declined through the end of 2020, the Authority incurred lower interest costs on its variable rate bond portfolio.
    - A $2.3 million decrease in servicer fees. This fee reduction is a result of a reduction in the Authority's single family whole loan portfolio.
      - A $1.5 million decrease in administrative costs. Expenses related to maintaining properties in the Authority's single family real estate owned (REO) portfolio are approximately $1.5 million lower than prior year. The assets held in the single family REO portfolio are $6.3 million lower than prior year.
    - A $14.4 million increase in provision for loan loss reserves.
      - A distressed multifamily property was sold during 2019, resulting in the payoff off several delinquent loans that had been previously reserved.

- Nonoperating income increased by $9.9 million and is attributable to:
  - A $1.7 million expense decrease resulting from pension and OPEB actuarial assumption changes. Pension and OPEB liabilities and expenses are allocated to the Authority per an actuarial analysis prepared by the State of Connecticut. See Notes 13 and 14 for further detail.
  - During 2020, there was a $119.3 million increase in the fair value of the Authority's investment portfolio, specifically the Authority's GNMA, FNMA and FHLMC Program Assets discussed in Note 4 of the financial statements. When compared to the fair value increase of $109.1 million during 2019, the result is a year-over-year increase of $10.2 million. Interest rates have decreased since a substantial portion of the portfolio was purchased. The change in market interest rates has an inverse relationship to the fair value of mortgage backed securities.
  - The net of grant program funding and expenses decreased $2.0 million. With the rollout of the new Mobile Home Refinance Program, funding in the amount of $1 million was received for the first time in 2020. Small Multifamily Loan Program funding in the amount of $3 million was received from the State during 2019, however additional funding for this program was not received in 2020.

Debt Administration

The following table summarizes the changes in bonds payable between December 31, 2021, 2020, and 2019. More detailed information related to the Authority's outstanding bond debt obligations is presented in Note 8 of the financial statements.

	(in millions)			% Change	
	2021	2020	2019	2021/2020	2020/2019
Bonds payable	$ 4,548.6	$ 4,899.7	$ 4,850.4	-7.2%	1.0%

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances. If you have questions about this report or need additional information, contact the Finance Department of the Connecticut Housing Finance Authority at 999 West Street, Rocky Hill, CT 06067.

CONNECTICUT HOUSING FINANCE AUTHORITY
STATEMENTS OF NET POSITION
(in 000's)

	December 31, 2021	December 31, 2020
Assets		
Restricted current assets:		
Cash and cash equivalents	$ 285	$ 587
Mortgage loans receivable	183,503	145,743
Investments in securities	1,148,967	991,031
Real estate owned - multifamily	2,300	2,300
Accrued interest receivable on:		
Mortgage loans	12,527	13,502
Securities	4,978	5,599
Accounts receivable and other assets	36,257	29,808
Total current assets	1,388,817	1,188,570
Restricted noncurrent assets:		
Mortgage loans receivable, net of current portion	2,415,103	2,612,934
Investments in securities, net of current portion	2,336,487	2,550,677
Capital assets, net of depreciation	3,309	3,104
Real estate owned - single family	2,293	4,877
Total noncurrent assets	4,757,192	5,171,592
Total assets	6,146,009	6,360,162
Deferred Outflows of Resources		
Unamortized deferral on bond refundings	71,070	75,764
Derivative financial Instruments		39,923
Deferred amount for OPEB	17,533	23,979
Deferred amount for pensions	11,127	12,869
Total deferred outflows of resources	99,730	152,535
Liabilities		
Current liabilities:		
Escrow deposits and unearned revenue	48,599	37,603
Accrued interest payable	14,901	16,611
Accounts payable and accrued liabilities	6,798	6,191
Line of credit payable	144,065	
Bonds payable	497,593	446,473
Total current liabilities	711,956	506,878
Noncurrent liabilities		
Escrow deposits and unearned revenue, net of current portion	155,674	154,651
Bonds payable, net of current portion	4,051,056	4,453,234
Derivative instruments - interest rate swaps	118,936	176,384
Net OPEB liability	77,331	82,371
Net pension liability	64,880	70,480
Total noncurrent liabilities	4,467,877	4,937,120
Total liabilities	5,179,833	5,443,998
Deferred Inflows of Resources		
Deferred amount for OPEB	17,002	16,168
Deferred amount for pensions	9,794	8,622
Derivative financial Instruments	26,850	
Total deferred inflows of resources	53,646	24,790
Net Position		
Net investment in capital assets	3,309	3,104
Restricted by bond indentures and/or enabling legislation	1,008,951	1,040,805
Total Net Position	$ 1,012,260	$ 1,043,909

The accompanying notes are an integral part of the financial statements

CONNECTICUT HOUSING FINANCE AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
(in 000's)

	Year Ended December 31,	
	2021	**2020**
Operating Revenues		
Interest on mortgage loans	$ 122,906	$ 128,959
Interest on investments	62,710	72,652
Fees and other income	18,536	13,471
Total operating revenues	204,152	215,082
Operating Expenses		
Interest	128,468	143,969
Bond issuance costs	8,117	5,966
Servicer fees	7,860	7,295
Administrative	35,793	34,766
Provision for (reduction to) loan loss reserves	(16,150)	3,824
Total operating expenses	164,088	195,820
Operating Income	40,064	19,262
Nonoperating Revenues (Expenses)		
Actuarial assumption changes for pension and OPEB	446	(6,066)
Net (decrease) increase in the fair value of investments	(74,603)	119,344
Grant program funding	10,139	3,318
Grant program expenses	(7,695)	(2,637)
Nonoperating (loss) income	(71,713)	113,959
Change in Net Position	(31,649)	133,221
Net Position - Beginning of Year	1,043,909	910,688
Net Position - End of Year	$ 1,012,260	$ 1,043,909

The accompanying notes are an integral part of the financial statements

CONNECTICUT HOUSING FINANCE AUTHORITY
STATEMENTS OF CASH FLOWS
(in 000's)

	Year Ended December 31, 2021	Year Ended December 31, 2020
Cash Flows from Operating Activities		
Cash received from interest on mortgage loans	$ 123,882	$ 128,821
Cash received from scheduled mortgage principal payments	86,564	87,171
Cash received from mortgage principal prepayments	313,447	184,367
Cash received from fees and other income	18,585	14,246
Cash payments to purchase mortgage loans	(223,964)	(125,820)
Cash payments to employees	(22,005)	(20,873)
Cash payments to suppliers	(19,553)	(20,176)
Net cash provided by operating activities	276,956	247,736
Cash Flows from Noncapital Financing Activities		
Proceeds from escrow deposits	12,020	7,992
Retirement of bonds payable	(1,371,517)	(711,759)
Proceeds from sales of bonds	1,030,952	769,350
Proceeds from line of credit	144,065	
Interest paid	(127,195)	(145,651)
Bond issuance costs	(8,139)	(5,964)
Grant program proceeds	10,139	3,318
Grant program costs	(7,695)	(2,637)
Net cash (used) and provided by noncapital financing activities	(317,370)	(85,351)
Cash Flows from Capital and Related Financing Activities		
Purchase of computer software	(670)	(669)
Net cash used in capital and related financing activities	(670)	(669)
Cash Flows from Investing Activities		
Proceeds from sales of and maturities of investment securities	440,762	317,887
Purchase of investment securities	(459,446)	(577,090)
Reduction (increase) of warehoused loans awaiting securitization	(6,449)	17,526
Sales of real estate owned	2,584	6,257
Interest received on investments	63,331	73,855
Net cash provided by (used in) investing activities	40,782	(161,565)
Increase in Cash and Cash Equivalents	(302)	151
Cash and Cash Equivalents - Beginning of Year	587	436
Cash and Cash Equivalents - End of Year	$ 285	$ 587
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	$ 40,064	$ 19,262
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	465	455
Provision for (reduction to) loan loss reserves	(16,150)	3,824
Bond issuance costs	8,117	5,966
Interest on investments	(62,710)	(72,652)
Interest expense	128,468	143,969
Change in assets and liabilities:		
Decrease (increase) in accrued interest receivable on mortgage loans	975	(138)
Decrease (increase) in accounts receivable and other assets	(6,449)	17,526
Increase (decrease) in accounts payable and other accrued liabilities	607	(152)
Decrease in mortgage loan and other receivables, net	183,569	129,676
Net Cash Provided by Operating Activities	$ 276,956	$ 247,736
Noncash Investing Activities		
Net increase (decrease) in the fair value of investments	$ (74,603)	$ 119,344

The accompanying notes are an integral part of the financial statements

NOTE 1 - AUTHORIZING LEGISLATION

Connecticut Housing Finance Authority (the "Authority") is a public instrumentality and political subdivision of the State of Connecticut. It was created in 1969 for the purpose of increasing the housing supply and encouraging and assisting in the purchase, development and construction of housing for low and moderate-income families and persons throughout Connecticut. The Authority operates pursuant to Chapter 134 of the Connecticut General Statutes, as amended (the "Act"). As required by the Act, the Authority's powers are exercised by a Board of Directors consisting of fifteen members, four of whom are State officials, seven of whom are appointed by the Governor and four of whom are appointed by leaders of the General Assembly.

The Authority is authorized to issue bonds, notes and other obligations to fund loans to qualified borrowers for single family homes and multifamily developments. Funding of loan programs on an on-going basis is derived principally from bond proceeds and interest earned on loans and investments.

The Authority is a component unit of the State of Connecticut, based on the criteria for defining the reporting entity as identified and described in the Government Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600*.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Authority is a self-supported entity and the accompanying financial statements are presented using the economic resources measurement focus and accrual basis of accounting wherein revenues are recognized when earned, and expenses are recognized when the liability is incurred. The financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB"). While detail sub-fund information is not presented, separate accounts are maintained for each program and include certain funds that are legally designated as to use. The funds of the Authority and similar component units are proprietary fund types.

Reporting Entity

Connecticut Housing Finance Authority Funds

Under the Act and the General Housing Mortgage Finance Program Bond Resolution of September 27, 1972 (the "Bond Resolution"), the Authority is authorized to maintain Housing Mortgage General and Capital Reserve Funds. In addition to the aforementioned funds, the Authority, as permitted by the Act, has established other funds. Included in other funds are the Investment Trust Fund, which may be used to account for assets which are determined to be "surplus funds" under the terms of the Bond Resolution, and the Housing Mortgage Insurance Fund, which provides mortgage insurance.

Also included in other funds are:

a. the Special Needs Housing Fund, the Special Needs Housing Capital Reserve Fund, the State Assistance Agreement Fund, and, as to the Authority's Emergency Mortgage Assistance Payment (EMAP) Program: the EMAP State Assistance Agreement Fund and the EMAP Revolving Loan Fund (collectively, the "Special Needs Housing Program Funds"), the Group Home Renewal and Replacement Fund, the Assisted Living Facilities Renewal and Replacement Fund and the Supportive Housing Renewal and Replacement Fund (collectively the "Special Needs Housing Renewal and Replacement Funds"). The Authority is authorized to maintain the Special Needs Housing Program Funds and the Special Needs Housing Renewal and Replacement Funds (collectively the "Special Needs Housing Funds") under the Act and the Special Needs Housing Mortgage Finance Program Indenture (formerly known as the Group Home Mortgage Finance Program Indenture of Trust) (the "Special Needs Indenture"),

b. the Single Family Special Obligation Bond and Other Bond Funds which the Authority is authorized to maintain under the Act, the Bond Resolution Providing for the Issuance of Single Family Mortgage Revenue Bonds (the "SFSOB Resolution") of November 19, 2009, and the Bond Resolution Providing for the Issuance of Other Bonds for the Housing Mortgage Finance Program (Single Family) (the "Single Family Other Bond Resolution") of November 19, 2009,

c. the Multifamily Special Obligation Bond and Other Bond Funds which the Authority is authorized to maintain under the Act, the Multifamily Bond Resolution Providing for the Issuance of Multifamily Mortgage Revenue Bonds (the "MFSOB Resolution") of November 19, 2009, and the Bond Resolution Providing for the Issuance of Other Bonds for the Housing Mortgage Finance Program (Multifamily) (the "Multifamily Other Bond Resolution") of October 27, 2011, and

d. The Qualified Energy Conservation Bond Fund which the Authority is authorized to maintain under the Act, the Qualified Energy Conservation Bond Resolution Providing for the Issuance of Qualified Energy Conservation Revenue Bonds (the "QECB Resolution") of February 26, 2015.

During 2021, the assets of the Single Family Special Obligation Bond were transferred to the Bond Resolution and all outstanding bonds were redeemed in full. The fund was wound down as of December 31, 2021.

Blended Component Units

The Authority's operations include blended component units which are included in the Authority's basic financial statements in accordance with GASB Statement No. 61. These are legally separate entities for which the Authority is considered financially accountable. The Authority is financially accountable for those units that make up its legal entity, as well as certain legally separate organizations because they have essentially the same board of directors and management personnel. Blended component units are, in substance, part of the Authority's operations; therefore, data from these units are combined with data of the primary Authority. Interfund activity has been eliminated. Additional information relating to these blended component units can be found in the supplementary information section of this report.

State Housing Authority

The State Housing Authority (the "Corporation") is a quasi-public agency of the State of Connecticut and a subsidiary of the Authority. It was created as the successor to the Connecticut Housing Authority ("CHA") under Public Act No. 95-250, which transferred $1,282,000 to establish the Corporation. The Corporation operates pursuant to Chapter 129 of the Connecticut General Statutes, as amended (the "CHA Act"). This entity is currently inactive.

Real Estate Owned - Multifamily

CHFA - Small Properties, Inc., was established as a tax exempt organization and subsidiary of the Authority. This organization operates pursuant to Section 8-244(c)(1) of the Connecticut General Statutes and was created to provide distinct accountability for multifamily real estate awaiting sale. As of December 31, 2021, total assets, total liabilities, and net position were $3,690,000, $2,408,000 and $1,282,000.

Cash and Cash Equivalents

Cash is comprised of accounts on deposit with financial institutions. For purposes of reporting cash flows, highly liquid instruments with an original maturity of less than 90 days are generally considered to be cash equivalents, exclusive of the State of Connecticut Short Term Investment Fund and overnight sweeps which are considered to be investments in securities.

Mortgage Loans Receivable

Mortgage loans are carried at their principal balance net of allowance for losses and are generally secured by first liens on real property. Interest on loans is accrued and credited to operations based on the principal amount outstanding. The accrual of interest income is discontinued when a loan becomes 90 days past due or in management's opinion is deemed uncollectible as to principal or interest. When interest accruals are discontinued, unpaid interest previously recorded as income is reversed and subsequently recognized only when received.

Investments in Securities

The Authority is limited under the Act to (i) investment obligations issued or guaranteed by the United States Government or the State of Connecticut, (ii) participation certificates for the State of Connecticut Short Term Investment Fund ("STIF") which is an investment pool administered by the State Treasurer, and (iii) other obligations which are legal investments for savings banks in Connecticut and to time deposits or certificates of deposit or other similar arrangements secured in such a manner as the Authority determines.

Investments are carried at net asset value or at fair value with the exception of those investments maturing within one year, which are carried at amortized cost, excluding accrued interest.

Real Estate Owned - Single Family

Real estate acquired in satisfaction of a loan are reported separately in real estate owned. Properties acquired by foreclosure or deed in lieu of foreclosure are transferred to real estate owned and recorded at the lower of cost or fair value less estimated selling costs at the date of foreclosure and are adjusted, if necessary, at year end. An allowance for losses on real estate owned is maintained for subsequent valuation adjustments on a specific property basis.

Capital Assets

Land, building, building improvements and computer software exceeding $5,000 are capitalized at cost. Maintenance and repair expenses are charged to operations when incurred. Depreciation is computed using the straight-line method over the estimated useful life; 32 years for building and building improvements and 7 years for computer software.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time.

The Authority reports deferred outflows and inflows related to pension and OPEB in the statement of net position which result from differences between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on pension plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions and lastly, contributions made after the measurement date. These amounts are deferred and included in pension expense and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits, the one exception being contributions made after the measurement date which are recognized as pension expense in the following year.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* defines derivative instruments and requires that they be reported at fair value in the statements of net position. The swap agreements the Authority has entered into are characterized as derivatives. Offsetting changes in fair value are carried on the statements of net position as either deferred inflows or outflows for swaps classified as effective hedges. As of December 31, 2021 and 2020 the Authority's swaps were considered effective hedges.

Gains and losses in connection with advanced refundings of debt are recorded as either a deferred outflow or deferred inflow of resources and are amortized as a component of interest expense over the shorter of the remaining life of the old or the new debt.

Compensated Absences

Full-time employees accrue vacation or annual leave at the rate of fifteen to twenty-five days per year, depending on length of service. Employees may accumulate leave time, subject to certain limitations, and upon retirement, termination or death may be compensated for certain accumulated amounts at their then current rates of pay. The liability was $3,091,000 and $2,828,000 for 2021 and 2020 respectively, and is reflected in the statement of net position as a component of account payable and accrued liabilities.

Net OPEB Liability

The Authority's proportionate share of the net OPEB liability and expense associated with the Authority's requirement to contribute to the State of Connecticut Other Post-Employment Benefits Program have been determined by an actuarial valuation prepared and reported by the State of Connecticut's Other Post-Employment Benefits Program. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year-end. The measurement date relating to the Authority's net OPEB liability is June 30th of the current reporting year.

Net Pension Liability

Net pension liability is measured as the portion of the actuarial present value of projected pension benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for the purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year-end. The measurement date relating to the Authority's net pension liability is June 30th of the current reporting year.

Derivative Financial Instruments

The Authority's derivative financial instruments consist of interest rate swaps, all of which have been determined by the Authority to represent effective cash flow hedges. Accordingly, changes in the fair value of the swaps are reported as either deferred outflows or inflows of resources on the statement of net position.

The interest differentials to be paid or received under interest rate swaps are recognized as increases or decreases in interest expense of the related bond liability. The fair value of the Authority's position at year end in swap agreements is disclosed in Note 8. No gains or losses will result under the agreements unless an agreement is terminated prior to maturity or the counterparty defaults.

Net Position

Net position is classified in the following two categories:

Net Investment in Capital Assets
This component of net position consists of capital assets, net of accumulated depreciation. There is no outstanding debt related to the Authority's capital assets.

Restricted by Bond Indentures and/or Enabling Legislation
All funds and component units of the Authority that are not related to capital assets are restricted by the Bond Resolution, Special Needs Indenture, SFSOB Resolution, Single Family Other Bond Resolution, MFSOB Resolution, QECB Resolution and Multifamily Other Bond Resolution and/or the Act.

Bond Premiums and Discounts

Discount and premium on bonds issued are deferred and amortized as a component of interest expense using a method approximating the effective interest method.

Bond Issuance Costs

Bond issuance costs are expensed when incurred and are classified as an operating expense in the statements of revenues, expenses and changes in net position.

Provision for Loan Loss Reserves

The allowance for losses on the loan and real estate owned portfolios is provided through charges against current operations based on management's periodic review of the loan and real estate owned portfolios. This review considers such factors as the payment history of the loans, the current and projected cash flows of the borrowers, estimated value of the collateral, subsidies, historical loss experience for each type of insurance or guarantee and economic conditions.

Operating and Nonoperating Revenues and Expenses

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues consist primarily of interest income on mortgage loans, fees and other charges related to mortgage loans and interest on investments, including fees and interest on GNMA, FNMA & FHLMC Program Asset investments more fully described in Note 4. The Authority also recognizes revenues from other administrative fees as operating revenues. Operating expenses include general and administrative expenses, costs and expenses incurred in connection with the amortization, issuance and sale of bonds; and other costs related to various loan programs. Revenues or expenses not meeting this definition are generally reported as nonoperating revenues and expenses.

Actuarial Assumption Changes for Pension and OPEB

Non-cash changes to pension and OPEB expenses that result from changes in actuarial assumptions are recorded as nonoperating income or expenses.

Grants (Private, State and Federal Grant Programs)

Grants received from private entities and federal and state governments are recognized as nonoperating revenue as the related expenditures are incurred in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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 certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 3 - FAIR VALUE

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

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

Level 2
Inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

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

The Authority has the following investment and derivative instruments measured at fair value which are included in the statements of net position as of December 31, 2021 and December 31, 2020:

Investments and Derivative Instruments Measured at Fair Value
(in thousands)
December 31, 2021

	Fair Value 12/31/21	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
CMO's	$ 459	$	$ 459	$
GNMA, FNMA & FHLMC Program Assets	2,199,619		2,199,619	
MBS's	160		160	
Municipal Bonds	46,556		46,556	
Structured Securities	270		270	
US Government Agency Securities	866	866		
VRDN's	89,000		89,000	
Total	$ 2,336,930	$ 866	$ 2,336,064	$
Derivative Instruments measured at fair value:				
Interest rate swaps	$ (118,936)	$	$ (118,936)	$

Investments and Derivative Instruments Measured at Fair Value
(in thousands)
December 31, 2020

	Fair Value 12/31/20	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
CMO	$ 447	$	$ 447	$
GNMA, FNMA & FHLMC Program Assets	2,479,752		2,479,752	
MBS's	267		267	
Municipal Bonds	69,464		69,464	
Structured Securities	226		226	
US Government Agency Securities	931	931		
Total	$ 2,551,087	$ 931	$ 2,550,156	$
Derivative Instruments measured at fair value:				
Interest rate swaps	$ (176,384)	$	$ (176,384)	$

NOTE 4 - CASH AND CASH EQUIVALENTS AND INVESTMENTS IN SECURITIES

A. Deposits (in 000's)

At December 31, 2021 and 2020, the carrying amount reported as cash and cash equivalents on the statements of net position of the Authority represents deposits (including checking accounts and escrow accounts) of $285 (including $0 held under the Special Needs Housing Renewal and Replacement Funds) and $587 (including $0 held under the Special Needs Housing Renewal and Replacement Funds), respectively. This entire amount is on deposit in independent financial institutions with a balance of $1,858 and $1,634 at December 31, 2021 and 2020, respectively. Included in the carrying amount reported as cash and cash equivalents, are deposits held in escrow by the Authority at December 31, 2021 and 2020, of $188 and $229, respectively.

Custodial Credit Risk

Of the $1,858 and $1,634 financial institution balance at December 31, 2021 and 2020, $0 and $286, respectively, were held in the Authority's name in the corporate trust division of one financial institution. These amounts were collateralized with a market value of underlying collateral equal to at least 100% of the amount on deposit with acceptable collateral compliant with 12 CFR § 9.10(b). In addition, in compliance with 12 CFR § 9.13 these amounts were protected from any potential creditors of the financial institution. The balances of $1,858 and $1,348, respectively, were held in demand deposit accounts at FDIC-insured institutions. As of December 31, 2021, $1,608 was uninsured, $186 of which was collateralized with securities by the financial institution, but not in the Authority's name. As of December 31, 2020, $1,098 was uninsured, $135 of which was collateralized with securities by the financial institution, but not in the Authority's name.

