MEETINGS SCHEDULED FOR FEBRUARY

Minnesota Housing
400 Wabasha Street N. Suite 400
St. Paul, MN 55102

THURSDAY, FEBRUARY 24, 2022

Regular Board Meeting
1:00 p.m.

Conference Call

Toll-free dial-in number (U.S. and Canada):
1-877-309-2071

Access code:
991-700-469

NOTE: The information and requests for approval contained in this packet of materials are being presented by Minnesota Housing staff to the Minnesota Housing Board of Directors for its consideration on Thursday, February 24, 2022.

Items requiring approval are neither effective nor final until voted on and approved by the Minnesota Housing Board.

The Agency may conduct a meeting by telephone or other electronic means, provided the conditions of Minn. Stat. §462A.041 or Minn. Stat. 13D.021 are met. The Agency shall, to the extent practical, allow a person to monitor the meeting electronically and may require the person making a connection to pay for documented marginal costs that the Agency incurs as a result of the additional connection.

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MINNESOTA HOUSING

400 Wabasha Street North, Suite 400 St. Paul, MN 55102
P: 800.657.3769
F: 651.296.8139 | **TTY:** 651.297.2361
www.mnhousing.gov

Mission

Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

Vision

All Minnesotans live and thrive in a safe, stable home they can afford in a community of their choice.

AGENDA
Minnesota Housing Board Meeting
Thursday February 24, 2022
1:00 p.m.

1. **Call to Order**
2. **Roll Call**
3. **Agenda Review**
4. **Approval of Minutes**
   A. (page 5) Special Meeting of January 25, 2022
   B. (page 11) Regular Meeting of January 27, 2022
   C. (page 13) Emergency Meeting of February 4, 2022

5. **Reports**
   A. **Chair**
   B. **Commissioner**
   C. **Committee**

6. **Consent Agenda**
   A. (page 15) Extension of Resolution authorizing Selection and Commitment, Low and Moderate Income Rental Loan (LMIR) (from July 2021 board meeting)
   -Cherry Ridge, D0722, Mankato, MN

7. **Action Items**
   A. (page 29) Approval, Minnesota City Participation Program
   B. (page 39) Commitment, Low and Moderate Income Rental Loan (LMIR), and Low and Moderate Income Rental Bridge Loan (LMIRBL), and Waiver of the Predictive Cost Model 25% Threshold
   -Spring Creek II, D8103, Northfield, MN

C. (page 61) Adoption, Series Resolution Authorizing the Issuance and Sale of fixed rate Residential Housing Finance Bonds (RHFB)
D. (page 205) Adoption, Series Resolution authorizing the Issuance and Sale of Minnesota Housing Finance Agency variable rate Residential Finance Housing Bonds (RHFB)
E. (page 293) Adoption, Resolution Authorizing the Issuance and Sale of Rental Housing Bonds, 2022 Series A (Spring Creek)
F. (page 379) Selection of Firm to Provide Audit Services for Years 2022 – 2025
G. (page 381) Updated Approval Regarding COVID-19 Emergency Rental Assistance

8. Discussion Items

A. (page 385) 2nd Quarter FY 2022 Financial Reporting Package
B. (page 395) First Quarter 2022 Progress Report: 2020-2022 Strategic Plan and 2022-2023 Affordable Housing Plan

9. Information Items

A. (page 401) Semi-annual Variable Rate and Swap Report as of January 1, 2022
B. (page 415) Post-Sale Report, RHFB 2022 Series AB (Social Bonds)

10. Other Business

None.

11. Adjournment

DRAFT Minutes
Minnesota Housing Board Meeting
Thursday, January 27, 2022
10:00 a.m.
Via Conference Call

1. **Call to Order.**
Chair DeCramer called to order the regular meeting of the Board of Minnesota Housing Finance Agency at 10:01 a.m.

2. **Roll Call.**
Members Present via conference call: Chief Executive Melanie Benjamin, Auditor Blaha, Chair John DeCramer, Craig Klausing, Stephanie Klinzing, Stephen Spears and Terri Thao.
Minnesota Housing Staff present via conference call: Tal Anderson, Tom Anderson, Erika Arms, Noemi Arocho, Caitlin Arreola, Jordan Bailes, Ryan Baumtrog, Abigail Behl, Vi Bergquist, Laura Bolstad Grafstrom, Sondra Breneman, Sarah Broich, Kevin Carpenter, Erin Coons, Jimena Dake, Jessica Deegan, Matt Dieveney, Allison Ehlert, Earl Erlendsson, Vicki Farden, Graydon Francis, Rachel Franco, Vanessa Haight, Zahra Hassan, Anne Heitlinger, Anna Heitz, Darryl Henchen, Adam Himmel, Jennifer Ho, Summer Jefferson, Hannah Jirak, Karen Johnson, Nellie Kallon, Aaron Keniski, Katey Kinley, Dan Kitzberger, Greg Krenz, Laurie Krivitz, Tresa Larkin, Debbi Larson, Song Lee, James Lehnhoff, Lori Lindberg, Amanda Lor, Gail Lowthorp, Nira Ly, Paul Marzynski, Sarah Matala, Jillian Mazullo, Don McCabe, Colleen Meier, Amy Melmer, Erin Menne, Maggie Nadeau, Gerald Narlock, Josh Nguyen, William Price, Annie Reierson, Brittany Rice, Paula Rindels, Cheryl Rivinius, Lael Robertson, Rachel Robinson, Danielle Salus, Joel Salzer, Kayla Schuchman, Anne Smetak, Corey Strong, Margaret Strugala, Kim Stuart, Jodell Swenson, Eric Thiewes, Mike Thomas, Susan Thompson, Mike Thone, Ted Tulashie, Nancy Urbanski, Que Vang, Kayla Vang, Teresa Vaplon, Nicola Viana, Carrie Weisman, Amanda Welliver, Tyler Wenande, Jennifer Wille, Jennifer Willette, Carole Wohlk, Sarah Woodward, and Kristy Zack.
Others present via conference call: Ramona Advani, Minnesota Office of the State Auditor; David R Anderson, All Parks Alliance for Change; Anne Mavity, Minnesota Housing Partnership.

3. **Agenda Review**
No changes.

4. **Approval**
A. Regular Meeting Minutes of December 16, 2021
Motion: Terri Thao moved to approve the December 16, 2021, Regular Meeting Minutes. Seconded by Stephanie Klinzing. Roll call was taken. Motion carries 7-0. All were in favor.

5. **Reports**
A. Chair

None.

B. Commissioner

Commissioner Ho shared the following with the Board:

Welcome new employees, Kayla Schuchman, Lori Lindberg, Teresa Vaplon, Jennifer Pineda, and Nellie Kallon

- Participated in the Greater Minnesota Housing Fund's regional housing forums
- RentHelpMN Update
- HomeHelpMN Update

C. Committee

None.

6. Consent Agenda

A. Forbearance, Low Income Large Family Rental Housing Program (LILF)
- Park Crossing Apartments, D1526, Saint Paul

B. Waiver, Predictive Cost Model 25% Threshold
- Fire Station One, D8133, Minneapolis

C. Modification to Commitment, Bridge Loan (BL)
- Bimosedaa, Minneapolis, D8235

Motion: Craig Klausing moved to approve the Consent Agenda Items. Seconded by Auditor Blaha. Roll call was taken. Motion carries 7-0. All were in favor.

7. Action Items

A. Selection and Commitment, Low and Moderate Income Rental Loan (LMIR) - Edison, D8005, Roseville

Caryn Polito presented to the board a request for adoption of a resolution authorizing the issuance of a Low and Moderate Income Rental (LMIR) program commitment in the amount of up to $3,535,000. All commitments are subject to the terms and conditions of the Agency term letter. Chair DeCramer opened up the discussion. There were no questions from board members.

Motion: Terri Thao moved Selection and Commitment, Low and Moderate Income Rental Loan - Edison, D8005, Roseville, MN. Seconded by Chief Executive Benjamin. Roll call was taken. Motion carries 7-0. All were in favor.

B. Selection and Commitment, Low and Moderate Income Rental Loan (LMIR) -Maple Village II, D6286, Maple Grove

Caryn Polito presented to the board a request for adoption of a resolution authorizing the issuance of a Low and Moderate Income Rental (LMIR) program commitment in the amount of up to $2,350,000. All commitments are subject to the terms and conditions of the Agency term letter. Chair DeCramer opened up the discussion. Board members asked questions and staff provided answers.

Motion: Stephanie Klinzing moved Selection and Commitment, Low and Moderate Income Rental Loan - Maple Village II, D6286, Maple Grove, MN. Seconded by Stephen Spears. Roll call was taken. Motion carries 7-0. All were in favor.

C. Request for Updated Delegated Authority Related to Forbearance and Servicing of the Multifamily Loan Portfolio

Anne Smetak presented to the board a request for approval of two delegations of authority to facilitate the efficient servicing of the multifamily loan portfolio. The first requested delegation provides clarity regarding acceptable servicing actions that can be taken under delegated authority. The second requested delegation updates existing Board Delegation 28 to extend the allowable time of a forbearance. Chair DeCramer opened up the discussion. Board members asked questions and staff provided answers.
Motion: Chief Executive Benjamin moved Request for Updated Delegated Authority Related to Forbearance and Servicing of the Multifamily Loan Portfolio. Seconded by Terri Thao. Roll call was taken. Motion carries 7-0. All were in favor.

D. Single Family Selections, Manufactured Home Community Redevelopment Program

Annie Reierson presented to the board a request for approval of the Single Family Manufactured Home Community Redevelopment Program Request for Proposals (RFP) and Selection Committee recommendations. Chair DeCramer opened up the discussion. Board members asked questions and staff provided answers.
Motion: Stephanie Klinzing moved Single Family Selections, Manufactured Home Community Redevelopment Program. Seconded by Craig Klausing. Roll call was taken. Chair DeCramer abstained. Chief Executive Benjamin was not present for the vote. Motion carries 5-0. All were in favor.

E. Single Family Selections, Community Homeownership Impact Fund

Song Lee and Leighann McKenzie presented to the board a request for approval of funding recommendations for the Single Family Consolidated Request for Proposals (RFP) and Community Homeownership Impact Fund (Impact Fund). Chair DeCramer opened up the discussion. There were no questions from the board.
Motion: Terri Thao moved COVID-19 Emergency Rental Assistance Expansion for Housing Stabilization Services. Seconded by Auditor Blaha. Roll call was taken. Chair DeCramer abstained. Chief Executive Benjamin was not present for the vote. Motion carries 5-0. All were in favor.

