

In the opinion of Bond Counsel, under existing law and assuming compliance with certain covenants and procedures described under “Tax Matters” herein, (1) interest on the Offered Bonds is not included in gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except for interest on any Offered Bond during any period while such Offered Bond is held by a “substantial user,” or a “related person,” within the meaning of Section 147(a) of the Code, of any property financed by the proceeds of the Offered Bonds; (2) interest on the Offered Bonds is not an item of tax preference for the purpose of calculating the alternative minimum tax imposed under the Code on individuals; and (3) interest on the Offered Bonds is taken into account in determining “adjusted financial statement income” for purposes of computing the alternative minimum tax imposed on “applicable corporations”. In the opinion of Bond Counsel, under existing law, the Offered Bonds, their transfer, and the income therefrom, including any profits made on the sale thereof, are free from taxation by the State of New Hampshire or any political subdivision thereof, excepting inheritance, estate and gift taxes.



\$50,560,000

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
Multi-Family Housing Revenue Bonds, 2024 Series 2 (Non-AMT)

Dated Date: Date of delivery

Due: As shown on inside front cover page

The 2024 Series 2 Bonds (the “Offered Bonds”) are being issued by New Hampshire Housing Finance Authority (“NH Housing”) only in fully registered form, registered in global book-entry form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository (the “Securities Depository”) of the Offered Bonds. Individual purchases of the Offered Bonds will be made in book-entry form only. Beneficial Owners of the Offered Bonds will not receive certificates representing their ownership interest in the Offered Bonds. The principal of and semiannual interest on the Offered Bonds are payable by the Trustee to the Securities Depository, which in turn is required to remit such principal and interest to its Participants (as defined herein), which in turn are required to remit such principal and interest to the Beneficial Owners (as defined herein) of the Offered Bonds, all as described herein. The Offered Bonds are issuable in authorized denominations of \$5,000 or integral multiples thereof. U.S. Bank Trust Company, National Association, Boston, Massachusetts, is the Trustee.

Interest on the Offered Bonds is payable on each January 1 and July 1, commencing January 1, 2025.

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

The Offered Bonds will be issued pursuant to Public Act No. 466 of the Laws of New Hampshire enacted by the General Court of the State of New Hampshire at the 1981 Session and codified as Chapter 204-C of the Revised Statutes Annotated of New Hampshire (the “Act”) and under the 2017 General Multi-Family Housing Bond Resolution, adopted by NH Housing on September 28, 2017 (the “General Resolution”), and the Series Resolution effective as of the date of issuance of the Offered Bonds (the “Series Resolution,” and, collectively with the General Resolution, the “Resolution”). The Series Resolution was authorized by a resolution of NH Housing adopted on June 27, 2024. The Offered Bonds are equally and ratably secured with NH Housing’s Prior Bonds (as defined herein). Proceeds of the Series Bonds will be used to finance multi-family rental housing, as more particularly described under the heading “THE PROGRAM – The 2024 Series 2 Projects” herein.

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

The Offered Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval of legality by McCarter & English, LLP, Boston, Massachusetts, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP, and for NH Housing by Craig, Deachman & Associates, PLLC, Manchester, New Hampshire, general counsel to NH Housing. It is expected that definitive Offered Bonds will be available for delivery to DTC on or about September 24, 2024.

BofA Securities

RBC Capital Markets

Morgan Stanley

Dated: September 5, 2024

MATURITY SCHEDULE

\$20,820,000 2024 Series 2 Serial Bonds

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP[†] 64469M</u>	<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP[†] 64469M</u>
July 1, 2027 ¹	\$10,785,000	3.150%	TK7	July 1, 2032	\$185,000	3.750%	TW1
January 1, 2028 ²	6,425,000	3.200	TL5	January 1, 2033	185,000	3.800	TX9
January 1, 2028	35,000	3.250	TM3	July 1, 2033	190,000	3.800	TY7
July 1, 2028	160,000	3.250	TN1	January 1, 2034	195,000	3.850	TZ4
January 1, 2029	160,000	3.350	TP6	July 1, 2034	195,000	3.850	UA7
July 1, 2029	165,000	3.450	TQ4	January 1, 2035	200,000	3.875	UB5
January 1, 2030	165,000	3.500	TR2	July 1, 2035	210,000	3.875	UC3
July 1, 2030	165,000	3.500	TS0	January 1, 2036	210,000	3.900	UD1
January 1, 2031	180,000	3.550	TT8	July 1, 2036	210,000	3.900	UE9
July 1, 2031	180,000	3.650	TU5	January 1, 2037	220,000	3.950	UF6
January 1, 2032	180,000	3.700	TV3	July 1, 2037	220,000	3.950	UG4

Price of Serial Bonds Maturing on January 1, 2030: 100.091%

Price of All Other Serial Bonds: 100%

\$29,740,000 2024 Series 2 Term Bonds

\$940,000	4.000%	2024 Series 2 Term Bonds maturing July 1, 2039	CUSIP [†] : 64469MUH2
\$2,715,000	4.450%	2024 Series 2 Term Bonds maturing July 1, 2044	CUSIP [†] : 64469MUJ8
\$26,085,000	4.625%	2024 Series 2 Term Bonds maturing January 1, 2048	CUSIP [†] : 64469MUK5

Price of All Term Bonds: 100%

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

¹ See "THE OFFERED BONDS – Redemption Provisions – Optional Redemption" herein for a description of the 2027 Early Redemption Bonds and related redemption provisions.

² See "THE OFFERED BONDS – Redemption Provisions – Optional Redemption" herein for a description of the 2028 Early Redemption Bonds and related redemption provisions.

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Caine Mitter & Associates Incorporated

Financial Advisor

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

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

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

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

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

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

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OFFICIAL STATEMENT

\$50,560,000

**NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
Multi-Family Housing Revenue Bonds, 2024 Series 2 (Non-AMT)**

INTRODUCTION

This Official Statement (including the cover page, inside cover page and appendices) is being distributed by the New Hampshire Housing Finance Authority (“NH Housing”) in order to furnish information in connection with the issuance of NH Housing’s \$50,560,000 Multi-Family Housing Revenue Bonds, 2024 Series 2 (Non-AMT) (the “Offered Bonds”), upon the terms and conditions set forth in the Resolution (as defined below). The obligation of the Underwriters (as defined below) to accept delivery of or pay for the Offered Bonds is subject to, among other conditions, the entire principal amount of the Offered Bonds being issued.

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

The Offered Bonds will be issued pursuant to the Act and under the 2017 General Multi-Family Housing Bond Resolution, adopted by NH Housing on September 28, 2017 (the “General Resolution”), and the Series Resolution effective as of the date of issuance of the Offered Bonds (the “Series Resolution,” and, collectively with the General Resolution, the “Resolution”). The Series Resolution was authorized by a resolution of NH Housing adopted on June 27, 2024. The Offered Bonds will be the seventeenth Series of Bonds to be issued by NH Housing pursuant to the General Resolution and separate series resolutions. As of May 31, 2024, sixteen Series of Bonds were currently outstanding under the General Resolution in the aggregate principal amount of \$425,240,000 (collectively, the “Prior Bonds”). See “THE OFFERED BONDS – Debt Service Requirements.” The Offered Bonds, the Prior Bonds, and any additional Series of Bonds issued from time to time under the General Resolution (the “Additional Bonds” and, collectively with the Offered Bonds and the Prior Bonds, the “Bonds”) on a parity with the Offered Bonds and the Prior Bonds (collectively, the “Parity Bonds”) are equally and ratably secured by a first lien and pledge created by the General Resolution on: (a) the proceeds of the sale of the Parity Bonds; (b) moneys in each Fund and Account established for the Parity Bonds by the General Resolution, including the investments thereof and earnings on such investments, if any (other than amounts in each Rebate Fund in respect to the Parity Bonds); and (c) Pledged Receipts received on account of any Offered Bonds Mortgage Loans (hereinafter defined) and Mortgage Loans financed with the proceeds of other Parity Bonds. A Series of Additional Bonds issued under the General Resolution may be on a parity with, or subordinate to, the lien and pledge of the General Resolution securing the Offered Bonds, as more particularly described under the heading “SECURITY FOR THE BONDS – Pledge of the General Resolution” and – Additional Bonds” herein. When referred to individually, each Series of Outstanding Bonds issued under the General Resolution will be referred to by its respective year of issuance and number designation. U.S. Bank Trust Company, National Association, Boston, Massachusetts, is the Trustee pursuant to the General Resolution (the “Trustee”).

Each Series of Bonds issued and to be issued under the General Resolution, including the Offered Bonds, is a special obligation of NH Housing. Unless issued on parity with the Parity Bonds issued under the General Resolution, each Series of Bonds is payable solely from and secured by a pledge of the proceeds of the sale of such Series of Bonds, moneys received from or on the account of NH Housing from the Mortgage Loans financed by such Series of Bonds and moneys and securities held in any Fund or Account (except the Rebate Fund) established by the Resolution for such Series of Bonds. See “SECURITY FOR THE BONDS – Pledge of the General Resolution” herein. No proceeds of the sale of a given Series of Bonds, and no moneys, investments or Pledged Receipts pledged to such Series of Bonds, shall secure any other Series of Bonds, unless such Series of Bonds is issued on parity with such other Series of Bonds issued under the General Resolution.

The summaries or references to the Act, the Resolution and the description of the Offered Bonds which are included in this Official Statement do not purport to be comprehensive or definitive, and such summaries, references, and descriptions are qualified in their entireties by reference to each such statute, document or instrument. Terms used in this Official Statement shall have the meanings ascribed to such terms in the body of this Official Statement

or in Appendix B hereto. Each capitalized term used herein and not otherwise defined shall have the same meaning as in the Resolution.

The General Resolution authorizes Bonds to be issued to provide funds for NH Housing to finance mortgage loans (the “Mortgage Loans”) or to purchase mortgage backed securities (the “Guaranteed Mortgage Securities”) which finance mortgage loans for Multi-Family Housing, as defined in the General Resolution (“Multi-Family Housing”), or other Housing (as defined in the Act, “Housing”) within the State of New Hampshire (the “Projects”), to provide moneys for deposit into the various Funds and Accounts established under the General Resolution and to refund Bonds. Pursuant to the General Resolution, all Mortgage Loans must (1) have the benefit of FHA Insurance or (2) have the benefit of a Credit Facility meeting the criteria set forth in the General Resolution and the applicable series resolution, which criteria include the requirement that any such Credit Facility will not adversely affect the then current Rating on the Bonds.

The Series Resolution authorizes the issuance of the Offered Bonds to provide funds to finance (a) four Mortgage Loans in the aggregate principal amount of \$49,640,000 (collectively, the “Offered Bonds Mortgage Loans”), (b) make a deposit of \$920,000.00 to the Mortgage Reserve Fund, and (c) make a deposit of \$150.15 to the Revenue Account, all as more particularly described herein. The Offered Bonds Mortgage Loans will provide funds to (a) finance a mortgage loan for the purpose of acquisition and construction of 63 units of multi-family rental housing located in Nashua, New Hampshire known as Avery Lane Apartments Phase II (the “Avery Lane Project”), (b) finance a mortgage loan for the purpose of acquisition and construction of 78 units of multi-family rental housing located in Dover, New Hampshire known as McIntosh West Apartments (the “McIntosh Project”), (c) finance a mortgage loan for the purpose of acquisition and construction of 52 units of multi-family rental housing located in Rochester, New Hampshire known as Rapids on Cocheco (the “Rapids on Cocheco Project”), and (d) finance a mortgage loan for the purpose of acquisition and construction of 64 units of multi-family rental housing located in Peterborough, New Hampshire known as Vose Farm Residences – Phase 1 (the “Vose Farm Project” and collectively with the Avery Lane Project, the McIntosh Project and the Rapids on Cocheco Project, the “2024 Series 2 Projects”), each as more particularly described under the heading “THE PROGRAM – The 2024 Series 2 Projects” herein.

Each of the Offered Bonds Mortgage Loans is expected to be endorsed by HUD for FHA Insurance under Risk Sharing Insurance (as defined in the General Resolution, “Risk Sharing Insurance”). In the event that (i) an Offered Bonds Mortgage Loan is not endorsed for FHA Insurance under Risk Sharing Insurance, or (ii) an Offered Bonds Mortgage Loan is not financed with the proceeds of the Offered Bonds, the related portion of the Offered Bonds will be subject to special redemption at a redemption price equal to the principal amount of the Offered Bonds to be redeemed, without premium, plus accrued interest to the redemption date (see “THE OFFERED BONDS—Redemption Provisions—*Special Redemption*” herein). No assurances can be given that any event identified in (i) or (ii) in the previous sentence will not occur.

The Offered Bonds are subject to redemption, including redemption at par, under the circumstances, at the times, at the prices and upon the conditions, all as described herein; the Offered Bonds (i) maturing on July 1, 2027 and (ii) maturing on January 1, 2028 and bearing interest at a rate per annum of 3.20%, are each subject to early redemption at par. See “THE OFFERED BONDS — Redemption Provisions” herein.

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

THE OFFERED BONDS

General

The Offered Bonds will be dated their date of delivery, will mature on the dates in the principal amounts and will bear interest from their dated date to their respective maturities or prior redemption at the applicable rates, payable semiannually on each January 1 and July 1, commencing on January 1, 2025, all as set forth on the cover and inside front cover pages hereof. Interest on the Offered Bonds is calculated on the basis of a 360-day year consisting of

twelve 30-day months. The record date (the “Record Date”) for payment of interest on the Offered Bonds is the fifteenth day of the month preceding the interest payment date. The Trustee may also establish a special record date (a “Special Record Date”); the Special Record Date may be not more than fifteen (15) nor fewer than ten (10) days before the date set for payment. The Trustee will mail notice of a Special Record Date to the registered owner at least twenty (20) days before the special record date.

The Offered Bonds will constitute special obligations of NH Housing, payable from and secured by funds pledged under the General Resolution. For information on the pledge of the General Resolution, the Offered Bonds Mortgage Loans, Investment of Funds and Accounts, the Mortgage Reserve Fund, and Additional Bonds, see “SECURITY FOR THE BONDS.”

Redemption Provisions

The Offered Bonds are subject to Sinking Fund, Optional and Special Redemption as described below in accordance with the provisions of the Resolution, upon notice as provided in the Resolution. The Offered Bonds shall be redeemed in authorized denominations of \$5,000. If less than all of the Offered Bonds of a maturity are being redeemed, the amount of the interest of each bondholder (collectively, the “Holders”) in such maturity will be redeemed by lot pursuant to DTC’s practices. See Appendix E — “Certain Information Regarding The Depository Trust Company.”

Sinking Fund Redemption.

The Offered Bonds maturing on July 1, 2039 are subject to mandatory redemption in part by lot on January 1, 2038, and on each July 1 and January 1 thereafter to and including July 1, 2039, at a price equal to the principal amount thereof redeemed, without premium, plus accrued interest to the redemption date, in the principal amount set forth for the applicable date in the following table:

<u>Year</u>	Principal Amount (<u>January 1</u>)	Principal Amount (<u>July 1</u>)
2038	\$230,000	\$230,000
2039 [†]	240,000	240,000

[†] Maturity

The Offered Bonds maturing on July 1, 2044 are subject to mandatory redemption in part by lot on January 1, 2040, and on each July 1 and January 1 thereafter to and including July 1, 2044, at a price equal to the principal amount thereof redeemed, without premium, plus accrued interest to the redemption date, in the principal amount set forth for the applicable date in the following table:

<u>Year</u>	Principal Amount (<u>January 1</u>)	Principal Amount (<u>July 1</u>)
2040	\$240,000	\$250,000
2041	255,000	265,000
2042	270,000	270,000
2043	285,000	285,000
2044 [†]	295,000	300,000

[†] Maturity

The Offered Bonds maturing on January 1, 2048 are subject to mandatory redemption in part by lot on January 1, 2045, and on each July 1 and January 1 thereafter to and including January 1, 2048, at a price equal to the principal amount thereof redeemed, without premium, plus accrued interest to the redemption date, in the principal amount set forth for the applicable date in the following table:

<u>Year</u>	<u>Principal Amount (January 1)</u>	<u>Principal Amount (July 1)</u>
2045	\$ 305,000	\$ 315,000
2046	320,000	325,000
2047	335,000	12,785,000
2048 [†]	11,700,000	

[†] Maturity

Optional Redemption. The Offered Bonds maturing on July 1, 2027 (the “2027 Early Redemption Bonds”) are subject to redemption, at the option of NH Housing, from funds available to NH Housing, in whole or in part (by lot if less than all of the maturity is to be redeemed), at any time on or after August 1, 2026, at a Redemption Price equal to the principal amount of such Offered Bonds to be redeemed, without premium, plus accrued interest, if any, to the redemption date. The Offered Bonds maturing on January 1, 2028 and bearing interest at a rate per annum of 3.20% (the “2028 Early Redemption Bonds”) are subject to redemption, at the option of NH Housing, from funds available to NH Housing, in whole or in part (by lot if less than all of the maturity is to be redeemed), at any time on or after January 1, 2027, at a Redemption Price equal to the principal amount of such Offered Bonds to be redeemed, without premium, plus accrued interest, if any, to the redemption date. The remaining Offered Bonds are subject to redemption at the option of NH Housing, from funds available to NH Housing, in whole or in part (by lot if less than all of the maturity is to be redeemed), at any time on or after January 1, 2033, at a Redemption Price equal to the principal amount of such Offered Bonds to be redeemed, without premium, plus accrued interest, if any to the redemption date.

Special Redemption. The Offered Bonds are subject to redemption on any date, at a redemption price equal to the principal amount of each Offered Bond or portion thereof to be so redeemed, without premium, plus interest accrued thereon to the date of redemption, (a) in whole or in part (any such Offered Bonds redeemed in part to be as selected at the option of NH Housing) from (i) moneys transferred by NH Housing from the Project Accounts relating to the Offered Bonds (the “2024 Series 2 Project Accounts”) to the Special Redemption Account (as defined in the General Resolution, the “Special Redemption Account”) (1) in the event that completion or acquisition of any 2024 Series 2 Project and the funding of the related Offered Bonds Mortgage Loan does not occur or if the related Offered Bonds Mortgage Loan is not endorsed by FHA for Risk Sharing Insurance; (2) consisting of proceeds of the Offered Bonds remaining in any 2024 Series 2 Project Account for a period of three (3) years from the date of deposit therein; or (3) in the event that NH Housing shall determine to discontinue its funding of any Offered Bonds Mortgage Loan from the related 2024 Series 2 Project Account and unexpended amounts shall remain in the related 2024 Series 2 Project Account, in each case pursuant to the General Resolution, (ii) Recovery Payments related to any Offered Bonds Mortgage Loan deposited to the Special Redemption Account, (iii) the amount of any moneys transferred to the Special Redemption Account representing any reduction in the 2024 Series 2 Mortgage Reserve Fund Requirement (including any such reduction occasioned by the payment of principal of any Offered Bonds Mortgage Loan), and (iv) Prepayments of any Offered Bonds Mortgage Loan resulting from HUD’s override of prepayment restrictions in an FHA insured mortgage loan in accordance with HUD’s policies and procedures, and (b) in whole if any amount or the aggregate of any amounts described in subclause (i), (ii), (iii) or (iv) of clause (a) of this subsection, plus amounts on deposit in the Mortgage Reserve Fund, is equal to or in excess of the Redemption Price of and is applied to the redemption in whole of the Outstanding Offered Bonds and all other Outstanding Bonds.

There can be no assurance that each of the 2024 Series 2 Projects will be financed. NH Housing cannot predict the timing or amount of any such Special Redemption. See Appendix D hereto for information regarding prepayment lockout dates (if any) applicable to the Offered Bonds Mortgage Loans and the Mortgage Loans currently held under the Resolution.

For additional information about the events triggering the special redemption provisions described in subclause (i) above, see Appendix C — “SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION — Project Accounts and Capitalized Interest Accounts” herein.

Notice of Redemption

In the case of any redemption of Bonds (other than by Sinking Fund Installments), NH Housing shall give written notice to the Trustee of such redemption, of the redemption date, of the Series, and of the principal amounts of the Bonds of each maturity of such Series to be redeemed. Such notice shall be given at least thirty (30) days prior to the redemption or such shorter period as shall be acceptable to the Trustee.

In the event of any redemption of the Offered Bonds, the Trustee shall give notice of any such redemption as follows:

(1) identify the Offered Bonds to be redeemed by the complete official name of the issue, including series designation, date of the issue, CUSIP numbers, certificate numbers, maturity dates, interest rates and, if less than all of the Offered Bonds are to be redeemed, the letters, numbers or other distinguishing marks and the aggregate principal amount of each maturity of the Offered Bonds to be redeemed;

(2) specify the date fixed for redemption, the general publication date (date of release of notice to the general public, i.e., date of general mailing of notices to Holders and information services), the name and address of the redemption agent with contact person and phone number and the place or places (including the address of such place or places) where amounts due upon such redemption will be paid;

(3) state that (a) on the date fixed for redemption there shall become due and payable upon each Offered Bond or portion thereof to be redeemed, the Redemption Price thereof, or the Redemption Price of the specified portion of the principal amount thereof in the case of an Offered Bond to be redeemed in part only, together with interest accrued to the date fixed for redemption, (b) from and after such date interest thereon shall cease to accrue and be payable and (c) the Redemption Price so due and payable on any Offered Bond to be redeemed in whole or in part shall be paid only upon the presentation, at a place specified in accordance with subsection (2) above, of such Offered Bond together with, in the case of any Offered Bond to be redeemed in part only, a written instrument of exchange duly executed by the Holder of such Offered Bond or his duly authorized attorney;

(4) be mailed by first class mail (postage prepaid) not less than twenty (20) nor more than thirty (30) calendar days prior to the date fixed for redemption to the Holders of any Offered Bonds or portions of Offered Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registration books kept by the Trustee as Bond Registrar;

(5) be given at least two (2) Business Days prior to the general publication date (a) in such format (whether electronic or other prescribed format) accompanied by such identifying information as shall be prescribed by the Municipal Securities Rulemaking Board and which shall be in effect on the date of filing, with the Electronic Municipal Market Access facility for municipal securities disclosure of the Municipal Securities Rulemaking Board (or applicable successor facility), or (b) in accordance with the then current guidelines of the Securities and Exchange Commission, to such other addresses or such other services as NH Housing may (but shall have no obligation to) designate in a certificate of an Authorized Officer of NH Housing delivered to the Trustee.

Any notice of redemption required to be given under subsection (4) under this heading which is given in accordance with the Resolution shall be conclusively presumed to have been duly given whether or not such notice is received, and failure to mail any notice as required in such subsection (4) or any defect in any such notice shall not affect the validity of the proceedings for the redemption of any Bond as to which no such failure or defect has occurred. The transmission of any notice as required in subsection (5) under this heading is not a condition to any redemption, and failure to transmit any notice as required in such subsection (5) or any defect in any such notice shall not affect the validity of the proceedings for the redemption of any Bond.

Global Book-Entry

The Offered Bonds will be available in global book-entry form only through the services of DTC. Owners of the Offered Bonds will not receive certificates representing their interests in the Offered Bonds purchased. For information regarding DTC and its procedures regarding Offered Bonds held in global book-entry form, see Appendix E – “Certain Information Regarding the Depository Trust Company.”