B. Investments in Securities (in 000's)

At December 31, 2021, the Authority held the following investments with the listed maturities bearing interest at annual rates ranging from 0% to 7.65%. For investments other than Municipal Bonds, where no rating is indicated, the investments are direct obligations issued by the United States Government or its agencies or fully collateralized by such obligations. Municipal Bonds represent the Authority's Other Bonds which are more fully described in Note 8. They are secured by the Bond Resolution Capital Reserve Fund and as such, are a contingent liability of the State of Connecticut. Ratings are displayed with the S&P Global Ratings listed first (if available), the Moody's Investors Service second (if available) and the Fitch Rating last (if available) or NR for not-rated.

December 31, 2021

		Investment Maturities (in Years)			
	Amortized Cost, Net Asset Value or Fair Value	**Less Than 1**	**1 - 5**	**6 -10**	**More Than 10**
CMO	$ 459	$	$ 85	$	$ 374
GNMA, FNMA & FHLMC Program Assets	2,199,619		423	12,611	2,186,585
MBS's	160	3	10	147	
Money Market Funds	8,074	8,074			
Municipal Bonds	46,556	440	1,748	2,300	42,068
STIF-rated	1,140,450	1,140,450			
Structured Securities	270			270	
U.S. Government Agency Securities	866				866
VRDN's	89,000			48,545	40,455
Total Investments Held by All Funds and Component Units	$ 3,485,454	$ 1,148,967	$ 2,266	$ 63,873	$ 2,270,348
Restricted current assets:					
Capital Reserve Funds	$ 111,111				
Renewal and Replacement Funds	11,833				
All other funds and component units	1,026,023				
Total restricted current assets	1,148,967				
Restricted noncurrent assets:					
Capital Reserve Funds	367,353				
All other funds and component units	1,969,134				
Total restricted noncurrent assets	2,336,487				
Total Investments Held by All Funds and Component Units	$ 3,485,454				

Presented below is the rating for each investment type as of December 31, 2021:

Ratings *	CMO	Program Assets	MBS's	Money Market	Municipal Bonds	STIF	Structured Securities	U.S. Government Agency Securities	VRDN
AAAm/NR/NR	$	$	$	$	$	$ 1,140,450	$	$	$
AA+/NR/NR									14,130
NR/Aaa/AAA	374	2,199,619	160	6,994				866	
NR/Aaa/NR					8,300				54,660
NR/Aa2/NR									13,030
NR/Aa3/NR									7,180
NR/C/NR							270		
NR/NR/NR	85			1,080	38,256				
Total	$ 459	$ 2,199,619	$ 160	$ 8,074	$ 46,556	$ 1,140,450	$ 270	$ 866	$ 89,000

* S&P/Moodys/Fitch

December 31, 2020

		Investment Maturities (in Years)			
	Amortized Cost, Net Asset Value or Fair Value	**Less Than 1**	**1 - 5**	**6 -10**	**More Than 10**
CMO	$ 447	$	$ 108	$	$ 339
GNMA, FNMA & FHLMC Program Assets	2,479,752			5,811	2,473,941
MBS's	267		23	244	
Money Market Funds	4,897	4,897			
Municipal Bonds	69,464	410	1,655	2,177	65,222
STIF-rated	985,724	985,724			
Structured Securities	226			226	
U.S. Government Agency Securities	931				931
Total Investments Held by All Funds and Component Units	$ 3,541,708	$ 991,031	$ 1,786	$ 8,458	$ 2,540,433
Restricted current assets:					
Capital Reserve Funds	$ 57,002				
Renewal and Replacement Funds	10,964				
All other funds and component units	923,065				
Total restricted current assets	991,031				
Restricted noncurrent assets:					
Capital Reserve Funds	430,742				
All other funds and component units	2,119,935				
Total restricted noncurrent assets	2,550,677				
Total Investments Held by All Funds and Component Units	$ 3,541,708				

Presented below is the rating for each investment type as of December 31, 2020:

Ratings *	CMO	Program Assets	MBS's	Money Market	Municipal Bonds	STIF	Structured Securities	U.S. Government Agency Securities
AAAm/NR/NR	$	$	$	$	$	$ 985,724	$	$
NR/Aaa/AAA		2,479,752	267					931
NR/Aaa-mf/NR				3,872				
NR/C/NR							226	
NR/NR/NR	47			1,025	69,464			
Total	$ 47	$ 2,479,752	$ 267	$ 4,897	$ 69,464	$ 985,724	$ 226	$ 931

* S&P/Moodys/Fitch

Interest Rate Risk

Exposure to declines in fair value is substantially limited to the Authority's investment in the GNMA, FNMA and FHLMC Program Assets, discussed above. The Authority's investment policy requires diversification of its investment portfolio to eliminate the risk of loss resulting from, among other things, an over-concentration of assets in a specific maturity. This policy also requires the Authority to attempt to match its investments with anticipated cash flow requirements and to seek diversification by staggering maturities in such a way that avoids undue concentration of assets in a specific maturity sector.

Credit Risk

The Authority's investments are limited under the Act to (i) United States Government obligations, including its agencies or instrumentalities, (ii) investments guaranteed by the State of Connecticut, (iii) participation certificates for the investment pool administered by the State Treasurer, or (iv) other obligations which are legal investments for savings banks in the State of Connecticut. The Money Market Funds are fully collateralized by obligations issued by the United States Government or its agencies. Mortgage Backed Securities ("MBSs") are fully collateralized by the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC") or the Government National Mortgage Association ("GNMA"), and Collateralized Mortgage Obligations ("CMOs") are fully collateralized by the United States Department of Housing and Urban Development ("HUD") mortgage pools. Structured Securities are fully collateralized by Manufactured Housing Sales Contracts and Installment Loan Agreements. At December 31, 2021, one CMO (fair value $85) and one Structured Security (fair value $270) were below Investment Grade rating standards. At December 31, 2020, one CMO (fair value $108) and one Structured Security (fair value $226) were below Investment Grade rating standards. At the time of their initial purchase, these two investments were classified as Investment Grade.

Concentration of Credit Risk

The Authority's investment policy requires diversification of its investment portfolio to reduce the risk of loss resulting from, among other things, an over-concentration of assets with a specific issuer. As of December 31, 2021 and 2020, the Authority had no investments in any one issuer that represents 5% or more of total investments, other than investments guaranteed by the U.S. Government (GNMA, FNMA and FHLMC Program Assets - fair value - $2,199,619 or 63% in 2021 and $2,479,752 or 70% in 2020) or the State of Connecticut (STIF - net asset value - $1,140,450 or 33% in 2021 and $985,724 or 28% in 2020).

Custodial Credit Risk

All investments exist in book entry form and are held by the Trustee or other financial institution in the Authority's name or insured (fair value - $2,345,004 in 2021 and $2,555,984 in 2020) with the exception of the STIF (net asset value - $1,140,450 in 2021 and $985,724 in 2020 - rated AAAm in 2021 and 2020). The underlying value of the investment in the STIF's pool is the same as the value of the pool's shares. The pool is managed by the Cash Management Division of the State of Connecticut's Treasurer's Office. The State Treasurer set up a cash management advisory board tasked with reviewing the pool's portfolio, performance investment policies and procedures.

GNMA, FNMA & FHLMC Program Assets

Since 1999, the Authority directed certain of its participating lenders to assign government insured Authority qualified home mortgage loans and sold a portion of its existing home mortgage loan portfolio for assembly into pools guaranteed by the Government National Mortgage Association ("GNMA"). GNMA securities were issued backed by these home mortgage loans, and the Authority purchased the securities ("GNMA Program Assets") with funds held in the Housing Mortgage Capital Reserve Fund. In 2000, the Authority expanded this program to allow the purchase of GNMA Program Assets with funds held in the Housing Mortgage General Fund. As a result of this program expansion and in order to assure compliance with Bond Resolution requirements, the Authority transferred the $331,081 net position held in the Investment Trust Fund to the Housing Mortgage General Fund in 2001. Since 2001, GNMA Program Assets have also been purchased with funds held in the Special Needs Housing Fund and the Special Needs Housing Capital Reserve Fund. In 2013, the Authority directed certain of its participating lenders to assign privately insured Authority qualified conventional home mortgage loans for assembly into pools guaranteed by the Federal National Mortgage Association ("FNMA").

These pools were securitized and are backed by these home mortgage loans. In 2016, the Authority further expanded the program to securitize pools of home mortgage loans guaranteed by the Federal Home Loan Mortgage Corporation ("FHLMC"). GNMA, FNMA & FHLMC Program Assets are carried at fair value. As of December 31, 2021 and 2020, the fair value of GNMA, FNMA & FHLMC Program Asset investments was $2,199,619 and $2,479,752, respectively.

Bond Resolution Capital Reserve Fund (in 000's)

The Bond Resolution Capital Reserve Fund is established pursuant to the Act and the Bond Resolution and is required to be maintained at an amount at least equal to the amount of principal, sinking fund installments and interest maturing and becoming due in the next succeeding calendar year ($362,924 at December 31, 2021 and $364,162 at December 31, 2020) on all bonds of the Authority then outstanding under the Bond Resolution. Further, the Authority may not issue additional bonds under the Bond Resolution unless the amount in the Bond Resolution Capital Reserve Fund is at least equal to the maximum amount of principal, sinking fund installments and interest maturing and becoming due in any succeeding calendar year ($364,006 at December 31, 2021 and $378,226 at December 31, 2020) on all bonds of the Authority then outstanding under the Bond Resolution. For purposes of satisfying these requirements, the Act and the Bond Resolution require that investments of the Bond Resolution Capital Reserve Fund be valued at the lowest of par, actual cost or market value. To satisfy this calculation, all variable rate interest payments and receipts are assumed to be based on the average interest rates for the prior twelve months plus 200 basis points, interest payments on swapped bonds are included at the fixed rate on the swaps, and retirement of principal on bonds with mandatory tender dates are assumed in accordance with the sinking fund schedule of each respective bond series resolution.

Special Needs Indenture Capital Reserve Fund (in 000's)

The Special Needs Indenture Capital Reserve Fund is established pursuant to the Act and the Special Needs Indenture and is required to be maintained at an amount at least equal to the amount of principal, sinking fund installments and interest maturing and becoming due in the next succeeding calendar year ($4,914 at December 31, 2021 and $5,187 at December 31, 2020) on all bonds of the Authority then outstanding under the Special Needs Indenture. Further, the Authority may not issue additional bonds under the Special Needs Indenture unless the amount in the Special Needs Indenture Capital Reserve Fund is at least equal to the maximum amount of principal, sinking fund installments and interest maturing and becoming due in any succeeding calendar year ($5,136 at December 31, 2021 and $5,198 at December 31, 2020) on all bonds of the Authority then outstanding under the Special Needs Indenture. For purposes of satisfying these requirements, the Act and the Special Needs Indenture require that investments of the Special Needs Indenture Capital Reserve Fund be valued at amortized cost or such other method as determined by the Authority to be reasonable and in the best interest of the bondholders, provided such other method is approved by the trustee and any applicable bond insurer.

Restricted funds of the Bond Resolution and Special Needs Indenture Capital Reserve Funds consisted of the following:

	December 31,					
	2021			2020		
	Bond Resolution	Special Needs Indenture	Total	Bond Resolution	Special Needs Indenture	Total
Investment in securities	$ 473,003	$ 5,461	$ 478,464	$ 482,221	$ 5,523	$ 487,744
Accrued interest receivable	828	6	834	939	6	945
Total Capital Reserve Funds	$ 473,831	$ 5,467	$ 479,298	$ 483,160	$ 5,529	$ 488,689
Restricted current assets:						
Investments in securities	$ 106,596	$ 4,515	$ 111,111	$ 52,495	$ 4,507	$ 57,002
Accrued interest receivable	828	6	834	939	6	945
Total restricted current assets	107,424	4,521	111,945	53,434	4,513	57,947
Restricted noncurrent assets:						
Investments in securities	366,407	946	367,353	429,726	1,016	430,742
Total Capital Reserve Funds	$ 473,831	$ 5,467	$ 479,298	$ 483,160	$ 5,529	$ 488,689

Special Needs Housing Renewal and Replacement Funds

The Special Needs Housing Renewal and Replacement Funds are established pursuant to the Act and the Special Needs Indenture to provide funding for capital repairs and replacements exceeding $2,500 for group homes, assisted living facilities and supportive housing facilities financed with the proceeds of bonds issued under the Special Needs Indenture. At December 31, 2021 and 2020, the carrying amount of restricted funds of the Special Needs Housing Renewal and Replacement Funds consisted of the following (in 000's):

	December 31,	
	2021	2020
Cash and cash equivalents	$	$
Investments in securities	11,833	10,964
Accrued interest receivable	1	1
Total Special Needs Housing Renewal and Replacement Funds	$ 11,834	$ 10,965

NOTE 5 - MORTGAGE LOANS RECEIVABLE

The Authority makes single family and multifamily loans to residents and companies domiciled in the State of Connecticut. All such loans are collateralized by real estate located in the State of Connecticut. The majority of the Authority's loan portfolio is comprised of residential mortgages made to low and moderate income borrowers.

The Authority has entered into agreements with various banks and other financial institutions for the servicing of the majority of its home mortgage loan portfolio. As of December 31, 2021 and 2020, 28% and 27%, respectively, of this portfolio was serviced by one financial institution.

Mortgage loans consisted of the following (in 000's):

	December 31, 2021	December 31, 2020
Home mortgage loans		
Insured by the Federal Housing Administration or guaranteed by the Veterans Administration	$ 968,337	$ 1,152,801
Insured by private mortgage insurance companies	78,860	77,983
Uninsured reverse annuity mortgage loans	1,343	1,298
Uninsured, State of Connecticut supported EMAP loans	53,457	57,021
Uninsured, not guaranteed	276,195	327,892
Total home mortgage loans	1,378,192	1,616,995
Multifamily mortgage loans		
Completed developments:		
Insured by the Federal Housing Administration or guaranteed by private insurer	25,982	26,630
Uninsured, federally subsidized	342,516	348,374
Uninsured, State of Connecticut subsidized special needs housing mortgage loans	65,917	60,890
Uninsured, unsubsidized, not guaranteed	988,168	932,493
Total completed developments	1,422,583	1,368,387
Construction mortgage loans:		
Uninsured, unsubsidized	152,952	149,783
Total construction mortgage loans	152,952	149,783
Total multifamily mortgage loans	1,575,535	1,518,169
Less allowance for losses	(355,121)	(376,488)
Total investments in mortgage loans	$ 2,598,606	$ 2,758,677
Restricted current assets	$ 183,503	$ 145,743
Restricted noncurrent assets	2,415,103	2,612,934
Total mortgage loans receivable	$ 2,598,606	$ 2,758,677

Single Family

The Federal Housing Administration ("FHA") home mortgage program insures the repayment of the unpaid principal amount of the mortgages. HUD will pay debenture interest on the unpaid principal balance from the date of default to the date of initial claim settlement. Debenture interest is determined by the monthly average yield for the month in which the default on the mortgage occurred, on United States Treasury Securities, adjusted to a constant maturity of 10 years. The debenture rate may be less than that of the insured mortgage.

The Veterans Administration ("VA") mortgage program provides limited guarantees subject to the amount of the entitlement a veteran has available. For loans between $45,000 and $144,000, the minimum VA guarantee amount is $22,500, with a maximum guarantee of up to 40% of the loan up to $36,000. For loans of more than $144,000, the maximum VA guarantee is 25% of the loan amount.

EMAP Loan repayments are made by the homeowner in accordance with the provisions of Connecticut General Statutes § 8-265bb through 8-265kk. These repayments are to be used solely for the benefit of the EMAP program. Debt service on bonds issued under the Special Needs Indenture for the purpose of financing EMAP Loans is paid by the State of Connecticut.

The current average interest rate of the Authority's outstanding single family portfolio is 4.00% with an original 30 year payment term.

Multifamily

Through the issuance of bonds under the Special Needs Indenture and/or amounts received from the State of Connecticut, the Authority has made special needs housing mortgage loans to (i) finance community based residential facilities for persons with intellectual disabilities ("Group Home"), (ii) finance projects for assisted living communities for residents who need help with one or more activities of daily living ("Assisted Living Facility"), (iii) finance residential facility housing for up to one or more persons or families that are homeless or at risk of homelessness ("Supportive Housing Facility") and (iv) provide financial assistance to homeowners at risk of foreclosure ("EMAP Loan"). Mortgage loan repayments for the Group Home, Assisted Living Facility and Supportive Housing Facility (collectively the "Special Needs Housing Loans") which require regularly scheduled payments are made through subsidies received from the State of Connecticut. For Special Needs Housing Loans that do not require regularly scheduled payments, the debt service on the bonds is paid by the State of Connecticut.

The Authority has entered into a risk-sharing agreement with the U.S. Department of Housing and Urban Development ("HUD") whereby HUD will provide partial mortgage insurance on affordable multifamily housing projects processed by the Authority. The risk of loss to the Authority varies from 10% to 50% or more depending on the level of participation by HUD.

Construction loans earn interest at rates ranging from 0% to 5.66% at December 31, 2021 and December 31, 2020, and will generally be payable over 2 years. The related permanent mortgage loan will typically be provided by the Authority. Permanent loans earn interest at rates ranging from 0% to 10.5% at December 31, 2021 and December 31, 2020, and will generally be payable over 40 years.

On March 13, 2020, the President of the United States declared a national emergency with respect to the COVID-19 pandemic. In addition, the United States Congress enacted several COVID-19 related bills, including the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), which was signed into law on March 27, 2020 and the Consolidated Appropriations Act (the "COVID Relief Act"), which was signed into law on December 27, 2020. Among other things, the CARES Act provides that (a) lenders are prohibited from foreclosing all mortgage loans which are FHA insured, VA, HUD or RD guaranteed, or purchased or securitized by Fannie Mae or Freddie Mac (collectively, "Federal Single Family Loans") for a certain number of days. This prohibition was extended numerous times since March 27, 2020, however, expired as of July 31, 2021.

The CARES Act also provides that borrowers of multifamily or affordable housing mortgage loans (other than temporary loans, i.e., constructions loans), which are (a) insured, guaranteed, supplemented or assisted in any way by the federal government (including any HUD program or related program) or administered by any federal agency or (b) purchased or securitized by Fannie Mae or Freddie Mac (collectively, "Federal Multifamily Loans") may request forbearance.

To further prevent the spread of COVID-19, the Centers for Disease Control and Prevention (the "CDC"), located within the Department of Health and Human Services, issued an order on September 4, 2020, entitled "Temporary Halt in Residential Evictions" (85 Fed. Reg. 55,292), under Section 361 of the Public Health Service Act (42 U.S.C. 264), preventing any entity with a legal right to pursue eviction, or other possessory action, from evicting certain covered persons from residential properties. This order was extended a few times since September 4th, however, ultimately expired on September 30, 2021.

The Authority instituted its own forbearance program to supplement the relevant federal guidelines and help its multifamily and single family borrowers that were not subject to such guidelines. As of December 31, 2021 there were no multifamily loans in forbearance. The number of single family loans in forbearance has been steadily declining and is currently 1.2% of our whole loan portfolio.

NOTE 6 - REAL ESTATE OWNED

Real Estate Owned (in 000's)

Real Estate owned (in 000's)

	December 31,					
	2021			2020		
	Single Family	Multifamily	Total	Single Family	Multifamily	Total
Real estate owned	$ 2,329	$ 2,300	$ 4,629	$ 5,050	$ 2,300	$ 7,350
Allowance for losses	(36)		(36)	(173)		(173)
Real Estate Owned-Carrying Amount	$ 2,293	$ 2,300	$ 4,593	$ 4,877	$ 2,300	$ 7,177

With respect to single family real estate owned, the majority of such assets are at least partially insured or guaranteed by outside parties. It is anticipated that the Authority will recover substantially all of the balance of these assets through such insurance and from proceeds from the sale of the underlying properties.

With respect to multifamily real estate owned, the Authority is holding such assets for subsequent sale in a manner that will allow the maximization of value. As of December 31, 2021 and 2020, one property remained in the multifamily real estate owned portfolio.

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2021 and 2020 is as follows (in 000's):

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Capital Assets:				
Land	$ 851	$	$	$ 851
Building	2,851			2,851
Improvements	2,085			2,085
Computer software	2,267	670	(268)	2,669
	8,054	670	(268)	8,456
Less accumulated depreciation	(4,950)	(465)	268	(5,147)
Capital Assets, Net	$ 3,104	$ 205	$	$ 3,309

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Capital Assets:				
Land	$ 851	$	$	$ 851
Building	2,851			2,851
Improvements	2,085			2,085
Computer software	1,598	669		2,267
	7,385	669		8,054
Less accumulated depreciation	(4,495)	(455)		(4,950)
Capital Assets, Net	$ 2,890	$ 214	$	$ 3,104

NOTE 8 - BONDS AND LINE OF CREDIT INDEBTEDNESS

The Act authorizes the Authority to issue its own bonds and other obligations in such principal amounts as, in the opinion of the Authority, will be necessary to provide sufficient funds for carrying out its purposes. The State legislature enacted legislation that provides the authority to enter into agreements to reduce the rate of borrowing and moderate the effect of bond interest rate fluctuations through the use of contracts commonly known as interest rate swap agreements and similar type contracts. The Authority's obligations are not debt of the State of Connecticut, and the State is not liable thereon.

Included in the Authority's bond portfolio are variable rate demand bonds. The Authority has two mechanisms to ensure the purchase of variable rate demand bonds in the event that the bonds cannot be remarketed.

1) The Authority has entered into Standby Bond Purchase Agreements with various providers to purchase the bonds.
2) The Authority has entered into a Standby Letter of Credit and Reimbursement Agreement (SBLOC) which provides for the Authority to withdraw funds to directly purchase its own bonds. Upon the successful remarketing of the bonds, the funds are to be reimbursed back to the SBLOC provider. As of December 31, 2021, the amount available under the SBLOC is $62,526,352. No drawings have been made as of December 31, 2021.

Bond Resolution

Housing Mortgage Finance Program Bonds issued under the Bond Resolution bear fixed interest at rates ranging from 0.0% to 6.274% as of December 31, 2021 and December 31, 2020, and are subject to certain redemption provisions and mature in years through 2065 and 2060 as of December 31, 2021 and 2020, respectively.

The following assets of the Authority are pledged for the payment of bond principal and interest under the Bond Resolution: (1) the proceeds derived from the sale of bonds issued under the Bond Resolution, (2) all mortgage repayments with respect to long-term mortgage and construction loans financed, or deemed to have been financed from the Housing Mortgage General Fund, and (3) all monies and securities of the Housing Mortgage General Fund and the Bond Resolution Capital Reserve Fund.