F. 2021 Multifamily Selections, Amortizing and Deferred Loans, and 2022 Housing Tax Credits

Summer Jefferson presented to the board a request for approvals related to the 2021 Consolidated Request for Proposals. Board members asked questions and staff provided answers.
Motion: Auditor Blaha moved Adoption of a resolution approving the selection of projects for further processing, and the commitment of deferred financing, and, subject to final underwriting and due diligence, authorizing the closing of loans related to the

following programs and/or funding sources listed in the board report. Seconded by Stephanie Klinzing. Roll call was taken. Chief Executive Benjamin was not present for the vote. Motion carries 6-0. All were in favor.

Motion: Terri Thao moved Adoption of a resolution approving the allocation of competitive federal 9% Low Income Housing Tax Credits (HTCs). Seconded by Craig Klausing. Roll call was taken. Chief Executive Benjamin was not present for the vote. Motion carries 6-0. All were in favor.

Motion: Craig Klausing moved Adoption of a resolution approving the selection of projects for further processing under the Low and Moderate Income Rental program, LMIR Bridge Loan product, and Bridge Loan product. Seconded by Auditor Blaha. Roll call was taken. Chief Executive Benjamin was not present for the vote. Motion carries 6-0. All were in favor.

Motion: Stephanie Klinzing moved Approval of a waiver of the Predictive Cost Model 25% threshold for Alexander Baker and Wadaag Commons. Seconded by Terri Thao. Roll call was taken. Chief Executive Benjamin was not present for the vote. Motion carries 6-0. All were in favor.

Motion: Stephanie Klinzing moved Approval of a waiver to Chapter 2.H of the 2022-2023 Qualified Allocation Plan to exceed the $1,350,000 per development 9% HTC cap to allow for an aggregate amount of $1,919,267 for Union Park; $1,453,520 for 5240 Apartments; and $1,415,000 for Hillside Heights Apartments. Seconded by Craig Klausing. Roll call was taken. Chief Executive Benjamin was not present for the vote. Motion carries 6-0. All were in favor.

Motion: Stephanie Klinzing moved Approval of a waiver to Chapter 2.O of the 2022-2023 Qualified Allocation Plan to allow for a second supplement allocation of 9% HTCs to Manor Hills. Seconded by Auditor Blaha. Roll call was taken. Chief Executive Benjamin was not present for the vote. Motion carries 6-0. All were in favor.

8. Discussion Items

A. 2022 Governor's Capital Budget and Supplemental Budget Recommendations

Dan Kitzberger reviewed the 2022 Governor's Capital Budget and Supplemental Budget Recommendations.

9. Information Items

A. Post-sale, RHFB Series 2021 GHI

10. Other Business

None.

11. Adjournment

The meeting was adjourned at 12:08 p.m.

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John DeCramer, Chair

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DRAFT Minutes
Minnesota Housing Special Board Meeting
Tuesday January 25, 2022
9:00 a.m.
Via Conference Call

1. **Call to Order.**
Chair DeCramer called to order the special meeting of the Board of Minnesota Housing Finance Agency at 9:03 a.m.

2. **Roll Call.**
Members Present: Auditor Julie Blaha, Chief Executive Melanie Benjamin, Chair John DeCramer, Craig Klausing, Stephen Spears and Terri Thao.

Minnesota Housing Staff present: Ryan Baumtrog, Jessica Deegan**,** Kevin Carpenter, Rachel Franco, Jennifer Ho, Dan Kitzberger, Debbi Larson, Lori Lindberg, Gail Lowthorp, Jill Mazullo, Lael Robertson, Rachel Robinson, Anne Smetak, Amanda Welliver, and Tyler Wenande.
Others present: Ramona Advani, Minnesota Office of the State Auditor; Anne Kealing, Office of the Minnesota Attorney General.

3. **Approval: Application Closure Parameters for RentHelpMN**
Commissioner Jennifer Leimaile Ho presented to the board a request for approval of proposed application closure parameters for the federally funded RentHelpMN program and a determination that the application closure parameters were met.

Chair DeCramer opened up the discussion. Board members asked a series of questions and staff provided answers.
Motion: Auditor Blaha moved Approval, Application Closure Parameters for RentHelpMN. Seconded by Stephen Spears. Roll Call was taken. Motion carries 6-0. All were in favor.

4. **Other Business**
None.

5. **Adjournment**
The meeting was adjourned at 9:52 a.m.

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John DeCramer, Chair

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DRAFT Minutes
Minnesota Housing
Emergency Board Meeting Tuesday
February 4, 2022
11:00 a.m.
Via Interactive Technology

1. **Call to Order.**
Chair DeCramer called to order the emergency meeting of the Board of Minnesota Housing Finance Agency at 11:01 a.m.

2. **Roll Call.**
Members Present: Auditor Julie Blaha, Chief Executive Melanie Benjamin, Chair John DeCramer, Stephanie Klinzing, Stephen Spears and Terri Thao.

   Minnesota Housing staff and counsel present: Rachel Franco, Jennifer Ho, Rachel Robinson, and Anne Smetak. Ramona Advani, Minnesota Office of the State Auditor; Anne Kealing, Office of the Minnesota Attorney General; and Liz Kramer, Office of the Minnesota Attorney General.

3. **Closed Session. Approval: Application Closure Parameters for RentHelpMN**
The board moved into closed session pursuant to Minn. Stat. 13D.05, subd. 3(b) for attorney-client privileged advice and settlement discussions related to potential litigation involving RentHelpMN. No action was taken.

4. **Adjournment**
The meeting was adjourned at 12:08 p.m.

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John DeCramer, Chair

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MINNESOTA HOUSING

Board Agenda Item: 6.A.
Date: 2/24/2022

Item: Extension of Resolution authorizing Selection and Commitment, Low and Moderate Income Rental Loan (LMIR) (from July 2021 board meeting)

- Cherry Ridge, D0722, Mankato, MN

Staff Contact(s):
Caryn Polito, 651.297.3123, caryn.polito@state.mn.us

Request Type:

☒ Approval
- ☒ Motion
- ☒ Resolution

☐ No Action Needed
- ☐ Discussion
- ☐ Information

Summary of Request:
Agency staff recommends adoption of a resolution to extend the date the loan must close by from January 31, 2022 to March 31, 2022. The board previously adopted Resolution 21-034 at the July 2021 board meeting authorizing the issuance of a Low and Moderate Income Rental (LMIR) program commitment in the amount of up to $3,081,000. The July 2021 board report is attached for reference. After some delays due to title issues that have since been resolved, Cherry Ridge is anticipated to close in first quarter 2022. The loan amounts and terms are otherwise unchanged.

Fiscal Impact:
LMIR loans are funded from Housing Investment Fund Pool 2 resources, and as such, Minnesota Housing will earn interest income on the end loan without incurring financing expenses. The Agency will earn additional fee income from originating the loan for this project.

Meeting Agency Priorities:

☒ Improve the Housing System
☒ Preserve and Create Housing Opportunities
☐ Make Homeownership More Accessible
☒ Support People Needing Services
☒ Strengthen Communities

Attachments:

- Previous Cover Page
- Previous Development Summary
- Previous Resolution
- New Resolution
- Resolution Attachment: Term Letter

Agenda Item: 6.A.
Previous Cover Letter from 7/22/2021

MINNESOTA HOUSING

Item: Selection and Commitment, Low and Moderate Income Rental Loan (LMIR)

- Cherry Ridge, D0722, Mankato, MN

Staff Contact(s):
Caryn Polito, 651.297.3123, caryn.polito@state.mn.us

Request Type:

☒ Approval	☐ No Action Needed
☒ Motion	☐ Discussion
☒ Resolution	☐ Information

Summary of Request:
Agency staff completed the underwriting and technical review of the proposed development and recommends the development for selection and adoption of a resolution authorizing the issuance of a Low and Moderate Income Rental (LMIR) program commitment in the amount of up to $3,081,000.

All commitments are subject to the terms and conditions of the Agency term letter.

Fiscal Impact:
LMIR loans are funded from Housing Investment Fund Pool 2 resources, and as such, Minnesota Housing will earn interest income on the end loan without incurring financing expenses. The Agency will earn additional fee income from originating the loan for this project.

Meeting Agency Priorities:

☒ Improve the Housing System
☒ Preserve and Create Housing Opportunities
☐ Make Homeownership More Accessible
☒ Support People Needing Services
☒ Strengthen Communities

Attachments:

- Development Summary
- Resolution
- Resolution Attachment: Term Letter

DEVELOPMENT SUMMARY

SECTION I: PROJECT DESCRIPTION AND RECOMMENDATIONS

Project Information				
Development Name	Cherry Ridge		**D#** 0722	**M#** 18674
Address	101 Glenwood Ave			
City	Mankato	**County**	Blue Earth	
Date of Selection	7/22/2021	**Region**	Southeast	

A. Project Description and Population Served

- The development involves the refinance and limited scope rehabilitation of 83 units in one, six-story elevator building with units ranging from one to three bedrooms.
- The apartment building was originally a college dorm building and was built in 1950. It was converted to apartments in 1990. Southwest Minnesota Housing Partnership acquired the property in 2007 and completed a moderate rehab at that time.
- The development provides general occupancy/workforce housing for families. There are also eight supportive housing units that serve homeless individuals and families; these units have HUD Continuum of Care (CoC) rental assistance.
- The development serves households with incomes at or below 60% Multifamily Tax Subsidy Projects (MTSP).
- Cherry Ridge Apartments currently has a LMIR first mortgage with HUD Risk-share from 2007, an Economic Development Housing Challenge (EDHC) loan, a Flexible Financing for Capital Costs (FFCC) loan, and a Home Investment Partnerships (HOME) loan.
- The original tax credit syndicator, Enterprise, has exited the partnership.

B. Mortgagor Information

Ownership Entity:	Mankato Cherry Ridge Apartments Limited Partnership
Sponsor:	Southwest Minnesota Housing Partnership
General Partner(s)/ Principal(s):	Southwest Minnesota Housing Partnership
Guarantor(s):	Southwest Minnesota Housing Partnership

C. Development Team Capacity Review

The sponsor, Southwest Minnesota Housing Partnership, has the experience and capacity to complete the project. Southwest Minnesota Housing Partnership has rehabilitated over 1,184 units of affordable housing that are of similar size and scope to the proposed development.

The property manager, Lloyd Management Company, was established in 1971 and currently has 114 developments, with a total of 3,824 units. The property manager has the capacity to manage this development.

The service provider, Southwest Minnesota Housing Partnership, is experienced in serving high priority homeless residents.

None of the development team partners, comprised of the developer, asset management and service provider, represent a Black, Indigenous, and People of Color-owned/Women-owned Business Enterprise.