Outstanding Bonds Under the Resolution

The following table sets forth the final maturity date, original principal amount, and outstanding principal amount of the Prior Bonds as of May 31, 2024:

<u>Series of Bonds</u>	<u>Final Maturity Date</u>	<u>Original Principal Amount Issued</u>	<u>Principal Amount Outstanding</u>
2017 Series 1	January 1, 2061	\$ 59,180,000	\$ 53,770,000
2018 Series 1	July 1, 2060	11,690,000	11,360,000
2019 Series 1	January 1, 2061	10,200,000	7,380,000
2019 Series 2	July 1, 2061	10,830,000	10,390,000
2020 Series 1	January 1, 2048	21,765,000	15,735,000
2020 Series 2	July 1, 2063	29,525,000	26,515,000
2021 Series 1	January 1, 2064	15,200,000	10,200,000
2021 Series 2	July 1, 2053	22,545,000	21,870,000
2021 Series 3	January 1, 2065	25,455,000	25,455,000
2021 Series 4	July 1, 2063	15,025,000	11,730,000
2022 Series 1	January 1, 2055	57,735,000	57,735,000
2023 Series 1	July 1, 2055	43,565,000	43,565,000
2023 Series 2	January 1, 2047	19,645,000	19,645,000
2023 Series 3	January 1, 2047	30,105,000	30,105,000
2023 Series 4	January 1, 2047	33,335,000	33,335,000
2024 Series 1	July 1, 2044	46,450,000	46,450,000
		<u>\$452,250,000</u>	<u>\$425,240,000</u>

SOURCES AND USES OF FUNDS

It is expected that the proceeds of the Offered Bonds, along with other funds available to NH Housing, will be applied approximately as follows:

Sources

Offered Bonds Proceeds	\$50,560,150.15
Borrower Contributions	<u>591,967.85</u>
Total	<u>\$51,152,118.00</u>

Uses

Deposit to 2024 Series 2 Project Accounts:	
Deposit to Avery Lane Project Account	\$11,770,000.00
Deposit to McIntosh Project Account	16,000,000.00
Deposit to Rapids on Cocheco Project Account	10,300,000.00
Deposit to Vose Farm Project Account	11,570,000.00
Deposit to Mortgage Reserve Fund	920,000.00
Deposit to Revenue Account	150.15
Underwriters' Compensation	332,307.85
Other Costs of Issuance	<u>259,660.00</u>
Total	<u>\$51,152,118.00</u>

THE PROGRAM

General

Under NH Housing's Multi-Family Housing Program (the "Program"), NH Housing intends to provide financing for the acquisition or construction of Projects in the State through the making or purchasing of Mortgage Loans or the purchasing of Guaranteed Mortgage Securities. Mortgage Loans financed from the proceeds of the Bonds may be subject to FHA Insurance or guaranteed by a Credit Facility meeting the criteria set forth in the General Resolution and the applicable series resolution, which criteria include the requirement that any such Credit Facility will not adversely affect the then current Rating on the Bonds. Pursuant to the Series Resolution, each of the Offered Bonds Mortgage Loans financed by the Offered Bonds is expected to have the benefit of FHA Insurance, all as more particularly described below.

The 2024 Series 2 Projects

Avery Lane Project

The Offered Bonds are being issued in part to finance an Offered Bonds Mortgage Loan in the principal amount of \$11,770,000 (the "Avery Lane Project Offered Bonds Mortgage Loan") to Avery Lane Four Ownership LLC, a single asset limited liability company (the "Avery Lane Borrower"), to finance a portion of the cost of the Avery Lane Project. The Avery Lane Project consists of the acquisition of a 2.17-acre site and the construction, furnishing and equipping on such site of 63 units of multi-family rental housing which is expected to consist of 31 one-bedroom units and 32 two-bedroom units in one 4-story apartment building. The Avery Lane Project has elected to utilize an averaging methodology, with 15 units reserved for households with incomes at or below 50% of Area Median Income, 33 units reserved for households with incomes at or below 60% of Area Median Income, and 15 units reserved for households with incomes at or below 70% of Area Median Income. Such averaging methodology is not being used for Tax-exempt Bond 40-60 Compliance Test purposes. The 15 units reserved for households at or below 50% of Area Median Income will have the benefit of Section 8 rental assistance.

The Avery Lane Project has received a building permit from the City of Nashua that allow for the construction of the Avery Lane Project, subject only to the receipt of a demolition permit for existing structures which the Avery Lane Project expects to receive.

The estimated total development cost of the Avery Lane Project including acquisition, construction, required reserve deposits and developer fee, is approximately \$21,298,000. Funding for the Avery Lane Project includes the proceeds of the Avery Lane Project Offered Bonds Mortgage Loan, approximately \$7,987,000 of tax credit equity, two deferred payment loans provided by NH Housing totaling approximately \$3,650,000, a developer fee loan of approximately \$1,673,000, and Solar Tax Credit Equity of approximately \$83,000. The Avery Lane Borrower's repayment obligation in respect to the deferred developer fee loan and the deferred payment NH Housing loans will be subordinate to its repayment obligation under the Avery Lane Project Offered Bonds Mortgage Loan. **\$3,865,000 of Low Income Housing Tax Credit ("LIHTC") equity will be used by the Avery Lane Project Borrower to repay the short-term portion of the Avery Lane Project Offered Bonds Mortgage Loan on or prior to July 1, 2027 as described below.**

The Avery Lane Project Offered Bonds Mortgage Loan is expected to be repaid in monthly interest-only payments beginning November 1, 2024 and continuing until a \$3,865,000 repayment is made between January 1, 2027 and July 1, 2027. Upon receipt of the repayment amount, the Avery Lane Offered Bonds Mortgage Loan will be amortized in equal monthly payments of principal and interest based on a 40-year amortization schedule, commencing on the first day of the calendar month next succeeding such second repayment date that is at least thirty (30) days from the repayment date, but with the balance due in full on or before the first of the month that is 239 months after the first amortizing payment. With the exception of the above-mentioned \$3,865,000 repayment by the Avery Lane Project Borrower, the Avery Lane Project Offered Bonds Mortgage Loan cannot be prepaid prior to July 1, 2042.

The Avery Lane Project Offered Bonds Mortgage Loan is expected to be insured by FHA with Risk Sharing Insurance. If the Avery Lane Project is not financed or if the Avery Lane Project Offered Bonds Mortgage Loan is

not endorsed by FHA for Risk Sharing Insurance, then any remaining proceeds of the portion of the Offered Bonds relating to the Avery Lane Project Offered Bonds Mortgage Loan will be applied to the special redemption of the Offered Bonds. See “THE OFFERED BONDS – Redemption Provisions – Special Redemption” herein.

McIntosh Project

The Offered Bonds are being issued in part to finance an Offered Bonds Mortgage Loan in the principal amount of \$16,000,000 (the “McIntosh Project Offered Bonds Mortgage Loan”) to McIntosh West Apartments, LLC, a single asset limited liability company (the “McIntosh Borrower”), to finance a portion of the cost of the McIntosh Project. The McIntosh Project consists of the acquisition of a 2.63-acre site and the construction, furnishing and equipping on such site of 78 units of multi-family rental housing which is expected to consist of 26 one-bedroom units, 44 two-bedroom units and 8 three-bedroom units in two 4-story apartment buildings. All 78 units will be reserved for households with incomes at or below 60% of Area Median Income.

The McIntosh Project has received a building permit from the City of Dover that allows for the construction of the McIntosh Project.

The estimated total development cost of the McIntosh Project including acquisition, construction, required reserve deposits and developer fee, is approximately \$32,000,000. Funding for the McIntosh Project includes the proceeds of the McIntosh Project Offered Bonds Mortgage Loan, approximately \$10,000,000 of tax credit equity, two deferred payment loans provided by NH Housing totaling \$9,700,000 and a developer fee loan of approximately \$1,736,000. The McIntosh Borrower’s repayment obligation in respect to the deferred developer fee loan and the deferred payment NH Housing loans will be subordinate to its repayment obligation under the McIntosh Project Offered Bonds Mortgage Loan. **\$5,285,000 of LIHTC equity will be used by the McIntosh Project Borrower to repay the short-term portion of the McIntosh Project Offered Bonds Mortgage Loan on or prior to June 1, 2027 as described below.**

The McIntosh Project Offered Bonds Mortgage Loan is expected to be repaid in monthly interest-only payments beginning November 1, 2024 and continuing until a \$5,285,000 repayment is made between August 1, 2026 and June 1, 2027. Upon receipt of the repayment amount, the McIntosh Project Offered Bonds Mortgage Loan will be amortized in equal monthly payments of principal and interest based on a 40-year amortization schedule, commencing on the first day of the calendar month next succeeding such second repayment date that is at least thirty (30) days from the repayment date, but with the balance due in full on or before the first of the month that is 239 months after the first amortizing payment. With the exception of the above-mentioned \$5,285,000 repayment by the McIntosh Project Borrower, the McIntosh Project Offered Bonds Mortgage Loan cannot be prepaid prior to June 1, 2042.

The McIntosh Project Offered Bonds Mortgage Loan is expected to be insured by FHA with Risk Sharing Insurance. If the McIntosh Project is not financed or if the McIntosh Project Offered Bonds Mortgage Loan is not endorsed by FHA for Risk Sharing Insurance, then any remaining proceeds of the portion of the Offered Bonds relating to the McIntosh Project Offered Bonds Mortgage Loan will be applied to the special redemption of the Offered Bonds. See “THE OFFERED BONDS – Redemption Provisions – Special Redemption” herein.

Rapids on Cocheco Project

The Offered Bonds are being issued in part to finance an Offered Bonds Mortgage Loan in the principal amount of \$10,300,000 (the “Rapids on Cocheco Project Offered Bonds Mortgage Loan”) to Cocheco Rapids LLC, a single asset limited liability company (the “Rapids on Cocheco Borrower”), to finance a portion of the cost of the Rapids on Cocheco Project. The Rapids on Cocheco Project consists of the acquisition of a 8.4-acre site and the construction, furnishing and equipping on such site of 52 units of multi-family rental housing which is expected to consist of 14 one-bedroom units and 38 two-bedroom units in one 4-story apartment building. The Rapids on Cocheco Project has elected to use an averaging methodology, with all 52 units average incomes not to exceed 60% of Area Median Income to achieve the required average income minimum set aside for Low Income Housing Tax Credit purposes. Such averaging methodology is not being used for Tax-exempt Bond 40-60 Compliance Test purposes. Of the 52 units, 8 will have the benefit of Section 8 rental assistance.

The Rapids on Cocheco Borrower holds a permit from the City of Rochester that allows it to begin construction of the foundation of the Rapids on Cocheco Project.

The estimated total development cost of the Rapids on Cocheco Project including acquisition, construction, required reserve deposits and developer fee, is approximately \$21,175,577. Funding for the Rapids on Cocheco Project includes the proceeds of the Rapids on Cocheco Project Offered Bonds Mortgage Loan, approximately \$6,528,494 of tax credit equity, a \$1,700,000 construction bridge loan from NH Housing that will be repaid from LIHTC equity, three deferred payment loans provided by NH Housing totaling approximately \$4,940,000, a developer fee loan of approximately \$1,821,000, and Solar Tax Credit Equity of \$145,762. The Rapids on Cocheco Borrower's repayment obligation in respect to the deferred developer fee loan and the deferred payment NH Housing loans will be subordinate to its repayment obligation under the Rapids on Cocheco Project Offered Bonds Mortgage Loan. **\$2,560,000 of LIHTC equity will be used by the Rapids on Cocheco Project Borrower to repay the short-term portion of the Rapids on Cocheco Project Offered Bonds Mortgage Loan on or prior to October 1, 2027 as described below.**

The Rapids on Cocheco Project Offered Bonds Mortgage Loan is expected to be repaid in monthly interest-only payments beginning November 1, 2024 and continuing until a \$2,560,000 repayment is made between January 1, 2027 and October 1, 2027. Upon receipt of the repayment amount, the Rapids on Cocheco Project Offered Bonds Mortgage Loan will be amortized in equal monthly payments of principal and interest based on a 40-year amortization schedule, commencing on the first day of the calendar month next succeeding such second repayment date that is at least thirty (30) days from the repayment date, but with the balance due in full on or before the first of the month that is 239 months after the first amortizing payment. With the exception of the above-mentioned \$2,560,000 repayment by the Rapids on Cocheco Project Borrower, the Rapids on Cocheco Project Offered Bonds Mortgage Loan cannot be prepaid prior to October 1, 2042.

The Rapids on Cocheco Project Offered Bonds Mortgage Loan is expected to be insured by FHA with Risk Sharing Insurance. If the Rapids on Cocheco Project is not financed or if the Rapids on Cocheco Project Offered Bonds Mortgage Loan is not endorsed by FHA for Risk Sharing Insurance, then any remaining proceeds of the portion of the Offered Bonds relating to the Rapids on Cocheco Project Offered Bonds Mortgage Loan will be applied to the special redemption of the Offered Bonds. See "THE OFFERED BONDS – Redemption Provisions – Special Redemption" herein.

Vose Farm Project

The Offered Bonds are being issued in part to finance an Offered Bonds Mortgage Loan in the principal amount of \$11,570,000 (the "Vose Farm Project Offered Bonds Mortgage Loan") to Vose Farm Phase 1 Limited Partnership, a single asset limited partnership (the "Vose Farm Borrower"), to finance a portion of the cost of the Vose Farm Project. The Vose Farm Project consists of the acquisition of a 3.81-acre site and the construction, furnishing and equipping on such site of 64 units of multi-family rental housing which is expected to consist of 24 one-bedroom units and 40 two-bedroom units in one 4-story apartment building. 59 of the 64 units will be reserved for households with incomes at or below 60% of Area Median Income. Of the 64 units, 12 will have the benefit of Section 8 rental assistance and will be further restricted to households with incomes of below 50% of Area Median Income.

The Town of Peterborough has issued permits to the Vose Farm Project that allow for the construction of the Vose Farm Project.

The estimated total development cost of the Vose Farm Project including acquisition, construction, required reserve deposits and developer fee, is approximately \$22,093,006. Funding for the Vose Farm Project includes the proceeds of the Vose Farm Project Offered Bonds Mortgage Loan, approximately \$6,337,507 of tax credit equity, three deferred payment loans provided by NH Housing totaling approximately \$5,827,000, a developer fee loan of approximately \$1,550,000, a sponsor loan of \$2,000,000, and other equity of \$69,776. The Vose Farm Borrower's repayment obligation in respect to the deferred developer fee loan and the deferred payment NH Housing loans will be subordinate to its repayment obligation under the Vose Farm Project Offered Bonds Mortgage Loan. **\$5,500,000 of LIHTC equity and other long-term sources will be used by the Vose Farm Project Borrower to repay the short-term portion of the Vose Farm Project Offered Bonds Mortgage Loan on or prior to June 1, 2027 as described below.**

The Vose Farm Project Offered Bonds Mortgage Loan is expected to be repaid in monthly interest-only payments beginning November 1, 2024 and continuing until a \$5,500,000 repayment is made between August 1, 2026 and February 1, 2027. Upon receipt of the repayment amount, the Vose Farm Project Offered Bonds Mortgage Loan will be amortized in equal monthly payments of principal and interest based on a 40-year amortization schedule, commencing on the first day of the calendar month next succeeding such second repayment date that is at least thirty (30) days from the repayment date, but with the balance due in full on or before the first of the month that is 239 months after the first amortizing payment. With the exception of the above-mentioned \$5,500,000 repayment by the Vose Farm Project Borrower, the Vose Farm Project Offered Bonds Mortgage Loan cannot be prepaid prior to February 1, 2042.

The Vose Farm Project Offered Bonds Mortgage Loan is expected to be insured by FHA with Risk Sharing Insurance. If the Vose Farm Project is not financed or if the Vose Farm Project Offered Bonds Mortgage Loan is not endorsed by FHA for Risk Sharing Insurance, then any remaining proceeds of the portion of the Offered Bonds relating to the Vose Farm Project Offered Bonds Mortgage Loan will be applied to the special redemption of the Offered Bonds. See “THE OFFERED BONDS – Redemption Provisions – Special Redemption” herein.

The 2024 Series 2 Borrowers

The following information has been provided by the Avery Lane Borrower, the McIntosh Borrower, the Rapids on Cocheco Borrower, and the Vose Farm Borrower (collectively, the “2024 Series 2 Borrowers”) for use herein. While the information is believed to be reliable, none of NH Housing, the Trustee or the Underwriters, or any of their respective counsel, members, officers or employees, make any representation as to the accuracy or sufficiency of such information.

Avery Lane Borrower

The Avery Lane Borrower is a New Hampshire limited liability company, formed for the sole purpose of acquiring, constructing, equipping, furnishing, and operating the Avery Lane Project. As such, the Avery Lane Borrower has not previously engaged in any business operations, has no historical earnings and has no material assets other than its interest in the Avery Lane Project. Accordingly, it is expected that the Avery Lane Borrower will not have any source of funds to make payments on the Avery Lane Project Offered Bonds Mortgage Loan other than revenues generated by the Avery Lane Project.

The Avery Lane Borrower will be controlled by a managing member and an investor member prior to the delivery of the Offered Bonds. The managing member of the Avery Lane Borrower will be Avery Lane Four Manager, LLC (the “Avery Lane Managing Member”), which owns a 0.01% ownership interest. The investor member of the Avery Lane Borrower will be Stratford Avery Lane 4 Investors Limited Partnership (the “Avery Lane Investor Member”), which will own a 99.98% ownership interest, and the special member Stratford SLP, Inc. will own 0.01%.

The Avery Lane Borrower and the Avery Lane Managing Member have no substantial assets other than the Avery Lane Project and do not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the ownership of the Avery Lane Project. However, affiliates of the Avery Lane Borrower and the Avery Lane Managing Member are engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects. They may be financially interested in, as officers, partners or otherwise, and devote substantial time to, business and activities that may be inconsistent or competitive with the interests of the Avery Lane Project.

The Avery Lane Borrower’s fiscal year ends October 31st of each year.

McIntosh Borrower

The McIntosh Borrower is a New Hampshire limited liability company, formed for the sole purpose of acquiring, constructing, equipping, furnishing, and operating the McIntosh Project. As such, the McIntosh Borrower has not previously engaged in any business operations, has no historical earnings and has no material assets other than its interest in the McIntosh Project. Accordingly, it is expected that the McIntosh Borrower will not have any source

of funds to make payments on the McIntosh Project Offered Bonds Mortgage Loan other than revenues generated by the McIntosh Project.

The McIntosh Borrower will be controlled by a managing member and an investor member prior to the delivery of the Offered Bonds. The managing member of the McIntosh Borrower will be McIntosh West MM, LLC (the “McIntosh Managing Member”), which owns a 0.01% ownership interest. The investor member of the McIntosh Borrower will be Stratford McIntosh Dover Investors LP (the “McIntosh Investor Member”), which will own a 99.99% ownership interest.

The McIntosh Borrower and the McIntosh Managing Member have no substantial assets other than the McIntosh Project and do not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the ownership of the McIntosh Project. However, affiliates of the McIntosh Borrower and the McIntosh Managing Member are engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects. They may be financially interested in, as officers, partners or otherwise, and devote substantial time to, business and activities that may be inconsistent or competitive with the interests of the McIntosh Project.

The McIntosh Borrower’s fiscal year ends October 31st of each year.

Rapids on Cocheco Borrower

The Rapids on Cocheco Borrower is a New Hampshire limited liability company, formed for the sole purpose of acquiring, constructing, equipping, furnishing, and operating the Rapids on Cocheco Project. As such, the Rapids on Cocheco Borrower has not previously engaged in any business operations, has no historical earnings and has no material assets other than its interest in the Rapids on Cocheco Project. Accordingly, it is expected that the Rapids on Cocheco Borrower will not have any source of funds to make payments on the Rapids on Cocheco Project Offered Bonds Mortgage Loan other than revenues generated by the Rapids on Cocheco Project.

The Rapids on Cocheco Borrower will be controlled by a managing member and an investor member prior to the delivery of the Offered Bonds. The managing member of the Rapids on Cocheco Borrower will be 13th EG Holding LLC (the “Rapids on Cocheco Managing Member”), which owns a 0.009% ownership interest. The investor member of the Rapids on Cocheco Borrower will be Red Stone Equity – Fund 110 Limited Partnership (the “Rapids on Cocheco Investor Member”), which will own a 99.99% ownership interest. The special investor member will be Red Stone Equity Manager, LLC (the “Special Investor Member”) which will own a 0.001% interest.

The Rapids on Cocheco Borrower and the Rapids on Cocheco Managing Member have no substantial assets other than the Rapids on Cocheco Project and do not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the ownership of the Rapids on Cocheco Project. However, affiliates of the Rapids on Cocheco Borrower and the Rapids on Cocheco Managing Member are engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects. They may be financially interested in, as officers, partners or otherwise, and devote substantial time to, business and activities that may be inconsistent or competitive with the interests of the Rapids on Cocheco Project.

The Rapids on Cocheco Borrower’s fiscal year ends October 31st of each year.

Vose Farm Borrower

The Vose Farm Borrower is a New Hampshire limited partnership, formed for the sole purpose of acquiring, constructing, equipping, furnishing, and operating the Vose Farm Project. As such, the Vose Farm Borrower has not previously engaged in any business operations, has no historical earnings and has no material assets other than its interest in the Vose Farm Project. Accordingly, it is expected that the Vose Farm Borrower will not have any source of funds to make payments on the Vose Farm Project Offered Bonds Mortgage Loan other than revenues generated by the Vose Farm Project.

The Vose Farm Borrower will be controlled by a general partner and limited partner prior to the delivery of the Offered Bonds. The general partner of the Vose Farm Borrower will be CC Vose Farm Phase 1 GP, Inc. (the “Vose Farm General Partner”), which owns a 0.01% ownership interest. The limited partner of the Vose Farm Borrower will be Housing New England, Fund VI Limited Partnership (the “Vose Farm Limited Partner”), which will own a 99.99% ownership interest.

The Vose Farm Borrower and the Vose Farm General Partner have no substantial assets other than the Vose Farm Project and do not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the ownership of the Vose Farm Project. However, affiliates of the Vose Farm Borrower and the Vose Farm General Partner are engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects. They may be financially interested in, as officers, partners or otherwise, and devote substantial time to, business and activities that may be inconsistent or competitive with the interests of the Vose Farm Project.

The Vose Farm Borrower’s fiscal year ends December 31st of each year.

Obligations and Liabilities of 2024 Series 2 Borrowers, Related Risks

The obligations and liabilities of each 2024 Series 2 Borrower under the applicable Offered Bonds Mortgage Loan are of a non-recourse nature and are limited to the moneys derived from the operation of the related 2024 Series 2 Project. Due to the inherent uncertainty of future events and conditions, no assurance can be given that revenues generated by a 2024 Series 2 Project will be sufficient to pay debt service on the related Offered Bonds Mortgage Loan and operating expenses of the related 2024 Series 2 Project. The ability of each 2024 Series 2 Borrower to generate sufficient revenues will be affected by a variety of factors including, but not limited to, the completion of the construction, the maintenance of a sufficient level of occupancy, the level of rents prevailing in the market, the ability to achieve increases in rent to cover debt service and operating expenses, the level of operating expenses, management of the related 2024 Series 2 Project, adverse changes in applicable laws and regulations, general economic conditions and other factors in the surrounding metropolitan area of each 2024 Series 2 Project. Adverse changes may occur from time to time with respect to any of these factors which may have a negative impact on the occupancy level and rental income of each 2024 Series 2 Project. None of the 2024 Series 2 Borrowers nor their respective partners/members have any personal liability for payments on the related Offered Bonds Mortgage Loans to be applied to pay the principal of and interest on the Offered Bonds. Furthermore, no representation is made that any of the 2024 Series 2 Borrowers or their respective partners/members have substantial funds available for their respective 2024 Series 2 Project. Accordingly, neither the 2024 Series 2 Borrowers’ financial statements nor those of their respective partners/members are included in this Official Statement.

The Offered Bonds Mortgage Loans

The Offered Bonds Mortgage Loans must conform to certain terms, conditions, provisions and limitations set forth in the General Resolution except to the extent, if any, that a variance therefrom is required by any agency or instrumentality of the United States of America or the State guaranteeing or insuring or otherwise assisting in the payment of a related Offered Bonds Mortgage Loans and is otherwise permitted pursuant to state and federal law. The following is a discussion of such terms and conditions as well as of the procedures that are generally followed by NH Housing in making or purchasing Mortgage Loans, including the Offered Bonds Mortgage Loans. NH Housing may vary from the procedures and requirements described below. Proceeds of the Offered Bonds are expected to be used only to make the Offered Bonds Mortgage Loans and fund the Mortgage Reserve Fund Requirement for the Offered Bonds; provided, however, that amounts on deposit in the 2024 Series 2 Project Accounts not yet expended for project costs will be invested in Investment Obligations (anticipated at this time to be an investment agreement). See “SECURITY FOR THE BONDS—Pledge of the General Resolution” below.