Special Needs Indenture

Special Needs Housing Mortgage Finance Program Bonds issued under the Special Needs Indenture bear fixed interest at rates ranging from 0.25% to 4.70% as of December 31, 2021 and 2.10% to 5.00% as of December 31, 2020, are subject to certain redemption provisions and mature in years through 2051 as of December 31, 2021 and through 2048 as of December 31, 2020.

The following assets of the Authority are pledged for the payment of bond principal and interest under the Special Needs Indenture: (1) the proceeds derived from the sale of bonds issued under the Special Needs Indenture, (2) all mortgage repayments with respect to Special Needs Housing mortgages financed from the Special Needs Housing Fund, and (3) all monies and securities of the Special Needs Housing Fund, the State Assistance Agreement Fund, the EMAP State Assistance Agreement Fund and the Special Needs Housing Capital Reserve Fund.

SFSOB Resolution, MFSOB Resolution, Single Family Other Bond Resolution and Multifamily Other Bond Resolution

In October 2009, the U.S. Department of Treasury (the “Treasury”), the Federal Housing Finance Agency and Fannie Mae and Freddie Mac (the “GSEs”) announced the Federal New Issue Bond Program (the “Federal NIBP”) authorized by the Housing Economic Recovery Act of 2008. The Federal NIBP allowed the GSEs to purchase bonds from housing finance agencies (the “HFAs”) and package them into GSE-guaranteed securities for delivery to and purchase by the Treasury. These HFA bonds were to be issued to finance single family or multifamily mortgage loans. If issued to finance single family loans, the HFA bonds were not to exceed 60% of the bond issue. The HFA bonds were required to be issued at fixed rates to maturity or monthly rate reset bonds that were to convert to rates fixed to maturity in calendar year 2010. In September 2010, the Treasury announced an extension to the end of this conversion period to December 31, 2011. The fixed interest rates were expected to be lower than prevailing interest rates available through a public bond offering. Pursuant to this program and based on an allocation for GSE purchase received from the Treasury, the Authority issued $191,720,000 in Single Family Special Obligation Bonds under the SFSOB Resolution and $27,610,000 in Multifamily Special Obligation Bonds under the MFSOB Resolution (collectively, the “NIBP Escrow Bonds”) on December 30, 2009 that settled on January 12, 2010. The proceeds of the NIBP Escrow Bonds were held in escrow pending the issuance by the Authority of additional taxable or tax-exempt bonds (the “NIBP Market Bonds”). As of December 31, 2011, all NIBP Escrow Bonds had been converted to long-term fixed rates of interest.

Bonds issued under the SFSOB Resolution and the MFSOB Resolution are special obligations of the Authority payable solely from and secured by assets pledged under the (i) SFSOB Resolution for Single Family Special Obligation Bonds, and (ii) MFSOB Resolution for Multifamily Special Obligation Bonds.

In connection with the Federal NIBP, the Authority has also authorized the Single Family Other Bond Resolution and the Multifamily Other Bond Resolution ("Other Bond Resolutions") to issue bonds ("Other Bonds") secured by the Bond Resolution Capital Reserve Fund under the Bond Resolution. Proceeds of the Other Bonds, the NIBP Escrow Bonds and the NIBP Market Bonds are intended to be used to (i) participate in the purchase or making of single-family or multifamily mortgage loans under the Authority's Housing Mortgage Finance Program, (ii) fund reserves and (iii) pay related bond costs. Bonds issued under the Other Bond Resolutions are general obligations of the Authority.

The SFSOB Resolution was wound down during 2021.

QECB Resolution

The Authority adopted the Qualified Energy Conservation Bond Resolution ("QECB Resolution") on February 26, 2015. The bond proceeds are intended to be used for energy conservation improvements and replacements for multifamily housing developments owned or managed by participating public housing authorities. Bonds issued under the QECB Resolution are secured by, among others, the loan repayments from the QECB funded loans, the QECB federal tax credit subsidy and are general obligations of the Authority. The Authority will no longer issue bonds under the QECB Resolution due to the Tax Cuts and Jobs Act of 2017.

Bonds payable as of December 31, 2021 and 2020 were as follows (in 000's):

Housing Mortgage Finance Program Bonds			**Outstanding Amount December 31,**		
Publicly Offered	**Final Maturity Date**	**Interest Rate Range %**	**2021**	**2020**	**Amount Due Within 1 Year**
1998 Series D	2025	Index	$ 19,000	$ 23,100	$ 4,300
2001 Series D	2027	Index	12,210	13,855	1,750
2004 Series A	2035	Index	4,000	14,000	
2007 Series A	2038	Index	260	22,350	
2009 Series D	2039	6.274	55,230	55,880	685
2010 Series G	2031	2.125 - 3.05	11,820	13,350	1,120
2011 Series F	2021	2.90 - 5.00		33,665	
2012 Series A	2021	2.60 - 3.55		64,215	
2012 Series B	2021	2.37 - 4.40		37,365	
2012 Series C	2021	2.90 - 3.75		84,935	
2012 Series D	2021	3.05 - 3.70/Variable		62,680	
2012 Series F	2021	2.05 - 3.40		81,095	
2012 Series G	2022	2.50	320	57,875	320
2013 Series B	2034	4.00/Variable	22,490	37,190	1,110
2014 Series A	2044	4.00	2,595	5,795	-
2014 Series B	2044	2.15 - 4.15	46,925	47,510	615
2014 Series C	2044	2.20 - 4.00/Variable	60,800	68,255	3,810
2014 Series D	2044	2.30 - 4.00/Variable	102,415	115,130	5,805
2014 Series F	2054	2.40 - 4.05	39,455	40,285	880
2015 Series A	2045	2.15 - 3.85	90,990	98,760	3,715
2015 Series C	2045	2.40 - 3.60/Variable	79,895	88,390	49,080
2015 Series E	2055	1.95 - 4.00	29,355	29,530	185
2016 Series A	2045	1.95 - 4.00/Variable	136,970	145,950	4,510
2016 Series B	2046	1.70 - 3.55/Variable	139,535	150,420	4,300
2016 Series C	2051	1.50 - 3.50	44,140	45,125	1,060
2016 Series E	2046	1.80 - 3.50/Variable	134,935	145,820	4,960
2016 Series F	2046	1.65 - 3.50/Variable	141,075	165,975	5,600
2016 Series G	2056	1.65 - 3.90	17,620	17,805	190
2017 Series A	2047	2.00 - 4.00/Variable	108,950	186,370	8,795
2017 Series C	2047	1.75 - 4.00/Variable	112,385	137,210	54,455
2017 Series D	2047	1.55 - 4.00/Variable	135,505	152,470	53,855
2017 Series E	2057	1.60 - 3.90	16,675	17,810	1,220
2017 Series F	2047	0.00 - 4.00/Variable	127,820	149,410	11,935
2018 Series A	2048	2.375 - 4.00/Variable	90,985	133,380	3,350
2018 Series B	2048	2.60 - 4.00/Variable	86,320	119,450	3,215
2018 Series C	2048	2.10 - 4.00/Variable	98,740	147,805	4,035
2018 Series D	2058	2.45 - 4.40	31,740	48,205	310
2018 Series E	2048	0.00 - 4.25/Variable	75,535	107,255	2,685
2019 Series A	2049	2.30 - 4.00/Variable	74,350	110,045	2,435
2019 Series B	2049	2.05 - 4.00/Variable	107,260	116,405	2,385
2019 Series D	2049	1.35 - 4.00/Variable	110,930	117,365	2,540
2019 Series E	2059	1.40 - 3.35	104,700	125,420	5,965
2019 Series F	2049	0.00 - 3.50/Variable	120,600	125,875	2,585
2020 Series A	2050	1.00 - 3.50/Variable	135,515	142,235	3,325
2020 Series C	2050	0.30 - 3.25/Variable	151,805	158,195	4,065
2020 Series D	2060	0.45 - 2.85	118,900	149,685	1,035
2020 Series E	2050	0.50 - 3.00/Variable	141,360	224,475	4,510
2021 Series A	2038	0.15 - 1.85	259,335		76,880
2021 Series B	2065	0.125 - 3.00	195,195		5,280
2021 Series D	2051	0.15 - 5.00	161,390		3,835
2021 Series E	2061	0.15 - 5.00	146,515		11,030
Subtotal			$ 3,904,545	$ 4,235,370	$ 363,720

Housing Mortgage Finance Program Bonds (continued)

Direct Placements	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2021	Outstanding Amount December 31, 2020	Amount Due Within 1 Year
2013 Series A	2041	Index	$ 88,130	$ 258,705	$
2013 Series C	2046	Index	30,320	37,785	
2015 Series B	2021	Index		35,000	
2016 Series D	2050	3.25 - 3.70	30,110	34,810	18,030
2019 Series C	2049	Index	100,000	100,000	100,000
2021 Series C	2033	Index	217,590		11,650
Subtotal			466,150	466,300	129,680
Plus unamortized bond premium			56,964	47,940	
Total Housing Mortgage Finance Bonds			$ 4,427,659	$ 4,749,610	$ 493,400

The amounts due within one year in the previous table include the total outstanding balance of variable rate demand bond obligations where the standby bond purchase agreements expire within one year of the balance sheet date, although the maturities extend well beyond. The value of these obligations as of December 31, 2021 is $145,000. It is the intention of the Authority to renew these agreements prior to expiration.

Special Needs Housing Mortgage Finance Program Special Obligation Bonds

Publicly Offered	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2021	Outstanding Amount December 31, 2020	Amount Due Within 1 Year
Series 13	2021	3.00 - 5.00	$	$ 10,020	$
Series 16	2021	3.00 - 5.00		7,730	
Series 18	2046	2.80 - 4.45	9,035	9,255	225
Series 19	2035	2.80 - 4.25	7,840	8,370	545
Series 20	2045	2.80 - 4.40	3,420	3,510	90
Series 21	2045	2.95 - 4.70	11,500	11,850	360
Series 23	2048	2.50 - 4.30	3,510	3,585	80
Series 24	2037	2.50 - 4.10	5,635	5,870	245
Series 27	2051	0.25 - 2.65	7,510		35
Series 28	2040	0.25 - 2.375	16,470		1,335
Subtotal			64,920	60,190	2,915
Plus unamortized bond premium				425	
Total Special Needs Housing Mortgage Finance Program Special Obligation Bonds			$ 64,920	$ 60,615	

Single Family Special Obligation Bonds

Publicly Offered	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2021	Outstanding Amount December 31, 2020	Amount Due Within 1 Year
Series 2011-2	2021	3.25 - 4.50	$	$ 11,755	
Subtotal				11,755	
Plus unamortized bond premium				3	
Total Single Family Special Obligation Bonds			$	$ 11,758	$

Multifamily Special Obligation Bonds

Direct Placements	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2021	Outstanding Amount December 31, 2020	Amount Due Within 1 Year
Series 2009-1	2051	2.32	$ 23,100	$ 23,610	$ 530
Total Multifamily Special Obligation Bonds			$ 23,100	$ 23,610	$ 530

Housing Mortgage Finance Program Bonds (Single Family) Other Bonds

Direct Placements	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2021	Outstanding Amount December 31, 2020	Amount Due Within 1 Year
2010 Series A	2021	5.00	$	$ 9,876	$
2011 Series A	2021	4.625		10,602	
Total Housing Mortgage Finance Program Bonds (Single Family) Other Bonds			$	$ 20,478	$

Housing Mortgage Finance Program Bonds (Multifamily) Other Bonds

Direct Placements	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2021	Outstanding Amount December 31, 2020	Amount Due Within 1 Year
2011 Series A	2055	4.75	$ 1,117	$ 1,066	$
2013 Series A	2053	5.50/Variable	24,286	24,566	296
Total Housing Mortgage Finance Program Bonds (Multifamily) Other Bonds			$ 25,403	$ 25,632	$ 296

Qualified Energy Conservation Bonds

Direct Placements	Final Maturity Date	Interest Rate Range %	Outstanding Amount December 31, 2021	Outstanding Amount December 31, 2020	Amount Due Within 1 Year
2015 Series A (1,2)	2034	4.35	$ 4,256	$ 4,477	$ 233
2016 Series B	2035	3.94	1,888	2,011	124
2016 Series C	2036	3.94	1,422	1,516	95
Total Qualified Energy Conservation Bonds			7,566	8,004	452
Total Bonds Payable, Net			$ 4,548,649	$ 4,899,707	$ 497,593

Line of Credit

On July 15, 2021, CHFA entered into a revolving line of credit with US Bank National Association, proceeds of which were used to acquire single family loan prepayments and redeem the corresponding bonds. The acquired single family loan prepayments were subsequently pledged as collateral pursuant to the agreement. The revolving agreement has a maximum line of credit amount of $75 million and expires on December 14, 2023. The outstanding line of credit balance bears interest at an index rate which is reset monthly and is currently one-month LIBOR plus 39 basis points. As of December 31, 2021, $75 million of the line of credit was drawn and outstanding.

On November 4, 2021, CHFA entered into a revolving line of credit with Wells Fargo Bank National Association, proceeds of which were used to acquire single family loan prepayments and redeem the corresponding bonds. The acquired single family loan prepayments were subsequently pledged as collateral pursuant to the agreement. The revolving agreement has a maximum line of credit amount of $100 million and expires on November 3, 2023. The outstanding line of credit balance bears interest at an index rate which is reset monthly and is currently one-month LIBOR plus 28 basis points. As of December 31, 2021, $69.1 million of the line of credit was drawn and outstanding.

Conduit Debt

In furtherance of the Authority's mission, the Authority has issued conduit debt obligations. The outstanding principal balances of conduit debt obligations as of December 31, 2021 include four Multifamily Housing Revenue Bonds totaling $28,808,493, one series totaling $2,865,419 of Multifamily Housing Revenue Notes, and four series totaling $68,810,000 of State-Supported Special Obligation Bonds. The outstanding principal balances of conduit debt obligations as of December 31, 2020 include four Multifamily Housing Revenue Bonds totaling $32,618,497, one series totaling $2,902,360 of Multifamily Housing Revenue Notes, and five series totaling $75,680,000 of State-Supported Special Obligation Bonds. The issuance of these obligations does not create or imply any indebtedness on the part of the Authority. Each issue requires that the funds related to such issue be held by a trustee for the bondholders; therefore, such funds are not under the control of the Authority, and, accordingly, the Authority's financial statements do not reflect the balances or operating results of the various trust accounts.

Debt Service Requirements

The following tables provide a summary of debt service requirements and net swap payments for the next five years and in five-year increments thereafter (in 000's). The interest calculations are based on the variable rates in effect on December 31, 2021 and may not be indicative of the actual interest expense that will be incurred.

	Bond Resolution						
	Fixed-Publicly Offered		Variable-Publicly Offered			Fixed - Direct Placements	
Year Ending December 31,	Principal	Interest	Principal	Interest	Interest Rate Swaps, Net	Principal	Interest
2022	$ 211,170	$ 82,978	$ 7,550	$ 919	$ 20,004	$ 18,030	$ 728
2023	140,760	79,211	7,665	896	19,303	235	391
2024	151,710	76,005	7,830	874	18,676	250	383
2025	137,560	72,474	8,910	848	18,037	260	375
2026	127,065	69,229	4,830	827	17,432	270	366
2027-2031	588,815	302,260	69,605	3,942	79,262	1,540	1,690
2032-2036	564,555	220,685	184,140	3,210	56,577	1,905	1,414
2037-2041	466,015	139,310	185,830	2,286	36,479	2,355	1,073
2042-2046	352,535	69,322	256,070	1,421	21,542	2,915	651
2047-2051	164,385	24,616	163,335	235	2,939	2,350	152
2052-2056	63,855	9,553					
2057-2061	39,210	2,435					
2062-2066	1,145	54					
Total	$ 3,008,780	$ 1,148,132	$ 895,765	$ 15,458	$ 290,251	$ 30,110	$ 7,223

	Bond Resolution					
	Variable - Direct Placements			Total Bond Resolution		
Year Ending December 31,	Principal	Interest	Interest Rate Swaps, Net	Principal	Interest	Total
2022	$ 13,500	$ 2,923	$ 6,678	$ 250,250	$ 114,230	$ 364,480
2023	16,675	2,755	6,287	165,335	108,843	274,178
2024	18,390	2,724	5,236	178,180	103,898	282,078
2025	20,940	2,605	4,162	167,670	98,501	266,171
2026	26,440	2,463	3,553	158,605	93,870	252,475
2027-2031	126,190	9,855	9,330	786,150	406,339	1,192,489
2032-2036	89,140	6,370	567	839,740	288,823	1,128,563
2037-2041	74,660	3,360		728,860	182,508	911,368
2042-2046	40,755	1,424		652,275	94,360	746,635
2047-2051	9,350	100		339,420	28,042	367,462
2052-2056				63,855	9,553	73,408
2057-2061				39,210	2,435	41,645
2062-2066				1,145	54	1,199
Total	$ 436,040	$ 34,579	$ 35,813	$ 4,370,695	$ 1,531,456	$ 5,902,151

Year Ending December 31,	Special Needs Indenture Fixed-Publicly Offered Principal	Special Needs Indenture Fixed-Publicly Offered Interest	MFSOB Resolution Fixed-Publicly Offered Principal	MFSOB Resolution Fixed-Publicly Offered Interest
2022	$ 2,915	$ 1,999	$ 530	$ 533
2023	3,010	1,950	540	521
2024	3,120	1,894	560	508
2025	3,250	1,829	580	495
2026	3,380	1,757	600	482
2027-2031	14,860	7,507	3,320	2,187
2032-2036	13,210	5,124	3,940	1,770
2037-2041	11,510	2,837	4,680	1,276
2042-2046	7,250	999	5,570	688
2047-2051	2,415	147	2,780	96
2052-2056				
2057-2061				
Total	$ 64,920	$ 26,043	$ 23,100	$ 8,556

Year Ending December 31,	Other Bond Resolutions Fixed - Direct Placement Principal	Other Bond Resolutions Fixed - Direct Placement Interest	QECB Resolution Fixed - Direct Placement Principal	QECB Resolution Fixed - Direct Placement Interest	Total
2022	$ 296	$ 1,314	$ 452	$ 311	$ 372,829
2023	312	1,297	468	292	282,568
2024	330	1,279	483	272	290,524
2025	349	1,261	500	252	274,686
2026	368	1,241	516	231	261,050
2027-2031	2,178	5,869	2,856	814	1,232,080
2032-2036	2,865	5,182	2,291	199	1,163,144
2037-2041	3,769	4,277			939,718
2042-2046	4,959	3,087			769,189
2047-2051	6,525	1,522			380,947
2052-2056	3,452	4,067			80,926
2057-2061					41,645
2062-2066					1,199
Total	$ 25,403	$ 30,396	$ 7,566	$ 2,371	$ 6,090,506

Objective of the Interest Rate Swaps

The Authority employs swaps to establish synthetic fixed rates for a portion of its variable rate bond obligations. The Authority's interest rate swap transactions are structured for the Authority to pay a fixed interest rate while receiving variable interest rates from the counterparties which are comparable to the rates required by the variable rate bonds. These synthetic fixed rates were lower than those available to the Authority from fixed rate obligations of comparable maturity. The proceeds of these transactions are generally used to make fixed rate mortgage loans. As the objective of the derivative instruments entered into was to hedge changes in cash flows for each bond series, they are classified as cash flow hedges.

Terms

The Authority has entered into amortizing interest rate swap agreements under the Bond Resolution in which the Authority owes a fixed payment to the counterparties of the swaps. In return, the counterparties owe the Authority a payment based on common indices such as the Securities Industry and Financial Markets Association Municipal Swap Index ("SIFMA") or the London Interbank Offered Rate ("LIBOR") that is comparable to the rates required by the Authority's bonds. Only the net difference in interest payments is actually exchanged between the Authority and the counterparties. The Authority's amortizing interest rate swap agreements contain scheduled reductions to outstanding notional amounts that are projected to follow scheduled or anticipated reductions in bonds payable. The Authority did not pay or receive any cash when the swap transactions were initiated.

On October 23, 2020, the International Swaps and Derivatives Association (ISDA) published its IBOR Fallbacks Protocol and Supplement to the 2006 ISDA Definitions in anticipation of the expected discontinuation of the London Interbank Offered Rate (LIBOR) at the end of 2021. While the use of the Protocol and the Supplement is voluntary, the Authority agreed and adhered to the Protocol on January 19, 2021 to avoid any market disruption. On November 30, 2020, the ICE Benchmark Administration and the Financial Conduct Authority announced that most tenors of US Dollar LIBOR including the 1 month and the 3 month, would continue to be published through June 30, 2023.