D. Current Funding Request

Loan Type	Program	Source	Amount	IR	MIP	Term	Amort / Cash Flow	Construction/End Loan
Permanent Amortizing	LMIR	Pool 2	$3,081,000	3.50 %	0.125 %	35	35	End

- Agency LMIR permanent mortgage with HUD Risk-share

Permanent Mortgage Loan to Cost: 100% **Permanent Mortgage Loan to Value:** 67%

E. Significant Changes Since Date of Selection

Not applicable

SECTION II: FINAL SOURCES AND USES; FINANCING DETAILS

A. Project Uses

Description	Amount	Per Unit
Acquisition or Refinance	$ 1,912,653	$ 23,044
Construction Costs	$ 635,014	$ 7,651
Environmental Abatement	$ 0	$ 0
Professional Fees	$ 19,775	$ 238
Developer Fee	$ 0	$ 0
Financing Costs	$ 79,558	$ 959
Total Mortgageable Costs	$ 2,647,000	$ 31,892
Reserves	$ 434,000	$ 5,229
Total Development Cost	**$ 3,081,000**	**$ 37,120**

B. Permanent Capital Sources

Description	Amount	Per Unit
LMIR Permanent Mortgage	$ 3,081,000	$ 37,120
Total Permanent Financing	**$ 3,081,000**	**$ 37,120**

C. Financing Structure

- The LMIR first mortgage will have a 3.50% interest rate with a 35-year term and amortization. The loan will be insured under the HUD Risk-sharing program.

- Existing Agency loans to be subordinated to, and to be made co-terminus with, the new LMIR:
    - $734,000 (HOME)
    - $547,500 (EDHC)

D. Cost Reasonableness

- Refinances are not subject to the predictive cost model.

SECTION III: UNDERWRITING

A. Rent Grid

Unit Type	Number	Net Rent*	Rent Limit (% of MTSP or AMI)	Income Limit (%, of MTSP or AMI)	Rental Assistance Source
1 BR	19	$ 705	market rate	market rate	n/a
1 BR	15	$ 705	60%	60%	n/a
2 BR	43	$ 770	60%	60%	n/a
3 BR	6	$ 915	60%	60%	n/a

*Net Rents are the underwriting rents and are net of a utility allowance. The underwriting rents may not reflect the maximum rent limits.
**There are eight homeless units with HUD Continuum of Care rental assistance; these units are floating.

The restrictions under the Minnesota Housing programs will be as follows:

- LMIR Restrictions (new)
  - 34 units with rents and incomes at or below 60% MTSP
  - Up to 20 units unrestricted
  - 29 units with incomes at or below 100% of the greater of area or statewide median income
- There are additional restrictions under existing deferred loans and housing tax credit rent and income requirements

B. Feasibility Summary

All projects are underwritten within the Agency's underwriting guidelines unless a modification is approved by the Mortgage Credit Committee. This includes management and operating expenses, vacancy rate, rent and income inflators, and annual replacement reserve contributions. Projects also undergo a sensitivity analysis on property operations to further enhance underwriting.

- The project maintains positive cash flow for 15 years, with a projected debt coverage ratio in year 15 of 1.05.
- The project was underwritten at 5% vacancy, with 2% income and 3% expense inflators.
- $434,000 will be deposited to replacement reserves to cover capital needs over the next ten years.

MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha Street North, Suite 400
St. Paul, Minnesota 55102

RESOLUTION NO. MHFA 21-034

RESOLUTION APPROVING MORTGAGE LOAN COMMITMENT
LOW AND MODERATE INCOME RENTAL (LMIR) PROGRAM

WHEREAS, the Minnesota Housing Finance Agency (Agency) has received an application to provide permanent financing for a multiple unit housing development to be occupied by persons and families of low and moderate income, as follows:

Name of Development:	Cherry Ridge
Sponsors:	Southwest Minnesota Housing Partnership
Guarantors:	Southwest Minnesota Housing Partnership
Location of Development:	Mankato
Number of Units:	83
Amount of LMIR Mortgage: (not to exceed)	$3,081,000

WHEREAS, Agency staff has determined that such applicant is an eligible sponsor under the Agency's rules; that such permanent mortgage loan is not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions; and that the refinance and rehabilitation of the development will assist in fulfilling the purpose of Minn. Stat. ch. 462A; and

WHEREAS, Agency staff has reviewed the application and found the same to be in compliance with Minn. Stat. ch. 462A and Agency's rules, regulations and policies;

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby authorizes Agency staff to issue a commitment to provide a permanent mortgage loan to the sponsor or an affiliate thereof from the Housing Investment Fund (Pool 2 under the LMIR Program) for the indicated development, upon the following terms and conditions:

1. The amount of the LMIR amortizing loan shall not exceed $3,081,000; and

2. The interest rate on the permanent LMIR loan shall be 3.50% per annum (subject to change, as set forth in the attached Agency term letter dated June 2, 2021), plus 0.125% per annum

HUD Risk-share Mortgage Insurance Premium, with monthly payments based on a 35-year amortization; and

3. The term of the permanent LMIR loan shall be 35 years; and

4. The loan closing shall occur on or before January 31, 2022; and

5. The mortgagor shall comply with the terms set forth in the attached Agency term letter. The Commissioner is authorized to approve non-material modifications to those terms; and

6. The mortgagor shall execute documents embodying the above in form and substance acceptable to Agency staff; and

7. Southwest Minnesota Housing Partnership shall guarantee the mortgagor's payment under the LMIR Regulatory Agreement and LMIR Mortgage (other than principal and interest) with the Agency; and

8. The sponsor, the mortgagor, and such other parties as Agency staff in its sole discretion deems necessary, shall execute all such documents relating to said loans, to the security therefore, and to the operation of the development, as Agency staff in its sole discretion deems necessary.

Adopted this 22nd day of July 2021

CHAIRMAN

Agenda Item: 6.A.
New Resolution

MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha Street North, Suite 400
St. Paul, Minnesota 55102

RESOLUTION NO. MHFA 22-
Modifying Resolution No. MHFA 21-XXX

RESOLUTION APPROVING MORTGAGE LOAN COMMITMENT
LOW AND MODERATE INCOME RENTAL (LMIR) PROGRAM

WHEREAS, the Board has previously authorized a commitment for Cherry Ridge herein named by its Resolution No. 21-034 and;

WHEREAS, the development continues to be in compliance with Minn. Stat. ch. 462A and Agency's rules, regulations, and policies; and

WHEREAS, Agency staff has determined that an extension to the loan closing date is necessary.

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby authorizes Agency staff to issue a commitment to provide a permanent mortgage loan to the sponsor or an affiliate thereof from the Housing Investment Fund (Pool 2 under the LMIR Program) for the indicated development, upon the following terms and conditions:

1. The loan closing deadline shall be extended from January 31, 2022, to on or before March 31, 2022; and

2. All other terms and conditions of MHFA Resolution No. 21-034 remain in effect.

Adopted this 24th day of February 2022

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CHAIRMAN

400 Wabasha Street North, Suite 400 St. Paul, MN 55102
P: 800.657.3769
F: 651.296.8139 | TTY: 651.297.2361
www.mnhousing.gov

February 16, 2022

Kristie Blankenship
Mankato Cherry Ridge Apartments Limited Partnership
Southwest Minnesota Housing Partnership
2401 Broadway Ave, Suite 4
Slayton, MN 56172

RE: Amendment to Term Letter dated June 2, 2021
Cherry Ridge, Mankato
MHFA Development #D0722, Project #M18674

Dear Ms. Blankenship:

Minnesota Housing Finance Agency ("Minnesota Housing") staff has approved your request for a loan or loans subject to the terms and conditions contained in this letter (the "Terms"). The Terms are subject to Minnesota Housing's Board of Directors' approval and meeting all underwriting standards, delivery of required due diligence items, satisfactory loan documentation and other loan closing requirements. The Terms do not constitute a commitment to lend on the part of Minnesota Housing and relate only to the specific financing referenced in this letter.

Borrower: A single asset entity: Mankato Cherry Ridge Apartments Limited Partnership

General Partner: Southwest Minnesota Housing Partnership

Development Description/Purpose: Refinance and rehabilitation of an 83-unit affordable housing development located in Mankato, Minnesota

Minnesota Housing Loan Type/Terms

Program	Low and Moderate Income Rental Program (LMIR) (HUD Risk Share)
Loan Amount	$3,081,000
Interest Rate	*3.50%
Mortgage Insurance Premium (%)	0.125% *(first year premium is paid in advance)*
Term	35
Amortization/Repayment	35
Prepayment Provision	No prepayment first 10 years from date of the Note.
Nonrecourse or Recourse	Nonrecourse

Construction/Permanent Loan or Construction Bridge Loan or End Loan	End Loan
Lien Priority	First

*Subject to change. Loan closing must occur by March 31, 2022 for the quoted interest rate to be valid; interest rate may be subject to adjustment after this date at Minnesota Housing's sole discretion.

Origination Fee: LMIR HUD Risk Share Loan: $61,620 (payable at loan closing)

Inspection Fee: Not applicable

Guaranty/Guarantor(s): Operations Guaranty to be provided by: Southwest Minnesota Housing Partnership

Operating Deficit Escrow Reserve Account: Not applicable

Operating Cost Reserve Account: Not applicable

Rehab Escrow Account: Capitalized rehab escrow account in the amount of $635,014 funded at loan closing.

Replacement Reserve Account: Capitalized replacement reserve in the amount of $424,000 funded at loan closing. In addition, a replacement reserve will be required in the amount of $450/unit/annum. The monthly replacement reserve will be $3,112.50. The replacement reserve will be held by Minnesota Housing.

Escrows: Real estate tax escrow and property insurance escrow to be established at the time of permanent loan closing and held by Minnesota Housing.

Collateral/Security: Mortgage and Assignment of Rents and Leases for each loan; UCC-1 Financing Statement on fixtures, personal property, accounts and equipment.

HAP or other Subsidy Agreement: Not applicable

Rent and Income Requirements:

- 34 units with rents and incomes at or below 60% MTSP
- Up to 20 units unrestricted
- 29 units with incomes at or below 100% of the greater of area or statewide median income

Commitment to affordability in effect while the loan is outstanding.