The proceeds of a Mortgage Loan must be expended solely for payment of costs of a Project. Each Mortgagor receiving a Mortgage Loan (including the 2024 Series 2 Borrowers) must have marketable title, or must obtain marketable title with the proceeds disbursed pursuant to the Mortgage Loan, to the real property/condominium units and improvements constituting the Project for which the Mortgage Loan is made, purchased, or financed. The Mortgage shall be executed and recorded in accordance with the requirements of existing laws and shall constitute and create a first mortgage lien on the real property or interest therein of the Project with respect to which the Mortgage

Loan secured thereby is made and a prior perfected security interest in the personal property acquired with proceeds of the Mortgage Loan and attached to or used in connection with the operation of such Project, provided, however, that (i) if a series resolution so permits, the Mortgage may be of any order of priority as NH Housing determines, and (ii) the Mortgage may also secure a participation by NH Housing with another party or parties in a Mortgage Loan made with respect to a Project, so long as the interest of NH Housing in the Mortgage shall conform to any applicable provisions of the series resolution authorizing the issuance of Bonds of such Series and otherwise shall have at least equal priority as to lien in proportion to the amount of the portion of the Mortgage Loan financed by NH Housing and so secured, but the portions of the Mortgage Loan financed by NH Housing and the other party or parties need not be equal as to interest rate, time or rate of amortization or otherwise. NH Housing shall be furnished with a written title insurance endorsement by a title insurance company insuring the title to the Project financed by the applicable Mortgage Loan in the amount of such Mortgage Loan. The amount of each Mortgage Loan shall not exceed any limitation prescribed by law.

Under the provisions of the mortgages securing each respective Mortgage Loan (the "Mortgage") or accompanying documents, the Mortgagor: (1) will have acquired, or will acquire with all or a portion of the proceeds of the applicable Series of Bonds so disbursed, fee simple title or other title acceptable to NH Housing or a leasehold interest in the site of the Project, free and clear of all liens and encumbrances, except liens permitted under the General Resolution, which would materially affect the value or usefulness of such site or interest in real property for the intended use thereof; (2) will covenant that it will keep the Project insured against loss by fire and other hazards as required by NH Housing to protect its interest with losses payable to NH Housing as its interest may appear and that it will reimburse NH Housing for any insurance premiums paid by NH Housing on the Mortgagor's default in so insuring the Project prior to the date when the same shall become delinquent, and FHA Insurance, if applicable, on such Mortgage Loan, shall be in full force and effect; (3) will be obligated to make Escrow Payments to NH Housing in order to obtain or maintain mortgage insurance and fire and other hazard insurance or to make any other payments required to be made with respect to Mortgages for taxes or other governmental charges or other similar charges to a Mortgagor customarily required to be escrowed, or provide letters of credit or other satisfactory evidence of the ability to pay, when due, ad valorem property taxes and casualty insurance premiums relating to the Project; (4) will covenant that it will maintain the Project in good condition and repair, will not commit or suffer any waste of the premises thereof, and will comply with, or cause to be complied with, all valid and applicable statutes, ordinances and regulations of any governmental entity relating to the Project; and (5) shall be required to pay Mortgage Repayments (as defined in the General Resolution, "Mortgage Repayments") on a monthly basis, which may, for such period as determined by NH Housing, consist of interest only. If the applicable series resolution so provides, the scheduled monthly repayments shall be sufficient to produce moneys which NH Housing determines shall be sufficient in amount and time of payment, together with interest income reasonably anticipated to be earned on the investment of undisbursed proceeds in the applicable Project Account and in the corresponding Mortgage Reserve Fund, if any, to permit NH Housing (i) to pay when due Principal Installments and interest on (A) the percentage of principal amount of the Bonds of such Series which provided moneys to fund such Mortgage Loan and (B) the percentage of the principal amount of the Bonds of such Series from the proceeds of which funds are (I) deposited in a corresponding Capitalized Interest Account, or (II) applied or deposited to fund the Mortgage Reserve Fund, if any, established for such Series of Bonds and (ii) to pay any other amounts deemed appropriate by NH Housing, including without limitation any fees with respect to a Credit Facility or FHA Insurance. A Mortgage Loan funded or purchased by NH Housing with the proceeds of such Series of Bonds issued under the General Resolution may have such terms, covenants and other provisions, and the Mortgage securing such Mortgage Loan may be of such priority and be subject to such encumbrances, as are satisfactory to NH Housing, the funding or purchase of such Mortgage Loan by NH Housing to be conclusive evidence that the foregoing conditions have been fulfilled.

Except to the extent otherwise required by FHA Insurance with respect to a particular Mortgage Loan, NH Housing shall not permit a Mortgagor to make a prepayment unless it shall require, with respect to such prepayment, that the same be, and a Mortgagor shall not make a prepayment unless the same is, in an amount not less than the aggregate of (a) the amount of the principal of the Mortgage Loan being prepaid (which prepayment may be less than the entire outstanding principal amount of the Mortgage Loan to the extent that partial prepayments of principal are permitted by such Mortgage Loan), plus interest accrued on the principal amount of the Mortgage Loan prepaid to the date of prepayment, (b) if NH Housing so determines, or if required by the applicable series resolution, the Mortgagor's proportionate share of the Outstanding principal amount of the Series of Bonds issued for the making of deposits to the applicable Capitalized Interest Account; the payment of any Cost of Issuance; or the making of a deposit to the applicable Mortgage Reserve Fund and remaining unpaid, (c) if NH Housing so determines, or if

required by the applicable series resolution, the interest to accrue on the applicable Series of Bonds to be redeemed by NH Housing upon the making of such Prepayment to the next call date thereof not previously paid by the Mortgagor, (d) if NH Housing so determines, or if required by the applicable series resolution, any redemption premium payable on the applicable Series of Bonds so to be redeemed, and (e) the costs and expenses of NH Housing in effecting the redemption of the applicable Series of Bonds so to be redeemed, less the amount of (i) applicable moneys available in the Optional Redemption Account and for withdrawal from the corresponding Mortgage Reserve Fund, if any, for application to the redemption of such Series of Bonds in accordance with the terms and provisions of the applicable series resolution, as determined by NH Housing, and (ii) any other legally available funds of NH Housing transferred to the Optional Redemption Account to be applied, at the option of NH Housing, to the redemption of such Series of Bonds. If a prepayment is for less than the full principal amount of the Mortgage Loan, the foregoing amounts specified in the General Resolution shall be appropriately prorated.

Except as otherwise provided in an applicable series resolution, prior to the initial disbursement on a Mortgage Loan, the Mortgagor will have taken the following steps: (1) obtained all governmental approvals then or theretofore required by valid law for the acquisition, construction, ownership and operation of the Project (and, if applicable, any renovations, repairs or additions to the Project previously undertaken or to be financed by the Mortgage Loan) by the Mortgagor; (2) with respect to a Project not previously financed by NH Housing, the Mortgagor shall have obtained the approval by NH Housing of final plans and specifications of the Project or of the Project as built and shall have furnished to NH Housing a certificate of an architect or engineer satisfactory to NH Housing that the Project has been sufficiently completed to allow occupancy of the residential units therein (unless one or both of the foregoing requirements are waived by NH Housing in its sole discretion, such waiver to be set forth in a certificate of an Authorized Officer of NH Housing delivered to the Trustee) and NH Housing shall have approved the operation, occupancy rate and condition of the Project, taking into account any renovations, repairs, additions and equipment to be funded by such Mortgage Loan, and with respect to a Project previously financed by NH Housing, NH Housing shall have approved the operation, condition, occupancy rate and condition of the Project, taking into account any renovations, repairs, additions and equipment to be funded by such Mortgage Loan; (3) the Mortgagor shall have provided, or will provide in a manner satisfactory to NH Housing, for payment of the Cost of the Project, an amount equal to the difference between the Cost of the Project and the principal amount of the Mortgage Loan Commitment of NH Housing; and (4) the Mortgagor shall have executed all documents and provided all information and other material deemed necessary or desirable by Bond Counsel to NH Housing to preserve the exclusion from gross income for federal income tax purposes to the extent provided in the Code of the interest on the applicable Series of Bonds.

A Mortgagor shall be prohibited from selling, leasing or subleasing, except for a lease or sublease of a residential unit to an eligible person or family as defined in applicable regulations of NH Housing or meeting requirements, if any, set forth in the applicable series resolution, or otherwise encumbering the Project unless approved by NH Housing and a Prepayment in full is made by the Mortgagor in compliance with the General Resolution, except that (i) a Mortgagor, with the written consent of NH Housing, may grant easements, licenses or rights of way that do not destroy or diminish the value or usefulness of such site, as determined by NH Housing in connection with the provision of such written consent, (ii) when and to the extent authorized by law, a Mortgagor, with the written consent of NH Housing, may lease or sublease a Project or a portion thereof to a third party for the purposes of operation, such lease or sublease to be subject to all of the terms, provisions and limitations of the Mortgage relating to such Project, (iii), a Mortgagor, with the written approval of NH Housing, may sell or exchange any land the acquisition of which was funded by the Mortgage Loan but which is not required for the applicable Project, provided that the proceeds derived by the Mortgagor from the sale of any such lands shall be paid over to NH Housing for deposit into the Optional Redemption Account, (iv) if permitted by applicable law, the Mortgagor may place on the Project one or more mortgages subordinate to that of NH Housing, provided that prior to the placing of any such mortgage on the Project NH Housing by a certificate of an Authorized Officer of NH Housing shall have (A) approved the purpose of such mortgage and the purpose of the financing obtained thereby, (B) determined that no payments with respect to such mortgage (including without limitation debt service and any escrows required thereby) shall be made from revenues derived from the Project except from moneys remaining each month after the payment of the Mortgage Repayment and the funding of all escrows and reserves required to be funded under the applicable regulatory agreement or other agreement with NH Housing prior to any payment to the Mortgagor, (C) determined that such remaining moneys are and for the duration of such mortgage are reasonably likely to be sufficient to make all payments with respect to such mortgage, and (D) determined that such mortgage contains adequate provisions to protect the rights of NH Housing under its mortgage and under the General Resolution and does not adversely affect such rights (which determination may be made by NH Housing in reliance on an Authority Counsel's Opinion), and (v) the

Mortgagor may be permitted to sell a Project to another Mortgagor approved by NH Housing, which successor Mortgagor shall assume the existing Mortgage, and upon conveyance of a Project to, and assumption of the Mortgage by, a successor Mortgagor, in accordance with this clause, NH Housing may release the original Mortgagor from its obligations under the Mortgage.

Environmental Factors

There are potential risks relating to liabilities for environmental hazards with respect to the ownership or operation of, or secured lending with respect to, any real property. If hazardous substances are found to be located on real property, owners or operators of, or secured lenders regarding, such property may be held liable for costs and other liabilities relating to such hazardous substances on a strict liability basis. In the event of repossession, purchase or participation in the management of the mortgaged property by the Trustee or the Holders, the Trustee and/or the Holders may be held liable for costs and other liabilities relating to hazardous substances, if any, on the site of the mortgaged property on a strict liability basis and such costs might exceed the value of such property.

Compliance with the Code

Each Mortgagor who receives a Mortgage Loan (including the 2024 Series 2 Borrowers) will enter into one or more regulatory agreements with NH Housing (each a “Regulatory Agreement”). The following statements are a brief summary of certain provisions of the applicable Regulatory Agreements with respect to each Project pertaining to compliance with the Internal Revenue Code of 1986, as amended, and any applicable successor provisions (the “Code”) and requirements of NH Housing.

The Holders of the Bonds have no rights to moneys in any fund or account established pursuant to a Regulatory Agreement with respect to any Offered Bonds Mortgage Loan or any other reserves with respect to any 2024 Series 2 Project.

Each Regulatory Agreement also provides that management of the applicable Project shall be acceptable to NH Housing and (i) reserves the right of NH Housing to cancel any management contract with a property manager for cause, (ii) provides that all books and records with respect to the Project shall be kept separately and be available to NH Housing for inspection at any reasonable time, (iii) provides that the Mortgagor must submit financial reports for the Project within sixty (60) days following the close of each Fiscal Year and (iv) provides that the Mortgagor must keep in force all insurance policies required by NH Housing. Each Regulatory Agreement also restricts the ability of the Mortgagor to transfer the Project.

Residential Rental Property. Each Project is to be owned, managed and operated as a “qualified residential rental project” within the meaning of Section 142(d) of the Code until the expiration of the Qualified Project Period. “Qualified Project Period” is defined as the period beginning on the first day on which 10 percent of the dwelling units in the applicable Project are first occupied and ending on the latest of (a) the date that is fifteen (15) years after the date on which 50 percent of the dwelling units in the applicable Project are occupied, (b) the first day no tax exempt private activity bond issued with respect to the applicable Project is outstanding, or (c) the date on which any assistance provided with respect to the applicable Project under Section 8 of the United States Housing Act of 1937 terminates.

Low or Moderate Income Tenants. Pursuant to Section 142(d) of the Code and the policy requirements of NH Housing, each Mortgagor is required to represent and covenant, among other things, that throughout the Qualified Project Period (or, in the case of a Project that is already occupied on the date of issuance of the applicable Bonds, and does not, on said date of issuance, meet the requirement set forth in clause (1) of this sentence, within twelve (12) months after said date of issuance), (1) either (depending on an election made by NH Housing) 20 percent or more of the units or 40 percent or more of the units shall be occupied by Low or Moderate Income Tenants at rents as provided in the applicable Regulatory Agreement (such alternative 20 percent and 40 percent unit set aside requirements for Low or Moderate Income Tenants constituting the “20 Percent Set Aside Requirement” and the “40 Percent Set Aside Requirement,” with the set aside requirement applicable to a particular issue of Bonds constituting the “Applicable Set Aside Requirement”), and (2) each Mortgagor shall advise NH Housing by delivery of a certificate in writing of the status of the occupancy of the applicable Project on an annual basis for the term of the applicable Regulatory Agreement. For purposes of satisfying the occupancy requirements set forth above, a unit occupied by a person or family who at the commencement of such person’s or family’s occupancy qualified as a Low or Moderate Income

Tenant shall be treated as occupied by a Low or Moderate Income Tenant throughout such person's or family's tenancy in such unit, even though such person or family shall subsequently cease to be a Low or Moderate Income Tenant, unless such person's or family's income exceeds 140 percent of the applicable income limits. In such case, such unit shall not be treated as occupied by a Low or Moderate Income Tenant if any dwelling unit of comparable or smaller size is occupied by a new resident or family whose income exceeds the limits for Low and Moderate Income Tenants. The units occupied by Low or Moderate Income Tenants will be distributed substantially equally throughout the applicable Project. Each Mortgagor covenants to maintain complete and accurate records relating to such compliance and to prepare and submit all required certificates.

General Compliance with the Code. Each Regulatory Agreement contains additional requirements intended to assure compliance with the Code. Each Mortgagor agrees that it will include the requirements of the applicable Regulatory Agreement in any documents transferring any interest in the applicable Project to another person to the end that such restrictions shall be binding on the transferee.

SECURITY FOR THE BONDS

Pledge of the General Resolution

The Parity Bonds are equally and ratably secured by a first lien and pledge created by the General Resolution on: (a) the proceeds of the sale of the Parity Bonds; (b) moneys in each Fund and Account established for the Parity Bonds by the Resolution, including the investments thereof and earnings on such investments, if any (other than amounts in each Rebate Fund in respect to the Parity Bonds); and (c) Pledged Receipts received on account of the Offered Bonds Mortgage Loans and the Mortgage Loans financed with the proceeds of other Parity Bonds.

The General Resolution permits the issuance of a Series of Additional Bonds, but only upon satisfying certain conditions set forth in the General Resolution. See "Additional Bonds" below. A Series of Additional Bonds issued under the General Resolution shall be equally and ratably secured with each other by a separate first lien and pledge created by the General Resolution on: (a) the proceeds of the sale of such Series of Additional Bonds; (b) moneys in each Fund and Account established for such Series of Additional Bonds by the applicable series resolution, including the investments thereof and earnings on such investments, if any (other than amounts in the Rebate Fund in respect to such Additional Bonds); and (c) Pledged Receipts received on account of the Mortgage Loans financed with the proceeds of such Series of Additional Bonds.

Subject to the terms of the General Resolution and the series resolution under which such Additional Bonds are issued, Additional Bonds may be issued on parity with the Offered Bonds and the Prior Bonds and therefore entitled to the equal benefit, protection and security of the lien and pledge of the General Resolution on the proceeds, moneys, Funds and Accounts, Mortgage Reserve Fund and Pledged Receipts described above in respect to the Offered Bonds, the Prior Bonds and such Additional Bonds. Otherwise, no proceeds of the sale of a Series of Bonds issued under the General Resolution, and no moneys, investments, and Pledged Receipts pledged to such Series of Bonds, shall secure any other Series of Bonds issued under the General Resolution, including the Offered Bonds. The Prior Bonds and, upon their issuance, the Offered Bonds, will be the only Series of Bonds outstanding under the General Resolution.

The Bonds issued from time to time under the General Resolution will constitute special obligations of NH Housing, payable solely from and secured by the proceeds, moneys, rights, interests and collections pledged under the General Resolution, subject only to the terms of the General Resolution permitting the use or application thereof to and for the purposes and on the terms set forth in the General Resolution, including the payments to the Trustee, Paying Agents and Depositories of reasonable compensation and expenses.

Upon certain terms and conditions provided in the General Resolution, amounts may be released to NH Housing free and clear of the lien of the General Resolution. See the information set forth under "Revenue Fund" under the caption Appendix C – "Summary of Certain Provisions of the General Resolution."

The ability of NH Housing to pay the principal of and interest on the Parity Bonds depends upon the timely receipt of sufficient Pledged Receipts with respect to the Parity Bonds and amounts due on Investment Obligations

which moneys held for the Parity Bonds under the General Resolution are invested. The requirements described under “FHA Insurance and Mortgage Reserve Fund” with respect to Mortgage Loans and the Mortgage Reserve Fund have been established to provide for the payment of Debt Service on the Parity Bonds if Pledged Receipts for that purpose are insufficient. In the event that (1) any one or more of the Mortgagors fails to satisfy its obligations under the Program, (2) the proceeds of mortgage insurance and other sources of security, including available amounts in the Funds and Accounts for the Parity Bonds established by the Resolution, are insufficient, or (3) amounts are not received when due under any such Investment Obligations, it is possible that sufficient moneys may not be available to pay Debt Service on the Parity Bonds as due and payable.

Events of Default and Exercise of Remedies at the Request of Certain Holders

If an Event of Default under the General Resolution shall occur, the Trustee has discretion to act, and in certain circumstances is required to act, for the protection of Holders by exercising certain remedies provided in the General Resolution. Upon the happening and continuance of any Event of Default, the Trustee may proceed, and upon the written request of the Holders of not less than 25 percent in principal amount of the Outstanding Bonds shall proceed, in its own name and as Trustee of an express trust for the benefit of the Holders of all Bonds, to protect and enforce the rights of the Holders of Bonds by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights. Such remedies include: (i) by mandamus or other suit, action or proceeding at law or in equity, enforcing the rights of the Holders of the applicable Bonds, (ii) by action or suit in equity, requiring NH Housing to account as if it were the trustee of an express trust for the Holders of the applicable Bonds, (iii) by action or suit in equity, enjoining any acts or things which may be unlawful or in violation of the rights of the Holders of the applicable Bonds, and (iv) declaring the applicable Bonds due and payable. See Appendix C – SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION – “Events of Default” and “Remedies” herein.

For example, if an Event of Default occurred with respect to only one Series of Parity Bonds (such as a payment default on the Prior Bonds, but not the Offered Bonds) then the holders of no less than 25 percent of the aggregate principal amount of the Parity Bonds could direct the Trustee to exercise the remedies above, which would affect all Parity Bonds, even though there was no Event of Default declared for the Offered Bonds.

FHA Insurance and Mortgage Reserve Fund

As required by the Resolution, each of the Offered Bonds Mortgage Loans is expected to have the benefit of FHA Insurance.

A Mortgage Reserve Fund may be established by a series resolution to provide a reserve for the payment of one or more of Principal Installments, Redemption Price and interest on a Series of Bonds issued pursuant to the General Resolution and such series resolution. A Mortgage Reserve Fund and a Mortgage Reserve Fund Requirement were established for each of the Prior Bonds pursuant to the series resolutions providing for the issuance of the Prior Bonds. Upon the issuance of the Prior Bonds, NH Housing deposited a total of \$9,401,408 into Mortgage Reserve Funds, all of which remains on deposit in the respective Mortgage Reserve Funds. Upon the issuance of the Offered Bonds, a Mortgage Reserve Fund will be established for the Offered Bonds pursuant to the Series Resolution, and NH Housing will deposit \$920,000.00, the Mortgage Reserve Fund Requirement for the Offered Bonds, into such Mortgage Reserve Fund. The Offered Bonds and the Prior Bonds will be secured equally and ratably by such Mortgage Reserve Funds. To the extent that NH Housing issues Parity Bonds other than the Offered Bonds and the Prior Bonds and establishes a Mortgage Reserve Fund for such other Parity Bonds, the Offered Bonds, the Prior Bonds and such other Parity Bonds will be secured equally and ratably by the Mortgage Reserve Funds established for the Offered Bonds and the Prior Bonds and the Mortgage Reserve Fund established for such other Parity Bonds, as more particularly described below.

The Mortgage Reserve Funds for the Parity Bonds are required to be maintained at the aggregate amount of the Mortgage Reserve Fund Requirement established for the Parity Bonds by the applicable series resolution. The money in the Mortgage Reserve Funds for the Parity Bonds is available, if necessary, to pay any principal or interest or redemption price due and payable with respect to the Parity Bonds secured by the Mortgage Reserve Funds, up to the aggregate amount of the Mortgage Reserve Fund Requirement for such Parity Bonds, to the extent that such

amount is not available in any other Fund or Account held under the General Resolution for the Parity Bonds and available for such purpose.

A Mortgage Reserve Fund (and the applicable Mortgage Reserve Fund Requirement) may, but is not required to be, established for any other Series of Bonds issued under the General Resolution pursuant to the applicable series resolution governing such Series of Bonds. To the extent such other Series of Bonds are not Parity Bonds, the Mortgage Reserve Fund established for such other Series of Bonds would not secure the Parity Bonds and the Mortgage Reserve Funds established for the Parity Bonds would not secure such other Series of Bonds.

Additional Bonds

The General Resolution permits the issuance of Additional Bonds other than the Offered Bonds and the Prior Bonds for the purpose of financing: (i) the funding or purchase of Mortgage Loans to Mortgagors, including, without limitation, Mortgage Loans to finance additional Projects ; (ii) the payment of indebtedness incurred by NH Housing to obtain funds for Mortgage Loans; (iii) the making of deposits to the applicable Capitalized Interest Account, Mortgage Reserve Fund or other Funds or Accounts established in the General Resolution or the applicable series resolution; (iv) the payment of costs of issuance; (v) the refunding of Bonds or other indebtedness of NH Housing through the issuance of Refunding Bonds; and (vi) the provision of moneys for the financing of a Project by NH Housing, but in each case only upon satisfying certain conditions set forth in the General Resolution.

The specific terms for such Additional Bonds will be set forth in a series resolution relating to such Additional Bonds. Additional Bonds may have maturity dates and interest payment dates other than January 1 and July 1 and such dates may occur more frequently than semiannually. Additional Bonds may be issued on a parity basis with the Parity Bonds, subject to the terms of the General Resolution and the series resolution under which such Additional Bonds are issued. If issued on a parity basis, such Additional Bonds will be entitled to the equal benefit, protection and security of the pledge of the General Resolution securing the Parity Bonds. See “Pledge of the General Resolution” above. Additional Bonds also may be issued on a subordinate basis to the Parity Bonds and any other Series of Additional Bonds then outstanding if the series resolution relating to such Additional Bonds provides for such subordination.

No Series of Bonds may be issued if the principal amount of all Bonds issued or to be issued will exceed any limitation imposed by law. NH Housing has reserved the right to issue other obligations not secured or payable from the proceeds, moneys, rights and collections pledged to the payment of a Series of Bonds under the General Resolution.

Other Bonded Indebtedness of NH Housing

NH Housing issues its revenue bonds for both multi-family housing and single family housing. Unless issued under the General Resolution on parity with the Offered Bonds, such revenue bonds are secured separately from the Offered Bonds, and the registered owners or Beneficial Owners of the Offered Bonds shall have no claim upon any of the funds or security provided for such other revenue bonds.