The terms, fair values and credit ratings of outstanding swaps as of December 31, 2021 were as follows (in 000's):

Associated Bond Issue	Effective Date	Notional Amount	Fixed Rate Paid	Variable Rate Received	Fair Value	Termination Date	Counterparty Credit Rating *	Counterparty % of Total Outstanding
2016 Series B-4	8/15/08	$ 9,855	3.849%	67% 3M LIBOR	$ (3,454)	11/15/38		
2016 Series B-4	8/15/08	8,925	3.855%	67% 3M LIBOR	(2,310)	11/15/33		
2016 Series F-5	8/15/08	27,550	3.845%	67% 3M LIBOR	(7,103)	11/15/33		
2018 Series E-2, 2018 Series C-4, 2018 Series C-3	11/15/18	18,451	2.471%	67% 3M LIBOR	(6,226)	11/15/48		
Total Bank of America, N.A.		64,781			(19,093)		A+/Aa2/AA	7.08%
2001 Series D-5	12/20/01	12,210	5.360%	167% 3M LIBOR-SIFMA	(1,731)	11/15/27		
2021 Series C	12/20/01	40,000	4.090%	67% 1M LIBOR	(8,543)	5/15/33		
2021 Series C	8/15/08	16,755	3.852%	67% 3M LIBOR	(1,935)	11/15/28		
2014 Series D-3	2/18/09	20,615	3.433%	67% 3M LIBOR	(4,580)	11/15/34		
2017 Series D-3, 2017 Series F-3, 2018 Series A-3	5/15/18	36,110	2.248%	70% 3M LIBOR	(8,241)	5/15/48		
2017 Series D-3, 2018 Series A-3, 2018 Series B-3	2/18/09	64,490	3.430%	67% 3M LIBOR	(12,801)	11/15/38		
2018 Series B-3	6/4/18	7,133	2.500%	70% 3M LIBOR	(3,064)	11/15/48		
Total Bank of New York Mellon		197,313			(40,895)		AA-/Aa2/AA	21.56%
2021 Series C	6/5/02	25,000	5.740%	167% 1M LIBOR- SIFMA	(7,768)	5/15/33		
2018 Series C-3 & 2018 Series C-4	6/5/02	15,700	4.352%	67% 1M LIBOR	(2,934)	5/15/33		
2019 Series F-2	10/29/19	26,250	1.708%	100% 1W SIFMA	(543)	11/15/49		
Total Citibank, NA		66,950			(11,245)		A+/Aa3/A+	7.32%
2021 Series C	3/7/01	20,170	5.475%	167% 1M LIBOR-SIFMA	(5,176)	5/15/32		
2013 Series C, 2021 Series C	2/26/14	37,380	2.776%	100% 1M LIBOR	(1,811)	5/15/24		
2017 Series C-3 & 2017 Series F-3	8/1/02	35,325	3.981%	67% 1M LIBOR	(5,940)	5/15/33		
2018 Series C-3 & 2018 Series C-4	3/7/01	9,275	4.120%	67% 1M LIBOR	(1,759)	5/15/32		
Total Goldman Sachs Mitsui Marine		102,150			(14,686)		AA-/Aa2	11.16%
1998 Series D-4	7/1/98	19,000	6.320%	100% 3M LIBOR	(2,320)	11/15/25		
2021 Series C	7/11/01	12,210	5.820%	167% 1M LIBOR-SIFMA	(1,989)	11/15/27		
2016 Series F-5	7/1/98	7,800	4.870%	100% 1W SIFMA	(1,699)	11/15/28		
2017 Series C-3 & 2018 Series C-3	7/11/01	17,000	4.310%	67% 1M LIBOR	(2,700)	5/15/32		
Total Merrill Lynch Capital Services **		56,010			(8,708)		NR	6.12%
2013 Series B-6 & 2016 Series E	6/15/15	33,730	2.0515%	67% 3M LIBOR	(1,323)	11/15/35		
2015 Series C	8/6/15	45,000	2.3625%	70% 1M LIBOR	(2,326)	11/15/45		
2016 Series A	11/16/15	40,000	2.1325%	67% 3M LIBOR	(1,355)	11/15/45		
2016 Series B-4	11/15/18	21,220	2.1400%	70% 1M LIBOR	(1,230)	11/15/46		
2016 Series E-3	8/25/16	23,980	1.7970%	67% 3M LIBOR	102	11/15/46		
2017 Series A-3	3/2/17	38,000	2.3350%	67% 3M LIBOR	(2,030)	11/15/47		
2019 Series A-2	3/5/19	5,000	1.8600%	67% 3M LIBOR	(315)	5/15/29		
2019 Series B-2 & 2019 Series B-3	5/9/19	25,570	1.9990%	67% 3M LIBOR	(2,097)	11/15/43		
2020 Series C-3	8/13/20	30,000	1.2660%	100% 1W SIFMA	3,506	11/15/50		
Total Royal Bank of Canada		262,500			(7,068)		AA-/Aa2/AA-	28.70%
2018 Series E-2, 2017 Series C-3, 2018 Series C-3 & 2018 Series C-4	11/15/18	18,454	2.242%	67% 3M LIBOR	(1,979)	11/15/28		
2018 Series B-3	6/4/18	7,132	2.071%	70% 3M LIBOR	(610)	5/15/28		
2014 Series C & 2020 Series E	12/17/20	26,475	0.723%	100% 1W SIFMA	1,112	11/15/30		
Total TD Bank, NA		52,061			(1,477)		AA-/Aa2/AA-	5.69%
2019 Series A-2 & 2019 Series A-3	3/5/19	18,500	2.290%	67% 3M LIBOR	(2,357)	5/15/49		
2019 Series D-3	8/8/19	26,230	1.4725%	67% 3M LIBOR	(184)	11/15/43		
Total US Bank		44,730			(2,541)		AA-/A1/AA-	4.89%
2021 Series C & 2020 Series A-3	3/2/06	36,165	3.4175%	67% 3M LIBOR	(6,490)	5/15/36		
2016 Series F-5	11/15/16	13,150	1.820%	67% 3M LIBOR	(2,874)	11/15/46		
2017 Series F-3	10/4/00	19,170	5.397%	100% 1W SIFMA	(3,859)	11/15/31		
Total Wells Fargo Bank, NA		68,485			(13,223)		A+/Aa2/AA-	7.48%
Portfolio Total		$ 914,980			$ (118,936)			100.00%

* S&P/Moody's/Fitch
** Credit support by Merrill Lynch Derivative Products AG (AA/Aa3/NR)

The changes of fair value of outstanding swaps from December 31, 2020 to December 31, 2021 were as follows (in 000's):

Associated Bond Issue	Fair Value 12/31/2021	Fair Value 12/31/2020	Change in Fair Value
2016 Series B-4	$ (3,454)	$ (4,293)	$ 839
2016 Series B-4	(2,310)	(2,987)	677
2016 Series F-5	(7,103)	(9,188)	2,085
2018 Series E-2, 2018 Series C-4	(6,226)	(7,190)	964
Total Bank of America, N.A.	(19,093)	(23,658)	4,565
2001 Series D-5	(1,731)	(2,723)	992
2021 Series C	(8,543)	(9,161)	618
2021 Series C	(1,935)	(2,945)	1,010
2014 Series D-3	(4,580)	(6,083)	1,503
2017 Series D-3, 2017 Series F-3, 2018 Series A-3	(8,241)	(11,275)	3,034
2017 Series D-3, 2018 Series A-3, 2018 Series B-3	(12,801)	(17,174)	4,373
2018 Series B-3	(3,064)	(4,082)	1,018
Total Bank of New York Mellon	(40,895)	(53,443)	12,548
2021 Series C	(7,768)	(10,520)	2,752
2018 Series C-3 & 2018 Series C-4	(2,934)	(3,987)	1,053
2019 Series F-2	(543)	(2,913)	2,370
Total Citibank, NA	(11,245)	(17,420)	6,175
2021 Series C	(5,176)	(6,979)	1,803
2013 Series C, 2021 Series C	(1,811)	(3,329)	1,518
2017 Series C-3 & 2017 Series F-3	(5,940)	(7,999)	2,059
2018 Series C-3 & 2018 Series C-4	(1,759)	(2,396)	637
Total Goldman Sachs Mitsui Marine	(14,686)	(20,703)	6,017
1998 Series D-4	(2,320)	(3,981)	1,661
2021 Series C	(1,989)	(3,550)	1,561
2016 Series F-5	(1,699)	(2,204)	505
2017 Series C-3 & 2018 Series C-3	(2,700)	(3,798)	1,098
Total Merrill Lynch Capital Services **	(8,708)	(13,533)	4,825
2013 Series B-6 & 2016 Series E	(1,323)	(2,622)	1,299
2015 Series C	(2,326)	(4,426)	2,100
2016 Series A	(1,355)	(3,117)	1,762
2016 Series B-4	(1,230)	(2,251)	1,021
2016 Series E-3	102	(937)	1,039
2017 Series A-3	(2,030)	(3,836)	1,806
2019 Series A-2	(315)	(555)	240
2019 Series B-2 & 2019 Series B-3	(2,097)	(3,479)	1,382
2020 Series C-3	3,506	679	2,827
Total Royal Bank of Canada	(7,068)	(20,544)	13,476
2018 Series E-2, 2017 Series C-3, 2018 Series C-3 & 2018 Series C-4	(1,979)	(3,062)	1,083
2018 Series B-3	(610)	(1,019)	409
2014 Series C & 2020 Series E	1,112	(13)	1,125
Total TD Bank, NA	(1,477)	(4,094)	2,617
2019 Series A-2 & 2019 Series A-3	(2,357)	(3,479)	1,122
2019 Series D-3	(184)	(1,773)	1,589
Total US Bank	(2,541)	(5,252)	2,711
2021 Series C & 2020 Series A-3	(6,490)	(8,841)	2,351
2016 Series F-5	(2,874)	(3,590)	716
2017 Series F-3	(3,859)	(5,306)	1,447
Total Wells Fargo Bank, NA	(13,223)	(17,737)	4,514
Portfolio Total	$ (118,936)	$ (176,384)	$ 57,448

* S&P/Moody's/Fitch
** Credit support by Merrill Lynch Derivative Products AG (AA/Aa3/NR)

Fair Value

There is a multi-step process in determining the fair value of the Authority's swap portfolio. The first step is to determine the settlement price utilizing the Income Approach from "mid-market" pricing data. Such data consists primarily of observable quotes from the over-the-counter swap markets that fall into Level 2 of the fair value hierarchy. The second step is to determine the credit valuation adjustment ("CVA"). The purpose of the CVA is to quantify the nonperformance risk of the reporting entity as well as the nonperformance risk of the counterparty. Default probabilities are derived from credit default swap quotes or generic ratings based on borrowing curves that fall into Level 2 of the fair value hierarchy. In the final step, to determine fair value, the settlement price is adjusted by the CVAs of both the reporting entity's and counterparty's payment obligations. Because interest rates have declined since the implementation of the majority of the Authority's swap agreements, the aggregate fair value is negative as indicated in the previous chart.

Credit Risk

At December 31, 2021, the Authority was exposed to very limited counterparties' credit risk due to its broad diversification approach. Furthermore, the fair value of all except three swaps was negative. Credit exposure arises when the fair value of a swap is positive due to the obligation of the counterparty to make payment to the Authority in the event of termination.

Basis Risk

Basis risk is the risk that there may be a difference between the floating rate component of the swap, which is based on indices that consist of taxable or tax-exempt market-wide averages, and the rate on the Authority's variable rate bonds, which is based on that specific bond issue. CHFA's basis risk is within the Authority's acceptable tolerance levels.

Termination Risk

Counterparties to the Authority's interest rate swap agreements have default termination rights that may require settlement payments by the Authority or by the counterparty based on the fair value of the swap at the date of termination. As of December 31, 2021, no termination events requiring settlement payments have occurred.

Rollover Risk

The Authority's interest rate swap agreements have limited rollover risk because the swap agreements contain scheduled reductions to outstanding notional amounts which are expected to follow scheduled and anticipated reductions in the associated bonds payable. As of December 31, 2021, thirteen of the Authority's outstanding interest rate swap agreements provided the Authority with full or partial termination rights requiring no settlement payments to accommodate unexpected faster paydowns of the associated bonds as a result of higher repayment of home mortgage loans.

Contingencies

Thirty-five of the Authority's thirty-nine interest rate swap agreements (outstanding notional amount $812,830,000, fair value ($104,250,868)) at December 31, 2021, require the Authority to post collateral in the event that the fair value of the interest rate swap falls below specific declining thresholds based on declines in the Authority's credit rating. As of December 31, 2021, the Authority's ratings remain at AAA/Aaa (S&P/Moody's) and therefore, was not required to post collateral for any of its outstanding swaps.

Refunding Bonds

The schedule below summarizes the cash flow savings and economic gain resulting from the Authority's issuance of fixed rate refunding bonds under the Bond Resolution in 2021 and 2020:

Refunded Issue (s)	Refunding Issue	Cash Flow Savings Over Life of Refunding Issue	Economic Gain Over Life of Refunding Issue
2021			
2012 Series C-1	2021 Series A Subseries A-1	$ 9,360,716	$ 9,086,723
2012 Series C-2	2021 Series A Subseries A-2	701,429	530,988
2012 Series A	2021 Series A Subseries A-3	553,728	3,616,251
2012 Series D-1 SFSOB 2011-2	2021 Series B Subseries B-1	(3,237,849)	289,692
2012 Series B-1	2021 Series B Subseries B-2	1,749,919	1,636,829
2011 Series F-1	2021 Series B Subseries B-3	3,854,277	3,266,874
2012 Series F-1	2021 Series D Subseries D-1	1,835,881	5,011,106
2012 Series F-2	2021 Series D Subseries D-2	605,372	530,608
2012 Series G-1	2021 Series E Subseries E-1	2,993,080	2,995,224
2012 Series G-4	2021 Series E Subseries E-2	1,040,784	738,325
2012 Series D-3	2021 Series E Subseries E-5	4,157,693	1,763,537
2020			
SFSOB 2009-2	2020 Series A Subseries A-1	986,750	718,421
SFSOB 2009-1	2020 Series A Subseries A-2	2,539,465	1,386,784
SFSOB 2009-2	2020 Series C Subseries C-1	3,628,173	2,006,635
SFSOB 2009-1 SFSOB 2010-1	2020 Series C Subseries C-2	3,627,787	3,191,219
2010 Series E Subseries E-1	2020 Series D Subseries D-1	2,401,476	3,462,921
2010 Series E Subseries E-2	2020 Series D Subseries D-2	10,060,068	6,840,048
SFSOB 2009-2 SFSOB 2009-4	2020 Series E Subseries E-1	740,063	554,463
SFSOB 2009-1 SFSOB 2009-3	2020 Series E Subseries E-2	10,023,683	4,274,596

NOTE 9 - CHANGES IN LONG-TERM LIABILITIES

The changes in long-term liabilities for the years ended December 31, 2021 and 2020 were as follows (in 000's):

	Balance January 1, 2021	Increase	Decrease	Balance December 31, 2021
Escrow deposits	$ 154,651	$ 34,155	$ (33,132)	$ 155,674
Bonds payable, publicly offered	3,940,021	716,337	(1,126,113)	3,530,245
Bonds payable, direct placement	513,213	206,483	(198,885)	520,811
Derivative instruments-interest rate swaps	176,384		(57,448)	118,936
Net OPEB liability	82,371	20,937	(25,977)	77,331
Net pension liability	70,480	3,226	(8,826)	64,880
	$ 4,937,120	$ 981,138	$ (1,450,381)	$ 4,467,877

	Balance January 1, 2020	Increase	Decrease	Balance December 31, 2020
Escrow deposits	$ 149,469	$ 34,073	$ (28,891)	$ 154,651
Bonds payable, publicly offered	3,956,503	652,550	(669,032)	3,940,021
Bonds payable, direct placement	670,379	999	(158,165)	513,213
Derivative instruments-interest rate swaps	123,651	56,475	(3,742)	176,384
Net OPEB liability	78,547	28,880	(25,056)	82,371
Net pension liability	76,524	9,265	(15,309)	70,480
	$ 5,055,073	$ 782,242	$ (900,195)	$ 4,937,120

NOTE 10 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The Authority reports interfund balances among its funds which are reflected on the combining schedule of net position as "due from/due to other funds/component units". These balances generally consist of accruals of various revenues or expenses due to a fund, but received or paid to another, and transfers between funds to meet liquidity requirements. These transactions and resulting year-end interfund balances have been eliminated in the accompanying combining financial statements. The composition of interfund balances as of December 31, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
General and Capital Reserve Fund	Multifamily Real Estate Owned	$ 2,300,000
	Multifamily Special Obligation Bond Fund	114,632
		$ 2,414,632

During the year, operating transfers are used to reallocate or move resources from one fund to another and are reflected on the combining schedule of revenues, expenses and changes in net position.

NOTE 11 - OTHER LIABILITIES

On certain bond issues, the Authority's earnings from the investment of bond proceeds are limited per Federal Income Tax rules. Yields in excess of Federal Limits are payable to the U.S. Treasury and are recorded as a liability. As of December 31, 2021 and 2020, the Authority had no such liability.

NOTE 12 - NET POSITION

Net position consisted of the following (in 000's):

	December 31, 2021	December 31, 2020
General and Capital Reserve Funds:		
Net investment in capital assets	$ 3,309	$ 3,104
General and Capital Reserve Funds	968,564	1,001,413
Other Funds:		
Housing Mortgage Insurance Fund	3,670	3,635
Single Family Special Obligation Bond and Other Bond Funds		4,316
Multifamily Special Obligation Bond and Other Bond Funds	3,203	3,064
Special Needs Housing Funds	31,719	26,797
Qualified Energy Conservation Bonds	513	412
Component Units:		
CHFA-Small Properties, Inc.	1,282	1,168
	$ 1,012,260	$ 1,043,909

NOTE 13 - PENSION PLAN

Plan Description

Eligible employees of the Authority participate in the Connecticut State Employees' Retirement System ("SERS") which is administered by the State Employees' Retirement Commission. SERS is a cost-sharing multiple-employer defined benefit public employee retirement system ("PERS") established in 1939 and governed by Sections 5-152 to 5-192 of the Connecticut General Statutes. Detailed information about the total Plan's funding status and progress, contributions required and fiduciary net position can be found in the Connecticut State Employees' Retirement System GASB Statement 68 Report available at www.osc.ct.gov/rbsd/reports/index.html.

SERS provides retirement, disability and health benefits, and annual cost-of-living allowances to plan members and their beneficiaries. Employees are covered under one of five tiers. All Authority employees are classified as non-hazardous duty. A summary of plan benefits and required contributions for non-hazardous duty members is represented in the following table:

	Tier I	Tier II	Tier IIA	Tier III	Tier IV
Eligibility - hire date	Prior to July 1, 1984	On or after July 1, 1984	On or after July 1, 1997	On or after July 1, 2011	On or after July 1, 2017
Final Average Earnings (FAE)	Average Salary of 3 highest paid years of service	Average Salary of 3 highest paid years of service		Average Salary of 5 highest paid years of service	
Benefit	Plan B 2% of FAE x years of service up to age 65. Thereafter, 1% of FAE up to $4,800 plus 2% of FAE in excess of $4,800. At age 70, greater of 1.25% of FAE up to $4,800 plus 2.5% of FAE in excess of $4,800 x years of service or 1% of FAE up to $4,800 plus 2% of FAE in excess of $4,800 x years of service. Plan C 2% of FAE x years of service. At age 70, greater of 2.5% of FAE x years of service (max 20 years) or 2% of FAE x years of service.	1.4 % of FAE plus 0.433% of FAE in excess of breakpoint x years of service up to a max of 35 years plus 1.625% of FAE x years of service over 35 years			1.3% of FAE x years of service
Vesting	10 years of service	5 years of service	5 years of service	10 years of service	10 years of service
Normal Retirement	Age 55 with 25 years Age 60 with 10 years Age 70 with 5 years	If eligible for retirement prior to July 1, 2022 Age 62 with 10 years Age 60 with 25 years Age 70 with 5 years If NOT eligible for retirement prior to July 1, 2022 Age 65 with 10 year Age 63 with 25 years Age 70 with 5 years		Age 63 with 25 years Age 65 with 10 years	Age 63 with 25 years Age 65 with 10 years
Early Retirement	Age 55 with 10 years	Age 55 with 10 years	Age 55 with 10 years	Age 58 with 10 years	Age 58 with 10 years
Member Contributions (prior to 7/1/17)	Plan B 2% of earnings up to social security wage base plus 5% of earnings above that level Plan C 5% of earnings	None	2% of earnings	2% of earnings	n/a
Member Contributions (Effective 7/1/17 - 6/30/19)	Plan B 3.5% of earnings up to social security wage base plus 5% of earnings above that level Plan C 6.5% of earnings	1.5% of earnings	3.5% of earnings	3.5% of earnings	* 5% of earnings
Member Contributions (Effective 7/1/19)	Plan B 4.0% of earnings up to social security wage base plus 5% of earnings above that level Plan C 7.0% of earnings	2.0% of earnings	4.0% of earnings	4.0% of earnings	* 5% of earnings

** In years where plan asset losses require further increases in contributions, Tier IV employees' contributions may increase by half the necessary increase in rates (up to 2%). All Tier IV employees must contribute 1% to the Defined Contribution (DC) portion of the Hybrid Plan and may elect additional contributions of up to 3% of salary to the DC portion.*

The 2011 State Employees Bargaining Agent Coalition Agreement (Agreement) provides current Tier II and Tier IIA members who remain employed after July 1, 2022, the opportunity for a one-time irrevocable election to retain the normal retirement eligibility in place prior to the Agreement. The election would require an additional employee contribution based on their original eligible retirement date. Under the prior agreement, normal retirement eligibility was age 60 and 25 years of service or age 62 and 10 years of service. All plans provide for death and disability benefits.

The contribution requirements of plan members and the State are established and may be amended by the State legislature subject to the contractual rights established by collective bargaining. Individuals hired on or after July 1, 2011 otherwise eligible for the Alternative Retirement Plan (ARP) are eligible to become members of the Hybrid Plan in addition to their other existing choices. The Hybrid Plan has defined benefits identical to Tier II/IIA and Tier III for individuals hired on or after July 1, 2011, but requires employee contributions 3% higher than the contribution required from the applicable Tier II/IIA/III plan. The State is required to contribute at an actuarially determined rate.

The Authority's contractually required contribution rates for the years ended December 31, 2021 and 2020 were 42.10% and 36.49%, respectively, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were $5,452,202 and $4,802,267 for the years ended December 31, 2021 and 2020, respectively.

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

As of December 31, 2021 and 2020, the Authority reported a liability of $64,880,119 and $70,480,100 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the plan relative to the projected contributions of all participating governmental units. The Authority's proportion was 0.30512% as of June 30, 2021.

For the year ended December 31, 2021, the Authority recognized pension expense of $3,226,244. At December 31, 2021 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,488,938	$
Change of assumptions		119,577
Net difference between projected and actual earnings on pension plan investments		4,574,829
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,618,976	5,099,270
Contributions subsequent to the measurement date	3,018,878	
	$ 11,126,792	$ 9,793,676

Of the total amount reported as deferred outflows of resources related to pensions, $3,018,878 resulting from Authority contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	
2022	$ 258,469
2023	(40,381)
2024	(793,862)
2025	(1,354,031)
2026	244,043
	$ (1,685,762)

Actuarial Assumptions

The total pension liability was determined based on the annual actuarial valuation report prepared as of June 30, 2021. The total pension liability was based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020. The key actuarial assumptions are summarized below:

Inflation	2.50%
Salary increases	3.00% - 11.50% including inflation
Cost of living	1.95% - 3.25%
Investment rate of return	6.9%, net of pension plan investment expense, including inflation

Assumed rates of mortality were obtained from the Pub-2010 Above Median Mortality Tables (Amount-Weighted) projected generationally with MP-2020 improvement scale. These assumptions are applied to all periods included in the measurement.

Investment Rate of Return

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0 %	5.4 %
Developed Markets International Stock Fund	11.0	6.4
Emerging Markets International Stock Fund	9.0	8.6
Core Fixed Income Fund	13.0	0.8
Emerging Market Debt Fund	5.0	3.8
High Yield Bond Fund	3.0	3.4
Real Estate Fund	19.0	5.2
Private Equity	10.0	9.4
Private Credit	5.0	6.5
Alternative Investments	3.0	3.1
Liquidity Fund	2.0	-0.4

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2021 was 6.9%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that contributions from the participating governmental units will be made equal to the difference between the projected actuarially determined contribution and actual member contributions. Projected future benefit payments for all current plan members were projected through the year 2124. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total plan liability and a municipal bond rate was not used in determining the discount rate.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.9%, as well as the what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Authority's proportionate share of net pension liability	$ 78,847,060	$ 64,880,119	$ 53,233,484

Fiduciary Plan Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report of the State of Connecticut.