Other Occupancy Requirements:	Not applicable
Closing Costs:	Borrower agrees to pay all closing costs related to the specific financing referenced in this letter.
Expiration Date:	The Terms will expire six months from the date of this letter.
Additional Terms:	Not applicable
Other Conditions:	Interest on the Southwest Minnesota Housing Partnership loans will be reduced to 1% (or less) going forward.
Board Approval:	Commitment of all loans under the LMIR program is subject to Minnesota Housing's board approval and adoption of a resolution authorizing the commitment of the loan.
Not a Binding Contract:	This letter is not a commitment to be bound by the Terms in this letter. The parties expressly agree that this letter does not create a legally binding agreement. The parties further agree that the Terms are subject to the Borrower's ability to obtain all necessary financing for the Development, which may include additional financing from Minnesota Housing not referenced in this letter.

Please sign this letter and return it to Caryn.Polito@state.mn.us.

If you have any questions related to this letter, please contact Caryn Polito at 651.297.3123 or by e-mail at caryn.polito@state.mn.us.

We appreciate the opportunity to work with you on your affordable housing development.

Sincerely,

James Lehnhoff
Assistant Commissioner, Multifamily

February 16, 2022
Page 4

AGREED AND ACCEPTED BY:

MANKATO CHERRY RIDGE APARTMENTS LIMITED PARTNERSHIP

By: ______________________

Its: COO, SWMHP, Managing General Partner

Date Accepted: 2.16.22

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MINNESOTA HOUSING

Board Agenda Item: 7.A
Date: 2/24/2022

Item: Approval, Minnesota City Participation Program

Staff Contact(s):

Greg Krenz, 651.297.3623, Greg.Krenz@state.mn.us
Laura Bolstad Grafstrom, 651.296.6346, Laura.Bolstad.Grafstrom@state.mn.us

Request Type:

☒ Approval	☐ No Action Needed
☐ Motion	☐ Discussion
☒ Resolution	☐ Information

Summary of Request:

Staff requests approval of cities for participation in the Minnesota City Participation Program (MCPP). The program allows Minnesota Housing to apply for the portion of the annual private activity bond volume cap allocated by Minnesota Statutes Section 474A.03, subdivision 1 to the Housing Pool, $64,385,194 of which is available in 2022 for single family housing programs authorized by Minnesota Statutes Section 474A.061, subdivision 2a to enable cities and counties to provide first-time homebuyer loans in their communities.

Fiscal Impact:

Minnesota Housing is able to issue over $64 million in additional tax-exempt private activity bonds to provide loans to first-time homebuyers with lower incomes as a result of administering the Minnesota City Participation Program.

Meeting Agency Priorities:

☐ Improve the Housing System
☐ Preserve and Create Housing Opportunities
☒ Make Homeownership More Accessible
☐ Support People Needing Services
☒ Strengthen Communities

Attachment(s):

- Background and Recommendation
- Table 1: 2022 MCPP Allocations to Applicants
- MCPP Participant Maps
- Resolution

Background:
Since 1990, under the Minnesota City Participation Program (MCPP), Minnesota Housing has sold tax-exempt private activity bonds on behalf of local governments to assist them in meeting local housing goals pursuant to Minnesota Statutes Section 474A.061, subdivision 2a. In accordance with that statute, cities, counties and consortia of local government units apply annually for participation in MCPP.

MCPP is an important statewide tool that supports local units of government in meeting their continuum of housing needs. Self-issuance of bonds is not economically feasible for most communities, given economies of scale necessary for successful self-issuance. Under the MCPP, Minnesota Housing efficiently sells bonds on behalf of the participating communities so residents can access affordable mortgage loans with downpayment and closing cost loan options. Communities report many benefits to participating in the program, including:

- Continuous, dedicated funding for their community.
- Access to local lenders as well as nonprofit agencies that provide homebuyer education.
- Minnesota Housing support through marketing and outreach templates, regular communication via visits, phone calls and emails, and information on loan activity.

In their application, local governments confirm that MCPP helps the community meet an identified housing need and the program is economically viable in their community. Loans are eligible for MCPP if they meet all requirements below:

- The loan is an eligible first-time homebuyer Start Up loan.
- The property is located in the applicants' jurisdiction as stated on their application.
- The borrower's income must not exceed 80% of the area median income.

The attached maps show the location of Start Up loans originated in the jurisdictions of the participating MCPP communities in 2021 and between 2017 and 2021. Two maps show loans in the metro area and two maps contain loans in Greater Minnesota. Minneapolis, Saint Paul and Dakota County are not eligible to participate in the MCPP program because they each receive an entitlement allocation of tax-exempt bonding authority.

The amounts of the allocations set forth in Table 1 are determined based on a pro rata allocation of the $64,385,194 total amount available, according to the population of each community that has applied and meets the above requirements.

Recommendation:
Staff requests that the Board approve the attached resolution which:

- Approves applying local governments for participation in MCPP for the allocation amounts shown in the resolution; and
- Authorizes Minnesota Housing to take necessary actions to apply to Minnesota Management and Budget for amounts available for tax-exempt private activity bonding authority on behalf of the same eligible local governments under Minnesota Statutes, Chapter 474A.

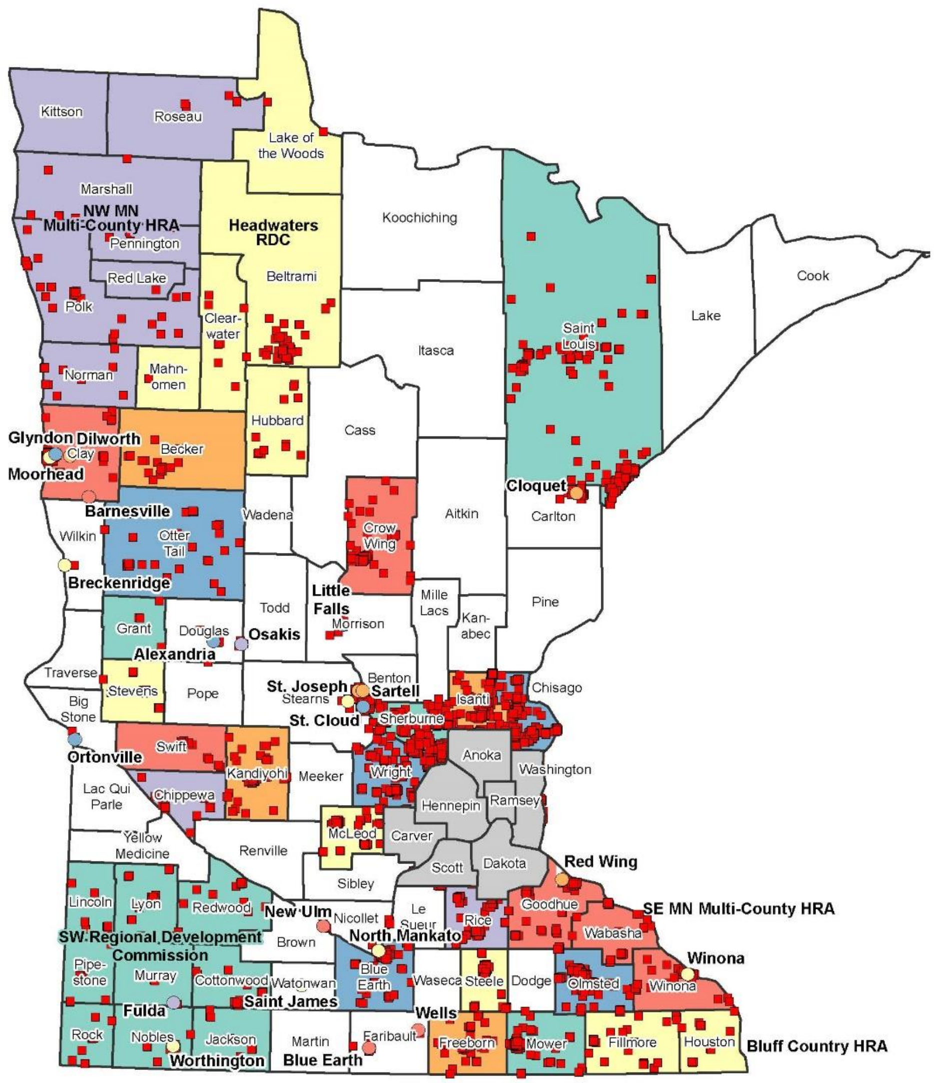
Table 1: 2022 MCPP Allocations to Applicants

Summary of 2022 MCPP Allocations

Community	Allocation
Alexandria, City of	$238,018
Anoka County	$6,041,979
Becker County	$584,179
Blue Earth, City of	$100,000
Blue Earth County	$1,147,452
Bluff Country HRA	$665,339
Breckenridge, City of	$100,000
Carver County	$1,775,333
Chippewa County	$209,177
Chisago County	$940,135
Clay County	$1,084,540
Cloquet, City of	$208,679
Crow Wing County	$1,097,906
Fergus Fall & Perham HRAs	$292,745
Freeborn County (Albert Lea administrates)	$512,981
Grant County	$100,853
Headwaters Regional Dev. Commission	$1,415,823
Hennepin County	$14,140,148
Isanti County	$683,006
Kandiyohi County	$726,126
McLeod County	$610,546
Mower County	$664,641
New Ulm, City of	$234,448
North Mankato, City of	$237,022
NW MN Multi-Co. HRA	$1,397,027
Oakdale, City of	$469,943
Olmsted County	$2,703,911
Osakis, City of	$100,000
Otter Tail County	$704,840
Ramsey County	$3,998,658
Red Wing, City of	$274,746
Rice County	$1,114,079
Sartell, City of	$321,304
Scott County	$2,506,008
SE MN Multi-Co. HRA	$1,264,312
Sherburne County	$1,488,948
St. Cloud, City of	$1,143,700
St. Joseph, City of	$116,710
St. Louis County	$3,324,635
Steele County (Owatonna administrates)	$621,089
Stevens County	$160,577
SW Regional Development Commission	$1,949,924

Swift County	$163,350
Washington County	$3,972,756
Winona, City of	$430,841
Wright County	$2,346,759
Total	**$64,385,194**

Minnesota City Participation Program -
2017 - 2021 Start Up Loans, partly funded with MCPP