TAX MATTERS

The Code imposes requirements and restrictions on the issuance of bonds, such as the Offered Bonds, to finance qualified residential rental projects as a condition of the interest on such bonds being excluded from gross income for federal income tax purposes. Failure to satisfy certain of these requirements and restrictions of the Code applicable to the Offered Bonds on a continuous basis, unless corrected within a reasonable period of time, will cause loss of such exclusion from gross income of the interest on the Offered Bonds, and such loss may be retroactive to the date of issuance of such Offered Bonds. On or before delivery of the Offered Bonds to the Underwriters, NH Housing and the 2024 Series 2 Borrowers (each a “Tax Covenant Entity”) will provide covenants (including without limitation covenants by each of the 2024 Series 2 Borrowers in the related Regulatory Agreement regarding the renting of at least 40 percent of the units in the Project to Low or Moderate Income Tenants throughout the Qualified Project Period) or certificates evidencing that it will take all lawful action necessary to comply with those provisions of the Code applicable to each Tax Covenant Entity that, except for such compliance, would affect adversely the excludability of interest on the Offered Bonds from gross income for federal income tax purposes.

Each of the Regulatory Agreements and the General Resolution contain provisions designed to maintain compliance with the requirements and restrictions of the Code. If such requirements and restrictions are not complied with, the interest on the Offered Bonds will or may, depending on the applicable requirements or restrictions violated, be included in gross income for federal income tax purposes, and such inclusion will or may, depending on the applicable requirements or restrictions violated, be retroactive to the date of issuance of the Offered Bonds. In the event of noncompliance with such requirements and restrictions, enforcement remedies available to NH Housing and/or the Bondholders may be limited by applicable provisions of law and may, therefore, be inadequate to prevent such includability of interest on the Offered Bonds.

In rendering its opinions as to the exclusion from gross income for federal income tax purposes of interest on the Offered Bonds, Bond Counsel has assumed compliance with all requirements and restrictions of the Code that must be complied with in order to maintain such exclusion.

In the opinion of McCarter & English, LLP, Boston, Massachusetts, Bond Counsel, under existing law, and assuming compliance with certain covenants and procedures by each of the 2024 Series 2 Borrowers and NH Housing to comply with the applicable requirements and restrictions of the Code, (1) interest on the Offered Bonds is excluded from gross income for federal income tax purposes, except for interest on any Offered Bond during any period while such Offered Bond is held by a “substantial user,” or a “related person,” within the meaning of Section 147(a) of the Code, of any property financed by proceeds of the Offered Bonds (said exclusion constituting the “Federal Gross Income Exclusion”); (2) interest on the Offered Bonds is not an item of tax preference for the purpose of calculating the alternative minimum tax imposed on individuals; and (3) interest on the Offered Bonds is taken into account in determining “adjusted financial statement income” for purposes of computing the alternative minimum tax imposed on “applicable corporations”. In the further opinion of Bond Counsel, under existing law, the Offered Bonds, their transfer, and the income therefrom, including any profits made on the sale thereof, are free from taxation by the State of New Hampshire or any political subdivision thereof, excepting inheritance, estate and gift taxes.

The opinions expressed by Bond Counsel may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur.

Bond Counsel has not opined as to the other federal tax consequences resulting from holding the Offered Bonds. Potential purchasers should be aware, however, that ownership of the Offered Bonds may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and certain foreign corporations), financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, 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 not included in gross income for federal income tax purposes. Holders of the Offered Bonds are advised to consult their tax advisors regarding the collateral consequences under federal tax law of ownership of the Offered Bonds.

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

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

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 such Offered Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at

prescribed rates), such Offered Bond (a “Premium Bond”) will have bond premium. In general, for federal and State tax purposes, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond determined on the basis of constant yield principles. An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period, under the owner’s regular method of accounting, against the bond premium allocable to that period. In the case of a tax-exempt bond, such as an Offered Bond, that is a Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost.

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

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

On the date of delivery of the Offered Bonds, the Underwriter will be furnished with an opinion of Bond Counsel substantially in the form attached hereto as Appendix I – “Form of Opinion of Bond Counsel.”

NO LITIGATION

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

LEGALITY FOR INVESTMENT

The Act provides that, in the State, the obligations of NH Housing will be legal investments in which all public officers and public bodies and authorities of the State, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, banking institutions including savings and loan associations, building and loan associations, trust companies, savings banks and savings associations, credit unions, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who

are authorized to invest in bonds, notes or in other state obligations, may properly and legally invest funds, including capital, in their control or belonging to them. Such obligations of NH Housing are also securities which may properly and legally be deposited with and received by all public officers and public bodies of the State or any agency or political subdivision of the State, and all municipalities and public corporations for any purpose for which the deposit of bonds, notes or other State obligations is authorized by law and are eligible as collateral with respect to deposits of State moneys, if any, required to be collateralized.

APPROVAL OF LEGALITY

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

UNDERWRITING

BofA Securities, Inc., RBC Capital Markets, LLC, and Morgan Stanley & Co. LLC (collectively, the “Underwriters”) have agreed, subject to certain conditions, to purchase the Offered Bonds from NH Housing at the respective initial offering prices set forth on the inside front cover page (including any applicable original issue premium) and will receive an underwriting fee and expense reimbursement of \$332,307.85. The Underwriters’ obligations are subject to certain conditions precedent, and they will be obligated to purchase all such Offered Bonds if any Offered Bonds are purchased. The initial public offering prices of the Offered Bonds may be changed, from time to time, by the Underwriters. The Underwriters may offer and sell the Offered Bonds to certain dealers and banks (including dealers depositing such Offered Bonds into investment trusts, certain of which may be sponsored or managed by the Underwriters) and others at prices lower than the initial public offering prices stated on the inside front cover page and may change the public offering prices from time to time. The Underwriters may assign their right to purchase the Offered Bonds to other investors, provided that any such assignment will not relieve the Underwriters of their obligations under the purchase contract with respect to such Offered Bonds. The Underwriters are not acting as placement agents with respect to the Offered Bonds.

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

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

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

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

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

RATING

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

FINANCIAL STATEMENTS OF NH HOUSING

The financial statements of NH Housing as of and for the year ended June 30, 2023 included in this Official Statement as Appendix H reflect amounts derived from all of NH Housing's then-outstanding bonds, issued under several resolutions. Other than amounts held in the General Funds of NH Housing, all such amounts are subject to the lien of and are pledged under the applicable resolution. Such amounts in the General Funds are not pledged and are not subject to the liens of the General Resolution or any resolution which relates to bonds which finance mortgage loans.

INDEPENDENT AUDITORS

The financial statements of NH Housing as of and for the year ended June 30, 2023, included in this Official Statement, have been audited by Baker Newman & Noyes, LLC, independent auditors, as stated in their report appearing herein.

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

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "Rule"), NH Housing has undertaken to provide certain updated financial information and operating data annually, and to provide timely notice of specified events (collectively, the "Continuing Disclosure Information") to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board. Continuing Disclosure Information filed with EMMA may be obtained at www.emma.msrb.org. The undertakings to provide Continuing Disclosure Information are summarized in "APPENDIX G—SUMMARY OF CERTAIN PROVISIONS OF THE CONTINUING DISCLOSURE AGREEMENT" (the "2024 Series 2 Undertakings"). NH Housing has entered into similar undertakings to provide Continuing Disclosure Information with respect to its other outstanding bonds issued pursuant to various general bond resolutions (collectively, the "Prior Disclosure Undertakings" and with the 2024 Series 2 Undertakings, the "Aggregate Disclosure Undertakings"). NH Housing has engaged Digital Assurance Certification, L.L.C. ("DAC") as the disclosure dissemination agent (the "Dissemination Agent") in connection with the 2024 Series 2 Undertakings.

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

Housing's separate General Multi-Family Housing Revenue Bond Resolution adopted on April 27, 2000 and its General Multi-Family Housing Revenue Bond Resolution adopted on December 14, 2000.

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

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

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

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

ADDITIONAL INFORMATION

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

The references herein to the Act, the Code, the General Resolution, the Series Resolution, the Mortgages, the Continuing Disclosure Agreement and the Regulatory Agreements are brief outlines of certain provisions thereof. Such outlines do not purport to be complete or definitive, and reference is made to such statutes, the General Resolution, the Series Resolution, the Mortgages, the Continuing Disclosure Agreement and the Regulatory Agreements, for complete and definitive statements of such provisions. The agreements of NH Housing with the Holders of the Offered Bonds are fully set forth in the General Resolution and the Series Resolution, and this Official Statement is not to be construed as a contract with the registered owners or Beneficial Owners of the Offered Bonds. To the extent that any statements are made in this Official Statement involving matters of opinion, whether or not expressly stated as such, they are intended merely as such and not as representations of fact. The information in this Official Statement is subject to change without notice, and no inference should be derived from the sale of the Offered Bonds that there has been no change in the affairs of NH Housing from the date hereof. Copies of the Act, the General Resolution and the Series Resolution are available for inspection at the offices of the Trustee.

For information with respect to NH Housing, including its most recent audited financial statements, reference is made to NH Housing's website: www.nhhfa.org. None of the information posted on NH Housing's website is incorporated by reference in this Official Statement.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

By: /s/ Edward Gin
Managing Director, Finance/CFO

Dated: September 5, 2024

NH HOUSING

General

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

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

Members and Management Staff

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

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

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

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

Sarah Marchant, Vice Chair. Ms. Marchant is the Chief of Staff for the New Hampshire Community Loan Fund and is responsible for business management, executive communications, and cross-organizational strategic initiatives. Ms. Marchant served as the Director of Community Development for the City of Nashua, New Hampshire from 2014 – 2021 where she was responsible for the budget and leadership of the Community Development Division, comprised of six departments as well as various commissions, boards and programs. Ms. Marchant serves on the American Planning Association’s AICP Commission for Region 5 and serves as the Professional Development Officer for the Northern New England Chapter of the American Planning Association (“NNECAPA”), having served as president from 2015 to 2021. She volunteers as Senior Strategist for the Center for Strategic Governance and serves on the Executive Committee of the New Hampshire Planners Association (“NHPA”), after serving as President from 2010 – 2014. Ms. Marchant received her bachelor’s degree from the University of New Hampshire and her master’s degree from the University of Connecticut. Ms. Marchant’s term as a member of NH Housing expires on July 1, 2029.

Derek Ferland, Member. Mr. Ferland is the County Manager of Sullivan County, New Hampshire. As such, he is the chief executive and financial officer for a 315-person organization and an annual operating budget of over \$38 million. During his tenure, Sullivan County has established the first transition/sober housing facility in the county, successfully managed a \$1.7 million county-wide lead paint abatement program, and is currently 9 months into a 3-year, \$75 million project to renovate the county’s nursing home. Prior to his appointment as Sullivan County Manager in March 2017, Mr. Ferland served 22 years in the U.S. Air Force as a civil engineer officer and attained the rank of Colonel before retiring in January 2017. His distinguished career included assignments around the world

including England, Kuwait, and Uzbekistan in addition to numerous stateside locations. Mr. Ferland serves on the International County/City Manager's Association Veterans' Advisory Committee, he is Board member for both Southwestern Community Services and the Claremont Development Authority, Treasurer of Discover Sugar River Region Foundation and Vice President and Trail Administrator for Shugah Valley Snow Riders, and a past Chair of the Claremont Energy Advisory Committee. He earned a bachelor's degree in civil/environmental engineering from the United State Air Force Academy, a master's degree in engineering and environmental management from the Air Force Institute of Technology, and a master's degree in security studies/international affairs from the Naval Postgraduate School. Mr. Ferland resides in his hometown of Claremont. Mr. Ferland's term as a Member of NH Housing expires on July 1, 2028.

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

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

Anthony Poore, Member. Mr. Poore has worked in support of transformative change and equitable and sustainable communities for 30 years as a community organizer and economic development practitioner; academic; workforce housing and public health advocate; policy analyst; researcher; and executive addressing the needs of New Hampshire's urban and rural low- and moderate-income communities. Mr. Poore launched AP Consulting Group in 2021, working with traditional and non-traditional financial institutions and community-based organizations to identify and develop mutual beneficial public-private community economic development projects. Previously, Mr. Poore served as the Executive Director of New Hampshire Humanities, an affiliated organization of the National Endowment for the Humanities; he worked with Federal Reserve Bank of Boston in a variety of leadership roles, directing research and policy initiatives of the Boston Fed's Regional and Community Outreach Department; and he served as the Assistant Dean for Southern New Hampshire University's School of Economic Development. Mr. Poore currently serves on the Board of Directors of New Hampshire Listens, a civic engagement initiative of the Carsey School of Public Policy at the University of New Hampshire. Mr. Poore's term as a member of NH Housing expires on July 1, 2025.

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

Michael J. Skelton, Member. Mr. Skelton is the President and CEO of the Business & Industry Association of New Hampshire, the leading business advocacy organization in New Hampshire, representing more than 400 leading employers in a variety of industries. Mr. Skelton previously served as the President and CEO of the Greater

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

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

As of May 31, 2024, NH Housing employs approximately 140 full-time persons in the areas of finance, accounting, planning and development, business technology, homeownership, program management and Section 8 subsidized housing programs, including new construction, substantial rehabilitation, moderate rehabilitation and existing housing.

The management staff of NH Housing includes the following individuals:

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

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

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

Ignatius MacLellan, Managing Director, Multifamily Housing Division. Mr. MacLellan joined NH Housing in November 2011 as the Managing Director, Homeownership Division and served in that position until January 2022. He is an attorney admitted to practice in New Hampshire after receiving his J.D. from the University of Maine School of Law and a B.A. from Boston College. Prior to joining NH Housing, Mr. MacLellan served as a

Vice President, Public Affairs for the Northern New England Housing Investment Fund, and he was previously employed by both Fannie Mae and the U.S. Department of Housing and Urban Development.

Edward Gin, Chief Financial Officer/Managing Director, Finance. Mr. Gin became Chief Financial Officer in December 2023. Previously, Mr. Gin was the Chief Financial Officer of the Illinois Housing Development Authority. Earlier, he was a Chief Financial Officer of J.P. Morgan's Commercial Bank, a private equity firm, and a global manufacturing company. Mr. Gin holds a Master of Business Administration degree from Northwestern University and a Bachelor of Business Administration degree from Loyola University. He is a licensed Certified Public Accountant, a licensed real estate broker, holds a Series 7 securities license, and held a Series 66 securities license. Mr. Gin serves on the Executive Board of the Government Finance Officers Association.

General Counsel

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

Business Disruption Risk

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt NH Housing's ability to conduct its business. A prolonged disruption in NH Housing's operations could have an adverse effect on NH Housing's financial condition and results of operations. To plan for and mitigate the impact such an event may have on its operations, NH Housing has developed a Business Continuity Plan (the "Plan"). The Plan is designed to (a) provide for the continued execution of the mission-essential functions of NH Housing and minimize disruption if an emergency threatens, interrupts or incapacitates NH Housing's operations; (b) provide NH Housing leadership with timely direction, control and coordination before, during and after an emergency; and (c) facilitate the return to normal operating conditions as soon as practical based on the circumstances surrounding any given emergency. No assurances can be given that NH Housing's efforts to mitigate the effects of an emergency or other event will be successful in preventing any and all disruptions to its operations in the event of an emergency.

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

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

Despite its efforts, no assurances can be given that NH Housing's security and operational control measures will be successful in guarding against any and each cyber threat and attack, especially because the techniques used are increasingly sophisticated, change frequently, are complex, and are often not recognized until launched. To date,

cyberattacks have not had a material impact on our financial condition, results or business; however, NH Housing is not able to predict the severity of these attacks. The results of any attack on NH Housing's computer and information technology systems could impact its operations for an unknown period of time, damage NH Housing's digital networks and systems, and damage NH Housing's reputation, financial performance, and customer or vendor relationships. Such an attack could also result in litigation or regulatory investigations or actions, including regulatory actions by state and federal governmental authorities. The costs of remedying any such damage could be substantial and such damage to NH Housing's reputation and relationships could adversely affect NH Housing's ability to make loans and issue Bonds in the future.

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DEFINITIONS OF CERTAIN TERMS USED IN THIS OFFICIAL STATEMENT

The following terms as used in this Official Statement shall have the following meanings:

“Act” shall mean Chapter 204-C of the Revised Statutes Annotated of New Hampshire.

“Adjusted Annual Income” shall mean the income defined as Adjusted Annual Income in the Certifications of Tenant Eligibility prepared pursuant to the Regulatory Agreement, which adjusted annual income is computed in the manner prescribed in Section 142(d)(2)(B) of the Code.

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

“Authorized Officer of NH Housing” shall mean the Chair, Vice Chair, any Member of NH Housing, the Executive Director of NH Housing, the Managing Director, Finance CFO of NH Housing and any other officer or employee of NH Housing authorized to perform the particular act or duty by resolution duly adopted by NH Housing.

“Bond Counsel” shall mean McCarter & English, LLP, or their successors as bond counsel to NH Housing.

“Bond Document” means any Series Resolution, Supplemental Resolution, purchase contract, regulatory agreement, continuing disclosure agreement, certificate or any other document executed and delivered by NH Housing (a) in connection with the issuance of any Series of Bonds, and (b) at the date of issuance of said Series of Bonds.

“Bondholder” or *“Holder”* or *“Registered Owner”* or *“Owner,”* when any such word is used with reference to the Bonds, shall mean the person or entity shown from time to time as the registered owner of a Bond or Bonds in the books of NH Housing kept for this purpose by the Trustee as registrar for the Bonds.

“Capitalized Interest Account” shall mean the applicable Capitalized Interest Account established in Capitalized Interest Fund by the General Resolution.

“Capitalized Interest Fund” shall mean the Capitalized Interest Fund established by the General Resolution.

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

“Cost of Issuance” shall mean the items of expense to be paid or reimbursed directly or indirectly by NH Housing and related to the authorization, sale and issuance of Bonds which items of expense shall include but not be limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, fees of professional consultants and financial advisors, cost of credit ratings, mortgage insurance premiums, fees and charges for execution, transportation and safekeeping of Bonds, any discount of the selling price of Bonds under the principal amount of Bonds sold, the fees and expenses of any securities depository arrangement and other costs, charges, and fees in connection with the foregoing.

“Cost of the Project” shall mean costs and expenses determined by NH Housing to be appropriate in connection with a Project.

“Credit Facility” shall mean a guarantee, surety bond, insurance policy or unconditional (except to the extent such letter of credit may have a fixed termination date), irrevocable direct pay or stand-by letter of credit which is issued by a bank, trust company, national banking association, insurance company, corporation or other entity, provided that such guarantee, surety bond, insurance policy or letter of credit at the time of issuance thereof will not

adversely affect the then current Rating, if any, on the Bonds to which such guarantee, surety bond, insurance policy or letter of credit pertains.

“Debt Service” shall mean, with respect to any particular calendar year and any Series of Bonds, an amount equal to the sum of (1) all interest payable during such year on such Bonds Outstanding plus (2) the Principal Installment or Installments during such year on such Bonds Outstanding, all calculated on the assumption that Bonds Outstanding on the day of calculation will cease to be Outstanding by reason of, but only by reason of, payment upon maturity and application of all Sinking Fund Installments in accordance with a series resolution establishing such Sinking Fund Installments.

“Debt Service Fund” shall mean the Debt Service Fund established by the General Resolution.

“Depository” shall mean any bank or trust company selected by NH Housing and approved in writing by the Trustee as a depository of moneys and securities held under the provisions of the General Resolution, and may include the Trustee and any entity appointed to service a Mortgage Loan and otherwise qualified to be a Depository.

“Development” shall mean any Project.

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

“Family” shall mean two or more persons occupying the same dwelling unit in the Development, whether or not such persons are related by blood, marriage or operation of law.

“FHA” shall mean the Federal Housing Administration, a division of HUD, or any successor thereto.

“FHA Insurance” shall mean insurance of a Mortgage Loan under Risk Sharing Insurance.

“FHLMC” shall mean the Federal Home Loan Mortgage Corporation and any successor thereto.

“FNMA” shall mean the Federal National Mortgage Association and any successor thereto.

“Fiscal Year” shall mean any 12 consecutive calendar months commencing with the first day of July and ending on the last day of the following June, or any other 12 consecutive calendar months representing any other accounting year adopted by NH Housing (including a calendar year) or the entity to which the term Fiscal Year is being applied.

“Fund” shall mean a fund established by the General Resolution or by a Supplemental Resolution.

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

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

“Guaranteed Mortgage Securities Repayment” shall mean the amounts paid or required to be paid from time to time to NH Housing or its designee on a Guaranteed Mortgage Security for principal and interest, but not including any of the following: Escrow Payments, Prepayments, Recovery Payments, amounts retained as permitted with respect to a Guaranteed Mortgage Security by a servicer (including NH Housing), if any, as compensation for its services and any commitment fee received by NH Housing at the time of initial issuance of funds.

“Housing” shall mean “Housing” as defined in the Act.

“HUD” shall mean the United States Department of Housing and Urban Development or any successor agency.

“Interest Account” shall mean the applicable Interest Account established in the Debt Service Fund by the General Resolution.

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

- (i) Direct obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America;
- (ii) Bonds, debentures, participation certificates, notes or other evidence of indebtedness issued by any of the following agencies or such other like governmental or government sponsored agencies which may be hereafter created and only for so long as such agency is owned or sponsored by the United States of America: Federal Home Loan Bank; Federal Land Banks; Federal Farm Credit Banks; Farmer’s Home Administration; Federal Home Loan Mortgage Corporation (but only those certificates as to which timely payment of principal and interest is guaranteed); Inter American Development Bank; International Bank for Reconstruction and Development; Small Business Administration; Government National Mortgage Association; Federal National Mortgage Association (including debt obligations and mortgage backed securities but excluding stripped securities valued at greater than par); Student Loan Marketing Association; Resolution Trust Corporation; or Tennessee Valley Authority;
- (iii) An investment agreement or contract, or similar obligation or banking arrangement (collectively, “investment agreement”) with, or guaranteed by (a) an institution which is a member of the Federal Deposit Insurance Corporation or affiliated with such a member and which institution’s or affiliate’s long term unsecured debt obligations are rated, or (b) an institution whose long term unsecured debt obligations are, or claims paying ability is rated, in the case of either (a) or (b), on the date on which such investment agreement is entered into, at least as high as required by the Rating Agency such that the investment agreement, in and of itself, will not impair, or cause the Bonds to fail to retain, the then existing rating assigned to them by the Rating Agency;
- (iv) A collateralized investment agreement or contract, or similar obligation or banking arrangement with, or guaranteed by, an institution which is a member of the Federal Deposit Insurance Corporation, or an institution which is a member of the Association of Primary Dealers in U.S. Government Securities, the underlying securities of which are of the type described in items (i) and (ii) of Investment Obligations;
- (v) any obligation or security as to which a Counsel’s Opinion has been delivered to NH Housing to the effect that such obligation or security is not “investment property” within the meaning of Section 148(b) of the Code;
- (vi) fixed rate, non-derivative securities that are direct and general obligations of any state or governmental entity of the United States and/or any political subdivision or instrumentality thereof, provided that such securities will not adversely affect the then existing rating assigned to the Bonds by the Rating Agency; or
- (vii) any investments authorized in a Series Resolution authorizing Bonds rated by the Rating Agency.

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

“Local Unit” shall mean the city or town in which the Development is located.

“Low or Moderate Income Tenant” shall mean a natural person or a Family, irrespective of race, creed, national origin or sex, the Adjusted Annual Income of which person, or the combined Adjusted Annual Income of all members of such Family, as the case may be, does not exceed 100 percent (in cases in which the “20-50 test” under Section 142(d)(1)(A) of the Code is elected) or 120 percent (in cases in which the “40-60 test” under Section 142(d)(1)(B) of the Code is elected) of the amount established from time to time by HUD in accordance with Section 3(b)(2) of the United States Housing Act of 1937, as amended, as “very low-income” in the Primary Metropolitan Statistical Area in which the Local Unit is located for the number of persons occupying a dwelling unit in the Development (or, if such amount should no longer be so established, the amount determined as then permitted by the Code); provided, however, that in no event shall occupants of a dwelling unit be considered to be Low or Moderate Income Tenants if all the occupants are students (as defined in Section 151(c)(4) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code.

“Mortgage” shall mean a mortgage deed, deed of trust, or other instrument (1) which shall constitute a lien on real property or on a leasehold under a lease having a remaining term, at any time such mortgage is acquired by or granted to NH Housing, which does not expire for at least that number of years beyond the maturity date of the obligation secured by such mortgage as is established by NH Housing as necessary to protect its interest as mortgagee, (2) which shall, except as a Series Resolution may otherwise provide with respect to any mortgage security any Mortgage Loan funded or purchased with the proceeds of a Series of Bonds issued under such Series Resolution, contain a power of sale entitling the holder to the benefit of the provisions of Section 25, 26, 27 and 27a of Chapter 479 of the Act, and (3) which shall, except as a Series Resolution may otherwise provide with respect to any mortgage securing any Mortgage Loan funded or purchased with the proceeds of a Series of Bonds issued under such Series Resolution, constitute a prior perfected security interest in the personal property described in the General Resolution.