NOTE 14 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The State provides postemployment healthcare and life insurance benefits in accordance with State statutes, Section 5-257(d) and 5-259(a), to all eligible employees who retire from the State, including employees of the Authority. The benefits are provided through the State of Connecticut State Employee OPEB Plan (the Plan), a cost sharing single-employer defined benefit plan administered by the State of Connecticut. The Plan does not issue stand-alone financial statements, however, financial statements for the Plan are included as part of the State of Connecticut's Annual Comprehensive Financial Report that is publicly available online at https://www.osc.ct.gov/reports/.

Under a cost-sharing plan, OPEB obligations for employees of all employers are pooled, and plan assets are available to pay the benefits of the employees of any participating employer providing OPEB benefits through the plan, regardless of the status of the employers' payment of their OPEB obligation to the plan.

Benefits Provided

When employees retire, the State pays up to 100% of their healthcare insurance premium cost (including dependents' coverage), depending on the plan. The State currently pays up to 20% of the cost for retiree dental insurance (including dependents' coverage) depending on the plan. In addition, the State pays 100% of the premium cost for a portion of the employees' life insurance continued after retirement. The amount of life insurance, continued at no cost to the retiree, is determined based on the number of years of service that the retiree had with the State at the time of retirement as follows: (a) if the retiree had 25 years or more of service, the amount of insurance will be one-half of the amount of insurance for which the retiree was insured immediately prior to retirement, but the reduced amount cannot be less than $10,000; (b) if the retiree had less than 25 years of service, the amount of insurance will be the proportionate amount that such years of service is to 25, rounded to the nearest $100 of coverage. The State finances the cost of postemployment healthcare and life insurance benefits on a pay-as you-go basis through an appropriation in the State's General Fund.

Contributions

In accordance with the Revised State Employees Bargaining Agent Coalition (SEBAC) 2011 Agreement between the State of Connecticut and SEBAC, all employees shall pay a 3% retiree healthcare insurance contribution for a period of 10 years or retirement, whichever is sooner. Participants of Tier I, Tier II and Tier IIA shall be required to have 10 years of actual state service to be eligible for retirement health insurance. Participants of Tier III and Tier IV shall be required to have 15 years of actual state service to be eligible for retirement health insurance. Deferred vested retirees who are eligible for retiree health insurance shall be required to meet the rule of 75, which is the combination of age and actual state service equaling 75 in order to begin receiving retiree health insurance based on applicable SEBAC agreement. Contributions made by the Authority in 2021 and 2020 totaled $2,781,565 and $3,034,471. Contributions made by employees in 2021 and 2020 totaled $471,155 and $557,671.

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

At December 31, 2021 and 2020, the Authority reported a liability of $77,331,488 and $82,371,279 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on the Authority's actuarially required contribution for the year ended June 30, 2021 relative to all other contributing employers. The Authority's proportion was 0.320431% as of June 30, 2021.

For the year ended December 31, 2021, the Authority recognized OPEB expense of $4,944,721. At December 31, 2021 the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 11,574,645	$ 734,751
Net difference between projected and actual earnings on OPEB plan investments		582,813
Changes in proportionate share and difference between amount contributed and proportionate share of contributions	4,418,033	13,874,532
Employer contributions to the plan subsequent to the measurement date	1,540,150	
Difference between expected and actual experience in the total OPEB liability		1,810,246
	$ 17,532,828	$ 17,002,342

Of the total amount reported as deferred outflows of resources related to OPEB, $1,540,150 resulting from Authority contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Authority's OPEB expense as follows:

Year Ending December 31,	
2022	$ (64,284)
2023	642,723
2024	(163,284)
2025	(1,197,585)
2026	(227,234)
	$ (1,009,664)

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using key actuarial assumptions summarized as follows:

Payroll growth rate	3.50%
Salary increases	3.25% - 19.5% varying by years of service
Discount rate	2.31% as of June 30, 2021 2.38% as of June 30, 2020
Healthcare cost trend rates:	
Medical & Prescription drug	6.00% graded to 4.50% over 6 years
Dental	3.00%
Part B	4.50%
Administrative expense	3.00%

Assumed rates of mortality were obtained from the Pub-2010 Above Median Mortality Tables (Amount-Weighted) projected generationally with MP-2020 improvement scale. These assumptions are applied to all periods included in the measurement.

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined by an actuarial analysis. The June 30, 2021 target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0 %	5.6 %
Developed Markets International Stock Fund	11.0	6.0
Emerging Markets International Stock Fund	9.0	7.9
Core Fixed Income	16.0	2.1
Inflation Linked Bonds	5.0	1.1
Emerging Market Debt Fund	5.0	2.7
High Yield Bond Fund	6.0	4.0
Real Estate Fund	10.0	4.5
Private Equity	10.0	7.3
Alternative Investments	7.0	2.9
Liquidity Fund	1.0	0.4

Discount Rate

The discount rate is a blend of the long-term expected rate of return on OPEB Trust assets and a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (2.16% as of June 30, 2021 and 2.21% as of June 30, 2020). The final discount rate used to measure the total OPEB liability was 2.31% as of June 30. 2021. The blending is based on the sufficiency of projected assets to make projected benefit payments.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net OPEB liability calculated using the discount rate of 2.31%, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	1% Decrease (1.31%)	Discount Rate (2.31%)	1% Increase (3.31%)
Authority's proportionate share of net OPEB liability	$ 91,334,580	$ 77,331,488	$ 66,085,707

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the Authority's proportionate share of the net OPEB liability calculated using the current healthcare cost trend rate as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Authority's proportionate share of net OPEB liability	$ 63,859,606	$ 77,331,488	$ 94,739,151

NOTE 15 - COMMITMENTS AND CONTINGENCIES

The Authority is a party to financial instruments with risk in connection with its commitments to provide financing that is not included on the statement of net position. These expose the Authority to credit risk in excess of the amount recognized on the statement of net position. The Authority's exposure to credit loss in the event of nonperformance by the borrowers is represented by the contractual amount of those instruments. The Authority uses the same credit policies in making commitments and conditional obligations as it does for instruments that are included on the statement of net position. Total credit exposure is summarized below (in 000's):

	2021	2020
Mortgage Loan Commitments:		
Home Mortgage Program Purchases	$ 63,742	$ 40,643
Multifamily Development Loans	102,557	128,472
Reverse Annuity Mortgage	54	96
Emergency Mortgage Assistance (EMAP)	1,986	2,900
	$ 168,339	$ 172,111

Commitments to extend credit are agreements to lend to a borrower as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The Authority evaluates each borrower's credit worthiness on a case-by-case basis. The amount of collateral obtained if deemed necessary by the Authority upon extension of credit is based on management's credit evaluation of the counterparty. Collateral held is primarily residential and multifamily properties. Interest rates on approved mortgage loan commitments are fixed.

CHFA has funds committed for initiatives other than mortgage loans.

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

The Authority offers mortgage insurance through the CHFA Insurance Fund. CHFA mortgage insurance is permitted on a case-by-case basis when FHA insurance and VA guarantees are not available and PMI insurance is either not available for the home or has been declined for a reason that would not prevent CHFA from issuing an insurance commitment. The CHFA Insurance Fund receives annual premiums from participating borrowers. The accumulation of these premiums is used to fund any claims. Premiums are collected until the LTV reaches certain thresholds at which such time the insurance coverage is terminated. As of December 31, 2021 and December 31, 2020, the Authority had $11,722,000 and $13,641,000, respectively, of outstanding home mortgage loans that are insured under this program. For the years ended December 31, 2021 and 2020, there were no claims paid from the CHFA Insurance Fund.

NOTE 16 - GRANT PROGRAMS

Pursuant to Public Act No. 05-228 (CIA), the Authority was receiving a 25% distribution of funds held in the State of Connecticut's land protection, affordable housing and historic preservation account for the purpose of supplementing new or existing affordable housing programs. Effective May 28, 2014, and pursuant to Public Act No. 14-45 passed on said date, distribution of these funds was redirected to the State of Connecticut's Department of Housing. The Authority is currently spending down the funds received in prior years.

The rights of certain property owners are protected in Connecticut foreclosure actions by § 8-265cc through 8-265kk of the Connecticut General Statutes known as the Emergency Mortgage Assistance Payment ("EMAP") Program. These provisions allow homeowners the opportunity to avoid foreclosure by enabling them to obtain financial assistance from the State, acting through the Authority. A qualified homeowner may obtain funds under this program to bring a delinquent mortgage current, and may also obtain assistance with subsequent mortgage payments to a maximum period of 60 months. With sufficient funds currently on hand, the Authority received no additional funding during 2021 and 2020, from the State of Connecticut to be used in support of the EMAP program pursuant to a memorandum of understanding between the Authority and the State of Connecticut, Office of Policy and Management. Unspent funds are held by the Authority in escrow until expended on the program. Only when funds are spent are they recognized as program revenue and expenses. During 2011, the Authority issued $20,000,000 in conduit debt under its Special Needs Indenture in support of the EMAP Program. Debt service on these bonds is paid by the State of Connecticut.

In response to the financial hardships resulting from the COVID-19 pandemic, on July 13, 2020, the Governor signed Executive Order No. 7GGG and allowed the Authority to establish the Temporary Mortgage Assistance Program (TMAP); with the program funds being provided by the EMAP program. The TMAP program offered assistance to homeowners with the goal to prevent foreclosure actions. Assistance was subject to borrower eligibility and addressed mortgage payment delinquencies caused by financial hardship due to COVID-19. Being only temporary, the TMAP program expired on January 13, 2021.

In 2021 and 2020, the Authority received $0 and $208,000, respectively, in Comprehensive Counseling ("CC") grant funds from the U.S. Department of Housing and Urban Development; the purpose being to provide counseling and advice to tenants and homeowners to assist them in improving their housing conditions and fulfilling the responsibilities of tenancy or homeownership. The funds were made available through Section 106 of the Housing and Urban Development Act of 1968 and Section 4 of the Department of Housing and Urban Development Act as amended by Title XIV of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the use of which is subject to the terms and conditions of the grant agreement.

The Qualified Energy Conservation Bond ("QECB") program was established under the Economic Stabilization Act of 2008 ("Act") and is governed by certain provisions of the Internal Revenue Code of 1986, as amended ("Code"). Pursuant to the Act and Code, QECBs are qualified tax credit bonds where the U.S. Treasury subsidizes a portion of the bond interest payment equal to 70% of the tax credit bond rate. The interest subsidy due or received in 2021 and 2020 was $216,000 and $228,000, respectively.

The goal of ending chronic homelessness was set when the State of Connecticut's governor signed onto the "Zero:2016" initiative. In furtherance of reaching this goal, the Authority committed to contributing $5,000,000 over ten years to fund supportive housing rental subsidies. The funding is to be made first from State funds on hand resulting from CHFA's administration of the State's supportive housing program. Once the designated State funds are exhausted, Financing Adjustment Factor (FAF) funds obtained from an agreement between the Authority and U.S. Department of Housing and Urban Development (HUD) will be used to fund the balance of the subsidy. In 2021 and 2020, the Authority funded $0 and $500,000, respectively, towards this commitment. $3.25 million remains committed to be spent on this program in future years.

During 2020, the Authority received $1,000,000 from the Federal Home Loan Bank of Boston from their Helping to House New England subsidy program (the Subsidy Program). The Subsidy Program is dedicated to the expansion of affordable rental and homeownership financing throughout the six New England housing finance agencies. Combining the Subsidy Program funds with a $5,000,000 commitment of CHFA funds, the Authority established a Mobile Manufactured Home Refinancing Loan Program. Mobile manufactured housing is an affordable, decent, safe and sanitary housing option. The development of this program furthers the mission of the Authority.

During 2021, the Authority received $100,000 from the Federal Home Loan Bank of Boston from their Helping to House New England Program Grant funds. The grant funds were used to subsidize the reduction of the CHFA down payment assistance loan interest rate to 1% to enable 67 first time homebuyers to lower their cost of homeownership.

In response to COVID-19 related financial hardships affecting tenants' ability to make their monthly housing rental payments, the State of Connecticut through the Department of Housing (DOH) created the Temporary Rental Housing Assistance Program (TRHAP). The Authority, working in conjunction with DOH, assisted with the administration of up to $40,000,000 in funds established by the federal Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020. Eligible tenants received a maximum amount of assistance of $4,000 per household to be used to pay housing rental payment arrearages. The State of Connecticut contributed $2,200,000 to CHFA to be expended in connection with the administration and implementation of the TRHAP program. $1,416,000 and $745,000 of these grant funds were spent through December 31, 2021 and December 31, 2020, respectively.

During 2020, the Authority received a $500,000 grant from Wells Fargo to further fund and support the TRHAP program. Grant funds were used to expedite the temporary rental assistance application process to distribute CARES Act funds to tenants in need; the goal being to prevent housing insecurity and its corresponding ramifications. $246,000 and $254,000 in grant funds were spent through December 31, 2021 and December 31, 2020, respectively.

Section 3206 of the American Rescue Plan Act of 2021, authorized the U.S. Department of the Treasury to help mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities under the Homeowner Assistance Fund Program (HAF). As part of a pilot program, funds were used to assist qualified applicants with payment of delinquent mortgage payments including principal, interest, taxes and other costs the loan servicers incurred to bring the loan current. The Authority received $12,313,679 in HAF funds during 2021, of which $4,940,000 was spent towards this effort through December 31, 2021. The full HAF program will be rolled out in 2022. Under current guidelines, the program will run through September 30, 2026 or until funds are exhausted.

During 2021, the Authority created an Opportunity Fund (OF), using a portion of CHFA's excess revenues from its bond program. The Opportunity Fund supports programs and mission driven initiatives that are in need of additional financing in order to move forward. During 2021, the Authority contributed $50,000 from the OF in support of the Housing and Community Development Leadership Institute established to train community development professionals in the fields of housing and community development, in order to develop leadership and production skills in these areas. $50,000 in additional funds are committed to be spent in 2022 in support of this program.

The United States Treasury's Community Development Financial Institutions Fund created the Capital Magnet Fund Program (CMF Program) in order to spur investment in affordable housing and related economic development efforts to revitalize neighborhoods across the country by serving low-income families and communities. The Authority was awarded a $3,000,000 grant from the CMF Program. CHFA contributed $3,000,000 in matching funds. The $6,000,000 in total funds were used to form an Affordable Housing Fund. Affordable Housing Program funds are to be used to support the creation of deeply affordable housing units in the Low-Income Housing Tax Credit Program.

Activity under these programs for the years ended December 31, 2021 and 2020 is summarized below (in 000's):

	2021 Program Funding	2021 Program Expenses	Net
PA 05-228	$	$ 606	$ (606)
EMAP/TMAP	221	221	
QECB	216	216	
FHLB-DAP	100		100
TRHAP-DOH	1,416	1,416	
TRHAP-WF	246	246	
HAF	4,940	4,940	
OF		50	(50)
CMF	3,000		3,000
	$ 10,139	$ 7,695	$ 2,444

	2020 Program Funding	2020 Program Expenses	Net
PA 05-228	$	$ 169	$ (169)
EMAP/TMAP	533	533	
CC	208	208	
QECB	228	228	
ZERO 16	350	500	(150)
FHLB-MOBILE HOME REFI	1,000		1,000
TRHAP-DOH	745	745	
TRHAP-WF	254	254	
	$ 3,318	$ 2,637	$ 681

NOTE 17 - RISK MANAGEMENT

The Authority is subject to normal risks associated with its operations including property damage, personal injury and employee dishonesty. All risks are managed through the purchase of commercial insurance. There are two pending claims, neither of which are expected to exceed insurance coverage limits if and when settled. There have been no losses exceeding insurance coverage, and there have been no decreases in insurance coverage over the last three years.

NOTE 18 - SUBSEQUENT EVENTS

On February 22, 2022 and March 7, 2022, the Authority redeemed $79,000,000, $2,300,000, respectively, of various series of outstanding bonds held under the Bond Resolution.

On March 24, 2022, the Authority issued 2022 Series A bonds in the amount of $203,900,000 under the Bond Resolution. The bond proceeds were used to refund a portion of the Authority's outstanding bonds and to fund the purchase of single family whole loans and mortgage backed securities. On March 1, 2022, CHFA entered into a Stand-By Bond Purchase Agreement with TD Bank, N.A. to secure the liquidity needs for 2022 Series A, Subseries A-3 bonds with the principal balance of $20,000,000. Additionally, on March 24, 2022, CHFA entered into a Remarketing Agreement with TD Securities, LLC to secure the remarketing needs of 2022 Series A Subseries A-3 bonds.

On March 23, 2022, the Authority entered into a new swap agreement with Bank of New York Mellon. The agreement is effective March 24, 2022 with a notional balance of $15,000,000. This is a bullet swap with a termination date of May 15, 2031. The Authority pays 2.1725% fixed and receives SIFMA.

CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM (SERS)
LAST EIGHT YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.30512%	0.29711%	0.33545%	0.31308%	0.31830%	0.30322%	0.39732%	0.34574%
Proportionate share of the net pension liability	$ 64,880,119	$ 70,480,100	$ 76,523,904	$ 67,896,479	$ 67,069,565	$ 69,628,178	$ 65,653,502	$ 55,368,069
Covered payroll	$ 12,950,455	$ 13,160,654	$ 13,226,621	$ 13,256,124	$ 13,305,309	$ 12,735,488	$ 12,402,952	$ 11,599,923
Proportionate share of the net pension liability as a percentage of its covered payroll	500.99%	535.54%	578.56%	512.19%	504.08%	546.73%	529.34%	477.31%
Plan fiduciary net position as of percentage of total pension liability	44.55%	35.84%	36.79%	36.62%	36.25%	31.69%	39.23%	39.54%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CONNECTICUT STATE EMPLOYEES RETIREMENT SYSTEM (SERS)
LAST EIGHT YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 5,452,202	$ 4,802,267	$ 5,294,507	$ 4,517,904	$ 4,909,189	$ 4,553,783	$ 5,449,857	$ 4,387,091
Amount contributed in relation to contractually required contribution	5,452,202	4,802,267	5,294,507	4,517,904	4,909,189	4,553,783	5,449,857	4,387,091
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 12,950,455	$ 13,160,654	$ 13,226,621	$ 13,256,124	$ 13,305,309	$ 12,735,488	$ 12,402,952	$ 11,599,923
Contributions as a percentage of covered payroll	42.10%	36.49%	40.03%	34.08%	36.90%	35.76%	43.94%	37.82%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule

Changes in assumptions:

	2021	2020	2019	2018	2017	2016	2015	2014
Investment rate of return (net of pension plan investment expense, including inflation)	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	8.00%	8.00%
Salary increases	3.00% - 11.5%	3.50% - 19.5%	3.50% - 19.5%	3.50% - 19.5%	3.50% - 19.5%	3.50% - 19.5%	4.00% - 20.0%	4.00% - 20.0%
Cost of living adjustments	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	1.95% - 3.25%	2.25% - 3.25%	2.30% - 3.60%	2.30% - 3.60%
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%

CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
LAST SIX YEARS*

	2021	2020	2019	2018	2017	2016
Proportion of the net OPEB liability	0.320431%	0.349907%	0.418651%	0.365767%	0.390046%	0.380742%
Proportionate share of the net OPEB liability	$ 77,331,488	$ 82,371,279	$ 78,547,288	$ 63,147,471	$ 67,722,049	$ 65,649,161
Covered payroll	$ 12,950,455	$ 13,160,654	$ 13,226,621	$ 13,256,124	$ 13,305,309	$ 12,735,488
Proportionate share of the net OPEB liability as a percentage of its covered payroll	597.13%	625.89%	593.86%	476.36%	508.99%	515.48%
Plan fiduciary net position as of percentage of total OPEB liability	8.35%	6.13%	5.99%	4.69%	3.03%	1.94%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CONNECTICUT HOUSING FINANCE AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
EMPLOYEES' OTHER POST EMPLOYMENT BENEFIT PLAN
LAST SIX YEARS*

	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 2,781,565	$ 3,034,471	$ 3,152,196	$ 2,933,060	$ 2,603,173	$ 2,317,169
Amount contributed in relation to contractually required contribution	2,781,565	3,034,471	3,152,196	2,933,060	2,603,173	2,317,169
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 12,950,455	$ 13,160,654	$ 13,226,621	$ 13,256,124	$ 13,305,309	$ 12,735,488
Contributions as a percentage of covered payroll	21.48%	23.06%	23.83%	22.13%	19.56%	18.19%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule

Changes in assumptions:

	2021	2020	2019	2018	2017	2016
Payroll growth rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%
Salary increases	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%	3.25% - 19.5%
Discount rate	2.31%	2.38%	3.58%	3.95%	3.68%	3.74%
Health care cost trend rates:						
Medical	6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	6.5% graded to 4.5% over 4 years	6.5% graded to 4.5% over 4 years	6.5% graded to 4.5% over 4 years	5.00%
Prescription drug	6.0% graded to 4.5% over 6 years	6.0% graded to 4.5% over 6 years	8.0% graded to 4.5% over 7 years	8.0% graded to 4.5% over 7 years	8.0% graded to 4.5% over 7 years	10.0% graded to 5.0% over 5 years
Dental and Part B	3.0% / 4.5%	3.0% / 4.5%	4.50%	4.50%	4.50%	5.00%
Administrative expense	3.00%	3.00%	3.00%	3.00%	3.00%	$250 per participant

EXHIBIT I

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2021
(in 000's)