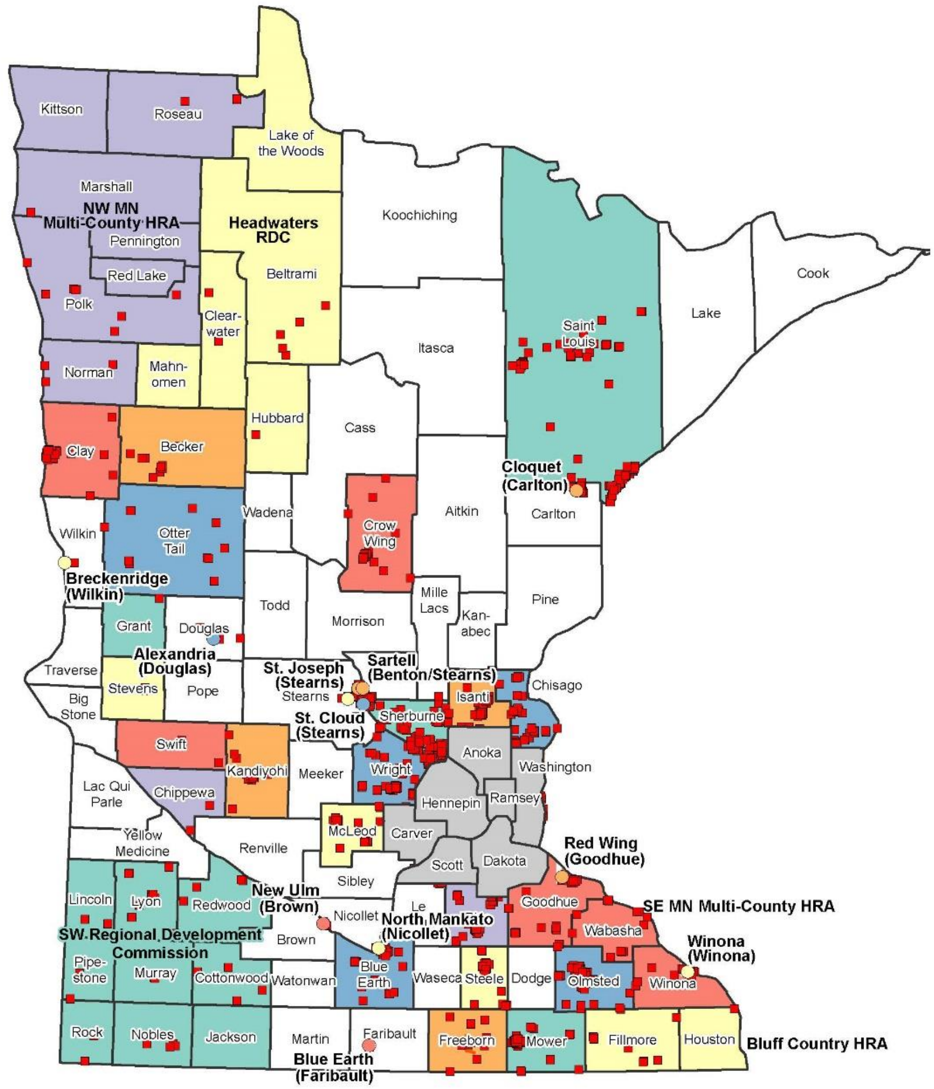


MINNESOTA HOUSING

2017-2021 Start Up Loans, partly funded with MCPP

Created: 1.5.2022 by: K. Thurnau

**Minnesota City Participation Program -
2021 Start Up Loans, partly funded with MCPP**



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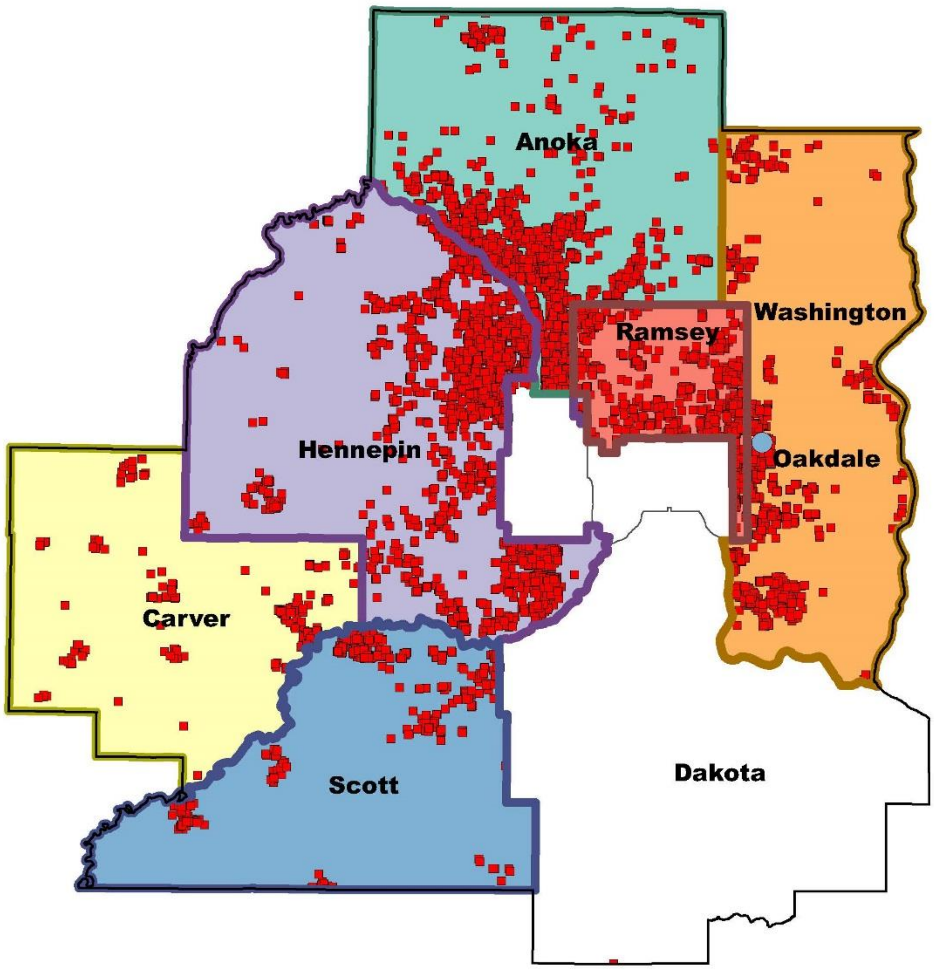
Created: 1.5.2022 by: K. Thurnau

■ 2021 Start Up Loans, partly funded with MCPP

**Minnesota City Participation Program -
2017 - 2021 Start Up Loans, partly funded with MCPP**

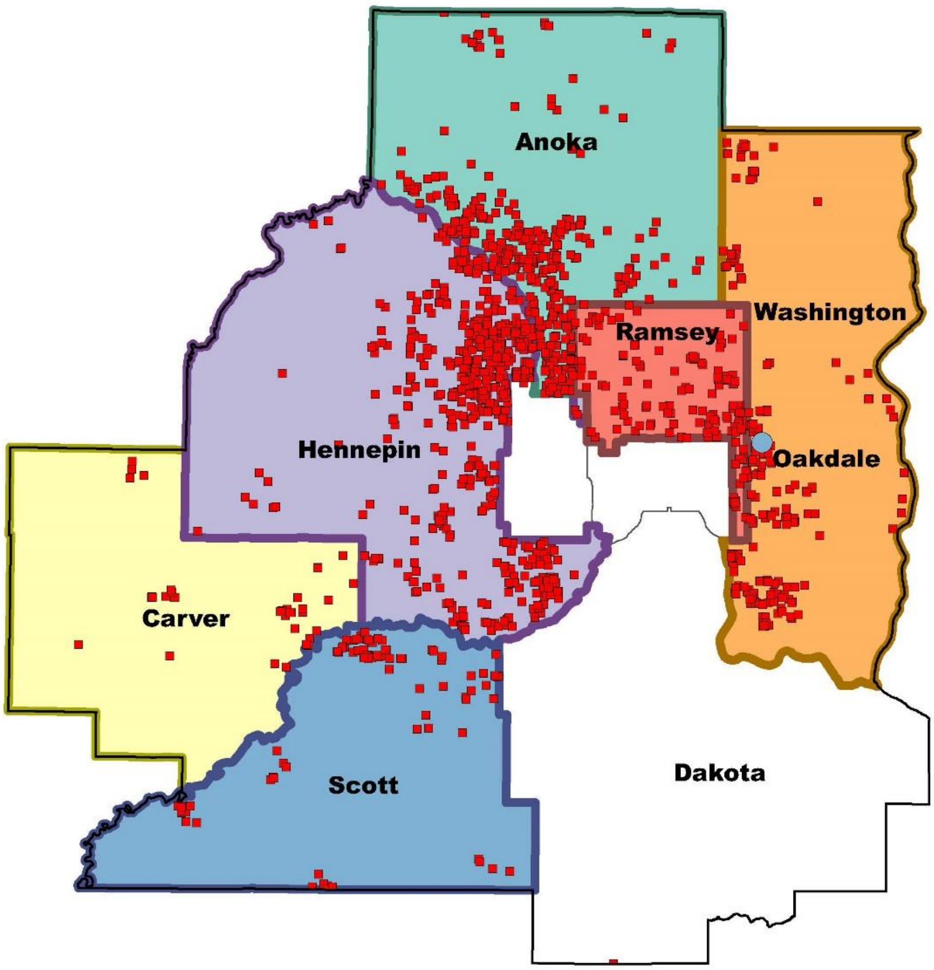


MINNESOTA HOUSING

Created: 1.5.2022 by: K. Thurnau

■ 2017-2021 Start Up Loans, partly funded with MCPP

**Minnesota City Participation Program -
2021 Start Up Loans, partly funded with MCPP**



MINNESOTA HOUSING

Created: 1.5.2022 by: K. Thurnau

2021 Start Up Loans, partly funded with MCPP

MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha Street North, Suite
400 St. Paul, MN 55101

RESOLUTION NO. MHFA 20-004
RESOLUTION AUTHORIZING APPLICATION FOR BONDING AUTHORITY ON BEHALF OF THE 2021 MINNESOTA CITY PARTICIPATION PROGRAM PARTICIPANTS

WHEREAS, Minnesota Statutes, Section 474A.061 subdivision 2a, paragraph (e) authorizes the Minnesota Housing Finance Agency to request an allocation of private activity bonding authority for the applicants who applied in January of 2022 and choose to have the Minnesota Housing Finance Agency issue bonds on their behalf, and the participating applicants are eligible for bonding authority in a total amount of not less than $64,385,194; and

WHEREAS, the Minnesota Housing Finance Agency is willing to take those actions necessary to make the private activity bonding authority available under Minnesota Statutes, Chapter 474A, available to the Minnesota City Participation Program participants.

NOW THEREFORE, BE IT RESOLVED:

That the Commissioner of the Minnesota Housing Finance Agency is hereby granted the authority to take all actions necessary to apply to the Commissioner of Minnesota Management and Budget for amounts available for tax-exempt private activity bonding authority during the times set forth in Minnesota Statutes, Chapter 474A, on behalf of the 2022 Minnesota City Participation Program participants as listed below.