“Mortgage Loan” shall mean an interest bearing obligation issued with respect to Multi-Family Housing or other Housing (or, if explicitly so stated in the Resolution, with respect only to a Project) secured by a Mortgage. Mortgage Loan shall also mean any lawful participation by NH Housing with another party or parties in a loan made to a Mortgagor with respect to Multi-Family Housing (or, if explicitly so stated in the Resolution, with respect only to a Project) and secured by a Mortgage so long as the interest of NH Housing shall have at least equal priority as to lien in proportion to the amount of the loan secured, but need not be equal as to interest rate, time or rate of amortization or otherwise.

“Mortgage Loan Commitment” shall mean the obligation of NH Housing to fund a Mortgage Loan.

“Mortgage Repayment” shall mean the amounts paid or required to be paid from time to time to NH Housing or its designee by a Mortgagor or on behalf of a Mortgagor, for principal and interest and any other payments or charges on a Mortgage Loan pursuant to a Mortgage, but not including any of the following: Escrow Payments, Prepayments, Recovery Payments, amounts retained as permitted with respect to a Mortgage Loan by a servicer (including NH Housing), if any, as compensation for its services and any commitment fee received by NH Housing at the time of initial issuance of funds.

“Mortgage Reserve Fund” shall mean any fund established by a Series Resolution to provide a reserve for the payment of one or more Principal Installments, Redemption Price and interest on a Series of Bonds.

“Mortgage Reserve Fund Requirement” shall mean, with respect to a Mortgage Reserve Fund, the Mortgage Reserve Fund Requirement established for such Mortgage Reserve Fund by the Series Resolution creating such Mortgage Reserve Fund.

“Mortgagor” shall mean any individual, joint venture, partnership, limited partnership, trust, firm, association, corporation, cooperative, condominium association, governmental agency, or other legal entity, or any combination thereof approved by NH Housing as qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain Housing whether organized for profit, limited profit, or nonprofit purposes, provided, however, that if a Series Resolution states that the proceeds of the Series of Bonds issued under such Series Resolution or other moneys in the Project Account relating to such Series of Bonds shall be used to fund or purchase Mortgage Loans or other

loans made only to the persons or entities specified in such Series Resolution. “Mortgagor” shall mean, with respect to such Series of Bonds and such moneys, only the person or entities so specified.

“*Multi-Family Housing*” shall mean five or more dwelling units in one or more buildings, none of which contain fewer than two dwelling units, in the State, including any buildings, land, improvements, equipment, facilities or other real or personal property which are deemed by NH Housing to be necessary, convenient, ancillary or desirable in connection therewith, (i) which NH Housing is authorized by law to acquire, maintain, renovate or operate and to issue its obligations therefor or with respect to which NH Housing is authorized by law to fund a Mortgage Loan to a Mortgagor and to issue its obligations therefor, and (ii) which meets any additional criteria (which shall not be contrary to applicable law) specified in a Series Resolution.

“*Notes*” shall mean debt obligations (other than Bonds) issued by NH Housing, including without limitation leases classified as debt for federal income tax or financial accounting purposes, and obligations issued in anticipation of the issuance of Bonds.

“*Optional Redemption Account*” shall mean the applicable Optional Redemption Account established in the Debt Service Fund by the General Resolution.

“*Outstanding*” when used with reference to Bonds, shall mean, as of any date of computation, Bonds theretofore delivered or thereupon being delivered under the General Resolution except: (1) Any Bonds canceled by the Trustee at or prior to such date; (2) Bonds for the payment or redemption of which moneys, equal to the principal amount or redemption price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the General Resolution and set aside for such payment or redemption (whether at or prior to the maturity or redemption date); (3) Bonds in lieu of or in substitution for which other Bonds shall have been executed and delivered pursuant to the General Resolution; and (4) Bonds deemed to have been paid as provided in the General Resolution.

“*Pledged Receipts*” (i) shall mean (a) Mortgage Repayments called for by any Mortgage Loan with respect to a Project, from, as applicable, the date of issuance of Refunding Bonds to refund obligations issued to provide money for the funding or purchase of such Mortgage Loan by NH Housing (if such funding or purchase was not financed by Bonds), or the date of funding or purchase of such Mortgage Loan by NH Housing (if such funding or purchase is financed by Bonds), paid from any source to NH Housing or received or held in trust for NH Housing by any institution servicing such Mortgage Loan for NH Housing, including both timely and delinquent payments, (b) Prepayments and (c) Recovery Payments; (ii) but shall not include Escrow Payments or other payments of ground rents, if any, taxes, assessments, mortgage, fire or other hazard insurance premiums called for by any Mortgage Loan, Servicing Fees or any other like payments other than the payments referred to in (i) hereof.

“*Prepayment*” shall mean (1) any moneys received from any payment of principal or interest, including any prepayment penalties or other charges, on any Mortgage Loan with respect to a Project more than sixty (60) days prior to the scheduled Mortgage Repayments called for thereby, or from the sale of a Mortgage Loan with respect to a Project pursuant to the General Resolution, other than any of the moneys described above in this definition constituting a Recovery Payment, or (2) any moneys received from any payment of principal on any Guaranteed Mortgage Securities more than thirty (30) days prior to the scheduled Guaranteed Mortgage Securities Repayment called for thereby, or from the sale of Guaranteed Mortgage Securities with respect to a Project pursuant to the General Resolution.

“*Principal Installment Account*” shall mean the applicable Principal Installment Account established in the Debt Service Fund by the General Resolution.

“*Project Account*” shall mean the applicable Project Account established by and pursuant to a Series Resolution in the Project Fund.

“*Project Fund*” shall mean the Project Fund established by the General Resolution.

“*Projects*” shall mean Multi-Family Housing or other Housing within the State.

“Principal Installment” shall mean, as of any date of computation and with respect to any Series, so long as any Bonds thereof are Outstanding, the amount payable on any January 1 or July 1 on account of (1) the principal amount of Bonds of such Series maturing on the applicable date net of the aggregate of Sinking Fund Installments, if any, established with respect to Bonds of such Series and maturity, plus (2) the unsatisfied balance of any Sinking Fund Installments due on such January 1 or July 1 with respect to Bonds of such Series.

“Qualified Project Period” shall mean the period beginning on the first day on which ten percent of the dwelling units in the Development are first occupied and ending on the latest of (1) the date which is fifteen (15) years after the date on which fifty percent of the dwelling units in the Development are occupied, (2) the first day on which no tax-exempt private activity bond issued with respect to the Development is outstanding (as such term is used in Section 142 of the Code) or (3) the date on which any assistance provided with respect to the Development under Section 8 of the United States Housing Act of 1937 terminates.

“Rating” shall mean, with respect to any Bonds, the rating or ratings assigned by the Rating Agency to such Bonds pursuant to a request or requests by NH Housing.

“Rating Agency” shall mean the rating agency or agencies that shall have an outstanding Rating on any of the Bonds pursuant to a request by NH Housing; provided, however, that if none of the Bonds issued and Outstanding hereunder shall have been assigned a Rating, “Rating Agency” shall as used in the definition of Investment Obligations mean Moody’s Investors Service, Inc. and its successor and assigns.

“Rebate Fund” shall mean the Rebate Fund established by a Series Resolution as provided in the General Resolution.

“Recovery Payment” shall mean any moneys received or recovered by NH Housing in excess of the expenses reasonably incurred by NH Housing in collection thereof, from (1) condemnation of a Project or part thereof, (2) other proceedings taken in the event of default by the Mortgagor with respect to a Project, (3) the sale or other disposition pursuant to terms described in the General Resolution of a Mortgage Loan with respect to a Project in default for the purpose of realizing NH Housing’s interest therein, or (4) mortgage insurance, FHA Insurance, or guaranty or hazard insurance, or proceeds of the Credit Facility (as defined in the General Resolution). In the event NH Housing makes a good faith substitution of a Mortgage Loan for another Mortgage Loan or in the event NH Housing authorizes a Mortgagor to apply the proceeds of hazard insurance to restore the Project, moneys received or recovered by or for the account of NH Housing in connection therewith shall not constitute a Recovery Payment.

“Redemption Price” shall mean, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or Series Resolution authorizing the issuance of such Bond.

“Refunding Bonds” shall mean all Bonds, whether in one or more Series, and whether constituting all or a portion of the Bonds in any Series, authenticated and delivered on original issuance for the purpose of the refunding of Bonds or other indebtedness of NH Housing, including Notes.

“Revenue Account” shall mean the applicable Revenue Account established in the Revenue Fund by the General Resolution.

“Revenue Fund” shall mean the Revenue Fund established by the General Resolution.

“Revolving Project Account” shall mean any Project Account designated as a Revolving Project Account in a Series Resolution.

“Risk Sharing Insurance” shall mean insurance provided pursuant to Section 542(c) of the Housing and Community Development Act of 1992, as amended (or any successor provision of law) and the regulations promulgated thereunder (which regulations are at the date of initial issuance of Bonds under the General Resolution the regulations set forth at 24 CFR Part 266).

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

“Servicer” shall mean any person approved by NH Housing who will service a Mortgage Loan or mortgage loan underlying a Guaranteed Mortgage Security.

“Servicing Fee” shall mean any fees paid to or retained by a Servicer, or retained by NH Housing where NH Housing services a Mortgage Loan or mortgage loan underlying a Guaranteed Mortgage Security, from payments on a Mortgage Loan or a mortgage loan underlying a Guaranteed Mortgage Security or any reimbursement of the cost of servicing Mortgage Loans or mortgage loans underlying Guaranteed Mortgage Securities.

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

“Special Redemption Account” shall mean the applicable Special Redemption Account established in the Debt Service Fund by the General Resolution.

“State” shall mean the State of New Hampshire.

“Supplemental Resolution” shall mean any resolution or resolution supplemental to or amendatory of the General Resolution, adopted by NH Housing in accordance with the General Resolution.

“Trustee” shall mean a trustee appointed pursuant to terms in the General Resolution, its successor and any other bank or trust company which may at any time be substituted in its place pursuant to the General Resolution.

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SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION

Contract with Bondholders

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

Provisions for Issuance of Bonds

The General Resolution authorizes Bonds to be issued from time to time in accordance with its terms without limitation as to amount except as provided in the General Resolution or as may be limited by law. The Bonds of a series may be authenticated and delivered only upon receipt by the Trustee of, among other things, the following:

(1) An Authority Counsel's Opinion, addressed to NH Housing, the Trustee and Bond Counsel or upon which Bond Counsel and the Trustee may rely, substantially to the effect that NH Housing is a body politic and corporate of the State, duly organized, validly existing and in good standing under the laws of the State, that each Bond Document has been duly authorized, executed and delivered by NH Housing and that NH Housing has duly performed all obligations to be performed by it on or prior to the date of issuance of such Bonds pursuant to the General Resolution and the series resolution authorizing such Bonds.

(2) An opinion of Bond Counsel, upon which the Trustee may rely, substantially to the effect that the Bonds constitute legal, valid and binding special obligations of NH Housing (except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws previously or subsequently enacted affecting the enforcement of creditors' rights or by equity principles) and, if the Bonds are Tax Exempt Bonds (as defined in forth in the General Resolution (the "Tax Exempt Bonds"), that, assuming continuing compliance with the applicable provisions of the Code by NH Housing and any other applicable person, the interest on the Bonds is not included in gross income for federal income tax purposes under existing law.

(3) A written order signed by an Authorized Officer of NH Housing (as defined in the General Resolution, the "Authorized Officer of NH Housing") directing that the Trustee authenticate such Bonds and containing instructions as to the delivery of such Bonds.

(4) In the case of each Series of Bonds, a copy of the series resolution authorizing such Bonds, certified by an Authorized Officer of NH Housing, which shall specify:

(a) The authorized principal amount and Series of such Bonds;

(b) The purpose or purposes for which such Series of Bonds is being issued, which shall be one or more of the following purposes: (i) the funding or purchase of Mortgage Loans to Mortgagors, including without limitation Mortgage Loans made to provide moneys for repair, restoration or enlargement of, furnishings for, or additional financing of or refinancing of a Project or Multi-Family Housing or other Housing (including without limitation, subject to applicable provisions of the Act, of all or a portion of the cost of acquisition by a different Mortgagor of a Project or Multi-Family Housing or other Housing (whether or not previously financed by NH Housing), (ii) the payment of indebtedness (including interest thereon) incurred by NH Housing to obtain funds to fund Mortgage Loans, (iii) the making of deposits to the applicable Capitalized Interest Account, (iv) the payment of any Cost of Issuance, (v) the making of a deposit to the applicable Mortgage Reserve Fund, (vi) in the case of Refunding Bonds, the refunding of Bonds or other indebtedness of NH Housing, (vii) the provision of moneys for acquisition by NH Housing of a Project or Multi-Family Housing or other Housing (whether or not previously financed by NH Housing) or for repair, restoration or enlargement of, furnishings for, or additional financing or refinancing of a Project or Multi-Family Housing or other Housing owned or to be acquired by NH Housing, or (viii) the making of deposits

in amounts, if any, required or authorized by the series resolution to be paid into Funds or Accounts established herein or in the series resolution from the proceeds of such Series of Bonds;

- (c) The date or dates, and the maturity date or dates, of the Bonds of such Series;
- (d) The interest rate or rates of the Bonds of such Series, or the manner of determining such rate or rates, the interest payment dates therefor and provisions relating to record dates and special record dates with respect to the payment of interest;
- (e) The denominations of, and the manner of dating, numbering and lettering, the Bonds of such Series;
- (f) The place or places of payment of the principal and Redemption Price, if any, of, and interest on, the Bonds of such Series;
- (g) The Redemption Price or Prices, if any, and, subject to the terms set forth under the Article IV, Redemption of Bonds in the General Resolution, the redemption terms for the Bonds of such Series;
- (h) The amount and due date of each Sinking Fund Installment (as defined in the General Resolution, the “Sinking Fund Installment”), if any, for Bonds of like maturity of such Series as provided for in a series resolution;
- (i) Provisions for the sale of the Bonds of such Series;
- (j) The forms of the Bonds of such Series, and whether the Bonds of such Series are to be certificated or in book-entry only form (and if in book-entry only form, the provisions with respect to such Bonds while in book-entry only form);
- (k) The disposition of the proceeds of the Bonds, including amounts to be deposited in each applicable Fund or Account from the proceeds of the Bonds of such Series;
- (l) Whether one or more Project Accounts (as defined in the General Resolution, the “Project Accounts”) are to be established with respect to such Series of Bonds, and if so, that such one or more Project Accounts are established and whether any such Project Account is a Revolving Project Account;
- (m) Whether a Mortgage Reserve Fund is established for such Series of Bonds, and if so, the Mortgage Reserve Fund Requirement for such Mortgage Reserve Fund and provisions with respect to payments to, application of amounts in and other matters with respect to such Mortgage Reserve Fund;
- (n) If such Bonds are issued to fund Mortgage Loans, the persons or entities for which Mortgage Loans may be so funded;
- (o) Whether any Multi-Family Housing to be financed or refinanced by such Bonds must meet any criteria in addition to those set forth in the definition of Multi-Family Housing in the General Resolution;
- (p) Whether such Series of Bonds is secured by a Credit Facility (as defined in the General Resolution) and whether any Mortgage Loan to be funded by such Series of Bonds is secured by FHA Insurance (as defined in the General Resolution) or any other security as authorized by said series resolution;
- (q) Whether such Bonds are Tax Exempt Bonds or Non-Tax Exempt Bonds (as defined in the General Resolution); and
- (r) Any other provisions deemed advisable by NH Housing, including, but not limited to, provisions respecting any lawful participation by NH Housing with another party or parties in a loan made

to a Mortgagor with respect to a Project and constituting a Mortgage Loan for the funding of which Bonds of such Series are being authorized, and not in conflict with the provisions of the General Resolution.

(5) The amount of the Mortgage Reserve Fund Requirement, if any, necessary for deposit in the Mortgage Reserve Fund as specified in the applicable series resolution (or a certificate of an Authorized Officer of NH Housing to the effect that some or all of such amount is held under an instrument to be discharged upon the deposit of some or all of the proceeds of the applicable Series of Bonds and upon such deposit will be transferred to the Trustee).

(6) A certificate of an Authorized Officer of NH Housing stating that NH Housing is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the General Resolution and that moneys (including Mortgage Repayments with respect to any Mortgage Loan to be funded by the proceeds of such Bonds) are expected to be available to pay Principal Installments and interest on such Bonds in full when due.

(7) Written evidence that the issuance of such Bonds will not result in the rating of any other Bonds issued under the General Resolution being less than the rating in effect on said other Bonds on the date of issuance of such Bonds.

(8) Such further documents and moneys as are required by any applicable series resolution or Supplemental Resolution, or as otherwise may be reasonably required by NH Housing.

NH Housing shall not create or permit the creation of or issue any obligations including additional Series of Bonds or incur any indebtedness which will be secured by a parity charge and lien on the Pledged Receipts and other moneys pledged for the payment of an applicable Series of Bonds pursuant to the General Resolution, except that, subject to the paragraph below, additional Series of Bonds may be issued from time to time pursuant to the General Resolution and a Series Resolution on a parity with outstanding Bonds and secured by an equal charge and lien on the Pledged Receipts and other moneys pledged for the payment of an applicable Series of Bonds pursuant to the General Resolution for one or more of the purposes specified therein.

In addition to the requirements set forth in the General Resolution, no Series of Bonds shall be issued under the General Resolution unless the principal amount of the Bonds then to be issued, together with the principal amount of the Bonds and Notes of NH Housing theretofore issued and Outstanding, will not exceed in aggregate principal amount any limitation thereon imposed by law (taking into account to the extent permitted by law any Bonds or Notes to be refunded by such Bonds).

NH Housing reserves the right to issue Notes so long as the same are not a charge or lien on the Pledged Receipts or payable from the Debt Service Fund or any Mortgage Reserve Fund.

Funds and Accounts

The General Resolution establishes a Project Fund, Capitalized Interest Fund, Revenue Fund, Debt Service Fund, and Mortgage Reserve Fund and provides for the creation of a Rebate Fund, which are held by the Trustee.

Deposit of Proceeds of Bonds

Upon the issuance, sale and delivery of any Series of Bonds pursuant to the General Resolution, the proceeds of such Series shall be deposited in one or more of the Funds and Accounts established under the General Resolution as specified in the series resolution authorizing such series (provided that any amount received as accrued interest shall be deposited in the Interest Account established for such series).

Project Accounts and Capitalized Interest Accounts

Except as otherwise provided in a series resolution, moneys in any Project Account held in the Project Fund shall be used only for (i) the funding or purchase of Mortgage Loans or Guaranteed Mortgage Securities (as defined in the General Resolution) or (ii) the payment or reimbursement of Costs of the Project other than, in the case of Tax-

Exempt Bonds, operating costs. The following sections of this heading summarize the provisions with respect to the Project Fund and Capitalized Interest Fund:

1. Moneys in any Project Account (except for moneys withdrawn pursuant to subsection 2(b), subsection 3, subsection 4 or subsection 5 of this Section described below) shall be used only for (i) the funding or purchase of Mortgage Loans or Guaranteed Mortgage Securities or (ii) the payment or reimbursement of Cost of the Project, which use shall include the funding of Mortgage Loans or Guaranteed Mortgage Securities for the payment of Cost of the Project; provided, however, that no moneys withdrawn from a Project Account established for Tax Exempt Bonds shall be (i) deposited in any reserve or other account if any amount in such reserve or account will be used to pay operating costs of the Project or (ii) otherwise used to pay operating costs of the Project. The Trustee shall disburse moneys in any Project Account (other than a withdrawal pursuant to subsection 2(b), subsection 3, subsection 4 or subsection 5 of this Section described below) only upon receipt of a written requisition signed by an Authorized Officer of NH Housing, which includes the information set forth in General Resolution; provided, however, that any Series Resolution may provide for different or additional preconditions to any such withdrawal as may be deemed necessary or appropriate by NH Housing, which changes may include changes as to the requirements set forth in the General Resolution and the requirements set forth in clause (i) or clause (ii) above, provided that any such changes would not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Tax Exempt Bonds and is otherwise permitted by the General Resolution.

2. (a) Proceeds of Tax Exempt Bonds to be applied to the reimbursement of NH Housing for amounts advanced by NH Housing to a Mortgagor prior to the issuance of the applicable Series of Tax Exempt Bonds for the payment of Costs of the Project (or to be applied to the reimbursement of a Mortgagor for Costs of the Project paid prior to the issuance of such Tax Exempt Bonds from the Mortgagor's own funds) must be disbursed and applied to the reimbursement of NH Housing or such Mortgagor, as the case may be, not later than thirty (30) days after the date of issuance of the applicable Series of Tax Exempt Bonds, unless Bond Counsel delivers an opinion to the Trustee to the effect that a later disbursement and application of such proceeds would not adversely affect the exclusion from gross income for federal income tax purposes of the interest on such Tax Exempt Bonds.

(b) If the completion or acquisition of one or more Projects and the funding of the related Mortgage Loan or Mortgage Loans (or payment to NH Housing) or the purchase of one or more Mortgage Loans or Guaranteed Mortgage Securities does not occur as estimated at the time of delivery of the respective Series of Bonds issued to finance the funding or purchase of such Mortgage Loan or Mortgage Loans or Guaranteed Mortgage Securities or such payment, NH Housing, after certifying to the Trustee that NH Housing's projected program revenues will be adequate to cover debt service on such Bonds and related expenses, may invest moneys in the applicable Project Account for a temporary period until it is able to fund or purchase such Mortgage Loan or Guaranteed Mortgage Securities or a satisfactory substitute therefor or until such payment be made to NH Housing, or NH Housing may direct the Trustee to transfer any moneys in a Project Account to the Special Redemption Account established for the applicable Series of Bonds for mandatory redemption of Bonds of such Series, as evidenced by a certificate signed by an Authorized Officer of NH Housing and delivered to the Trustee, that application of such moneys to the funding or purchase of a Mortgage Loan or Guaranteed Mortgage Securities (or payment of moneys to NH Housing) is not feasible, or at any such time as may be required or permitted by the applicable Series Resolution, provided, that no such investment or transfer of proceeds of Tax Exempt Bonds shall be made unless NH Housing delivers to the Trustee an opinion of Bond Counsel to the effect that such investment or transfer will not jeopardize the exclusion from gross income for federal income tax purposes of the interest on any Tax Exempt Bonds.

3. (a) In addition to making the transfers directed to be made in subsection 2 above, the Trustee shall transfer any proceeds of Tax Exempt Bonds in a Project Account remaining in such Account for a period of three (3) years from the date of deposit therein to the Special Redemption Account established for the Series of Bonds for which such Project Account was established, unless Bond Counsel delivers an opinion to the Trustee to the effect that a later disbursement would not adversely affect the exclusion from gross income for federal tax purposes of the interest on the Tax Exempt Bonds, and is otherwise permitted pursuant to the General Resolution, or to the effect that application of Bond proceeds to another Project would not adversely affect the excludability from gross income for federal tax purposes of the interest on the Tax Exempt Bonds and is otherwise permitted pursuant to the General Resolution.

(b) If any Project Account is a Revolving Project Account, the Trustee shall withdraw any moneys remaining in such Project Account on the final stated maturity date of the Bonds of the Series for which such Project Account was established and deposit such moneys in the Revenue Account established in the applicable series resolution.

4. Income or interest earned by moneys in a Project Account shall be considered and treated as a Pledged Receipt and transferred to and deposited in the Revenue Account established in the applicable series resolution, unless NH Housing by a certificate of an Authorized Officer of NH Housing directs that such income or interest (or any portion of either thereof) be retained in such Project Account.

5. In the event that NH Housing shall for more than a temporary period, by law or otherwise, determine to discontinue its funding or purchase of Mortgage Loans or Guaranteed Mortgage Securities from any one or more Project Account, and if in such circumstances unexpended amounts shall remain in any such Project Account, NH Housing shall with all reasonable dispatch deliver to the Trustee a certificate signed by an Authorized Officer of NH Housing stating the occurrence of such an event and the amount, if any, required for the funding of such Mortgage Loans or Guaranteed Mortgage Securities for which commitments remain unsatisfied or for the purchase of such Mortgage Loans as NH Housing still intends to purchase with moneys in such Project Account. The Trustee, upon receipt of such certificate and after reserving in each such Project Account the amounts, if any, required therefor as set forth in such certificate, shall transfer the balance of the moneys in each such Project Account to the Special Redemption Account established in the applicable series resolution.