		Other Funds					Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Single Family Special Obligation Bond and Other Bond Funds	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned	Eliminations	Combined Total
Assets									
Restricted current assets:									
Cash and cash equivalents	$ 285	$	$	$	$	$	$	$	$ 285
Mortgage loans receivable	177,902			707	4,466	428			183,503
Investments in securities	1,069,633	3,670		7,438	66,316	1,080	830		1,148,967
Real estate owned - multifamily							2,300		2,300
Accrued interest receivable on:									
Mortgage loans	11,969			191	350	17			12,527
Securities	4,965			1	12				4,978
Due from other funds/component units	2,415							(2,415)	
Accounts receivable and other assets	34,932				765		560		36,257
Total current assets	1,302,101	3,670	-	8,337	71,909	1,525	3,690	(2,415)	1,388,817
Restricted noncurrent assets:									
Mortgage loans receivable, net of current portion	2,299,162			47,320	61,451	7,170			2,415,103
Investments in securities, net of current portion	2,335,213				1,274				2,336,487
Capital assets, net of depreciation	3,309								3,309
Real estate owned - single family	2,293								2,293
Total noncurrent assets	4,639,977	-	-	47,320	62,725	7,170	-	-	4,757,192
Total assets	5,942,078	3,670	-	55,657	134,634	8,695	3,690	(2,415)	6,146,009
Deferred Outflows of Resources									
Unamortized deferral on bond refundings	71,070								71,070
Deferred amount for OPEB	17,533								17,533
Deferred amount for pensions	11,127								11,127
Total deferred outflows of resources	99,730	-	-	-	-	-	-	-	99,730
Liabilities									
Current liabilities:									
Escrow deposits and unearned revenue	42,379			904	4,733	583			48,599
Due to other funds/component units				115			2,300	(2,415)	
Accrued interest payable	14,733			45	90	33			14,901
Accounts payable and accrued liabilities	5,924				766		108		6,798
Line of credit payable	144,065								144,065
Bonds payable	493,400			826	2,915	452			497,593
Total current liabilities	700,501	-	-	1,890	8,504	1,068	2,408	(2,415)	711,956
Noncurrent liabilities									
Escrow deposits and unearned revenue, net of current portion	120,381			2,887	32,406				155,674
Bonds payable, net of current portion	3,934,260			47,677	62,005	7,114			4,051,056
Derivative instruments - interest rate swaps	118,936								118,936
Net OPEB liability	77,331								77,331
Net pension liability	64,880								64,880
Total noncurrent liabilities	4,315,788	-	-	50,564	94,411	7,114	-	-	4,467,877
Total liabilities	5,016,289	-	-	52,454	102,915	8,182	2,408	(2,415)	5,179,833
Deferred Inflows of Resources									
Deferred amount for OPEB	17,002								17,002
Deferred amount for pensions	9,794								9,794
Derivative financial Instruments	26,850								26,850
Total deferred inflows of resources	53,646	-	-	-	-	-	-	-	53,646
Net Position									
Net investment in capital assets	3,309								3,309
Restricted by bond indentures and/or enabling legislation	968,564	3,670		3,203	31,719	513	1,282		1,008,951
Total Net Position	$ 971,873	$ 3,670	$ -	$ 3,203	$ 31,719	$ 513	$ 1,282	$ -	$ 1,012,260

EXHIBIT I

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2020
(in 000's)

	Other Funds						Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Single Family Special Obligation Bond and Other Bond Funds	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned	Eliminations	Combined Total
Assets									
Restricted current assets:									
Cash and cash equivalents	$ 525	$ 1	$	$	$ 61	$	$	$	$ 587
Mortgage loans receivable	140,006		762	676	3,899	400			145,743
Investments in securities	907,950	3,634	9,409	7,254	60,930	1,025	829		991,031
Real estate owned - multifamily							2,300		2,300
Accrued interest receivable on:									
Mortgage loans	12,836		113	194	348	11			13,502
Securities	5,587		1		11				5,599
Due from other funds/component units	8,066							(8,066)	
Accounts receivable and other assets	28,242		369		759		438		29,808
Total current assets	1,103,212	3,635	10,654	8,124	66,008	1,436	3,567	(8,066)	1,188,570
Restricted noncurrent assets:									
Mortgage loans receivable, net of current portion	2,480,244		20,074	48,027	56,990	7,599			2,612,934
Investments in securities, net of current portion	2,538,161		11,065		1,451				2,550,677
Capital assets, net of depreciation	3,104								3,104
Real estate owned - single family	4,420		457						4,877
Total noncurrent assets	5,025,929	-	31,596	48,027	58,441	7,599	-	-	5,171,592
Total assets	6,129,141	3,635	42,250	56,151	124,449	9,035	3,567	(8,066)	6,360,162
Deferred Outflows of Resources									
Unamortized deferral on bond refundings	75,739				25				75,764
Derivative financial Instruments	39,923								39,923
Deferred amount for OPEB	23,979								23,979
Deferred amount for pensions	12,869								12,869
Total deferred outflows of resources	152,510	-	-	-	25	-	-	-	152,535
Liabilities									
Current liabilities:									
Escrow deposits and unearned revenue	32,221			813	3,986	583			37,603
Due to other funds/component units			5,650	116			2,300	(8,066)	
Accrued interest payable	16,385		35	46	109	36			16,611
Accounts payable and accrued liabilities	5,319		13		760		99		6,191
Bonds payable	437,645		4,820	790	2,780	438			446,473
Total current liabilities	491,570	-	10,518	1,765	7,635	1,057	2,399	(8,066)	506,878
Noncurrent liabilities									
Escrow deposits and unearned revenue, net of current portion	119,574			2,870	32,207				154,651
Bonds payable, net of current portion	4,311,965		27,416	48,452	57,835	7,566			4,453,234
Derivative instruments - interest rate swaps	176,384								176,384
Net OPEB liability	82,371								82,371
Net pension liability	70,480								70,480
Total noncurrent liabilities	4,760,774	-	27,416	51,322	90,042	7,566	-	-	4,937,120
Total liabilities	5,252,344	-	37,934	53,087	97,677	8,623	2,399	(8,066)	5,443,998
Deferred Inflows of Resources									
Deferred amount for OPEB	16,168								16,168
Deferred amount for pensions	8,622								8,622
Total deferred inflows of resources	24,790	-	-	-	-	-	-	-	24,790
Net Position									
Net investment in capital assets	3,104								3,104
Restricted by bond indentures and/or enabling legislation	1,001,413	3,635	4,316	3,064	26,797	412	1,168		1,040,805
Total Net Position	$ 1,004,517	$ 3,635	$ 4,316	$ 3,064	$ 26,797	$ 412	$ 1,168	$ -	$ 1,043,909

EXHIBIT II

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021
(in 000's)

		Other Funds					Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Single Family Special Obligation Bond and Other Bond Funds	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned	Eliminations	Combined Total
Operating Revenues									
Interest on mortgage loans	$ 116,339	$	$ 156	$ 2,251	$ 3,949	$ 211	$	$	$ 122,906
Interest on investments	64,477	4	7	4	91		1	(1,874)	62,710
Fees and other income	18,241	31			151		113		18,536
Total operating revenues	199,057	35	163	2,255	4,191	211	114	(1,874)	204,152
Operating Expenses									
Interest	125,759		694	1,924	1,855	110		(1,874)	128,468
Bond issuance costs	7,458				659				8,117
Servicer fees	7,838		22						7,860
Administrative	35,752		41						35,793
Reduction to loss reserves	(16,150)								(16,150)
Total operating expenses	160,657	-	757	1,924	2,514	110	-	(1,874)	164,088
Operating Income (Loss)	38,400	35	(594)	331	1,677	101	114	-	40,064
Nonoperating Revenues (Expenses)									
Actuarial assumption changes pension and OPEB	446								446
Net decrease in the fair value of investments	(73,825)		(704)		(74)				(74,603)
State and federal program funding	10,139								10,139
State and federal program expenses	(7,695)								(7,695)
Nonoperating income (loss)	(70,935)	-	(704)	-	(74)	-	-	-	(71,713)
Income (Loss) before Transfers	(32,535)	35	(1,298)	331	1,603	101	114		(31,649)
Operating Transfers In (Out)	(109)	-	(3,018)	(192)	3,319	-	-	-	-
Change in Net Position	(32,644)	35	(4,316)	139	4,922	101	114		(31,649)
Net Position - Beginning of Year	1,004,517	3,635	4,316	3,064	26,797	412	1,168	-	1,043,909
Net Position - End of Year	$ 971,873	$ 3,670	$ -	$ 3,203	$ 31,719	$ 513	$ 1,282	$ -	$ 1,012,260

EXHIBIT II

CONNECTICUT HOUSING FINANCE AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020
(in 000's)

		Other Funds					Component Units		
	General & Capital Reserve Funds	Housing Mortgage Insurance Fund	Single Family Special Obligation Bond and Other Bond Funds	Multifamily Special Obligation Bond and Other Bond Funds	Special Needs Housing Funds	Qualified Energy Conservation Bond Fund	Multifamily Real Estate Owned	Eliminations	Combined Total
Operating Revenues									
Interest on mortgage loans	$ 119,049	$	$ 3,625	$ 2,278	$ 3,783	$ 224	$	$	$ 128,959
Interest on investments	74,571	20	194	24	187		5	(2,349)	72,652
Fees and other income	13,286	56					129		13,471
Total operating revenues	206,906	76	3,819	2,302	3,970	224	134	(2,349)	215,082
Operating Expenses									
Interest	137,114		4,706	1,952	2,429	117		(2,349)	143,969
Bond issuance costs	5,966								5,966
Servicer fees	6,980		315						7,295
Administrative	34,625		141						34,766
Provision for losses	3,866		(42)						3,824
Total operating expenses	188,551	-	5,120	1,952	2,429	117	-	(2,349)	195,820
Operating Income (Loss)	18,355	76	(1,301)	350	1,541	107	134	-	19,262
Nonoperating Revenues (Expenses)									
Actuarial assumption changes pension and OPEB	(6,066)								(6,066)
Net increase in the fair value of investments	118,884		402		58				119,344
State and federal program funding	3,318								3,318
State and federal program expenses	(2,637)								(2,637)
Nonoperating income (loss)	113,499	-	402	-	58	-	-	-	113,959
Income (Loss) before Transfers	131,854	76	(899)	350	1,599	107	134		133,221
Operating Transfers In (Out)	(1,722)	-	-	(195)	1,917	-	-	-	-
Change in Net Position	130,131	76	(899)	155	3,516	107	134		133,221
Net Position - Beginning of Year- as restated	874,385	3,559	5,215	2,909	23,281	305	1,034	-	910,688
Net Position - End of Year	$ 1,004,517	$ 3,635	$ 4,316	$ 3,064	$ 26,797	$ 412	$ 1,168	$ -	$ 1,043,909

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APPENDIX C

SUMMARY OF CERTAIN FEDERAL HOUSING SUBSIDY AND MORTGAGE INSURANCE OR GUARANTEE PROGRAMS

Introduction

The United States Department of Housing and Urban Development ("HUD"), created by the Housing and Urban Development Act of 1965, is responsible for the administration of various Federal programs authorized under the National Housing Act of 1934, as amended, and the United States Housing Act of 1937, as amended. The Department of Veterans Affairs ("VA") administers the mortgage guaranty program authorized under the Servicemen's Readjustment Act of 1944, as amended. These programs may be financed by annual appropriations from Congress, as well as by mortgage insurance premiums and fees; subsidies and insurance payments are in some cases made from trust funds established under the various programs.

Following is a summary of such of these programs as they affect mortgages that the Authority has financed or intends to finance under the Housing Mortgage Finance Program.

The Section 8 Housing Assistance Payments Program

The Section 8 program is administered by HUD and authorizes payments to the owners of qualified housing units. The housing assistance payments to the owner represent the differences between the "contract rents" for all eligible units in a rental dwelling, as established by HUD from time to time, and the eligible tenants' rental contributions, generally 30% of family income. Housing assistance payments provide a subsidy for the benefit of low income families (defined generally as families whose annual income does not exceed 80% of median income for the area as determined by HUD) and very low income families (defined as families whose annual income does not exceed 50% of the median income for the area as determined by HUD). Pursuant to amendments to the United States Housing Act of 1937 effected by the Housing and Community Development Amendments of 1981 (the "1981 Amendments"), as amended, not more than 25% of the dwelling units which were available for occupancy under public housing Annual Contributions Contracts and Section 8 HAP Contracts before the effective date of the 1981 Amendments and that are leased thereafter shall be available for leasing by low income families other than very low income families; and not more than 15% of the dwelling units which became available for occupancy under public housing Annual Contributions Contracts and Section 8 HAP Contracts after the effective date of the 1981 Amendments shall be available for leasing by low income families other than very low income families. Subsequent legislation requires that not less than 40% of the dwelling units that become available for occupancy in any fiscal year shall be available for leasing only by families whose annual income does not exceed 30% of area median income (as determined by HUD and adjusted for family size) at the time of admission.

Subsidy Contracts. The payment of subsidies under the Section 8 program is generally made pursuant to two contracts entered into with respect to each development assisted under such program: an annual contributions contract ("ACC"), between HUD and the Authority, and a housing assistance payments contract (the "HAPC") between the Authority and the owner of the development. The ACC obligates HUD, upon receipt of satisfactory evidence of completion of construction, to provide funds to the Authority with which to make housing assistance payments to the owner pursuant to the HAPC.

The Section 8 subsidy program is administered by eligible governmental units responsible for the administrative aspects of the Section 8 program. Allocations of Section 8 subsidies given by HUD to the Authority or to local housing agencies have been contracted with developers to develop multifamily housing to be occupied by eligible tenants. When the Authority or a local housing agency receives a Section 8 subsidy allocation, it enters into an ACC with HUD. The developer may also execute an HAPC directly with HUD, and, in such case, no ACC is executed. The Authority has acted as mortgagee for developments receiving subsidies under all of the above described situations.

The ACC establishes the maximum annual amount of the housing assistance payments to be made by HUD for the account of the owner of a development. This amount may not exceed the total of the contract rents, plus utilities allowances approved by HUD for all the Contract units in the project. If the amount of housing assistance

payments actually disbursed under an ACC in any given year is less than the total available amount, the excess (initially an amount equal to the portion of the contact rents payable by the tenants) is required to be set aside by HUD in an account for the particular development, known as a "project account," and will be available for future years to fund increases in contract rents for the development, decreases in family income or other costs authorized or approved by HUD. If and when a project account falls below a specified level, HUD is committed under the ACC to reserve or allocate available contributions to the extent necessary to provide for such increases. Other funds may be available for such purpose. It is possible that such action would require the Secretary of HUD to request additional appropriations from Congress. Since such appropriations would be at the discretion of Congress, no assurance can be given that such appropriations would be made.

The HAPC is approved by HUD upon receipt of satisfactory evidence from the Authority of completion of construction. The HAPC for the uninsured developments is for an initial term of twenty years and, unless the owner and the Authority agree to terminate, is automatically renewed for additional five year terms, not to exceed 30 or 40 years overall or the term of the mortgage loan, whichever is less. By the assignment of the HAPC to the Authority the owners are required to renew the HAPC. An ACC remains in effect for as long as the HAPC is in effect. In the case of insured developments, the term of the HAPC is generally twenty years. The Authority allows the term of the HAPC to be shorter than the term of the insured mortgage loan, and in the case of uninsured developments the Authority generally requires the term of the HAPC to be equal to the term of the mortgage loan.

Amount and Payment of Subsidy. The contract rent initially established for each unit in a development is intended to be at a level sufficient to pay the debt service and operating costs (and, in most cases, a return to the owner) attributable to such unit in its first year of operation. Contract rents are also required to compare reasonably to the rents of comparable unassisted units.

For each assisted unit, the amount of the subsidy actually payable to the Authority for the account of the owner is equal to the contract rent less the payment to be made to the owner by the tenant(s), as approved by HUD. The tenant payment is generally equal to 30% of family income, although each assisted family is generally required to pay a minimum rent of $25 a month. The total rental income from subsidized housing units payable to or for the account of the owner is equal to the contract rent, part being paid by the tenants directly to the owner and the remainder being paid by HUD through the Authority. The proportion of the contract rent actually paid by HUD and that actually paid by tenants may vary depending upon tenant income.

Adjustments of Subsidy Amounts. Increases in contract rents may be granted during the period from HUD approval of the ACC until completion of construction in certain limited circumstances. At least ninety days prior to the estimated completion date of construction, the mortgagor must begin implementation of the Authority's approved marketing plan.

HUD's Section 8 regulations and the HAPC provide that the initial contract rents for the assisted dwelling units in each development may be adjusted annually by HUD pursuant to an annual adjustment factor. Such adjustments may not, however, result in a material difference between the rents charged for subsidized and comparable non subsidized dwelling units except to the extent that the differences existed with respect to the contract rents set at HAPC execution or cost certification, where applicable (the "Initial Difference"). Under current law (Section 8(c)(2)(C) of the United States Housing Act of 1937), "[t]he Secretary may not reduce the contract rents in effect on or after April 15, 1987, for newly constructed, substantially rehabilitated, or moderately rehabilitated projects assisted under this section, unless the project has been refinanced in a manner that reduces the periodic payments of the owner." 42 U.S.C. §1437f(c)(2)(C). Special additional adjustments may be approved by HUD to reflect increases in the actual and necessary expenses of owning and maintaining the development which have resulted from substantial general increases in insurance premiums, real property taxes, utility rates, or similar costs (i.e., assessments and utilities not covered by regulated rates), but only to the extent that the owner or the Authority establishes that such general increases are not compensated for by the automatic annual adjustment.

Notwithstanding the foregoing, if the contract rents for a development exceed the applicable HUD fair market rents ("FMR"s), then contract rents cannot be increased beyond comparable market rents (plus the Initial Difference) as determined by independent appraisals of at least three comparable local developments submitted by the owner. The AAFs for Section 8 units which experienced no turnover in tenants since the preceding HAPC anniversary date would be one percentage point less than the AAFs that would otherwise apply. (See "Recent Developments" below.)

Vacancies and Debt Service. Generally, the Section 8 subsidy is payable with respect to the dwelling unit only when it is occupied by an eligible family. However, the law and regulations provide for payment of the subsidy under certain circumstances when the dwelling unit is not occupied.

Upon occurrence of a vacancy in a dwelling unit, a subsidy amounting to 80% of the contract rent is payable for a vacancy period of sixty days subject to compliance by the sponsor with certain conditions relating primarily to a diligent effort to rent the subsidized unit. The payment of a subsidy with respect to a vacant dwelling unit may continue, after such sixty day period, for up to twelve months in an amount equal to that portion of the contract rent that is attributable to debt service on the permanent financing of the dwelling unit, if a good faith effort is being made to rent the unit, the unit provides decent, safe, and sanitary housing and the owner has demonstrated to the satisfaction of HUD that the project can achieve financial soundness within a reasonable period of time. No such payment may be made if the owner of the development is receiving revenues in excess of the cost incurred by the owner with respect to the development. No restrictions apply to the number of times during the term of the mortgage that the owner may receive benefit of the subsidy for debt service on vacancy units.

The regulations provide that HUD and the Authority may reduce the number of Contract units if the owner fails for a substantial period of time to lease or make available for leasing by eligible families a sufficient percentage of Contract units.

Pledge of Subsidy as Security for the Bonds. HUD regulations permit the sponsor and the Authority to pledge or offer the Federal subsidy payments as security for financing of the developments. The Authority requires the sponsor for each development to pledge or offer as security such Federal subsidy payments, with HUD approval, as security for the mortgage loan on the development by an assignment of the HAPC to the Authority, and in the Resolution, the Authority has pledged the revenues received from the mortgage loans to the payment of the Bonds.

The regulations provide that in the event of foreclosure, or assignment or sale to the Authority in lieu of foreclosure, or in the event of an assignment or sale agreed to by the Authority and approved by HUD (which approval shall not be unreasonably delayed or withheld), subsidy payments will continue in accordance with the HAPC.

Compliance with Subsidy Contracts. The ACC and the HAPC each contain numerous agreements on the part of the Authority and the sponsor.

Housing subsidies will continue as long as the owner complies with the requirements of the HAPC and has leased the assisted units to eligible tenants or has satisfied the criteria for receiving assistance for vacant units. The Authority, which has primary responsibility for administering the HAPC, subject to review and audit by HUD, may require the owner to cure any default under the HAPC and may abate housing assistance payments and recover overpayments pending remedy of the default. If the default is not cured, the Authority may terminate the HAPC or take other corrective actions, in its discretion or as directed by HUD. HUD has an independent right to determine whether the owner is in default and to take corrective action and apply appropriate remedies.

If HUD determines that the Authority has failed to fulfill its obligations, HUD may, after notice to the Authority giving it a reasonable opportunity to take corrective action, require that the Authority assign to it all rights under the HAPC.

In the event that construction or rehabilitation is not commenced, diligently continued, or completed in accordance with the Authority's agreement with the owner to enter into an HAPC upon completion of construction, HUD, or the Authority with HUD approval, may rescind the agreement or take other appropriate action.

Over the years there have been numerous proposals and pronouncements from Members of Congress, the Administration and HUD officials which address the future of HUD and the various programs operating pursuant to Section 8 of the 1937 Housing Act. The primary subject of these proposals and pronouncements have been projects which have FHA-insured mortgages with terms ranging from 30 to 40 years and which have Section 8 HAPC's with substantially shorter terms. Efforts to address this subject are often referred to, generally and without specific import, as "Portfolio Reengineering" or "Mark to Market." The purpose of these programs is primarily the restructuring of Section 8 assistance to match current market rents and, for FHA-insured mortgage loans, restructuring through partial prepayments of such mortgage loans. Express exemptions from restructuring are provided for mortgages originated under state and local governmental lending programs if in conflict with applicable law or agreements.

FHA Insurance Programs

Mortgages may be insured by the Federal Housing Administration ("FHA") of the U.S. Department of Housing and Urban Development ("HUD") pursuant to Section 203(b) of the National Housing Act of 1937, as amended, and the regulations promulgated thereunder at 24 C.F.R. Part 203. Such regulations provide that insurance benefits are payable only upon foreclosure (or other acquisition of possession and title) and conveyance of title to the mortgaged premises to the Secretary of Housing and Urban Development ("Secretary"). Assignment of a defaulted loan to FHA is no longer permitted, other than for those requests made prior to April 26, 1996. However, recently enacted loss mitigation options allow partial claim as a homeowner retention tool.

For loans originated after October 1994, home buyers under the Section 203(b) Program are required to pay an up-front mortgage insurance premium of 2.25%. In addition, an annual risk based premium is assessed based on the amount of down payment. For loans originated after 1994, a 0.5% fee would be assessed over 11 years if the initial loan to value (LTV) ratio is less than 90%, 30 years if the LTV is at least 90% but not more than 95% and, with an increase in premium to 0.55%, 30 years if the LTV exceeds 95%. The National Housing Act also requires that the principal amount of the mortgage loan not be in excess of 96.5% of the appraised value of the residence, plus the amount of the mortgage insurance premium paid at the time the mortgage is insured.

The National Housing Act regulations promulgated thereunder give discretionary authority to the Secretary to settle claims for insurance benefits in cash, in debentures or in a combination of both. The current FHA policy, subject to change at any time, is to make insurance payments in cash unless the mortgagee specifically requests payment in debentures. Debentures issued in satisfaction of an insurance claim have a term of 20 years, and bear interest at the HUD debenture interest rate in effect under the regulations as of the date of issuance of the insurance commitment, or of the initial endorsement of the mortgage note for insurance, whichever rate is higher.