Community	Allocation
Alexandria, City of	$238,018
Anoka County	$6,041,979
Becker County	$584,179
Blue Earth, City of	$100,000
Blue Earth County	$1,147,452
Bluff Country HRA	$665,339
Breckenridge, City of	$100,000
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Chippewa County	$209,177
Chisago County	$940,135
Clay County	$1,084,540
Cloquet, City of	$208,679
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Fergus Fall & Perham HRAs	$292,745
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Grant County	$100,853
Headwaters Regional Dev. Commission	$1,415,823
Hennepin County	$14,140,148
Isanti County	$683,006

Kandiyohi County	$726,126
McLeod County	$610,546
Mower County	$664,641
New Ulm, City of	$234,448
North Mankato, City of	$237,022
NW MN Multi-Co. HRA	$1,397,027
Oakdale, City of	$469,943
Olmsted County	$2,703,911
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Red Wing, City of	$274,746
Rice County	$1,114,079
Sartell, City of	$321,304
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Sherburne County	$1,488,948
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Stevens County	$160,577
SW Regional Development Commission	$1,949,924
Swift County	$163,350
Washington County	$3,972,756
Winona, City of	$430,841
Wright County	$2,346,759
Total	**$64,385,194**

Adopted this 24th day of February 2022

____

Chair DeCramer

MINNESOTA HOUSING

Board Agenda Item: 7.B
Date: 2/24/2022

Item: Commitment, Low and Moderate Income Rental Loan (LMIR), and Low and Moderate Income Rental Bridge Loan (LMIRBL), and Waiver of the Predictive Cost Model 25% Threshold

- Spring Creek II, D8103, Northfield, MN

Staff Contact(s):
Sarah Woodward, 651.297.5145, sarah.woodward@state.mn.us

Request Type:

☒ Approval	☐ No Action Needed
☒ Motion	☐ Discussion
☒ Resolution	☐ Information

Summary of Request:
At the November 21, 2019 board meeting, the proposed development was selected for financing under the LMIR program in the amount of up to $1,218,000 and under the LMIRBL in an amount of up to $5,655,000 in Resolution Number 19-073. Agency staff completed the underwriting and technical review of the proposed development and recommends:

1. Adoption of a resolution authorizing the issuance of a LMIR program commitment in the amount of up to $2,568,000;
2. Adoption of a resolution authorizing the issuance of a LMIRBL product commitment not to exceed $7,190,000;
3. Approval of an updated waiver to the predictive cost model. The total development cost (TDC) per unit is $457,628 and now exceeds the predictive model by 93%. The project previously received a predictive cost model waiver at the November 21, 2019 board meeting because the costs at that time exceeded the predictive model by 47%. The predictive cost model waiver request is being returned to the Board for review due to the material changes in total project costs since the original board selection.

At that same board meeting on November 21, 2019, the development was selected for deferred funding up to $6,478,877 under the Home Investment Partnerships (HOME) program and $313,338 under the Economic Development and Housing Challenge (EDHC) program under Resolution Number 19-072. There are no changes to the HOME and EDHC loan amounts and those loans are not subject to additional board action.

All commitments are subject to the terms and conditions of the Agency term letter.

Fiscal Impact:
LMIR loans are funded from Housing Investment Fund Pool 2 resources, and as such, Minnesota Housing will earn interest income on the end loan without incurring financing expenses.

Minnesota Housing will also earn interest rate spread income on the LMIRBL, and both the bridge loan and the end loan will generate additional fee income.

The Agency will earn additional fee income from originating the loans for this project.

Meeting Agency Priorities:

☒ Improve the Housing System

☒ Preserve and Create Housing Opportunities

☐ Make Homeownership More Accessible

☒ Support People Needing Services

☒ Strengthen Communities

Attachments:

- Development Summary
- Resolution
- Resolution Attachment: Term Letter

DEVELOPMENT SUMMARY

SECTION I: PROJECT DESCRIPTION AND RECOMMENDATIONS

Project Information			
Development Name	Spring Creek II	**D#8103**	**M#18080**
Address	500-600 Southbridge Drive		
City	Northfield	**County**	Rice
Date of Selection	November 21, 2019	**Region**	South East

A. Project Description and Population Served

- The development involves the new construction of 32 units in five, two-story townhome buildings with units ranging from two to four bedrooms.
- The development will provide general occupancy and permanent supportive housing for family households.
- Four units that will serve high priority homeless for families with children and four units will serve people with disabilities.
- The development will serve households with incomes that range from 30% to 60% Multifamily Tax Subsidy Projects (MTSP).
- Sixteen units will benefit from Project-based Section 8 rental assistance and eight units will benefit from Housing Support income supplement, so in total, 24 units will be deeply affordable to households at 30% MTSP.
- The project is anticipated to begin construction in May 2022 and is anticipated to open for residents in June 2023.

B. Mortgagor Information

Ownership Entity:	Spring Creek II Townhomes LP
Sponsor:	Three Rivers Community Action, Inc.
General Partner(s)/ Principal(s):	Spring Creek II GP LCC
Guarantor(s):	Three Rivers Community Action, Inc.

C. Development Team Capacity Review

The sponsor, Three Rivers Community Action, Inc., has experience completing housing of similar size and scope. Based on the status of projects in the developer's pipeline, it appears the developer has a sufficient plan to complete the development on time.

The management agent, Lloyd Management Company, was established in 1971 and currently has 109 developments, with a total of 3,719 units. The property management company has the capacity to manage Spring Creek II.

South Central Human Relations Center, Inc. will be the service provider for the tenants in the high priority homeless units at the development. They have experience providing supportive housing services to the population being served.

Laura Baker Services Association will be the service provider and/or coordinate services for the tenants in the people with disability units at the development. They have experience providing supportive services and coordinating supportive services to the population that will be served.

The firm Blumentals/Architecture Inc. is qualified, experienced, and designed the first phase of Spring Creek, which is adjacent to Spring Creek II.

Weis Builders, Inc. has successfully completed past projects with the agency and has the capacity to construct the project.

The developer/sponsor represents a women-owned business enterprise.

D. Current Funding Request

Loan Type	Program	Source	Amount	IR	MIP	Term	Amort/ Cash Flow	Construction /End Loan
Bridge	LMIRBL	TEB	$7,190,000	2.25% Est.	N/A	July 1, 2024	N/A	Construction
Permanent Amortizing	LMIR	Pool 2	$2,568,000	4.5%	0.125	40 years	40-year am.	End

- LMIR Bridge Loan funded by tax-exempt bonds (TEB).
- Agency LMIR permanent mortgage, of which $689,000 is supported by tax increment financing (TIF) from the city of Northfield.
- The LMIR loan will be insured under the United States Department of Housing and Urban Development (HUD) Risk-Sharing program.
- The LMIR loan may be securitized with the United States Department of the Treasury’s Federal Financing Bank (FFB) via their partnership with HUD.

Permanent Mortgage Loan to Cost: 18% **Permanent Mortgage Loan to Value:** 81%

E. Significant Changes Since Date of Selection

At the November 21, 2019 board meeting, a predictive cost model waiver was approved. At that time, the project had an estimated total development cost per unit of $345,764, which exceeded the predictive cost model by 47%. Since selection, total development costs increased substantially by over $3.57 million dollars or about 32%. Today, the projected total development costs per unit is $457,628 and is 93% above the $237,195 predictive model estimate.

At the time of selection in 2019, the budget included additional costs related to the local design standards, that impose higher material finish standards. The local design standards require brick wainscoting to fully cover foundation walls, which is not typically required in many jurisdictions. In addition, extensive off-site work, including extending existing roads and utilities to the project site and construction of stormwater retention areas, explained some of the additional costs. At application, the value of the off-site improvements totaled approximately $872,000, and today the cost for the same off-site work is approximately $1.58 million. If off-site costs were excluded, the total development costs per unit would be $408,124 or 72% above the predictive model estimate.

The applicant's original cost estimate at application did not include state prevailing wage rates, which after selection, were determined to apply to new construction projects financed by Minnesota Housing. We estimate that prevailing wages increased overall total development costs by about 12% on average. In addition, HOME funds require Davis Bacon wage rates. The applicable labor wage rates are another factor contributing to the cost increases.

Since 2003, the consumer price index (CPI) has increased about 2% each year with the cost of residential development increasing about 3% on average. This level of inflation would ordinarily be expected; however, the pandemic has exacerbated these inflationary pressures. According to the Bureau of Labor Statistics' producer price index, residential construction inputs increased 18% in 2021. This 18% increase in material costs has played a key role in the 11% increase in overall development costs in 2021.

For example, for Spring Creek II, the townhome construction style is heavily reliant on lumber, one commodity that has seen exceptional price increases due to the pandemic. Cost increases can also be attributed to other material price increases in the current market environment, some of which can be difficult to obtain. Some of the building materials that are the main cost drivers include: drywall, doors, and hardware; insulation; utility and stormwater materials; copper and plastics; electrical wiring; appliances; and fixtures. This project was first bid during a time of peak lumber price volatility, in Spring 2021, so the project was competitively bid a second time to try and reduce costs, but material prices continued to remain high.

For this project, the project costs were determined by staff to be reasonable under this combination of unusual circumstances as described in this section. The Agency's deferred loan amounts are unchanged from selection, since the additional costs are being covered through higher syndication proceeds, a higher supportable permanent first mortgage and general partner cash.

SECTION II: FINAL SOURCES AND USES; FINANCING DETAILS

A. Project Uses

Description	Amount	Per Unit
Acquisition or Refinance	$ 0	$ 0
Construction Costs	$12,266,596	$ 383,331
Environmental Abatement	$ 0	$ 0
Professional Fees	$ 699,084	$ 21,846
Developer Fee	$ 700,000	$ 21,875
Financing Costs	$ 731,502	$ 22,859
Total Mortgageable Costs	$14,397,182	$ 449,912
Reserves	$ 246,922	$ 7,716
Total Development Cost	**$14,644,104**	**$ 457,628**

B. Permanent Capital Sources

Description	Amount	Per Unit
Permanent Mortgage (LMIR)	$ 2,568,000	$ 80,250
General Partner Cash	$ 245,981	$ 7,687
HTC Equity Proceeds (Cinnaire Corporation)	$ 4,743,695	$ 148,240
Agency Deferred Funding (HOME)	$ 6,478,877	$ 202,465
Agency Deferred Funding (EDHC)	$ 313,338	$ 9,792
Other:	$ 0	$ 0
Energy Rebates	$ 10,400	$ 325
Sales Tax Rebates	$ 283,812	$ 8,869
Deferred Developer Fee	$ 0	$ 0
Total Permanent Financing	**$14,644,103**	**$ 457,628**

Financing Structure

- The development will qualify for approximately $537,237 of annual 4% housing tax credits, which will result in $4,743,695 of equity proceeds from Cinnaire Corporation. The term of the Land Use Restrictive Agreement will be 40 years.