6. Moneys in each Capitalized Interest Fund (including income or interest earned thereon) shall be transferred by the Trustee to the Interest Account or to NH Housing at the times and in the amounts stated in the applicable series resolution.

Revenue Fund

Except as otherwise set forth in a series resolution, the rules for the operation of the Revenue Fund are as follows:

NH Housing shall cause all Mortgage Repayments with respect to a Project to be paid to the Trustee on or before the fifteenth day of every month.

NH Housing shall cause all Pledged Receipts, exclusive of Prepayments and Recovery Payments, to be promptly deposited on or before the fifteenth day of every month with the Trustee or Depositories to the credit of the Revenue Account corresponding to the Project Account that provided moneys for the funding or purchase of the Mortgage Loan or Guaranteed Mortgage Securities from which the applicable Pledged Receipt is derived. Promptly after each monthly deposit of such Pledged Receipts to the credit of any Revenue Account, the Trustee shall pay or deposit the moneys then on deposit in any Revenue Account to or in the following Funds and Accounts and in the following order:

FIRST: Pay, upon receipt by the Trustee of a Certificate of an Authorized Officer of NH Housing, the amount set forth in such certificate to be paid from any such Revenue Account for any mortgage insurance premiums payable within the next thirty (30) days on policies insuring Mortgage Loans funded from the Project Account to which the applicable Revenue Account corresponds (or reimburse NH Housing, upon receipt by the Trustee of a Certificate of an Authorized Officer of NH Housing, the amount set forth in such certificate for NH Housing's payment of any mortgage insurance premiums on said policies);

SECOND: Deposit to the corresponding Interest Account an amount which, when added to the sum of the amount, if any, transferred to such Account during such month from the corresponding Capitalized Interest Account pursuant to the General Resolution and, if the Series of Bonds to which such Interest Account relates is secured by a Mortgage Reserve Fund, any amount transferred to such Interest Account from such Mortgage Reserve Fund pursuant to the applicable series resolution permitted by such series resolution to be taken into account in computing the amount to be transferred to such Interest Account from the corresponding Revenue Account, equals (i) one sixth of the interest due and payable on the next

succeeding interest payment date on all Outstanding Bonds of the Series to which such Interest Account relates, the amount of such deposit to be adjusted as necessary with respect to any interest payment date representing the first interest payment date for such Series of Bonds so that the sum of monthly deposits to such Interest Account (which deposits shall be as nearly as practicable equal) after the date of issuance of such Series of Bonds and prior to such first interest payment date shall equal the interest due and payable on such interest payment date with respect to all Outstanding Bonds of such Series, or (ii) the amount necessary to increase the amount in such Interest Account so that it will equal interest on the Outstanding Bonds of such Series accrued and unpaid on the next succeeding interest payment date, whichever is less;

THIRD: Deposit to the corresponding Principal Installment Account, an amount which equals (i) in any month from and including January through and including June, (a) one sixth of the Principal Installment due and payable on the next succeeding July 1 with respect to all Outstanding Bonds of the Series to which such Principal Installment Account relates, or (b) the amount necessary to increase the amount in such account so that it equals such Principal Installment, whichever is less, or (ii) in any month from and including July through and including December, (a) one sixth of the Principal Installment due and payable on the next succeeding January 1 with respect to all such Outstanding Bonds or (b) the amount necessary to increase the amount in such Account so that it equals such Principal Installment, whichever is less; provided, however, that the amount of any such deposit described under clause (i)(a) or clause (ii)(a) shall be adjusted with respect to any July 1 or January 1 on which a Principal Installment is due on such Series of Bonds issued less than six months prior to such July 1 or January 1 so that the sum of monthly deposits to the Principal Installment Account (which deposits shall be as nearly as practicable equal) after the date of issuance of such Series Bonds and prior to such July 1 or January 1, as the case may be, shall equal the Principal Installment due and payable on such July 1 or January 1 with respect to all Outstanding Bonds of such Series; and provided further that if the Series of Bonds to which such Principal Installment Account relates is secured by a Mortgage Reserve Fund, any amount transferred to such Principal Installment Account from such Mortgage Reserve Fund permitted by the applicable series resolution to be taken into account in computing the amount to be transferred to such Principal Installment Account from the corresponding Revenue Account shall be so taken into account.

FOURTH: Except as may be otherwise provided in the applicable series resolution, deposit in the corresponding Mortgage Reserve Fund, if any, the amount, if any, necessary to increase the amount in such Mortgage Reserve Fund so that it equals the Mortgage Reserve Fund Requirement for such Mortgage Reserve Fund;

FIFTH: Transfer to and deposit in any corresponding Fund or Account, other than a Capitalized Interest Account or a Mortgage Reserve Fund, created by or established pursuant to the General Resolution such amount or amounts as may be required to restore thereto any amount previously transferred therefrom to such Interest Account or such Principal Installment Account to meet any deficiency in such Account under the amount required to be paid therefrom as interest on or a Principal Installment of Bonds of the applicable Series, as the case may be.

After making the payments and deposits described above, any moneys remaining in any Revenue Account on any interest payment date with respect to the Series of Bonds to which such Revenue Account relates shall be paid or applied as set forth in the applicable series resolution or, if such series resolution contains no provisions with respect to said payment or application, be paid to NH Housing free and clear of any trust, the lien or pledge of the General Resolution if NH Housing provides a certificate of an Authorized Officer to the effect that Pledged Receipts (and any additional Pledged Receipts and other moneys available therefor) are expected to be sufficient to pay when due principal and interest on Outstanding Bonds.

Moneys in the Revenue Fund shall, pending other application as provided in the General Resolution, be invested by the Trustee in Investment Obligations maturing not later than the last day of the month that such moneys are required to be paid or deposited as set forth in the General Resolution. Any interest earned or gain realized by the investment of such moneys shall be considered and treated as Pledged Receipts.

Debt Service Fund

Except as otherwise set forth in a series resolution, the rules for the operation of the Debt Service Fund are as follows:

The Trustee shall establish within the Debt Service Fund (1) an Interest Account, (2) a Principal Installment Account, (3) an Optional Redemption Account and (4) a Special Redemption Account.

The Trustee shall pay out of the Debt Service Fund (1) out of the Interest Account, on each interest payment date for any of the Bonds, the amount required for the interest payable on Bonds on such date; (2) out of the Principal Installment Account, on each Principal Installment date, the amount required for the Principal Installment payable on such date; and (3) out of the Optional Redemption Account and the Special Redemption Account, on any redemption date, the amount required for the payment on the Bonds then to be redeemed.

The amount accumulated in the Principal Installment Account for each Sinking Fund Installment may, and, if so, directed by NH Housing, shall be applied (together with amounts accumulated in the Interest Account with respect to interest on the Bonds for which such Sinking Fund Installment was established) by the Trustee prior to the forty-fifth day preceding the due date of such Sinking Fund Installment as follows:

(1) to 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 redemption price payable from Sinking Fund Installments for such Bonds when such Bonds are redeemable by application of said Sinking Fund Installments plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as the Trustee shall determine, interest accrued on the Bonds so purchased to the date of delivery to the Trustee to be paid from moneys credited to the Interest Account, or

(2) to the redemption, pursuant to the General Resolution, of such Bonds if then redeemable by their terms at their redemption prices payable upon redemption from Sinking Fund Installments.

As soon as practicable after the thirtieth day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption, pursuant to the General Resolution, on such due date Bonds of the series 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. The Trustee shall so call such Bonds for redemption whether or not moneys are then on deposit in the Principal Installment Account established for such Series of Bonds sufficient to pay the applicable redemption price thereof.

Mortgage Reserve Fund

A Series of Bonds may but need not be secured by a Mortgage Reserve Fund. Whether a Mortgage Reserve Fund is established for such Series of Bonds, and if so, the Mortgage Reserve Fund Requirement for such Mortgage Reserve Fund and provisions with respect to payments to, application of amounts in and other matters with respect to such Mortgage Reserve Fund, shall be set forth in the applicable series resolution.

Investment of Funds and Accounts Held by the Trustee

Except as otherwise provided in the General Resolution, NH Housing may direct the Trustee to invest moneys in the Funds and Accounts held by the Trustee in Investment Obligations, the maturity or redemption date at the option of the holder of which shall coincide as nearly as practicable with the times at which moneys in such respective Fund or Account will be required for the purposes provided in the General Resolution.

Payment of Bonds

NH Housing shall duly and punctually pay or cause to be paid, from the moneys and investments pledged therefor, the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and

in the manner provided in the Bonds according to the true intent and meaning thereof and shall duly pay or cause to be paid the Sinking Fund Installments, if any, becoming payable with respect to any Series of Bonds.

Arbitrage and Tax Covenant

NH Housing shall not permit at any time or times any of the proceeds of the Bonds or any other funds of NH Housing to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an “arbitrage bond” as defined in Section 148(a) of the Code, nor shall it take any other action or fail to take any action if such action or such failure would have such effect.

NH Housing shall at all times do and perform all acts and things required by law and within its powers in order to assure that interest paid by NH Housing on the Bonds shall be excludible from gross income for federal income tax purposes to the extent permitted by the Code; provided, however, that NH Housing shall not be in default of this covenant by reason of the purchase of any Bonds by a person referred to in Section 147(a) of the Code (a substantial user of the facilities acquired, constructed or improved with the proceeds of any Bonds or a related person) or failure by the Mortgagor to operate its Project as a “qualified residential rental project” within the meaning of Section 142(d) of the Code.

Events of Default

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

(1) if default shall be made in the due and punctual payment of any Principal Installment or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;

(2) if default shall be made in the due and punctual payment of any installment of interest on any Bond when and as the same shall become due and payable, and such default shall continue for a period of thirty (30) days;

(3) if NH Housing shall file a petition seeking a composition of indebtedness under the Federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State;

(4) if the State has limited or altered the rights of NH Housing pursuant to the Act, as amended to the date of the General Resolution or to the date of the initial issuance of any Series of Bonds issued hereunder, to fulfill the terms of any agreements made with Holders of Bonds or in any way impaired the rights and remedies of Holders of Bonds while any Bonds are Outstanding; or

(5) if default shall be made by NH Housing in the performance or observance of any other of the covenants, agreements or conditions on its part in the General Resolution or in the Bonds contained, and such default shall continue for a period of sixty (60) days after written notice thereof to NH Housing by the Trustee or to NH Housing and to the Trustee by the Holders of not less than 20 percent in principal amount of the Bonds Outstanding, or, if such default does not affect all Outstanding Bonds, not less than 20 percent in principal amount of the Bonds affected by such default.

Remedies

The Trustee acting for all of the Holders of Bonds shall be entitled to all of the rights and remedies provided in the Act, and to all of the rights and remedies otherwise provided or permitted by law and the General Resolution. Upon the happening and continuance of any Event of Default set forth above, the Trustee may proceed, and upon the written request of the Holders of not less than 25 percent in principal amount of the Outstanding Bonds shall proceed, in its own name and as Trustee of an express trust for the benefit of the Holders of all Bonds, to protect and enforce the rights of the Holders of Bonds by such of the remedies specified in the General Resolution as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights. Remedies available to the Trustee include, among other things, bringing a mandamus action or other suit at law or in equity to enforce all rights of Holders of the applicable Bonds; bringing suit upon the Bonds; bringing action or suit to require an accounting by NH

Housing; bringing action or suit to enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds; and declaring all Bonds due and payable, and if all defaults shall be made good, then, with the written consent of the Holders of not less than 25 percent in principal amount of the Outstanding applicable Bonds, to annul such declaration and its consequences. The Trustee is to use such remedies as it, being advised by counsel, deems most effectual to protect and enforce the rights of the Holders of the Bonds. The Trustee may enforce any judgment or decree against NH Housing in any manner provided by law.

Restriction on Bondholders Action

No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any provision of the General Resolution or for the execution of any trust hereunder or for any other remedy hereunder, unless (1)(a) such Holder previously shall have given to NH Housing and the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (b) after the occurrence of such Event of Default, written request shall have been made of the Trustee to institute such suit, action or proceeding by the Holders of not less than 25 percent in principal amount of the applicable Bonds then Outstanding and there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs and liabilities to be incurred therein or thereby, and (c) the Trustee shall have refused or neglected to comply with such request within a reasonable time, or (2)(a) such Holder previously shall have obtained the written consent of the Trustee to the institution of such suit, action or proceeding, and (b) such suit, action or proceeding is brought for the benefit of all Holders of all applicable Bonds, subject to the provisions of the General Resolution.

No Holder of any Bond shall have any right in any manner whatever by his action to affect, disturb or prejudice the pledge of the moneys and investments pledged in the General Resolution or of any other moneys, funds or securities thereunder, or, except in the manner and on the conditions set forth in the General Resolution, to enforce any right or duty hereunder.

Application of Pledged Receipts and Other Moneys after Default

NH Housing covenants that if an Event of Default shall happen and shall not have been remedied, NH Housing, upon demand of the Trustee, shall pay over to the Trustee (a) forthwith, all moneys, securities and funds then held by NH Housing in any Fund or Account under the General Resolution pertaining to the applicable Bonds, and as soon as practicable after receipt thereof, all Pledged Receipts pertaining to the applicable Bonds and other moneys received on account of Mortgage Loans funded or purchased with the proceeds of the applicable Bonds or other moneys in the Project Account or Project Accounts established for the applicable Bonds, and (b) shall assign to the Trustee all rights and interests of NH Housing in all such Mortgage Loans and all such Project Accounts.

During the continuance of an Event of Default, the Trustee shall apply such moneys, securities, funds, and other receipts pertaining to the applicable Bonds and the income therefrom as follows:

(1) to the payment of the reasonable and proper charges and expenses of the Trustee (pro rata on the basis of the Outstanding principal amount of each Series of applicable Bonds if the applicable Bonds are less than all the Outstanding Bonds);

(2) to the payment of mortgage insurance premiums on policies insuring Mortgage Loans funded with the proceeds of the applicable Bonds or other moneys in the Project Account or Project Accounts established for the applicable Bonds;

(3) to the payment of the interest and principal or Redemption Price then due on the applicable Bonds, subject to the provisions in the General Resolution on Bonds the maturities or times for payment of interest on which have been extended, as follows:

(a) unless the principal of all of the applicable Bonds shall have become or have been declared due and payable

FIRST: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference (but taking into account that, except as otherwise provided in the General Resolution and the applicable Series Resolution, no Pledged Receipts or other amounts securing or received on account of a given Series of Bonds secures or shall be applied to any other Series of Bonds); and

SECOND: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference (but taking into account that, except as otherwise provided in the General Resolution and the applicable Series Resolution, no Pledged Receipts or other amounts securing or received on account of a given Series of Bonds secures or shall be applied to any other Series of Bonds);

(b) if the principal of all of the applicable Bonds shall have become or have been declared due and payable, to the payment of the persons entitled thereto of the principal and interest then due and unpaid upon the applicable Bonds without preference or priority or principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any applicable Bond over any other applicable Bond, ratably according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference (but taking into account that, except as otherwise provided in the General Resolution and the applicable Series Resolution, no Pledged Receipts or other amounts securing or received on account of a given Series of Bonds secures or shall be applied to any other Series of Bonds); and

(4) to deposit to the applicable Revenue Account or Revenue Accounts.

Notwithstanding the foregoing provision of this subsection, no amount securing or received on account of a given Series of Bonds secures or shall be applied to amount due on or with respect to any other Series of Bonds.

If and whenever all overdue installments of interest on all Bonds, together with the reasonable and proper charges and expenses of the Trustee and all other sums payable by NH Housing under the General Resolution, including the principal and Redemption Price of, and accrued unpaid interest on, all Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of NH Housing, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the General Resolution or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to NH Housing all moneys, securities, funds and other receipts then remaining unexpended in the hands of the Trustee (except moneys and investments deposited or pledged, or required by the terms of the General Resolution to be deposited or pledged, with the Trustee), and thereupon NH Housing and the Trustee shall be restored, respectively, to their former positions and rights under the General Resolution, and all moneys, rights and interests shall thereafter be applied as provided in the General Resolution. No such payment over to NH Housing by the Trustee or resumption of the application of the moneys, rights and interests shall extend to or affect any subsequent default under the General Resolution or impair any right consequent thereon.

Removal of Trustee

The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with NH Housing and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of NH Housing. NH Housing may remove the Trustee at any time, except during the existence of an Event of Default, as shall be determined in the sole discretion of NH Housing by filing with the Trustee an instrument signed by an Authorized Officer of NH Housing, provided that no such removal of a Trustee by NH Housing shall take effect until a successor shall have been appointed as provided in the General Resolution.

Powers of Amendment

Supplemental Resolutions Effective Upon Filing With the Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be executed by NH Housing without the consent of the Bondholders: (1) to close the General Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the General Resolution on, the delivery of Bonds or the issuance of Notes; (2) to add to the covenants and agreements of NH Housing in the General Resolution, other covenants and agreements to be observed by NH Housing which are not contrary to or inconsistent with the General Resolution as theretofore in effect; (3) to add to the limitations and restrictions in the General Resolution, other limitations and restrictions to be observed by NH Housing which are not contrary to or inconsistent with the General Resolution as theretofore in effect; (4) to authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in the General Resolution, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the General Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds; (5) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the General Resolution, of the moneys and investments described in the General Resolution or of any other moneys, securities or funds; (6) for any other purpose (subject to General Resolution requirements with respect to Supplemental Resolutions requiring the consent of the Trustee), provided that such amendment does not prejudice in any material respect the rights of any Holder of Bonds at the date as of which such amendment becomes effective and that NH Housing receives a Counsel's Opinion, which shall also be addressed to the Trustee, to such effect; (7) to surrender any right, power or privilege reserved to or conferred upon NH Housing by the General Resolution; (8) to make such modifications or changes herein in order to comply with any requirements of HUD imposed as a condition of providing FHA Insurance with respect to Mortgage Loans, if such modifications or changes will not, in the judgment of NH Housing, adversely impact the ability of the mortgagor thereof to make payments to NH Housing sufficient to pay the principal and Redemption Price of, and interest on, the Bonds; (9) to specify, determine or authorize by series resolution any and all matters and things relative to the Bonds of a Series or the proceeds thereof which are not contrary to or inconsistent with the General Resolution as theretofore in effect; or (10) to modify any of the provisions of the General Resolution in any respect whatever, provided that (i) such modifications shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Resolution and affected by such Supplemental Resolution shall cease to be Outstanding, and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof.

Supplemental Resolutions Effective Upon Consent of Trustee. For one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted with the consent of the Trustee and without the consent of the Bondholders: (1) to cure any ambiguity, supply any omission, or cure or correct any error, defect or inconsistent provision in the General Resolution; (2) to insert such provisions clarifying matters or questions arising under the General Resolution as are necessary or desirable and are not contrary to or inconsistent with the General Resolution as theretofore in effect; or (3) to provide for additional duties of the Trustee in connection with Mortgage Loans.

Supplemental Resolutions Effective Upon Consent of Bondholders. At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by Holders of Bonds in accordance with and subject to the provisions of the General Resolution, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized officer of NH Housing and upon compliance with the provisions of the General Resolution, shall become fully effective in accordance with its terms as provided in the General Resolution.

Defeasance

If NH Housing shall pay or cause, to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the General Resolution, then the pledge of the moneys and investments pledged under the General Resolution and all covenants, agreements and other obligations of NH Housing to the Holders of Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds and interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit by NH Housing 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 as to such Bonds expressed in the preceding paragraph. Any Bond shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect as to such Bond expressed in the preceding paragraph if (1) in case such Bond is to be redeemed on any date prior to its maturity, NH Housing shall have given to the Trustee in form satisfactory to it irrevocable instructions to give notice of redemption of such Bond on said date, (2) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the time, shall be sufficient, to pay when due the principal or Redemption Price, as applicable, and interest due and to become due on such Bond on or prior to the redemption date or maturity date thereof, as the case may be, and, if the Trustee so requires, NH Housing shall have filed with the Trustee a report of an independent certified public accountant or firm of independent certified public accountants satisfactory to the Trustee that such conditions have been met, (3) in the event such Bond will not be redeemed within the next succeeding sixty (60) days, NH Housing shall have given the Trustee in form satisfactory to it irrevocable instructions to give notice, and not later than twenty (20) days after the fulfillment of the conditions in clause (1) (if applicable) and (if applicable) clause (2) above, to the Holder of such Bond that such Bond is deemed to have been paid in accordance with the defeasance requirements and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, as applicable, on such Bond. Neither Investment Obligations nor moneys deposited with the Trustee as described in this paragraph 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 principal or Redemption Price, as applicable and interest on such Bonds; provided that (1) any moneys so deposited and any cash received from such principal or interest payments on such Investment Obligations deposited with the Trustee, (a) if stated in such report to be not then but later 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, as applicable, and interest to become due on such Bond on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from and principal of such reinvestments not required to make payments in respect of such Bond as aforesaid shall be paid to NH Housing, as received by the Trustee, free and clear of any trust, lien or pledge, or (b) if stated in such report not to be needed then or later for such purpose may be paid to NH Housing, on or after the date set forth in such report after which the applicable amount will no longer be needed, free and clear of any trust, lien or pledge, and (2) other Investment Obligations may from time to time be substituted for some or all of the Investment Obligations deposited as described in this paragraph (including any prior substitution) as directed by a certificate of an Authorized Officer of NH Housing, provided, if the Trustee so requires, that NH Housing provides to the Trustee (a) verification from an independent certified public accountant or firm of independent certified public accountants satisfactory to the Trustee that the principal and interest coming due on Investment Obligations deposited as described in this paragraph after such substitution, together with any other moneys deposited therewith, will be sufficient to pay when due the principal or Redemption Price, as applicable, of and interest on all Bonds secured by such Investment Obligations and other moneys, and (b) a Counsel's Opinion to the effect that such transaction is in compliance with applicable law and will not adversely affect the exclusion of gross income for federal income tax purposes of interest on the Bonds secured by such Investment Obligations or any bonds the proceeds of which were applied to the refunding of such Bonds. As used under this caption "Defeasance," the term Investment Obligations shall mean only such securities as are described in clause (1) of the definition of Investment Obligations under "Definition of Certain Terms" above that are not subject to redemption prior to their maturity.

PROJECTS FINANCED UNDER THE GENERAL RESOLUTION

This Appendix D sets forth the description of the Project relating to the Offered Bonds Mortgage Loans expected to be allocable to the Offered Bonds and the Projects financed with the proceeds of the Prior Bonds. Additional Bonds issued under the General Resolution to finance Mortgage Loans for future Projects may be secured on parity with the Offered Bonds and the Prior Bonds by a pledge of the Pledged Receipts derived from Mortgage Loans on the Projects described in this Appendix D and such future projects financed by such Additional Bonds, and the moneys in each Fund and Account established by the General Resolution (other than the Rebate Fund) for such Additional Bonds, the Offered Bonds, and the Prior Bonds subject to the terms of the General Resolution and the series resolution under which such Additional Bonds are issued. Pursuant to its continuing disclosure undertaking with the Trustee, NH Housing will agree to provide the Holders of the Offered Bonds with descriptions of such future Projects financed with Mortgage Loans made from the proceeds of such Additional Bonds in the same format and to the same extent as provided in this Appendix D.

[continued on next page]

Expected 2024 Series 2 Projects and Offered Bonds Mortgage Loans

<u>Project</u>	<u>Location</u>	<u>Owner</u>	<u>Number of Units</u>	<u>Expected Insurer or Guarantor</u>	<u>Expected Mortgage Loan Amount</u>	<u>Total Development Cost</u>	<u>Mortgage Loan Interest Rate</u>	<u>Amortization Period of Mortgage Loan (Months)</u>	<u>Expected Mortgage Loan Funding Date</u>	<u>Expected Loan Maturity Date</u>	<u>Expected Lockout Expiration Date</u>
Avery Lane	Nashua	Avery Lane Four Ownership, LLC	63	FHA ¹	\$11,770,000	\$21,414,930	5.40%/5.40% ²	480 ³	09/24/2024	10/01/2047	07/01/2042
McIntosh	Dover	McIntosh West Apartments, LLC	78	FHA ¹	\$16,000,000	\$32,000,000	5.40%/5.40% ²	480 ³	09/24/2024	06/01/2047	06/01/2042
Rapids on Cocheco	Rochester	Cocheco Rapids LLC	52	FHA ¹	\$10,300,000	\$21,175,577	5.40%/5.40% ²	480 ³	09/24/2024	10/01/2047	10/01/2042
Vose Farm	Town of Peterborough	Vose Farm Phase I Limited Partnership	64	FHA ¹	\$11,570,000	\$22,093,006	5.40%/5.40% ²	480 ³	09/24/2024	04/01/2047	02/01/2042

¹ Insured pursuant to the FHA Risk Sharing Program as described in Appendix F.