When entitlement to insurance benefits results from foreclosure or other acquisition of possession and conveyance of title to FHA, the insurance payment is computed as of the date of default by the mortgagor, and the mortgagee is compensated for the unpaid principal balance of the loan but generally not for mortgage interest accrued and unpaid prior to that date. The "date of default" is defined as 30 days after the first failure to make a monthly payment which has not been paid subsequently. Since monthly payments are regularly made 30 days in arrears, the mortgagee in collecting insurance benefits can expect to lose sixty days' interest at the mortgage rate. Insurance benefits include interest at the debenture interest rate then in effect covering the period from default to the date of payment; thus, assuming the mortgage interest rate is greater, the mortgagee can also expect to lose the difference between the mortgage interest rate and the debenture interest rate during such period. If insurance benefits are paid in debentures rather than cash, the mortgagee could expect to lose such interest differential over a longer period of time. In addition, in the event the debentures are sold prior to the maturity date thereof, it is likely that the mortgagee could expect to lose a substantial portion of the principal amount thereof. Finally, the mortgagee can expect to lose certain out–of–pocket expenses of securing the property and certain of its foreclosure expenses.

When any property to be conveyed to the Secretary has been damaged by fire, earthquake, flood or tornado, it is required, as a condition to payment of an insurance claim, that such property be repaired prior to such conveyance.

Department of Veterans Affairs Guaranty Program

The Servicemen's Readjustment Act of 1944, as amended, permits a veteran (or in certain instances the spouse and certain qualifying reservists) to obtain a mortgage loan guarantee from the VA covering mortgage financing of the purchase of a one–to–four family dwelling unit at interest rates not in excess of the maximum rates established by VA. The program has no mortgage loan limits, requires no down payment from the purchaser and permits the guarantee of mortgage loans of up to 30 years' duration. The maximum VA mortgage loan guaranty under this program is the lesser of the veteran's available entitlement or: (a) for home and condominium loans up to $45,000, 50% of the original principal amount of the loan; (b) for home and condominium loans over $45,000, and not more than $56,250, $22,500; (c) for home and condominium loans over $56,250 and not more than $144,000, 40% of the original principal amount of the loan up to $36,000; (d) for home and condominium loans over $144,000, the lesser

of the applicable "maximum guaranty amount" or 25% of the original principal amount of the loan; and (e) for manufactured home loans, the lesser of 40% of the original principal amount of the loan or $20,000. The "maximum guaranty amount" generally is 25% of the Freddie Mac conforming loan limit as adjusted. Pursuant to the Housing and Economic Recovery Act of 2008 and the Veterans Benefits Improvement Act of 2008, the "maximum guaranty amount" for loans originated from July 30, 2008 through December 31, 2011 is 25% of the greater of: (a) the Freddie Mac conforming loan limit, as adjusted, and (b) 125% of the area median price for single family residences, but in no case to exceed 175% of the Freddie Mac conforming loan limit, as adjusted. The liability on the guarantee is reduced or increased pro rata with any reduction or increase in the amount of indebtedness, but in no event will the amount payable on the guarantee exceed the amount of the original guarantee. Notwithstanding the dollar and percentage limitations of the guarantee, a mortgage holder will ordinarily suffer a monetary loss only when the difference between the unsatisfied indebtedness and the proceeds of a foreclosure sale of a mortgaged premises is greater than the original guarantee as adjusted. VA may, at its option and without regard to the guarantee, make full payment to a mortgage holder of unsatisfied indebtedness on a mortgage upon its assignment to VA. Under the program, a VA guaranteed Mortgage Loan must be guaranteed in an amount which, together with the down payment by the mortgagor, will at least equal 25% of the lesser of the sales price or the appraised value of the property. Regulations recently adopted by the VA permit mortgage loans to be guaranteed by the VA even though they contain due on sale clauses enforceable in the event that such mortgage loan is assumed by a person who is not an eligible borrower.

Rural Development Guaranteed Rural Housing Loan Program

The United States Department of Agriculture Rural Development (formerly the Farmers Home Administration and Rural Housing Services) ("RD") permits a low to moderate income purchaser of a home in a designated rural area to obtain a mortgage loan guarantee from RD. To qualify, a purchaser's income must not exceed 115% of the median income for the area in which the home is located. RD uses FHA underwriting standards, and loans may not exceed FHA 203(b)(2) loan limits. Interest rates are set by the lenders, the loans have terms of thirty (30) years, and no down payment is required from the purchaser.

RD requires that, in the absence of the consent of the mortgagor, payment of the mortgage loan must be at least 90 days delinquent before the mortgagee may initiate foreclosure proceedings and the mortgagee must send the mortgagor a notice of the foreclosure at least 30 days in advance thereof. The mortgagee must obtain prior RD approval for any liquidation of the property other than by foreclosure. RD also requires that the mortgagee arrange a meeting with the mortgagor before payment on the mortgage loan becomes 60 days delinquent.

Under the RD Guarantee Program, the mortgagee is entitled to payment of the guarantee only after the secured property has been sold at foreclosure or otherwise liquidated in conformity with RD requirements. RD does not accept conveyance of property, but rather pays the mortgagee's claim upon foreclosure. The RD Guarantee Program pays the mortgagee the lesser of (a) any loss equal to 90% of the original principal amount of the loan or (b) any loss in full up to the first 35% of the original principal amount of the loan plus any additional loss on the remaining 65% of the original principal amount of the loan is shared approximately 85% by RD and approximately 15% by the mortgagee. Loss is defined as (i) the outstanding principal balance and accrued interest of the mortgage loan as of the date of the liquidation sale or transfer of the secured property, plus reasonable liquidation costs, minus (ii) the greater of the fair market value of such property or the amount obtained at any foreclosure sale.

Private Mortgage Insurance

The Act provides that in addition to having its loan insured or guaranteed by any department, agency, or instrumentality of the United States of America or public corporation chartered by the Congress of the United States, the Authority may have its loans insured by any insurance company licensed to do business in the State and authorized to underwrite mortgage insurance. The Authority presently allows the use of private mortgage insurance on newly constructed homes, new and existing condominium units, and in certain other circumstances.

The maximum amount insurable by private mortgage insurance companies is 95% of the lesser of the appraised value or selling price of the owner occupied residence. Requirements of borrower equity vary according to percentage of the mortgage to be insured. Although certain companies allow contributed labor or use of a percentage of the value of the land to be improved as equity, the Authority requires that the minimum equity must be in the form of cash or its equivalent.

Delinquencies must be reported to the insurer within four months of default and proceedings to recover title are required to commence within nine months of default. It is also required that prior to presenting a claim under the mortgage insurance, title to the property, free and clear of all liens and encumbrances, including any right of redemption by the mortgagor, must be acquired and tendered to the insurer. When such a claim is presented, the insurer will either pay the claim in full and take the title to the property or pay to the insured the percentage of the claim and allow the insured to retain title to the property. The percentage of the mortgage insurance varies with the percentage of the mortgage from 25% insurance coverage for a 95% mortgage to 12% insurance coverage for an 80% or less mortgage.

When any property conveyed to a private mortgage insurer or subject to a mortgage to be assigned to such insurer has been damaged by any cause, whether by accidental means or otherwise, it generally is required, as a condition to payment of an insurance claim, that such property be restored to its condition at the time such insurance was issued, excepting reasonable wear and tear, prior to such conveyance or assignment.

The amount of loss payable generally consists of the following: the unpaid principal balance plus accrued interest, usual and customary attorney's' fees, real estate taxes, hazard and private mortgage insurance premiums necessarily advanced by the insured, expenses incurred in preservation and maintenance of the property, and other costs and expenses incurred to acquire title to the property.

The foregoing description of certain programs is only a brief outline and does not purport to summarize or describe all of the provisions of these programs. For a more complete description of the terms of these programs, reference is made to the provisions of the contracts embodied in the regulations of the FHA and the VA, respectively, and of the regulations, master insurance contracts, and other information concerning various private mortgage insurers.

On July 29, 1998, Congress enacted the Homeowners Protection Act of 1998 (the "Homeowners Protection Act"). This legislation, which applies only to mortgage loans consummated on or after July 29, 1999, permits mortgagors to cancel private mortgage insurance once the principal balance of the mortgage loan reaches 80% of the original value of the mortgaged property and requires automatic termination of private mortgage insurance once the principal balance of the mortgage loan reaches 78% of the original value of the mortgaged property. Original value is defined as "the lesser of the sales price of the property securing the mortgage, as reflected in the contract, or the appraised value at the time at which the subject residential mortgage transaction was consummated." Cancellation of private mortgage insurance by the mortgagor may only occur if, in addition to the foregoing, the mortgagor has a good payment history and, if requested by the mortgagee, provides evidence that the value of the property securing the mortgage has not declined below its original value and certifies that the equity of the mortgagor in the residence securing the mortgage is unencumbered by a subordinate lien. Automatic termination of private mortgage insurance will only occur if, in addition to the 78% loan to value ratio requirement described above, on the termination date the mortgagor is current with respect to its payments under the terms of the mortgage. Although the Homeowners Protection Act applies only to mortgage loans consummated on or after July 29, 1999, the Authority has determined to implement the provisions of such legislation, substantially in the form described above, on a retroactive, as well as prospective, basis.

Low Income Housing Tax Credit Program

The Authority has issued Bonds to finance developments which are to receive, or have received, low income housing tax credits. See "THE HOUSING MORTGAGE FINANCE PROGRAM - Multifamily Mortgage Loans - Multifamily Mortgage Loan Portfolio." The Code provides for credits to owners of residential rental projects providing low income units. The credits are taken annually for a term of ten years, beginning with the tax year in which the project is placed in service or, at the owner's election, the next tax year.

Twenty percent or more of the units in an eligible project must be occupied by tenants whose incomes are 50% or less of the area median gross income, as adjusted for family size, or 40% or more of the units in the project must be occupied by tenants whose incomes are 60% or less of such area median gross income, as so adjusted. Each building in the project must comply with these income restrictions by the end of the first taxable year for which the owner commences claiming the credit. The owner may designate more than 20% or 40%, as the case may be, of the units in the project as low income units.

With the passage of the Consolidated Appropriations Act of 2018, owners may elect to use an Income Average Test to meet a project's minimum set aside under Section 42 requirements. Units may be designated at

income limits exceeding 60% of area medium income provided the average of the designated qualified units does not exceed 60% of area medium income.

The gross rent (including an allowance for any utilities paid directly by the tenant) charged to a tenant in a qualifying low income unit may not exceed 30% of the maximum qualifying income.

In the event that the income of a family occupying a low income unit exceeds the maximum qualifying income up to 140% (170% in the case of a deep rent skewed unit) of the Area Medium Income (AMI) or in the event that a low income unit becomes vacant, such low income unit shall continue to qualify if no other vacant units of comparable or smaller size in the same building are rented to non-qualifying families.

The project must comply with the income and rent limitations for a minimum period of 15 years. Failure to comply during the first 15 years after the owner commences claiming the credits results in a recapture of a portion of the credit. In addition, the owner must enter into an extended use agreement requiring that the project maintain low income occupancy and meet rent restrictions for an additional 15-year period for the highest percentage of the units receiving tax credits during the credit period. The extended use period terminates in the event of foreclosure, or if, upon the owner's request at the end of the 14th year of the compliance period, the Authority cannot produce a "qualified contract" to purchase the low income portion of the building from a buyer that will agree to continue to operate such portion for the remainder of the extended use period. However, if the extended use period terminates, existing low income tenants are entitled to remain in their units at restricted rents for a period of three years.

GNMA Certificates

GNMA. GNMA is a wholly owned corporate instrumentality of the United States within the Department of Housing and Urban Development. Section 306(g) of Title III of the National Housing Act of 1934, as amended (the "Housing Act"), authorizes GNMA to guarantee the timely payment of the principal of, and interest on, certificates that are based on and backed by a pool of mortgage loans insured by the FHA under the Housing Act, or guaranteed by the RD or VA. Section 306(g) further provides that " [t]he 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 under this subsection."

GNMA Certificates. This summary of the single family mortgage loans originated under the Housing Mortgage Finance Program and assembled into pools guaranteed by the Government National Mortgage Association (the "GNMA Certificates") does not purport to be comprehensive and is qualified in its entirety to the GNMA [I or II] Mortgage backed Securities Guide and to the GNMA Certificates and other documents for full and complete statements of their provisions.

Each GNMA Certificate will be a "modified pass through" mortgage backed certificate issued and serviced by institutions approved by GNMA. Each GNMA Certificate will be backed by a pool of qualifying mortgage loans insured by the FHA or guaranteed by the VA or the RD and will provide for the timely payment to the registered holder of monthly installments of principal and interest. All installments are required to be applied first to interest and then in reduction of the principal balance then outstanding. Interest shall be paid each month for the preceding month, at the specified rate on the unpaid portion of the principal of the GNMA Certificates at the end of the prior month. The amount of principal due on the GNMA Certificates each month shall be in an amount equal to the scheduled principal amortization due on the pooled mortgage loans at the beginning of the month in which the payment under the GNMA Certificates is due. However, payment of principal and interest shall be adjustable as set forth below.

Each of the monthly installments of principal shall be subject to adjustment by reason of any prepayments or other early or unscheduled recoveries of principal on the pooled mortgage loans during the preceding month. In any event, the monthly installments shall be not less than the interest due on the GNMA Certificates at the rate specified in the GNMA Certificates as described above, together with any scheduled installments of principal during such month, whether or not collected by the mortgage lenders, and any prepayments or early recovery of principal during the preceding month. Final payment shall be made only upon surrender of the outstanding GNMA Certificate.

Each GNMA Certificate will be issued under the GNMA I or GNMA II Mortgage Backed Securities Program. Under the GNMA I program, each GNMA originator makes separate monthly payments directly to each holder of GNMA Certificates for each GNMA Certificate held. All mortgages underlying a particular GNMA Certificate must have the same annual interest rate. The annual interest rate on each GNMA Certificate is equal to one half percent less

than the annual interest rate on the mortgage loans included in the pool of mortgages backing such GNMA Certificate. Payments are made directly by the issuer of a GNMA Certificate to the registered holder on the 15th day of each month.

Under the GNMA II program, each GNMA originator makes monthly payments to a central paying and transfer agent which makes one consolidated payment each month to each holder of GNMA Certificates. Mortgages underlying a particular GNMA Certificate may have varying annual interest rates within a prescribed range. The annual interest rate on each GNMA Certificate is equal to one half percent less than the annual interest rate on the mortgage loans included in the pool of mortgages backing such GNMA Certificate. Payments are made by the paying and transfer agent to the registered holder by the 20th day of each month.

GNMA will have approved the issuance of each of the GNMA Certificates in accordance with a guaranty agreement (the "Guaranty Agreement") between GNMA and the mortgage lender originator of such GNMA Certificate. Pursuant to the Guaranty Agreement, the mortgage lender is required to advance its own funds in order to make timely payments of all amounts due on the GNMA Certificate even if the payments received by the mortgage lender on the FHA, RD and the VA mortgage loans backing the GNMA Certificate are less than the amounts due on such GNMA Certificate. Pursuant to the Guaranty Agreement, GNMA guarantees the timely payment of principal of, and interest on, such GNMA Certificate.

If a mortgage lender is unable to make payments on a GNMA Certificate as they become due, it is required to promptly notify GNMA and request GNMA to make such payment. Upon such notification and request, GNMA will make such payments directly to the registered holder of the GNMA Certificate. In the event no payment is made by a mortgage lender and the mortgage lender fails to notify and request GNMA to make such payment, the holder of the GNMA Certificate has recourse only against GNMA to obtain such payment.

Fannie Mae Mortgage Backed Securities Program

Fannie Mae. The Federal National Mortgage Association ("Fannie Mae") is a federally chartered and stockholder owned corporation organized and existing under the Federal National Mortgage Association Charter Act (12 U.S.C. §§1716 et seq.). Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market, and was transformed into a stockholder owned and privately managed corporation by legislation enacted in 1968. Since September 6, 2008, Fannie Mae has been under conservatorship with the Federal Housing Finance Agency ("FHFA"). The Secretaries of HUD and Treasury exercise general regulatory power over Fannie Mae. Fannie Mae provides funds to the mortgage market primarily by purchasing mortgage loans from lenders, thereby replenishing their funds for additional lending. Fannie Mae acquires funds to purchase mortgage loans from many capital market investors that may not ordinarily invest in mortgage loans, thereby expanding the total amount of funds available for housing. In addition, Fannie Mae issues mortgage backed securities primarily in exchange for pools or mortgage loans from lenders.

ALTHOUGH THE SECRETARY OF THE TREASURY OF THE UNITED STATES HAS DISCRETIONARY AUTHORITY TO ADVANCE FUNDS TO FANNIE MAE, NEITHER THE UNITED STATES NOR ANY AGENCY OR INSTRUMENTALITY 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 OR MORTGAGE LOANS (THE "FANNIE MAE MBS PROGRAM"). THE OBLIGATIONS OF FANNIE MAE, INCLUDING ITS OBLIGATIONS UNDER THE FANNIE MAE 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 MBS Program are governed by the MBS Selling and Servicing Guides published by Fannie Mae (the "Fannie Mae Guides"), as modified by the Pool Contract (defined below), and, in the case of the single family mortgage loans described herein, a Trust Indenture dated as of November 1, 1981, as amended, and a supplement thereto to be issued by Fannie Mae in connection with each pool. The Fannie Mae MBS Program is further described in the prospectus issued by Fannie Mae (the "Fannie Mae Prospectus"). The most recent Fannie Mae Prospectus is dated November 1, 1994 and is updated from time to time. No Fannie Mae Prospectus Supplement will be available as to the Fannie Mae Securities.

Information on Fannie Mae and its financial condition is contained in Fannie Mae's most current annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8 K that are filed with the SEC. Fannie Mae files reports, proxy statements and other information with the SEC. Fannie Mae makes available free of charge through its website its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8 K and all other SEC reports and amendments to those reports as soon as reasonably practicable after Fannie Mae electronically files the material with, or furnishes it to, the SEC.

Copies of the Fannie Mae Prospectus and Fannie Mae's most recent annual and quarterly reports and proxy statement are available without charge by mail at 3900 Wisconsin Avenue, N.W., Washington, D.C. 20016 or by telephone at (202) 752 6724.

The summary of the Fannie Mae MBS Program set forth herein does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae Guides as presently in effect, the Fannie Mae Prospectus and the other documents referred to herein, all of which are subject to change at any time by Fannie Mae.

Pool Purchase Contract. It is expected that Fannie Mae and the Servicer will enter into a Pool Purchase Contract (the "Pool Contract"), pursuant to which the Servicer will be permitted to deliver, and Fannie Mae will agree to purchase, pools of Mortgage Loans in exchange for Fannie Mae Securities. The purpose of the Pool Contract is to provide for certain additions, deletions, and changes to the Fannie Mae Guides relating to the purchase of Mortgage Loans. In the event of a conflict between the Pool Contract and the Fannie Mae Guides, the Pool Contract will control. The description set forth below assumes that the Pool Contract will be executed substantially in the form customarily negotiated by Fannie Mae in similar financings as of the date hereof. There can be no assurance that a Pool Contract can be successfully negotiated, and no representation is made as to the amount, if any, of Fannie Mae Securities which will secure the Bonds.

Under the Pool Contract, Fannie Mae will purchase Mortgage Loans eligible under the guidelines set forth in the Fannie Mae Guides which conform to the conditions set forth in the Pool Contract.

Pursuant to the Fannie Mae Guides, the original principal balance of conventional Mortgage Loans to be sold to Fannie Mae was raised to an amount not to exceed $417,000 to be eligible for purchase by Fannie Mae. The Mortgage Loans must be conventional Mortgage Loans with loan to value ratios not in excess of 100% and must otherwise meet the requirements of Fannie Mae. Conventional Mortgage Loans with loan to value ratios exceeding 80% must have the principal amount of the indebtedness in excess of 75% of the appraised value of the home insured by a policy of primary mortgage insurance acceptable to Fannie Mae.

Under the Pool Contract, the 97% loan to value limitation for Mortgage Loans will be based upon the lower of (1) the acquisition cost plus rehabilitation cost, if any, of a home, or (2) the appraised value of a home after completion of any rehabilitation. The maximum combined loan to value ratio shall not exceed 105% where subordinate financing is used that complies with the terms of the Fannie Mae Guides. The Pool Contract also provides that, in underwriting Mortgage Loans for the Fannie Mae Community Lending Products, certain exceptions will be made from the Fannie Mae Guides for down payment requirements and for determining whether a household's income satisfies the requirements for purchase by Fannie Mae.

The Pool Contract obligates the Servicer to service the Mortgage Loans in accordance with the requirements of the Fannie Mae Guides and the Pool Contract.

Fannie Mae Securities. Each Fannie Mae Security will represent the entire interest in a specified pool of Mortgage Loans purchased by Fannie Mae from the Servicer and identified in records maintained by Fannie Mae. The Pool Contract requires that each Fannie Mae Security be in a minimum amount of $250,000, unless otherwise approved by Fannie Mae. The monthly remuneration of the Servicer for its servicing and administrative functions, and the guaranty fee charged by Fannie Mae, are based on the unpaid principal amount of the Fannie Mae Securities outstanding. The Fannie Mae Securities currently carry an interest rate that is fixed at .50% below the interest rate on the underlying Mortgage Loans; the Servicer's servicing fee (equal to .50% of the outstanding principal balance of the Mortgage Loans) are deducted from payments on the Mortgage Loans before payments are passed through to the holder of the Fannie Mae Securities. The Servicer is required to pay the Fannie Mae guaranty fee out of the Servicer's servicing fee it receives.

Fannie Mae will guarantee to the Trustee, as the registered holder of the Fannie Mae Securities, that it will distribute amounts representing scheduled principal and interest at the applicable pass through rate on the Mortgage Loans in the pools represented by such Fannie Mae 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. If Fannie Mae were unable to satisfy such obligations, distributions to the Trustee, as the holder of Fannie Mae Securities, would consist solely of payments and other recoveries on the underlying Mortgage Loans and, accordingly, monthly distributions to the Trustee, as the holder of Fannie Mae Securities, would be affected by delinquent payments and defaults on such Mortgage Loans**.

Payments of Mortgage Loans; Distributions on Fannie Mae Securities. Payments on a Fannie Mae Security will be made to the Trustee on the 25th day of each month (beginning with the month following the month such Fannie Mae Security is issued), or if such 25th day is not a business day, on the first business day next succeeding such 25th day. With respect to each Fannie Mae Security, Fannie Mae will distribute to the Trustee an amount equal to the total of (i) the principal due on the Mortgage Loans in the related pool underlying such Fannie Mae 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, (ii) 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 Loans 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 Trust Indenture), (iii) the amount of any partial prepayment of a Mortgage Loan received in the second month next preceding the month of distribution, and (iv) one month's interest at the pass through rate on the principal balance of the Fannie Mae Security as reported to the Trustee in connection with the previous distribution (or, respecting the first distribution, the principal balance of the Fannie Mae 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.