- Construction loan of $7,190,000, provided by Minnesota Housing at an estimated 2.25% interest and a term to July 1, 2024. The loan is funded by tax-exempt bonds.
- $6,478,877 HOME loan at 0% interest (but up to 1% interest allowed, if requested.)
- $313,338 EDHC loan at 0% interest (but up to 1% interest allowed, if requested.)

C. Cost Reasonableness

- The budgeted total development cost per unit of $457,628 is 93% above the $237,195 predictive model estimate.
- The board approved the waiver over the 25% threshold at the time of selection and at that time the project was 47% over the predicted costs per unit. Given the substantial cost increase since selection, explained in Section 1 E., board approval is being sought for the additional cost increase.

SECTION III: UNDERWRITING

A. Rent Grid

Unit Type	Number	Net Rent*	Rent Limit (% of MTSP or AMI)	Income Limit (%, of MTSP or AMI)	Rental Assistance Source
2BR	4	$ 649	50% AMI	60% MTSP	Housing Support
2BR	2	$ 649	50% AMI	30% MTSP	Housing Support
2BR	2	$ 629	50% AMI	30% MTSP	Housing Support
3BR	14	$ 1,354	50% AMI	60% MTSP	Section 8
3BR	2	$ 1,008	60% MTSP	60% MTSP	-
3BR	6	$ 1,008	60% MTSP	60% MTSP	-
4BR	2	$ 1,506	50% AMI	60% MTSP	Section 8

*Net Rents are the underwriting rents and are net of a utility allowance. The underwriting rents may not reflect the maximum rent limits

LMIR

Thirty-two total project units restricted as follows: 32 units with incomes not exceeding 60% MTSP and rents at 60% MTSP.

B. Feasibility Summary

All projects are underwritten within the Agency's underwriting guidelines, unless a modification is approved by the Mortgage Credit Committee. This includes management and operating expenses, vacancy rate, rent and income inflators, and annual replacement reserve contributions. Projects also undergo a sensitivity analysis on property operations to further enhance underwriting.

- Housing tax credits, LMIR, and EDHC rent and income restrictions will be in place for 40 years or the duration of the loan term and Land Use Restrictive Agreement. The HOME funds also have rent and income restrictions with 24 units at low HOME rent and income limits and two units at high HOME rent and income limits.
- The project maintains positive cash flow for 15 years, with a projected debt coverage ratio in year 15 of 1.09.
- The project was underwritten at 7% vacancy, with 2% income and 3% expense inflators.
- There are no notable sources of project revenue apart from rent.
- The project contains 24 units of rental assistance, including eight Housing Support units through Rice County, with renewals expected for no less than 10 years, and 16 project-based Section 8 vouchers through the Rice County Housing and Redevelopment Authority, with a Housing Assistance Payments contract of no less than 15 years.
- An operating reserve in the amount of $201,000 will be funded from syndicator proceeds upon stabilization. A tax increment financing reserve in the amount of $45,922 will be funded at construction closing from syndicator proceeds.

MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha Street North, Suite 400
St. Paul, Minnesota 55102

RESOLUTION NO. MHFA 22-

RESOLUTION APPROVING MORTGAGE LOAN COMMITMENT
LOW AND MODERATE INCOME RENTAL (LMIR) PROGRAM AND
LOW AND MODERATE INCOME RENTAL BRIDGE LOAN (LMIRBL) PRODUCT

WHEREAS, the Minnesota Housing Finance Agency (Agency) has received an application to provide construction and permanent financing for a multiple unit housing development to be occupied by persons and families of low and moderate income, as follows:

Name of Development:	Spring Creek II
Sponsors:	Three Rivers Community Action, Inc.
Guarantors:	Three Rivers Community Action, Inc.
Location of Development:	Northfield
Number of Units:	32
Amount of LMIR Mortgage: (not to exceed)	$2,568,000
Amount of LMIRBL (not to exceed)	$7,190,000

WHEREAS, Agency staff has determined that such applicant is an eligible sponsor under the Agency's rules; that such permanent mortgage loan is not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions; and that the construction of the development will assist in fulfilling the purpose of Minn. Stat. ch. 462A; and

WHEREAS, Agency staff has reviewed the application and found the same to be in compliance with Minn. Stat. ch. 462A and Agency's rules, regulations and policies;

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby authorizes Agency staff to issue a commitment to provide construction and permanent mortgage loans to the sponsor or an affiliate thereof from the Housing Investment Fund (Pool 2 under the LMIR Program), and a bridge loan from the proceeds of Rental Housing Bonds (if authorized by the Board) for the indicated development, upon the following terms and conditions:

1. The term of this commitment shall expire on August 31, 2022.

2. The amount of the LMIR amortizing loan shall not exceed $2,568,000; and

3. The interest rate on the permanent LMIR loan shall be 4.500% per annum (subject to change, as set forth in the attached Agency term letter dated January 20, 2022), plus 0.125% per annum HUD Risk-Sharing Mortgage Insurance Premium, with monthly payments based on a 40-year amortization; and

4. The term of the permanent LMIR loan shall be 40 years and the construction period shall end no later than July 1, 2024; and

5. The LMIR End Loan Commitment term shall end July 1, 2024; and

6. The amount of the LMIRBL shall not exceed $7,190,000; and

7. The LMIRBL transaction will be financed with the proceeds of tax-exempt Rental Housing Bonds of the Agency, and the commitment is subject to the ability of the Agency to sell bonds on terms and conditions, and in a time and manner, acceptable to the Agency; and

8. The interest rate on the LMIRBL will be based on the interest rate on the Rental Housing Bonds issued to finance the LMIRBL plus 1.00% interest will be payable monthly, and the principal will be due in a balloon payment no later than July 1, 2024; and

9. The LMIRBL commitment shall be entered into on or before August 31, 2022 and shall have a six-month term (which shall also be the LMIRBL commitment expiration date); and

10. The mortgagor shall comply with the terms set forth in the attached Agency term letter. The Commissioner is authorized to approve non-material modifications to those terms; and

11. The mortgagor shall execute documents embodying the above in form and substance acceptable to Agency staff; and

12. The sponsor shall guarantee the mortgagor's payment obligation regarding operating cost shortfalls and debt service until the property has achieved a 1.11 debt service coverage ratio (assuming stabilized expenses) for three successive months; and

13. The sponsor shall guarantee the mortgagor's payment under the LMIR Regulatory Agreement and LMIR Mortgage (other than principal and interest) with the Agency; and

14. The sponsor, the general contractor, the architect, the mortgagor, and such other parties as Agency staff in its sole discretion deems necessary, shall execute all such documents relating to said loans, to the security therefore, to the construction of the development, and to the operation of the development, as Agency staff in its sole discretion deems necessary.

Adopted this 24th day of February 2022

____

CHAIRMAN

MINNESOTA HOUSING

400 Wabasha Street North, Suite 400 St. Paul, MN 55102
P: 800.657.3769
F: 651.296.8139 | TTY: 651.297.2361
www.mnhousing.gov

January 20, 2021

Jennifer Larson
Spring Creek II Townhomes LP
1414 North Start Drive
Zumbrota, MN 55992

RE: Term Letter
Spring Creek II
D# 8103 M# 18081

Dear Ms. Larson:

Minnesota Housing Finance Agency ("Minnesota Housing") staff has approved your request for a loan or loans subject to the terms and conditions contained in this letter (the "Terms"). The Terms are subject to Minnesota Housing's Board of Directors' approval and meeting all underwriting standards, delivery of required due diligence items, satisfactory loan documentation and other loan closing requirements. The Terms do not constitute a commitment to lend on the part of Minnesota Housing and relate only to the specific financing referenced in this letter.

Borrower:	A single asset entity: Spring Creek II Townhomes LP
General Partner:	Spring Creek II GP LLC
Development Description/Purpose:	New construction of a 32-unit affordable housing development located in Northfield, Minnesota

Minnesota Housing Loan Type/Terms

Program	Low and Moderate Income Rental Program (LMIR) (HUD Risk Share)	Low and Moderate Income Rental Program (LMIR) Bridge Loan**	Home Investment Partnerships (HOME)	Economic Development and Housing Challenge (EDHC)
Loan Amount	$2,568,000	$7,190,000	$6,478,877	$313,338
Interest Rate	4.5%	Bond financing rate + 1.0%	0%	0%
Mortgage Insurance Premium (%)	.125% *(first year premium is paid in advance)*	Not Applicable	Not Applicable	Not Applicable
Term	40 years	July 1, 2024	Approx. 27 months (construction) + 40 years	40 years
Amortization/ Repayment	40 years	Interest only during term	Deferred lump sum payment due in 40 years.	Deferred lump sum payment due in 40 years.

Prepayment Provision	No prepayment first 10 years from date of the Note.	No prepayment for 21 months.	Prepay at any time without penalty.	Prepay at any time without penalty.
Nonrecourse or Recourse	Nonrecourse	Recourse	Nonrecourse	Nonrecourse
Construction/ Permanent Loan or Construction Bridge Loan or End Loan	End Loan	Construction Bridge Loan	Construction to Permanent	End Loan
Lien Priority	First	First *(during construction)*	Second (2nd during construction)	Third

- The permanent loan must close by July 1, 2024.

**Subject to the ability of Minnesota Housing to sell bonds on terms and conditions, and in a time and manner, acceptable to Minnesota Housing.

Origination Fee: LMIR HUD Risk Share Loan: $51,360
LMIR Bridge Loan: $35,950
(both are payable at the earlier of loan commitment or loan closing)

Inspection Fee: $28,813 (payable at the earlier of loan commitment or loan closing)

Guaranty/Guarantor(s): Completion, repayment and operations Guaranty to be provided by:
- Three Rivers Community Action, Inc.

Operating Deficit Escrow Reserve Account: $77,040 to be funded on the day of closing of the LMIR/HRS loan by cash or letter of credit (outside of the development budget) to be held by Minnesota Housing.

Operating Cost Reserve Account: Capitalized operating reserve in the amount of $201,000 funded at construction completion. The operating reserve will not be held by Minnesota Housing.

Replacement Reserve Account: A replacement reserve will be required in the amount of $450/unit/annum. The monthly replacement reserve will be $1,200. The replacement reserve will be held by Minnesota Housing.

Escrows: Real estate tax escrow and property insurance escrow to be established at the time of permanent loan closing (outside of the development budget) and held by Minnesota Housing.