² Short term interest rate during construction/long term interest rate.

³ Does not include interest only payment period. Balloon repayment expected 240 months from date of construction completion.

Projects Financed By Prior Bonds
(all Mortgage Loans current unless otherwise noted below)

<u>Project</u>	<u>Location</u>	<u>Owner</u>	<u>Number of Units</u>	<u>Insurer or Guarantor</u>	<u>Outstanding Mortgage Loan Balance as of May 31, 2024</u>	<u>Original Mortgage Loan Amount</u>	<u>Total Development Cost</u>	<u>Mortgage Loan Interest Rate</u>	<u>Amortization Period of Mortgage Loan (Months)</u>	<u>Loan Maturity Date</u>	<u>Lockout Expiration Date</u>
Cimarron Apartments	Seabrook	Chartwell Seabrook Ventures Limited Partnership	388	FHA ¹	\$31,055,442	\$32,000,000	\$54,400,000	4.85%	480	01/01/2061	12/28/2032
Whittier Falls Apartments	Dover	1623 Settlement Dover Limited Partnership	184	FHA ¹	\$6,062,475	\$10,000,000	\$20,200,000	5.75%	480	12/01/2059	01/01/2030
Marshall Street Apartments	Nashua	22 Marshall Street, LLC	152	FHA ¹	\$14,945,027	\$15,640,000	\$28,900,000	4.85%	480	07/01/2059	07/01/2034
Sanborn Crossing Apartments	Londonderry	Sanborn Crossing Apartments Limited Partnership	102	FHA ¹	\$10,982,964	\$11,350,000	\$20,520,000	5.20%	480	06/01/2060	07/01/2035

¹ Insured pursuant to the FHA Risk Sharing Program as described in Appendix F.

Projects Financed By Prior Bonds
(all Mortgage Loans current unless otherwise noted below)
[continued from prior page]

<u>Project</u>	<u>Location</u>	<u>Owner</u>	<u>Number of Units</u>	<u>Insurer or Guarantor</u>	<u>Outstanding Mortgage Loan Balance as of May 31, 2024</u>	<u>Original Mortgage Loan Amount</u>	<u>Total Development Cost</u>	<u>Mortgage Loan Interest Rate</u>	<u>Amortization Period of Mortgage Loan (Months)</u>	<u>Loan Maturity Date</u>	<u>Lockout Expiration Date</u>
Central Square Terrace	Keene	CST Housing Associates Limited Partnership	90	FHA ¹	\$7,239,590	\$10,000,000	\$15,071,000	4.50%	480	10/01/2060	11/01/2035
Wallace Farm Phase II	Londonderry	Wallace Farms Development Limited Partnership	72	FHA ¹	\$10,215,754	\$10,590,000	\$17,066,000	4.00%	480	02/01/2061	03/01/2036
Pelham Terrace	Pelham	MAHLEP Housing Limited Partnership	48	FHA ¹	\$2,184,679	\$2,790,000	\$4,640,600	7.20%	480	02/01/2043	Expired
Cedar House	Manchester	Cedar House Senior Living Limited Partnership	30	FHA ¹	\$756,206	\$1,184,400	\$2,717,000	6.24%	480	05/01/2044	Expired
Rochester East	Rochester	RESL Limited Partnership	48	FHA ¹	\$1,948,747	\$2,742,600	\$4,521,000	6.24%	480	05/01/2044	Expired
Lakeport Square	Laconia	LVSL Limited Partnership	75	FHA ¹	\$3,812,087	\$5,441,700	\$9,636,000	6.24%	480	05/01/2044	Expired

¹ Insured pursuant to the FHA Risk Sharing Program as described in Appendix F.

Projects Financed By Prior Bonds
(all Mortgage Loans current unless otherwise noted below)
[continued from prior page]

<u>Project</u>	<u>Location</u>	<u>Owner</u>	<u>Number of Units</u>	<u>Insurer or Guarantor</u>	<u>Outstanding Mortgage Loan Balance as of May 31, 2024</u>	<u>Original Mortgage Loan Amount</u>	<u>Total Development Cost</u>	<u>Mortgage Loan Interest Rate</u>	<u>Amortization Period of Mortgage Loan (Months)</u>	<u>Loan Maturity Date</u>	<u>Lockout Expiration Date</u>
Betty's Dream	Portsmouth	Betty's Dream Limited Partnership	24	FHA ¹	\$1,045,176	\$2,525,000	\$4,313,200	6.11%	480	08/01/2046	Expired
Hillview Apartments	Bethlehem	HINEC Bethlehem Senior Housing Associates	20	FHA ¹	\$349,447	\$1,000,000	\$2,031,400	6.85%	480	09/01/2047	Prepayment Subject to NH Housing Approval
Millroad Meadows	North Stratford	The Millroad Limited Partnership	26	FHA ¹	\$471,328	\$553,000	\$553,000	6.85%	480	09/01/2047	Prepayment Subject to NH Housing Approval
Remick Acres	Tamworth	Tamworth Senior Housing Associates Limited Partnership	24	FHA ¹	\$860,832	\$1,150,000	\$2,354,700	6.85%	480	09/01/2047	Prepayment Subject to NH Housing Approval
Gatewood Manor	Nashua	Gatewood Manor Limited Partnership	97	FHA ¹	\$6,682,108	\$9,112,325	\$16,663,800	6.85%	480	09/01/2047	Prepayment Subject to NH Housing Approval

¹ Insured pursuant to the FHA Risk Sharing Program as described in Appendix F.

Projects Financed By Prior Bonds
(all Mortgage Loans current unless otherwise noted below)
[continued from prior page]

<u>Project</u>	<u>Location</u>	<u>Owner</u>	<u>Number of Units</u>	<u>Insurer or Guarantor</u>	<u>Outstanding Mortgage Loan Balance as of May 31, 2024</u>	<u>Original Mortgage Loan Amount</u>	<u>Total Development Cost</u>	<u>Mortgage Loan Interest Rate</u>	<u>Amortization Period of Mortgage Loan (Months)</u>	<u>Loan Maturity Date</u>	<u>Lockout Expiration Date</u>
Bagdad Wood	Durham	BW2 LLC	66	FHA ¹	\$6,662,003	\$8,000,000	\$16,664,800	3.30%	480	01/01/2063	01/01/2038
Friars Court	Hudson	FC2 OWNER, LLC	34	FHA ¹	\$3,044,199	\$4,500,000	\$8,456,000	3.30%	480	01/01/2063	01/01/2038
Riddle Brook	Bedford	BOW LANE NEXT GEN, LLC	93	FHA ¹	\$16,229,169	\$16,500,000	\$24,562,000	3.30%	480	01/01/2063	01/01/2038
Somersworth RAD	Somersworth	Somersworth RAD Limited Partnership	169	FHA ¹	\$9,929,075	\$15,000,000	\$30,814,000	3.30%	480	10/01/2063	10/01/2038
Wamesit Place	Portsmouth	Wamesit Place Family Housing Limited Partnership	100	FHA ¹	\$4,747,638	\$7,670,000	\$15,622,900	7.17%	480	06/01/2052	06/01/2024
Opera Block	Woodsville	Woodsville Opera Block Limited Partnership	34	FHA ¹	\$1,600,958	\$2,500,000	\$5,113,043	7.17%	480	06/01/2052	06/01/2024

¹ Insured pursuant to the FHA Risk Sharing Program as described in Appendix F.

Projects Financed By Prior Bonds
(all Mortgage Loans current unless otherwise noted below)
[continued from prior page]

<u>Project</u>	<u>Location</u>	<u>Owner</u>	<u>Number of Units</u>	<u>Insurer or Guarantor</u>	<u>Outstanding Mortgage Loan Balance as of May 31, 2024</u>	<u>Original Mortgage Loan Amount</u>	<u>Total Development Cost</u>	<u>Mortgage Loan Interest Rate</u>	<u>Amortization Period of Mortgage Loan (Months)</u>	<u>Loan Maturity Date</u>	<u>Lockout Expiration Date</u>
McKee Inn	Lancaster	McKee Inn Limited Partnership	35	FHA ¹	\$1,266,087	\$1,860,000	\$3,293,944	7.17%	480	06/01/2052	06/01/2024
Mountainview Apartments	Center Ossipee	Ossipee Affordable Housing Limited Partnership	24	FHA ¹	\$997,372	\$1,105,000	\$2,027,835	6.10%	480	11/01/2052	07/24/2024
Pondview Apartments	Conway	Pondview Conway, LLC	12	FHA ¹	\$330,162	\$365,000	\$657,593	6.10%	480	01/01/2053	07/24/2024
Xavier House	Nashua	Caleb Nashua Limited Partnership	34	FHA ¹	\$1,618,076	\$1,785,000	\$3,511,407	6.10%	480	03/01/2053	07/26/2024
Rush Square	Henniker	Caleb Henniker Limited Partnership	40	FHA ¹	\$2,118,883	\$2,335,000	\$3,587,963	6.10%	480	04/01/2053	07/26/2024
Highland House	Whitefield	Caleb Whitefield Limited Partnership	36	FHA ¹	\$2,182,404	\$2,405,000	\$3,324,969	6.10%	480	05/01/2053	07/26/2024
Coliseum Sr. Residence II	Nashua	HINEC Coliseum Associates II, Limited Partnership	40	FHA ¹	\$2,313,356	\$4,183,000	\$8,964,571	4.90%	480	12/01/2051	11/30/2022
Sugar River Mills	Claremont	Sugar River Preservation Associates Limited Partnership	162	FHA ¹	\$4,484,336	\$5,287,000	\$12,271,882	4.90%	480	01/01/2051	12/13/2022

¹ Insured pursuant to the FHA Risk Sharing Program as described in Appendix F.

Projects Financed By Prior Bonds
(all Mortgage Loans current unless otherwise noted below)
[continued from prior page]

<u>Project</u>	<u>Location</u>	<u>Owner</u>	<u>Number of Units</u>	<u>Insurer or Guarantor</u>	<u>Outstanding Mortgage Loan Balance as of May 31, 2024</u>	<u>Original Mortgage Loan Amount</u>	<u>Total Development Cost</u>	<u>Mortgage Loan Interest Rate</u>	<u>Amortization Period of Mortgage Loan (Months)</u>	<u>Loan Maturity Date</u>	<u>Lockout Expiration Date</u>
Bronstein Redevelopment	Nashua	Bronstein 4% Limited Partnership	166	FHA ¹	\$25,000,000	\$25,000,000	\$50,221,000	3.00%/3.50% ²	480 ³	10/01/2064 ⁴	10/01/2039 ⁵
Woodland Village ⁷	Goffstown	WV2 Owner, LLC	32	FHA ¹	\$3,173,822 ⁶	\$4,400,000 ⁷	\$9,056,000	3.65%	480 ³	10/01/2064 ⁴	06/01/2039 ⁵
Wingate Village	Laconia	Wingate Village Limited Partnership	100	FHA ¹	\$5,542,288	\$7,650,000	\$13,650,000	3.15%/3.65% ²	480 ³	04/01/2063 ⁴	06/01/2038 ⁵
THP Portfolio	Exeter, Rollinsford, Dover, Farmington	Strafford Scattered Site Limited Partnership	40	FHA ¹	\$1,543,923	\$2,775,000	\$5,841,000	3.15%/3.653 ²	480 ³	04/01/2063 ⁴	12/01/2037 ⁵
Champlin Place	Rochester	Champlin Place Limited Partnership	65	FHA ¹	\$4,600,000	\$4,600,000	\$18,372,000	4.80%/5.25% ²	480 ³	07/01/2044 ⁴	07/01/2039 ⁵
Depot & Main	Salem	Depot & Main LLC	74	FHA ¹	\$9,806,612 ⁶	\$11,050,000	\$22,729,000	4.40%/5.25% ²	480 ³	07/01/2044 ⁴	07/01/2039 ⁵

¹ Insured pursuant to the FHA Risk Sharing Program as described in Appendix F.

² Short term interest rate during construction period/long term interest rate.

³ Does not include interest-only payment period.

⁴ Or such earlier date in connection with Early Redemption Bonds (lockout date does not apply to short term loans).

⁵ Lockout date does not apply to short-term loans.

⁶ Represents amount advanced under mortgage loan as project is in construction/rehabilitation phase.

⁷ The Woodland Village Project encountered cost overages due to construction delays and the replacement of critical subcontractors arising, in part, from pandemic associated challenges, and the related borrower requested additional funding for such project. In order to provide such additional funds, NH Housing issued a separately secured tax-exempt debt outside of the Resolution in the approximate amount of \$1,000,000 (on which separately secured tax-exempt debt, NH Housing is liable if such related borrower defaults in its payment of the loan from NH Housing securing said separately secured tax-exempt debt).

Projects Financed By Prior Bonds
(all Mortgage Loans current unless otherwise noted below)
[continued from prior page]

<u>Project</u>	<u>Location</u>	<u>Owner</u>	<u>Number of Units</u>	<u>Insurer or Guarantor</u>	<u>Outstanding Mortgage Loan Balance as of May 31, 2024</u>	<u>Original Mortgage Loan Amount</u>	<u>Total Development Cost</u>	<u>Mortgage Loan Interest Rate</u>	<u>Amortization Period of Mortgage Loan (Months)</u>	<u>Loan Maturity Date</u>	<u>Lockout Expiration Date</u>
Milford Senior Housing	Milford	Milford-HINEC Senior Housing LLC	88	FHA ¹	\$13,600,000	\$13,600,000	\$26,393,000	4.70%/5.425% ²	480 ³	07/01/2054 ⁴	07/01/2039 ⁵
Swanzy West	Swanzy	Swanzy West Limited Partnership	84	FHA ¹	\$12,837,858 ⁶	\$14,700,000	\$27,102,000	4.70%/5.25% ²	480 ³	01/01/2045 ⁴	01/01/2040 ⁵
The Rail Yard	Concord	RY Owner, LLC	96	FHA ¹	\$9,817,763 ⁶	\$12,800,000	\$26,824,000	4.40%/5.25% ²	480 ³	01/01/2045 ⁴	01/01/2040 ⁵
Country Brook	Rochester	68 Hemingway LLC	96	FHA ¹	\$13,200,000	\$13,200,000	\$27,929,000	5.50%	480 ³	04/01/2045	04/01/2040
Coliseum Senior Residence	Nashua	CS1-HINEC 2022 LLC	133	Guarantor ⁷ FHA ¹	\$25,777,250 ⁶	\$29,500,000	\$59,361,000	5.60%	480 ³	04/01/2055 ⁴	04/01/2040 ⁵
Pembroke Road	Concord	Four Percent Pembroke Road Ownership, LLC	84	FHA ¹	\$5,229,782 ⁶	\$12,260,000	\$31,537,000	4.50%/5.65% ²	480 ³	09/01/2046 ⁴	09/01/2041
Twin Bridge	Merrimack	Twin Bridge Owner, LLC	48	FHA ¹	\$271,723 ⁶	\$ 7,000,000	\$13,983,000	5.65%	480 ³	09/01/2045 ⁴	09/01/2040 ⁵

¹ Insured pursuant to the FHA Risk Sharing Program as described in Appendix F; provided, however, FHA Risk Sharing insurance relating to the Coliseum Senior Residence Project is expected upon the completion of construction. The Coliseum Senior Residence Project Credit Facility provided by Bangor Savings Bank, as supported by the Federal Home Loan Bank of Boston, is expected to benefit the Coliseum Senior Residence Project Offered Bonds Mortgage Loan during construction of such Project.

² Short term interest rate during construction period/long term interest rate.

³ Does not include interest only payment period. Balloon repayment expected 240 months from date of construction completion in the case of the Country Brook Project and 360 months from date of construction completion in the case of the Coliseum Senior Residence Project.

⁴ Or such earlier date in connection with Early Redemption Bonds (lockout date does not apply to short term loans).

⁵ Lockout does not apply to short-term loans.

⁶ Represents amount advanced under mortgage loan as project is in construction/rehabilitation.

⁷ Bangor Savings Bank, as supported by Federal Home Loan Bank of Boston.

Projects Financed By Prior Bonds
(all Mortgage Loans current unless otherwise noted below)
[continued from prior page]

<u>Project</u>	<u>Location</u>	<u>Owner</u>	<u>Number of Units</u>	<u>Insurer or Guarantor</u>	<u>Outstanding Mortgage Loan Balance as of May 31, 2024</u>	<u>Original Mortgage Loan Amount</u>	<u>Total Development Cost</u>	<u>Mortgage Loan Interest Rate</u>	<u>Amortization Period of Mortgage Loan (Months)</u>	<u>Loan Maturity Date</u>	<u>Lockout Expiration Date</u>
Woolen Mill	Newport	DRSWM Limited Partnership	70	FHA ¹	\$1,473,199 ⁶	\$15,765,000	\$28,690,000	3.95%/5.85% ²	480 ³	06/01/2046 ⁴	06/01/2041 ⁵
Province Street	Laconia	Province Street Apartments, LLC	90	FHA ¹	\$204,400 ⁶	\$14,000,000	\$28,649,000	3.65%/5.85% ²	480 ³	12/01/2046 ⁴	12/01/2041 ⁵
Residences at Chestnut	Manchester	Residences at Chestnut Apartments, LLC	142	FHA ¹	\$965,250 ⁶	\$33,000,000	\$65,822,000	3.70%/5.65% ²	480 ³	12/01/2046 ⁴	01/01/2042 ⁵
Concord Royal Gardens	Concord	Concord Royal Gardens LP	300	FHA ¹	\$45,000,000	\$45,000,000	\$115,900,000	5.25%	480 ³	06/01/2046 ⁴	04/01/2039

[Remainder of page intentionally left blank]

¹ Insured pursuant to the FHA Risk Sharing Program as described in Appendix F.

² Short term interest rate during construction/long term interest rate.

³ Does not include interest only payment period. Balloon repayment expected 240 months from date of construction completion.

⁴ Or such earlier dates in connection with Early Redemption Bonds (lockout dates do not apply to short term loans).

⁵ Lockout does not apply to short term loans.

⁶ Represents amount advanced under mortgage loan as project is in construction/rehabilitation.

CERTAIN INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY

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

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

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

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

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

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

owner of the Offered Bonds for all purposes under the Resolution, including receipt of all principal of, premium, if any, and interest on the Offered Bonds and receipt of notices.

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

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

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

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

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

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

**DESCRIPTION OF MORTGAGE INSURANCE PROGRAM
AND FACTORS AFFECTING THE MORTGAGE LOANS**

THE FHA MULTIFAMILY INSURANCE PROGRAM

The following is a brief description of the multifamily mortgage insurance program administered by HUD, acting through FHA, pursuant to Section 542(c) of the Housing and Community Development Act of 1992, as amended. The information is qualified in its entirety by reference to the Housing and Community Development Act of 1992 and to the National Housing Act and the regulations thereunder.

FHA Risk-Sharing Program

Section 542(c) of the Housing and Community Development Act of 1992, as amended (the “Housing Act”) authorized the Secretary of HUD to enter into risk-sharing agreements with qualified state or local housing finance agencies (“HFAs”) to enable those HFAs to underwrite and process loans for which HUD, acting through FHA, will provide full mortgage insurance for eligible projects. HUD has promulgated regulations at 24 C.F.R. Part 266 (the “Regulations”) pursuant to the Housing Act. The program established by the Risk Sharing Act (the “Risk Sharing Program”) allows HFAs to carry out certain HUD functions, including the assumption of underwriting, loan management and property disposition functions and responsibility for defaulted loans, including reimbursement of HUD for a portion of the loss from any defaults that occur while the HUD contract of mortgage insurance is in effect. The Risk Sharing Program is designed to increase the supply of affordable multifamily units by allowing HFAs to originate and service mortgage loans that are fully insured by HUD’s Federal Housing Administration (the “FHA”).

This mortgage insurance program requires that an interested HFA first be approved as a qualified housing finance agency. Upon notification of approval as a qualified HFA, that HFA must execute a risk-sharing agreement between the Commissioner of FHA and the HFA. The risk-sharing agreement must state the agreed upon risk apportionment between HUD and the HFA, the number of units allocated to the HFA, a description of the HFA’s standards and procedures for underwriting and servicing loans and a list of HFA certifications designed to assure its proper performance.

Projects eligible to be insured under the Risk-Sharing Program include projects receiving Section 8 or other rental subsidies, single room occupancy projects, board and care/assisted living facilities and elderly projects. Transient housing or hotels, projects in military impact areas, retirement service centers, and nursing homes or intermediate care facilities are specifically excluded from eligibility for insurance under the program.

NH Housing has been designated by HUD as a “qualified HFA” under the Housing Act. NH Housing has entered into a risk-sharing agreement with HUD dated as of May 13, 1994 (the “Risk-Sharing Agreement”) which sets out the terms for NH Housing’s participation in the Risk-Sharing Program. NH Housing has a “Level I” approval under the Regulations which means it agrees to reimburse HUD for up to 50 percent of any losses incurred as a result of a default under a loan, which permits NH Housing to use its own underwriting standards and loan terms and conditions (as disclosed and submitted with its application) to underwrite and approve loans without further review by HUD.

During its participation in the program, the HFA must take responsibility for certain functions, including those relating to the Affirmative Fair Housing Marketing Plan, labor standards, insurance of advances, cost certification, and lead-based paint requirements. A mortgagor must certify to the HFA that it is in compliance with certain enumerated discrimination and civil rights statutes and executive orders. HUD will monitor the HFA’s compliance with requirements concerning subsidy layering, the Davis-Bacon Act, environmental laws, and other program criteria. Certain HUD requirements may only be applicable when construction financing is utilized.

Upon completion of construction, presentation of a closing docket, including an executed deed of trust regulatory agreement between the HFA and the mortgagor, and certifications required by the Regulations, FHA issues a final endorsement of the mortgage note for the costs related to the project which have been certified by an independent certified public accountant and have been approved by NH Housing. Although NH Housing has been

given authority to approve cost certifications by a mortgagor, such certifications are contestable by HUD, up to and during final endorsement of the applicable mortgage. Cost certification is not required for loans in which new construction or substantial rehabilitation is not involved.

The Regulations define an event of default under an FHA-insured mortgage as (1) a failure to make any payment due under the mortgage or (2) a failure to perform any other mortgage covenant (which include covenants in the related regulatory agreement, which is incorporated by reference in the applicable mortgage) if the mortgagee, because of such failure, has accelerated the debt. A mortgagee is entitled to receive the benefits of insurance after the mortgagor has defaulted and such default continues for a period of thirty (30) days. If the default continues to exist at the end of the thirty (30) day grace period, the mortgagee is required to give HUD written notice of the default within ten (10) days after such grace period and monthly thereafter, unless waived by HUD, until such default has been cured or NH Housing has filed an application for an initial claim payment. Unless a written extension is granted by HUD, NH Housing must file an application for initial claim payment (or, if appropriate, for partial claim payment) within seventy-five (75) days from the date of default. Such claim may be made as early as the first day of the month following the month for which a payment was missed. Upon request of NH Housing, HUD may extend, up to one hundred eighty (180) days from the date of default, the deadline for filing a claim. In those cases where NH Housing certifies that the project owner is in the process of transacting a bond refunding, refinancing the mortgage, or changing the ownership for the purpose of curing the default and bringing the mortgage current, HUD may extend the deadline for filing a claim beyond one hundred eighty (180) days but not exceed three hundred sixty (360) days from the date of default.