APPENDIX D

DEFINITIONS OF CERTAIN TERMS

The following terms used in the Resolution and this Official Statement are defined in the Resolution as follows:

Acquired Program Mortgage or Acquired Obligation - shall mean any Mortgage Financed and owned by the Authority under the Housing Mortgage Finance Program and credited to the Bond Proceeds Account or Recoveries of Principal Account maintained pursuant to the Resolution including any Mortgage which the Authority shall substitute for such Mortgage Financed.

Authority - shall mean the Connecticut Housing Finance Authority (formerly the Connecticut Mortgage Authority), a body politic and corporate created by the Act and constituting a public instrumentality and political subdivision of the State pursuant to the Act, or any body, agency, or instrumentality of the State which shall hereafter succeed to the powers, duties and functions of the Authority.

Bond or Bonds - shall mean any Bond or Bonds, as the case may be, authenticated and delivered under the Resolution and authorized and issued pursuant to a Series Resolution.

Bond Facility - shall mean an insurance policy, surety bond or agreement, standby purchase agreement, line of credit, letter of credit or other credit enhancement or liquidity facility entered into for the same or similar purposes, with respect to Bonds, Notes or Other Bonds.

Bondholder or *Holder of Bonds* - shall mean the bearer of any Outstanding coupon Bond or Bonds or the registered owner of any Outstanding Bond or Bonds without coupons.

Business Day - shall mean any day other than (i) a Saturday or Sunday, (ii) a day on which banking institutions located in the State or in any of the cities in which the principal office of the Trustee, any Paying Agent, or, with respect to a particular Series of Bonds, any remarketing agent, or any provider of a Bond Facility for such Series of Bonds is located, are required or are authorized by law or executive order to close, or (iii) a day on which the New York Stock Exchange is closed.

Fees and Charges - shall mean fees and charges fixed and collected by the Authority pursuant to the terms and provisions of Acquired Program Mortgages.

Housing - shall mean a work or undertaking having as its primary purpose the provision of safe and adequate housing of Low and Moderate Income Families and Persons within the State, and shall include residential buildings in urban areas as authorized by Public Act No. 76 118 of the General Assembly of the State of Connecticut and related commercial, office, health, welfare, administrative, recreational, community and service facilities incidental and pertinent thereto as determined by the Authority notwithstanding that said housing provides other dwelling accommodations in addition to the primary purpose of providing dwelling accommodations for Low and Moderate Income Families.

Housing Mortgage Capital Reserve Fund Maximum Requirement - shall mean, as of any particular date of computation, an amount equal to the greatest amount of Principal Installments and Interest Account Requirement maturing and becoming due in the year in which such computation is made or in any single succeeding calendar year on Outstanding Bonds plus an amount equal to the greatest amount of principal and Interest Account Requirement falling due on all Outstanding Other Bonds and retiring all Outstanding Other Bonds required by their terms to be retired in such year or in any such succeeding calendar year.

Housing Mortgage Capital Reserve Fund Minimum Requirement - shall mean, as of any particular date of computation, an amount equal to the amount of Principal Installments and Interest Account Requirement maturing and becoming due in the next succeeding calendar year on Outstanding Bonds plus an amount equal to the principal

and Interest Account Requirement falling due on all Outstanding Other Bonds and retiring all Outstanding Other Bonds required by their terms to be retired in such calendar year.

Housing Mortgage Finance Program - shall mean and include any act or thing done by the Authority for the purpose of alleviating the shortage of, reducing the cost of, and encouraging and assisting the building and rehabilitation of well-planned and well-designed Housing through providing additional construction and permanent financing for housing, by the making of commitments to purchase, and the purchase, servicing and selling of Mortgages, or the making of Mortgage Loans directly upon the security of any Mortgage, provided the underlying Mortgage Loans shall have been made and shall be continued to be used solely to finance or refinance the construction, rehabilitation, purchase or leasing of Housing, provided that the aggregate amount of Mortgages Financed by the Authority which are not insured or guaranteed by any department, agency or instrumentality of the United States of America or the State or the Authority shall not at any one time exceed the amount, if any, provided by law.

Interest Account Requirement - shall mean, as of the date of computation with respect to a Calendar Year, an amount equivalent to the aggregate maximum amount, and for Section 717 purposes, coming due during such Calendar Year on any Interest Payment Date, of (i) interest which may be payable on Outstanding Bonds and (ii) Swap Payments, provided that interest on Variable Interest Rate Bonds or Notes or Swaps shall be calculated in accordance with the Variable Interest Rate Calculation Rate, and further provided that if the Authority shall have entered into one or more Swaps (that is not a Subordinated Swap) with respect to a Variable Interest Rate Bond or Note, then the Bonds or Notes of such series in a principal amount equal to the Notional Amount shall be treated for purposes of this definition as bearing interest for such period at the fixed rate payable by the Authority under such Swap; if the Authority shall have entered into one or more Swaps (that is not a Subordinated Swap) with respect to a Bond or Note that is not a Variable Interest Rate Bond or Note which calls for a Variable Interest Rate Swap Payment by the Authority then the Bonds or Notes of such series in a principal amount equal to the Notional Amount shall be treated for purposes of this definition as a Variable Interest Rate Bond or Note bearing interest for such period at the Variable Interest Rate payable by the Authority under such Swap.

Investment Obligations - means and includes any of the following:

(i) Direct obligations of or obligations guaranteed by the United States of America;

(ii) Any bond, debenture, note, participation or other similar obligation issued by any of the following agencies: Government National Mortgage Association, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, United States Postal Service, Farmer's Home Administration and Export Import Bank;

(iii) Any bond, debenture, note, participation or similar obligation issued by the Federal National Mortgage Association to the extent such obligations are guaranteed by the Government National Mortgage Association or issued by a federal agency backed by the full faith and credit of the United States of America other than as provided in (i) hereof;

(iv) Any other obligation of the United States of America or any federal agencies which may then be purchased with funds belonging to the State or which are legal investments for savings banks in the State;

(v) Public Housing Bonds issued by Public Housing Authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an Annual Contributions Contract or Contracts with the United States of America; or Project Notes issued by Public Housing Authorities or Project Notes issued by Local Public Agencies, in each case, fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(vi) Direct and general obligations of or obligations guaranteed by the State of Connecticut, to the payment of the principal of and interest on which the full faith and credit of the State is pledged, including any investment of the Authority or financial guarantee purchased by the Authority that both (a) has a rating equal to or better than that of the State and for which, pursuant to Section 8-258(g) of the General Statutes, the State has issued a collateralized direct guarantee of the State of the punctual payment of such investment or financial guarantee from the general fund of the State and carrying the full faith and credit pledge of the State, and (b) does not result in a reduction of any rating of the Authority's long term debt;

(vii) Deposits in interest bearing time or demand deposits or certificates of deposit secured by (a) obligations described in (i) hereof, or (b) obligations described in (v) hereof, or (c) obligations described in (vi) hereof;

(viii) Deposits in interest bearing time or demand deposits or certificates of deposit secured by obligations described in (ii), (iii) or (iv) hereof; and

(ix) Participation certificates for the combined investment pool administered by the State Treasurer pursuant to No. 236 of the Public Acts of 1971.

Low and Moderate Income Families and Persons - shall mean families and persons who lack the amount of income necessary as determined by the Authority to rent or purchase safe and adequate housing without special financial assistance not reasonably available.

Monthly Requirement - shall mean the amount of monies needed and required prior to the tenth day of the next succeeding month to pay reasonable or necessary Operating Costs in accordance with the annual budget.

Mortgage - shall mean a mortgage deed, deed of trust or other instrument which shall constitute a first lien on real estate in fee simple or on a leasehold under a lease having a remaining term, at the time such mortgage is acquired, which does not expire for at least that number of years beyond the maturity date of the obligation secured by such mortgage as is equal to the number of years remaining until the maturity date of such obligation or such lesser number of years as may be permitted by the Act then in effect and shall be construed to mean and include the Mortgage Loan secured by a Mortgage.

Mortgage Financed or Financing of Mortgages (or words of similar import) - shall mean a Mortgage purchased by the Authority or a Mortgage Loan made by the Authority under the Housing Mortgage Finance Program or the purchasing of a Mortgage or the making of a Mortgage Loan, all under the Housing Mortgage Finance Program and pursuant to the Resolution.

Mortgage Loan - shall mean an interest bearing loan for Housing under the Housing Mortgage Finance Program secured by a Mortgage and, subject to Sections 707 and 714 of the Resolution, may contain such other terms and be subject to such other conditions as may be required or permitted by the Act as then in effect.

Notional Amount - shall mean the nonpayable or the theoretical principal amount with reference to which Swap Payments and Swap Receipts are calculated, as specified as such for each Swap in the documentation applicable thereto.

Operating Cost - shall mean, as of any particular date, the Authority's operating expenses and all other expenses of carrying out and administering its powers, duties and functions under the Housing Mortgage Finance Program and under the Resolution, including Service Fees on Acquired Program Mortgages for which there is no Servicer, and shall include, without limiting the generality of the foregoing, salaries, supplies, utilities, mailing, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus, insurance premiums, legal, accounting, management, consulting and banking services and expenses, the fees and expenses of the Trustee, Depository and Paying Agents including Costs of Issuance other than Costs of Issuance paid from proceeds of Bonds and payments to pension, retirement, health and hospitalization funds. Operating Costs may also include administrative expenses, insurance premiums, fees, expenses or other similar charges payable to providers of a Bond Facility, a Swap Facility or a Swap Provider, (including any Termination Payments but not including Reimbursement Obligations, Swap Payments or other termination payments). Operating Costs may also include amounts for establishing and maintaining a reasonable reserve for losses and expenses estimated to be incurred by the Authority in the event of a default on Acquired Program Mortgages, computed by considering such factors as the default rate of the Authority on Acquired Program Mortgages and the principal of such Mortgages that is uninsured, provided, however, any amount therefor included in the annual budget shall be accompanied by an Accountant's Certificate stating that such amount when added to the amount in such reserve constitutes a reasonable reserve for such losses and expenses.

Other Bonds - shall mean other bonds of the Authority authorized to be issued by one or more general bond resolutions of the Authority, other than the Resolution, any Supplemental Resolutions or any Series Resolutions, and issued (a) to provide sufficient funds for carrying out the Housing Mortgage Finance Program and the Act (in effect on the date of the Resolution) and (b) in accordance with and subject to provisions of Section 717 of the Resolution.

Outstanding - when used with reference to Bonds, other than Bonds referred to in Section 905 of the Resolution, or Other Bonds shall mean, as of any date, a Bond or Bonds of such Series theretofore or thereupon being authenticated and delivered under the Resolution except:

(i) any Bonds cancelled by the Trustee, and Paying Agent or the Authority at or prior to such date;

(ii) Bonds (or portions of Bonds) for the payment or redemption of which cash, 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 Resolution for such purpose (whether at or prior to the maturity or redemption date), provided that if such Bonds are to be redeemed, notice of such redemption shall have been given as in Article VI of the Resolution provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III, Section 606 and Section 906 of the Resolution; and

(iv) Bonds deemed to have been paid as provided in Section 1201 of the Resolution.

Outstanding Other Bonds -when used with reference to Other Bonds shall mean Other Bonds defined as "outstanding" by the provisions of the resolution authorizing such Other Bonds.

Pledged Receipts -

(i) shall mean the scheduled amortization payments (monthly or otherwise) paid to the Authority from any source of principal and interest called for by any Acquired Program Mortgage, from the date of Financing such Mortgage including both timely and delinquent payments with late charges, less the amount thereof retained by a Servicer of any such Mortgage, if there be one, as full compensation for its services and such Recoveries of Principal as described by clause (i) of the definition of Recoveries of Principal received or recovered by the Authority on account of any Acquired Program Mortgage Financed from the surplus sub account of the Bond Proceeds Account or received or recovered after the payment or provision for payment of the final Principal Installment of the Bonds of a Series, the proceeds or Recoveries of Principal of which were used to Finance such Mortgage,

(ii) shall include Fees and Charges held or collected by the Authority,

(iii) shall not mean any payments of ground rents, if any, taxes, assessments, mortgage, fire or other hazard insurance premiums called for by any such Mortgage, or any other like payments other than the payments referred to in (i) hereof, and

(iv) shall include any payment made or required to be made to the Authority, or to the Trustee, under any Swap or Swap Facility, including, without limitation, Swap Receipts, Termination Receipts and any payment receipts for application by the Authority for Operating Costs.

Principal Installment - for any Calendar Year shall mean, as of any date of calculation and with respect to any Series, so long as any Bonds thereof are Outstanding.

(i) the principal amount of Bonds of said Series which mature in such Year, reduced by the aggregate principal amount of such Bonds which would before such Year be retired by reason of the payment when due and application in accordance with the Resolution of Sinking Fund Installments payable before such Year for the retirement of such Bonds, plus

(ii) the unsatisfied balance (determined as provided in paragraph 5 of Section 512 of the Resolution) of the Sinking Fund Installments, if any, due during such Year for the Bonds of such Series.

Recoveries of Principal -

(i) shall mean all monies, other than Pledged Receipts accrued to the date of the Recovery of Principal, received or recovered by the Authority on account of any Acquired Program Mortgage,

(a) from any prepayment of principal on any such Mortgage including any prepayment penalty, fee, premium or other additional charge as is provided in any such Mortgage in the case of prepayment, less the amounts thereof retained by a Servicer of such Mortgage, if there be one, as additional compensation,

(b) through condemnation of the mortgaged premises or foreclosure of the mortgage premises or other proceedings taken in the event of default by the mortgagor,

(c) from any mortgage insurance, including monies received from debentures or certificates issued pursuant to a contract of insurance, and

(d) from the sale, assignment, endorsement or other disposition of any such Mortgage; nothing aforesaid in (i) hereof shall be construed to constitute a Recovery of Principal in the event that the Authority makes a good faith substitution of a Mortgage for another Mortgage;

(ii) shall not mean any Recoveries of Principal within the meaning set forth in (i) above received or recovered by the Authority on account of any Acquired Program Mortgage Financed from the surplus sub account of the Bond Proceeds Account or received or recovered after payment or provision for payment of the final Principal Installment of the Bonds of a Series, the proceeds or Recovery of Principal of which were used to Finance such Mortgage; and

(iii) notwithstanding any other provision of the Resolution, shall include all repayments of principal received by the Authority on account of the making of a Mortgage Loan for construction or rehabilitation under the Housing Mortgage Finance Program.

Reimbursement Obligation - shall mean any obligation of the Authority to make payments to a provider of a Bond Facility in reimbursement of or as interest on (which interest may be higher than the interest rate on the related Bond) an advance or other payment made by such provider for the purpose of paying

(i) the Principal, Sinking Fund Installment, if any, or Redemption Price of, or interest on, any Bonds, or

(ii) the purchase price, plus accrued interest, if any, of any Bonds tendered pursuant to the provisions of the applicable Series Resolution, but only to the extent the principal amortization requirements with respect to such reimbursement are equal to the amortization requirements for such related Bonds, without acceleration. Reimbursement Obligations shall not include (i) any payments of any fees, expenses, or other similar obligations to any such provider, which payments shall be Operating Costs or (ii) any payments pursuant to term loan or other principal amortization requirements in reimbursement of any such advance that are more accelerated than the amortization requirements on such related Bonds. Reimbursement Obligations may be evidenced by Bonds designated as "Bank Bonds," which may bear a higher interest rate than the rate borne by the Bonds to which they relate.

Service Fees - shall mean the expenses reasonable and necessary to service any Acquired Program Mortgage and when payable to a Servicer shall not exceed the amount for such services as is customary and prevailing in the area of the State in which the Servicer has its principal place of business.

Sinking Fund Installment - for any Calendar Year, shall mean as of any date of calculation and with respect to any Series, so long as any Bonds thereof are Outstanding, the amount of money required by a Series Resolution to be paid at all events by the Authority on a single future fixed date for the retirement of any Outstanding Bonds of said Series which mature after said future fixed date, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future fixed date is deemed to be the date when such Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be the Bonds entitled to such Sinking Fund Installment. Unless otherwise provided in a Series Resolution with respect to the Series of Bonds authorized thereunder, each such future fixed date shall be a November 15.

Subordinated Swap or Subordinated Swap Payments - shall mean either a financial arrangement that meets the definition of Swap or a net amount to be paid by the Authority under such financial arrangement that meets the definition of Swap Payment but does not qualify hereunder as a Swap or Swap Payment, respectively, and is expressly payable (including any termination payment thereunder) only from the Surplus Account or is otherwise subordinated pursuant to the General Resolution.

Swap - shall mean any financial arrangement (i) that is entered into by the Authority with an entity that is a Swap Provider at the time the arrangement is entered into; (ii)(a) which provides that the Authority shall pay to such entity an amount based on the interest accruing at a fixed rate on the Notional Amount equal to all or part of the outstanding principal amount of a Series of Bonds issued under the Resolution, and that such entity shall pay to the Authority an amount based on the interest accruing on the Notional Amount at a variable rate of interest computed according to a formula set forth in such arrangement (which need not be the same as the actual rate of interest borne by such Series of Bonds) or that one (after adjustment for any cap, floor, collar or other financial arrangement referred to in (ii)(c) hereof, with respect thereto) shall pay to the other the net amount (Swap Payment or Swap Receipt) due under such arrangement; (b) which provides that the Authority shall pay to such entity an amount based on the interest accruing on the Notional Amount equal to all or part of the outstanding principal amount of a Series of Bonds issued under the Resolution, at a variable rate of interest computed according to a formula set forth in such arrangement and that such entity shall pay to the Authority an amount based on the interest accruing at a fixed rate on the Notional Amount (which need not be the same as the actual rate of interest borne by such Series of Bonds) or that one (after adjustment for any cap, floor, collar or other financial arrangement referred to in (ii)(c) hereof, with respect thereto) shall pay to the other the net amount (Swap Payment or Swap Receipt) due under such arrangement; or (c) which is included as part of or covered by the financial transaction described in (ii)(a) or (ii)(b) above or is separately executed and which is a cap, floor or collar, forward rate, future rate, asset, swap or index, price or market linked transaction or agreement, other exchange or rate protection transaction agreement, other similar transaction (however designated) or any combination thereof or any option with respect thereto executed by the Authority for the purpose of moderating interest rate fluctuations or otherwise pursuant to the Act, as amended; and (iii) which has been designated in writing to the Trustee by an Authorized Officer of the Authority and authenticated or otherwise registered by the Trustee under the Resolution as a Swap with respect to a Series of Bonds or Notes. "Swap" shall also include any such financial arrangement described in clauses (ii) and (iii) above entered into by the Authority with a Swap Provider, as a replacement of a Swap that has been terminated and which has been so designated in writing to the Trustee by an Authorized Officer of the Authority with respect to a Series of Bonds or Notes.

Swap Facility - shall mean an insurance policy, surety bond, letter of credit or other credit enhancement with respect to a Swap or any similar facility entered into for the same or similar purposes and may include Investment Obligations properly pledged to the Authority under the Resolution pursuant to the Swap Facility or by the Swap Provider, in each case, sufficient to maintain any existing rating of the Authority's long term debt. Payments by the Authority under a Swap Facility related to a Swap shall be deemed Swap Payments under the Resolution and shall not be deemed Reimbursement Obligations and payments to the Authority under a Swap Facility related to a Swap shall be deemed Swap Receipts. Payment by the Authority under a Swap Facility applicable to any fees, expenses or similar other charges or obligations thereunder shall be a Cost of Issuance or Operating Cost, as applicable.

Swap Payment - shall mean the net amount required to be paid by the Authority under a Swap (that is not a Subordinated Swap Payment) that is applicable to the interest rate exchange effected thereunder, but not any (a) fees, expenses or similar other charges or obligations thereunder (which shall be Costs of Issuance or Operating Cost, as applicable) or (b) any Termination Payment or other payments by the Authority on account of termination of the Swap.

Swap Provider - shall mean a financial institution whose long-term debt obligations, or whose obligations under a Swap are fully covered by a Swap Facility whose long-term debt obligations are, at the time of execution of the Swap Facility, (i) rated at least Aa3 in the case of Moody's Investors Service ("Moody's"), AA- in the case of Standard & Poor's Ratings Services ("S&P"), or the equivalent thereto in the case of any other rating agency and sufficient to maintain any existing rating of the Authority's long-term debt under the General Resolution, or (ii) rated by two such rating agencies, the first of which is at least A1 in the case of Moody's or A+ in the case of S&P (or such equivalent ratings) and the second of which is at least A2 in the case of Moody's or A in the case of S&P (or such equivalent ratings), and sufficient to maintain any existing rating of the Authority's long-term debt under the General Resolution, and secured, in each such case described in this clause (ii) but not clause (i), by a pledge of direct obligations of or obligations guaranteed by the United States of America such that the required posting of collateral to secure obligations of the Swap Provider under the related credit support document, which would be required to be posted with a third party custodian acceptable to the Authority, would be under a zero Threshold and in the Credit Support Amount of the Secured Party's Exposure plus an Independent Amount equal to .50% of the notional amount of the Swap Facility (consistent with the definitions of such capitalized terms contained in the form Credit Support Annex published by the International Swap Dealers Association). No financial institution shall qualify hereunder as a Swap Provider whose long-term debt obligations, or whose obligations under a Swap are fully covered by a Swap Facility whose long-term debt obligations,

are not, at the time of execution of the Swap Facility, rated at least A2 in the case of Moody's and at least A in the case of S&P (or such equivalent ratings).

Swap Receipt - shall mean the net amount required to be paid to the Authority under a Swap, but shall not include any Termination Receipt.

Termination Payment - shall mean with respect to a Swap an amount required to be paid by the Authority to the Swap Provider or related Swap Facility as a result of the termination of the Swap or required to be paid by the Authority into a collateral account as security for any termination provided (a)(i) that such termination occurs prior to the next succeeding November 11, and (ii) that any such required amount is not due prior to the next succeeding November 11, and (b) that any payment by the Authority on account of termination of either a Swap other than as described in (a) hereof or a Subordinated Swap shall be deemed a Subordinated Swap Payment under the Resolution.

Termination Receipt - shall mean with respect to a Swap an amount required to be paid to the Authority by the Swap Provider or related Swap Facility as a result of the termination of the Swap.

Variable Interest Rate - shall mean a variable interest rate to be borne by any Bond or Note within a Series of Bonds or Notes or by any Swap (whether a Swap Payment or Swap Receipt). The method of computing such variable interest rate shall be specified in the Series Resolution authorizing such Series of Bonds or Notes or the Swap relating thereto. Such Series Resolution or Swap shall also specify either (i) the particular period or periods of time for which such variable interest rate shall remain in effect or (ii) the time or times upon which any change in such variable interest rate shall become effective.

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