The initial claim amount is based on the unpaid principal balance of the mortgage note as of the date of default, plus interest at the mortgage note rate from the date of default to the date of initial claim payment. The mortgage note interest component of the initial claim amount is subject to curtailment as described below. HUD must make all claim payments in cash. The initial claim payment to NH Housing is equal to the initial claim amount, less any delinquent mortgage insurance premiums, late charges and interest assessment under the Regulations. NH Housing must use the proceeds of the initial claim payment to retire any bonds or any other financing mechanisms for the mortgages within thirty (30) days of the initial claim payment. Any excess funds resulting from such retirement or repayment shall be returned to HUD within thirty (30) days of the retirement. Within thirty (30) days of the initial claim payment, NH Housing must also issue to HUD a debenture, payable in five (5) years unless extended, in an amount equal to the amount of the initial claim payment, representing NH Housing's obligation to HUD under its Risk-Sharing Agreement.

In determining the mortgage note interest component of the initial claim amount, if NH Housing fails to meet any of the requirements of the Regulations within the specified time (including any granted extension of time), HUD shall curtail the accrual of mortgage note interest by the number of days by which the required action was late. Losses sustained as a consequence of the sole negligence of NH Housing will be the sole obligation of NH Housing, notwithstanding the risk apportionment otherwise agreed to by HUD and NH Housing.

When FHA pays a claim, the Risk Sharing Agreement provides that NH Housing will issue a debenture (each, a "Debenture") to HUD for the full amount of the claim, which shall be supported by the full faith and credit of NH Housing. Each Debenture will have a term of five (5) years, will bear interest at HUD's published debenture rate, and its interest will be payable annually. The Risk Sharing Act contemplates that during the five year term of each Debenture, NH Housing would work toward curing the default, foreclosure or resale of the related development. Upon the due date of each Debenture, the total loss to be shared by NH Housing and HUD shall be computed pursuant to the Risk Sharing Agreement.

The Regulations provide that not later than thirty (30) days after either (1) foreclosure sale or sale after acceptance of a deed-in-lieu of foreclosure or (2) expiration of the term of the HFA debenture, loss on the mortgaged property is determined and allocated between HUD and the HFA in accordance with their respective percentages of risk specified in the mortgage note and risk-sharing agreement.

Information on project management and servicing will be required after endorsement. Additionally, the HFA must submit semi-annual reports, annual financial statements and must maintain its eligibility by continued compliance with the risk-sharing agreement, the regulatory agreement, and all the requirements for initial program eligibility.

FACTORS AFFECTING THE MORTGAGE LOANS

Any mortgage financing has certain inherent risks.

Assumptions. In estimating the amounts of moneys available to pay principal of and interest on the Bonds, a number of assumptions are made, including the assumptions that (1) payments of principal of and interest on the Mortgage Loans will be available on a timely basis, (2) no significant Prepayments or Recovery Payments of the Mortgage Loans will be made from casualty insurance or condemnation proceeds or otherwise, which result in NH Housing's having to redeem Bonds, since such proceeds may not be sufficient to pay the principal amount of Bonds allocable to such Mortgage Loan, (3) if applicable, working capital and construction completion assurances will be adequate, (4) if applicable, cost overruns, if any, will be adequately financed with contingency allowances, if any, established for such purpose or with other moneys of the related Borrower or NH Housing including, if necessary, the proceeds of Additional Bonds, and (5) Projects financed with the proceeds of Bonds will be completed (as applicable) and rented substantially in accordance with their respective construction and rent-up schedules and will achieve the projected rent levels. No assurance can be given that actual receipts will correspond with estimated revenues.

General Factors. The ability of Borrowers to make the required payment on the applicable Mortgage Loan is affected by a variety of factors, including (1) the achievement and maintenance of a sufficient level of occupancy, (2) sound management of the Projects financed by the Mortgage Loans, and (3) increases in rents to cover increases in operating expenses, including taxes, utility rates and maintenance costs and changes in applicable laws and governmental regulations.

Nonrecourse Loans. Generally, the Mortgage Loans have been made without recourse to the Borrower or its partners. Neither the Borrower nor its partners are personally liable for payments on the note evidencing the Mortgage Loan. Therefore, NH Housing's recourse is limited to its lien on the Projects financed by the Mortgage Loans.

Exercise of Legal Remedies. The ability of NH Housing, HUD or any mortgage insurer or Credit Enhancer to enforce its rights or exercise its remedies upon default under the Mortgage Loan is dependent upon regulatory and judicial actions, which may be subject to discretion and delay. Under existing law and judicial decisions (including laws relating to bankruptcy), the remedies provided for under the documentation for the Mortgage Loan may not be readily available or may be limited. NH Housing's interest, however, is protected to the extent of the available Credit Enhancement.

Environmental Factors. If problems are identified, NH Housing may decline to take possession of a defaulted Project due to potential costs to remedy or correct any identified problems, which costs can be significant. Furthermore, it is uncertain whether a mortgage insurer would pay a claim under such circumstances. In NH Housing's experience, the most common environmental problems with Projects involve the presence of lead based paint and asbestos.

Geographic Factors. The ability of the Projects financed by the Mortgage Loans to generate sufficient rents to make payments on the respective Mortgage Loans will be dependent, in part, on both local and statewide economic conditions, including employment levels of local industries and businesses. In addition, the ability of the Projects financed by the Mortgage Loans to generate rents sufficient to pay debt service will be affected by general rent levels for similar competing developments, location of such Projects, competing multi-family rental developments, amenities offered by Projects financed by the Mortgage Loans as compared with competing developments, and the need for routine or extraordinary repairs and maintenance of the Projects financed by the Mortgage Loans. The continued feasibility of such Projects may depend in part upon their respective neighborhoods. Adverse changes may occur from time to time in neighborhoods, and if such changes occur, the occupancy levels of such Projects may be reduced.

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SUMMARY OF CERTAIN PROVISIONS OF THE CONTINUING DISCLOSURE AGREEMENT

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

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

Certain Definitions

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

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

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

“**GAAP**” means generally accepted accounting principles as prescribed from time to time by the Financial Accounting Standards Board as modified by the Governmental Accounting Standards Board.

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

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

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

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

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

Provision of Annual Financial Information

NH Housing will, not later than one hundred eighty (180) days after the end of each of NH Housing’s fiscal years, commencing with the report for fiscal year 2024, provide to EMMA, the annual financial information with respect to NH Housing which is consistent with the requirements of the Disclosure Agreement (the “Annual Financial Information”).

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

Content of Annual Financial Information

The Annual Financial Information shall contain or include by reference the following:

(a) a description of the Projects financed by the Mortgage Loans allocable to the Offered Bonds, as shown in Appendix D;

(b) a description of the Projects financed with Mortgage Loans made from the proceeds of the Additional Bonds issued on parity with the Offered Bonds, in the format of Appendix D;

(c) the outstanding aggregate principal amount of the Offered Bonds and the outstanding principal amount of the Mortgage Loans allocable to the Offered Bonds;

(d) the outstanding aggregate principal amount of the Additional Bonds issued on parity with the Offered Bonds and the outstanding principal amount of the Mortgage Loans made from the proceeds of such Additional Bonds;

(e) a summary of existing investments under the Mortgage Reserve Fund in connection with the Offered Bonds;

(f) whether or not the Offered Bonds Mortgage Loans are current or delinquent;

(g) whether or not the Mortgage Loans made with the proceeds of Additional Bonds issued on parity with the Offered Bonds are current or delinquent;

(h) whether the amount on deposit in the Mortgage Reserve Fund is at least equal to the Mortgage Reserve Fund Requirement for the Offered Bonds; and

(i) the audited financial statements of NH Housing, if available, or unaudited financial statements, of NH Housing, in either case, for the fiscal year ended on the previous June 30, prepared on the accrual basis of accounting promulgated by the Governmental Accounting Standards Board.

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

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

Reporting of Certain Events

(a) Under the Disclosure Agreement, NH Housing is required to give notice to EMMA, in a timely manner, not in excess of ten (10) business days, after the occurrence of any of the following events with respect to the Offered Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions or the issuance by the IRS of a proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Offered Bonds or other material events affecting the tax status of the Offered Bonds;

- (7) modifications to rights of Holders, if material;
 - (8) Offered Bonds calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution, or sale of property securing repayment of the Offered Bonds, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of NH Housing*;
 - (13) consummation of a merger, consolidation, or acquisition of NH Housing, or sale of all or substantially all of the assets of NH Housing, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
 - (15) incurrence of a financial obligation† of NH Housing, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of NH Housing, any of which affect holders of the Offered Bonds, if material; and
 - (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of NH Housing, any of which reflect financial difficulties.
- (b) Upon the occurrence of a Listed Event, NH Housing shall, in a timely manner not in excess of ten (10) business days after the occurrence of the event, file a notice of such occurrence with EMMA.

The Disclosure Agreement requires the Trustee promptly to give notice to NH Housing whenever, in the course of performing its duties as Trustee under the General Resolution, the Trustee identifies a Listed Event with respect to the Offered Bonds; provided, however, that the failure of the Trustee so to advise NH Housing shall not constitute a breach by the Trustee of any of its duties and responsibilities under the Disclosure Agreement or the General Resolution.

Additional Information

Nothing in the Disclosure Agreement will be deemed to prevent NH Housing from disseminating any other information, using the means of dissemination set forth in the Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information or notice of occurrence of a Listed Event, in addition to that which is required by the Disclosure Agreement. If NH Housing chooses to include

*For purposes of the event identified in Section (a)(12) above, the event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for NH Housing in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of NH Housing, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of NH Housing.

†“Financial Obligation,” as defined in the Rule, means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing planned debt obligation; or (iii) guarantee of (i) or (ii).

any information in any Annual Financial Information or notice of occurrence of a Listed Event in addition to that which is specifically required by the Disclosure Agreement, NH Housing will not have any obligation under the Disclosure Agreement to update such information or include it in any future Annual Financial Information or notice of occurrence of a Listed Event.

Amendment of Disclosure Agreement

The Disclosure Agreement may be amended by written agreement of NH Housing and the Trustee, and any provision of the Disclosure Agreement be waived, without the consent of the Holders or Beneficial Owners of the Offered Bonds, except as required pursuant to clause 4(ii) below, under the following conditions: (1) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of NH Housing or the type of business conducted thereby, (2) the Disclosure Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of the Disclosure Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) NH Housing shall have delivered to the Trustee an opinion of securities counsel to the same effect as set forth in clause (2) above, (4) either (i) in respect to the Disclosure Agreement, a party unaffiliated with NH Housing (such as the Trustee or bond counsel), acceptable to NH Housing and the Trustee, has determined that the amendment or waiver does not materially impair the interests of the Beneficial Owners of the Offered Bonds, or (ii) the Holders of the Offered Bonds consent to the amendment or waiver to the Disclosure Agreement pursuant to the same procedures as are required for amendments to the Resolution with consent of Holders, and (5) NH Housing shall have delivered copies of such amendment or waiver to EMMA.

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

Enforcement

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

Except as described in this paragraph, the provisions of the Disclosure Agreement will create no rights in any other person or entity. Except as limited by the two succeeding sentences, the obligation of NH Housing to comply with the provisions of the Disclosure Agreement are enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any Beneficial Owner of Outstanding Offered Bonds, or by the Trustee on behalf of the Holders of Outstanding Offered Bonds, or (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 Offered Bonds or by any Beneficial Owner of Offered Bonds. A Beneficial Owner may not take any enforcement action pursuant to clause (ii) without the consent of the Holders of not less than 25 percent in the aggregate principal amount of the Offered Bonds at the time Outstanding. The Trustee shall not be required to take any enforcement action except at the direction of the Holders of not less than 25 percent in aggregate principal amount of the Offered Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity.

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

Termination of Reporting Obligation

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

The Disclosure Agreement, or any provision thereof, will be null and void in the event that NH Housing delivers to the Trustee (1) an opinion of securities counsel, addressed to NH Housing and the Trustee, to the effect that those portions of the Rule which require the provisions of the Disclosure Agreement, or any of such provisions, do not or no longer apply to the Offered Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as will be specified in such opinion, and (2) notice to such effect, and the Trustee submits such notice to EMMA.

Governing Law

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

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APPENDIX H

FINANCIAL STATEMENTS OF NH HOUSING

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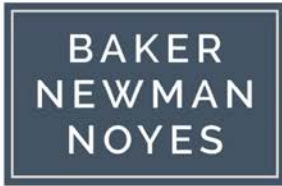
New Hampshire Housing Finance Authority

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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INDEPENDENT AUDITORS' REPORT

To the Members of
New Hampshire Housing Finance Authority

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

To the Members of
New Hampshire Housing Finance Authority

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Members of
New Hampshire Housing Finance Authority

Supplementary Information

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

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

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

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

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

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

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

Discussion of Changes in the Statement of Net Position

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

Cash Flows

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

Significant Long-Term Debt Activity

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

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

Additional Information

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

STATEMENT OF NET POSITION

June 30, 2023

(In thousands of dollars)

ASSETS

Current assets:

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

Long-term investments:

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

Loans receivable:

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

Other assets:

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

Total assets 785,909

LIABILITIES

Current liabilities:

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

Long-term liabilities:

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

Total liabilities 601,414

Commitments and contingent liabilities (Notes 8 and 12)

NET POSITION

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

Total net position \$ 184,495

See notes to financial statements.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2023

(In thousands of dollars)

OPERATING REVENUE:

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

Total operating revenue 347,993

OPERATING EXPENSES:

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

Total operating expenses 358,317

CHANGE IN NET POSITION (10,324)

Net position, beginning of year 194,819

NET POSITION, END OF YEAR \$184,495

See notes to financial statements.

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

STATEMENT OF CASH FLOWS

Year Ended June 30, 2023

(In thousands of dollars)

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

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

STATEMENT OF CASH FLOWS (CONTINUED)

Year Ended June 30, 2023

(In thousands of dollars)

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

1. **Organization and Nature of Operations**

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

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

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

2. **Summary of Significant Accounting Policies**

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

2. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

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

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

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

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

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

2. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

3. Loans Receivable, Related Allowances, and Concentrations

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

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

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

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

4. Cash and Investments

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

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

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

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

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

4. Cash and Investments (Continued)

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

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

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

4. Cash and Investments (Continued)

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

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

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

5. Other Assets

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

6. Mortgage Loan Servicing Rights

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

7. Property and Equipment

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

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

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

8. Forward Commitments

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

8. **Forward Commitments (Continued)**

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

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

9. **Bonds Payable**

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

9. Bonds Payable (Continued)

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

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

10. Notes Payable and Credit Facilities

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

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

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

11. Accrued and Other Liabilities

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

12. Commitments and Contingent Liabilities

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

12. Commitments and Contingent Liabilities (Continued)

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

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

13. Restricted Net Position

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

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

14. Grants and Subsidies

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

15. Employee Benefit Plans

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

16. Housing Management Fees

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

17. Fair Value Measurements

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

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023

(In thousands of dollars)

17. Fair Value Measurements (Continued)

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

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

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

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

18. Subsequent Events

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

SUPPLEMENTAL COMBINING SCHEDULES

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF STATEMENT OF NET POSITION

June 30, 2023

(In thousands of dollars)

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

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF STATEMENT OF NET POSITION (CONTINUED)

June 30, 2023

(In thousands of dollars)

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

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

Year Ended June 30, 2023

(In thousands of dollars)

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOWS

Year Ended June 30, 2023

(In thousands of dollars)

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

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)

Year Ended June 30, 2023

(In thousands of dollars)

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

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

(In thousands of dollars)

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

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

(In thousands of dollars)

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

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

Year Ended June 30, 2023

(In thousands of dollars)

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

SUPPLEMENTAL COMBINING SCHEDULE OF CASH FLOWS – SINGLE FAMILY BOND PROGRAMS

Year Ended June 30, 2023

(In thousands of dollars)

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

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

Year Ended June 30, 2023

(In thousands of dollars)

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

(Concluded)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

June 30, 2023

(In thousands of dollars)

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

Year Ended June 30, 2023

(In thousands of dollars)

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

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

Year Ended June 30, 2023

(In thousands of dollars)

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

(Continued)

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

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

Year Ended June 30, 2023

(In thousands of dollars)

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

(Concluded)

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

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

_____, 2024

New Hampshire Housing
Finance Authority
32 Constitution Drive
Bedford, New Hampshire 03110

Ladies and Gentlemen:

We have acted as bond counsel to the New Hampshire Housing Finance Authority (the “Authority”) in connection with the issuance and sale of the Bonds (hereinafter defined). In such capacity we have examined the Constitution and laws of the State of New Hampshire (the “State”), particularly Public Act No. 466 of the Laws of New Hampshire enacted by the General Court of the State at the 1981 Session and codified as Chapter 204-C of the Revised Statutes Annotated of New Hampshire, as amended (the “Act”), creating the Authority a body politic and corporate and deeming it to be a public instrumentality performing public and essential governmental functions of the State, the proceedings of the Authority and other proofs submitted to us relating to the issuance and sale of

\$50,560,000
New Hampshire Housing Finance Authority
Multi-Family Housing Revenue Bonds
2024 Series 2

dated the date of delivery thereof (the “Bonds”).

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

The Bonds are issued pursuant to the Act and under the 2017 General Multi-Family Housing Bond Resolution adopted on September 28, 2017 by the Authority (the “General Resolution”), and a Series Resolution of the Authority effective as of the date hereof (the “Series Resolution”).

The Bonds are stated to mature on the dates and in the principal amounts, bear interest at the rates and payable at the times, and are subject to redemption prior to maturity, all as provided therein, in the Series Resolution and in the General Resolution. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the General Resolution.

Principal and redemption price, if any, of and interest on the Bonds are payable by the Trustee to the Securities Depository, which will in turn remit such principal and interest to its Participants (as defined in the General Resolution), which will in turn remit such principal, redemption price and interest to the Beneficial Owners of the Bonds.

The Bonds are being issued for the purposes of (i) funding four mortgage loans (each a “Mortgage Loan”) each made or to be made by the Authority with respect to a residential rental development (each said development

constituting a “Project”) and to a separate borrower (each a “Borrower”) for the purposes and otherwise as provided in the General Resolution and the Series Resolution and (ii) making a deposit to the Mortgage Reserve Fund established under the General Resolution. Each Project to be financed or refinanced by the Mortgage Loans are required to be occupied by “eligible low income persons and families,” as determined by the Authority in accordance with the Act. Each Project is intended to constitute a “qualified residential rental project” within the meaning of the Code (hereinafter defined). Each Mortgage Loan will be evidenced by a Promissory Note Risk Sharing (a “Note”) between the related Borrower and the Authority. Each Note is to be secured by a Mortgage and Security Agreement (Risk Sharing) (each a “Mortgage”) from the related Borrower, as mortgagor, to the Authority, as mortgagee.

Each Note is expected to bear the endorsement of the Secretary of Housing and Urban Development acting by and through the Federal Housing Commissioner to the effect that the Mortgage is insured under Section 542(c) of the Housing and Community Development Act of 1992 and the regulations set forth at 24 CFR Part 266 (such insurance being called the “Risk Sharing Insurance”). We express no opinion regarding the Risk Sharing Insurance, or regarding the enforceability of the Note, Mortgage or regulatory agreement entered into by a Borrower with the Authority (each a “Regulatory Agreement”). Each Note, Mortgage and Regulatory Agreement, are not assigned to the Trustee and are not enforceable by the Trustee.

We have examined such documents, instruments, proceedings and opinions as we have deemed relevant in rendering this opinion.

Reference is made to opinions of even date of Sheehan Phinney Bass & Green P.A. (“Sheehan Phinney”), counsel to each of the Borrowers (as defined in the Series Resolution), made with respect to each of the Projects (as defined in the Series Resolution), among other matters, the duly formed and validly existing entity status and qualifications to do business of each of the Borrowers, the power of each of the Borrowers to enter into and perform each instrument, agreement, certificate or other document executed and delivered by each of the respective Borrowers in connection with the issuance of the Bonds, including without limitation the related Note, Mortgage and Regulatory Agreement (each said instrument, agreement, certificate or other document constituting a “Transaction Document”), and the extent to which the applicable Transaction Documents are binding and enforceable upon the respective Borrowers (said opinions of Sheehan Phinney constitute the “Borrower Counsel Opinions”). In rendering the opinions set forth herein, we have relied upon the Borrower Counsel Opinions.

We have relied on representations, warranties, covenants and certifications made by or on behalf of the Authority and each of the Borrowers with respect to certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”). Moreover, the Code establishes certain requirements which must be met on a continuing basis subsequent to the delivery of the Bonds in order that interest on the Bonds be excluded from gross income for federal income tax purposes. The Authority has covenanted in the General Resolution and other instruments delivered in connection with the issuance of the Bonds to comply with the requirements of the Code that must be met by the Authority subsequent to the issuance of the Bonds in order that interest on the Bonds is and will continue to be excluded from gross income for federal income tax purposes (the “Authority Tax Requirements”). In addition, each Borrower has covenanted in its respective Regulatory Agreement and other instruments delivered in connection with its Mortgage Loan to comply with the requirements imposed on it by the Code that must be met on a continuing basis subsequent to the issuance of the Bonds in order that interest on the Bonds is and will continue to be excluded from gross income for federal income tax purposes (the “Borrower Tax Requirements”).

On the basis of the foregoing, we are of the opinion that:

1. The Authority is a duly constituted and existing body corporate and politic and a public instrumentality of the State, with powers, among others, to fund mortgage loans for housing, to issue the Bonds for the purposes described above and to perform its obligations under the General Resolution.
2. The General Resolution and the Series Resolution have been duly adopted and delivered by the Authority, and each of the General Resolution and the Series Resolution constitutes a valid and binding agreement of the Authority and is enforceable against the Authority in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws heretofore or hereafter enacted for the relief of debtors or by equity principles.

3. The Bonds have been duly authorized, executed and delivered by the Authority and are valid and binding special obligations of the Authority enforceable in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws heretofore or hereafter enacted for the relief of debtors or by equity principles. The Bonds are secured by, and principal and redemption price, if any, of and interest on the Bonds are payable solely from, the revenues and assets subject to the lien and pledge described in opinion paragraph number 4.

4. The General Resolution creates a first lien on and pledge of (i) moneys in all Funds and Accounts established by the General Resolution, including investments, if any, thereof (except for moneys and investments in the Rebate Fund established under the General Resolution) and (ii) the rights and interests of the Authority in and to all proceeds received by the Authority pursuant to each Note, Mortgage or Regulatory Agreement that constitute Pledged Receipts (as defined in the General Resolution), which include any proceeds of Risk Sharing Insurance received by the Authority, and all other Pledged Receipts. Such lien and pledge are for the payment of the principal and redemption price, if any, of and interest on all Outstanding bonds, including but not limited to the Bonds, that have been or are subsequently issued under the General Resolution.

5. Under existing law, and assuming continuous compliance subsequent to the issuance of the Bonds by the Authority with the Authority Tax Requirements and by each Borrower with its Borrower Tax Requirements, (i) interest on the Bonds (including original issue discount with respect to the Bonds) is excluded from gross income for federal income tax purposes (except for interest on any Bond for any period during which such Bond is held by a “substantial user” of any property financed in whole or in part with the proceeds of the Bonds or a “related person” of such a substantial user within the meaning of Section 147(a) of the Code), (ii) interest on the Bonds is not included as an item of tax preference for purposes of calculating the alternative minimum tax imposed under the Code on individuals, and (iii) interest on the Bonds is taken into account in determining “adjusted financial statement income” for the purpose of computing the alternative minimum tax imposed on “applicable corporations”. We express no opinion regarding any other federal tax matters with respect to the Bonds. Also, we express no opinion as to the exclusion from gross income of interest on the Bonds subsequent to any date on which action is taken pursuant to the General Resolution for which action the General Resolution requires a legal opinion to the effect that the taking of such action will not adversely affect such exclusion, should the undersigned not deliver an opinion of such date to such effect.

We call your attention to the fact that failure by the Authority subsequent to the issuance of the Bonds to comply with the Authority Tax Requirements or failure by any Borrower subsequent to the issuance of the Bonds to comply with its Borrower Tax Requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes and that such inclusion may be retroactive to the date of issuance of the Bonds.

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

We express no opinion as to (i) title to any Project, (ii) the sufficiency or effectiveness of any recording or filing of any instrument, (iii) compliance with applicable legal requirements in connection with the acquisition, construction, equipping or operation of any Project or (iv) the accuracy, adequacy or completeness of the Preliminary Official Statement or the Official Statement relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances (whether existing on the date hereof or thereafter arising) that may hereafter come to our attention or any change in law that may hereafter occur.

Very truly yours,

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New Hampshire Housing
Bringing You Home



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forests, controlled sources and
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