Collateral/Security: Mortgage and Assignment of Rents and Leases for each loan; UCC-1 Financing Statement on fixtures, personal property, accounts and equipment.

HAP or other Subsidy Agreement: Commitment to 10 years of affordability from the date of loan closing under the Housing Support Program for 8 units.

Rent and Income Requirements: Commitment to affordability in effect while the loan is outstanding.

<u>LMIR</u>
32 total project units restricted as follows:

- 32 units with incomes not exceeding 60% MTSP and rents at 60% MTSP.

<u>HOME</u>
32 total project units restricted as follows:

- 24 units at Low HOME rents, as published by HUD for the HOME program; with Very Low Income limits (50% Area Median Income, as published by HUD for the HOME program);
- 2 units at High HOME rents, as published by HUD for the HOME program; with Low Income limits (80% Area Median Income, as published by HUD for the HOME program).
- 20-year compliance is required under the HOME program.

<u>EDHC</u>
32 total project units restricted as follows:

- 32 units with incomes not exceeding 60% MTSP and rents at 60% MTSP.

Other Occupancy Requirements: 4 High Priority Homeless units that are set aside and rented to families with children.

Other Requirements: The HOME and EDHC loans are subject to the terms in the attached Deferred Selection Criteria.

Closing Costs: Borrower agrees to pay all closing costs related to the specific financing referenced in this letter.

Expiration Date: This term letter will expire on the earlier of six months from the date of this letter or loan closing/end loan commitment.

Additional Terms: A capitalized Tax Increment Financing (TIF) reserve in the amount of $45,922 funded at construction closing is required. The TIF reserve will not be held by Minnesota Housing.

Other Conditions: The award of HOME funding is based on meeting the CHDO set-aside and being able to execute the HOME Written Agreement.

Board Approval: Commitment of all loans under the LMIR including the LMIR BL program is subject to Minnesota Housing's board approval and adoption of a resolution authorizing the commitment of the loans.

Not a Binding Contract: This letter is not a commitment to be bound by the Terms in this letter. The parties expressly agree that this letter does not create a legally binding agreement. The parties further agree that the Terms are subject to the Borrower's ability to obtain all necessary financing for the Development, which may include additional financing from Minnesota Housing not referenced in this letter.

Please sign this letter and return it to Maggie Nadeau Maggie.nadeau@state.mn.us on or before February 3, 2022.

If you have any questions related to this letter, please contact Sarah Woodward at 651.297.5145 or by e-mail at sarah.woodward@state.mn.us.

We appreciate the opportunity to work with you on your affordable housing development.

Sincerely,

James Lehnhoff
Assistant Commissioner, Multifamily

AGREED AND ACCEPTED BY:

SPRING CREEK II TOWNHOMES LP

DocuSigned by:

By: ______________________________
9A76CF77D693434...
Jennifer Larson

Date Accepted: 2/3/2022

Project Name: Spring Creek II

Project City: Northfield

Property Number (D#): D8103

Project Number: M18081

Large Family Housing

Developer Claimed Criteria	Developer Claimed HTC Pts	Agency Confirmed Criteria	Agency Awarded HTC Points	Number of Units (Agency Validated)	
☑ 75% two or more bedrooms	5 Pts	☑ 75% two or more bedrooms	5 Pts	Number of 3 Bedrooms	22
				Number of 4 Bedrooms	2
				Number of 2 Bedrooms	8

Loan/HTC Commitment and Compliance Monitoring

The deferred loan and HTC document(s) will include the number of units required to meet this criterion for the term of the loan/Declaration of Land Use Restrictive Covenants Agreement (LURA).

The project will provide family housing that is not restricted to persons 55 years or older in which at least 75% of the affordable units contain two or more bedrooms. The Owner agrees to market to families with minor children.

The owner will be required to certify on an annual basis that the development complies with this criterion for the term of the loan/LURA.

Large Family Housing – Greater Minnesota

Developer Claimed Criteria	Developer Claimed HTC Pts	Agency Confirmed Criteria	Agency Awarded HTC Points	Number of Units (Agency Validated)	
☑ Greater Minnesota three or more bedrooms	2 Pts	☑ Greater Minnesota three or more bedrooms	2 Pts	Number of 3 Bedrooms	22
				Number of 4 Bedrooms	2

Loan/HTC Commitment and Compliance Monitoring

The deferred loan and HTC document(s) will include the number of units required to meet this criterion for the term of the loan/Declaration of Land Use Restrictive Covenants Agreement (LURA).

For Greater Minnesota proposals that selected family housing that is not restricted to persons 55 years or older in which at least one-third of the 75% of the affordable units contain three or more bedrooms. The Owner agrees to market to families with minor children.

The owner will be required to certify on an annual basis that the development complies with this criterion for the term of the loan/LURA.

Permanent Supportive Housing for High Priority Homeless

Developer Claimed Criteria	Developer Claimed HTC Pts	Agency Confirmed Criteria	Agency Awarded HTC Points	Number of Units (Agency Validated)	
☑ 5% to 9.99%	7 Pts	☑ 5% to 9.99%	7 Pts	Families with Children	4

Loan/HTC Commitment and Compliance Monitoring

The deferred loan and HTC document(s) will include the number of units required to meet this criterion for the term of the loan/LURA. Specific performance requirement relief provisions are available for projects that meet the selection criterion and will be incorporated into the loan and HTC documents.

The Owner agrees that if units set aside for High Priority Homeless are occupied by households without rental assistance, the gross rents, including an allowance for tenant-paid utilities cannot exceed the required rent restrictions and will be incorporated into the loan and HTC documents.

The Owner agrees units will be set aside and rented to High Priority Homeless who are a household prioritized for permanent supportive housing by Coordinated Entry System (HPH units) and targeted to the populations indicated.

Permanent Supportive Housing for High Priority Homeless and People with Disabilities selection criteria cannot be claimed for the same units.

The owner will be required to certify on an annual basis that the development complies with this criterion for the term of the loan/LURA.

People with Disabilities

Developer Claimed Criteria	Developer Claimed HTC Pts	Agency Confirmed Criteria	Agency Awarded HTC Points	Number of Units (Agency Validated)	
☑ 10% to 14.99%	9 Pts	☑ 10% to 14.99%	9 Pts	Number of Units	4

Loan/HTC Commitment and Compliance Monitoring

The deferred loan and HTC document(s) will include the number of units required to meet this criterion for the term of the loan/LURA. Specific performance requirement relief provisions are available for projects that meet the selection criterion and will be incorporated into the loan and HTC documents.

The Owner agrees units will be set aside and rented to households with a disability with income limits at 30% MTSP. The Owner also agrees that if units set aside for High Priority Homeless are occupied by households without rental assistance, the gross rents, including an allowance for tenant-paid utilities cannot exceed the required rent restrictions.

Units cannot be restricted to persons of a particular age group and must be provided in an integrated setting for the term of the loan/extended use period (Declaration of Land Use Restrictive Covenants)

The units must be set aside and rented to persons with the following disabilities in a manner consistent with Minnesota Statutes, Section 462A.222, subdivision 3, subparagraph (d)(3):
a. A serious and persistent mental illness as defined in MN Statutes Section 245.462, Subdivision 20, Paragraph C; or
b. A developmental disability as defined in United States Code, Title 42, Section 6001, Paragraph (5), as amended; or
c. Assessed as drug dependent persons as defined in MN Statute Section 254A.02, Subdivision 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in MN Statute Section 254A.02, Subdivision 2; or
d. A brain injury as defined in MN Statute Section 256B.093, Subdivision 4, Paragraph (a); or
e. Permanent physical disabilities that substantially limit major life activities, if at least 50 percent of the units in the Project are accessible as provided under Minnesota Rules, Chapter 1341.

Permanent Supportive Housing for High Priority Homeless and People with Disabilities selection criteria cannot be claimed for the same units.

The owner will be required to certify on an annual basis that the development complies with this criterion for the term of the loan/LURA.

Serves Lowest Income Tenants/Rent Reduction

Developer Claimed Criteria	Developer Claimed HTC Pts	Agency Confirmed Criteria	Agency Awarded HTC Points	Number of Units (Agency Validated)	
☑ 50% of the restricted unit rents at 50% HUD MTSP	8 Pts	☐ 50% of the restricted unit rents at 50% HUD MTSP	0 Pts	Number of Units	0

Loan/HTC Commitment and Compliance Monitoring

The deferred loan and HTC document(s) will include the number of units required to meet this criterion.
The project must not exceed the gross rent levels for the required 10 year period. The period begins for HTC developments at the time of Placed in Service (PIS) or for deferred only loan transactions, the closing date.

After the 10 year period has expired rent may be increased to 60% rent limit over a three year period, with increases not to exceed the amount listed in the table below, provided that more restrictive selection priority, funding or bond requirements do not apply.

Year 1-10	30% of 50% Rent Levels
Year 11	30% of 53% Rent Levels
Year 12	30% of 57% Rent Levels
Year 13	30% of 60% Rent Levels

Rental Assistance and Serves Lowest-Income Tenants/Rent Reduction selection criteria cannot be claimed for the same units. The owner will be required to certify on an annual basis that the rent and income restrictions comply.

Rental Assistance

Developer Claimed Criteria	Developer Claimed HTC Pts	Agency Confirmed Criteria	Agency Awarded HTC Points	Number of Units (Agency Validated)	
☑ 20.1% but under to 51% of the total units	9 Pts	☑ 20.1% but under to 51% of the total units	9 Pts	Number of Units	8

Loan/HTC Commitment and Compliance Monitoring

The deferred loan and HTC document(s) will include the number of units required to meet this criterion.

For purposes of this category, project-based rental assistance is defined as project-specific funding stream that supports the operations of the property, reduces the tenant burden, and provides the tenant portion of rent to be no greater than 30% of household income except as approved by Minnesota Housing. The project must comply with the requirements in the Self-Scoring Worksheet and Deferred Loan Priority Checklist.

Minnesota Housing, at its sole discretion, will consider rental assistance programs with alternative rent structures as proposed by the applicant, where households may pay more than 30% of their household income when the program goals align with the needs of low-income populations such as with the Moving to Work and site-based Housing Support programs**.**

Rental Assistance and Serves Lowest-Income Tenants/Rent Reduction selection criteria cannot be claimed for the same units. The owner will be required to certify on an annual basis that the development complies with this criterion for the term of the loan/LURA.

Rental Assistance – 10 Year

Developer Claimed Criteria	Developer Claimed HTC Pts	Agency Confirmed Criteria	Agency Awarded HTC Points	Number of Units (Agency Validated)
☑ Development agrees to provide the project based rental assistance for a minimum 10 years	4 Pts	☑ Development agrees to provide the project based rental assistance for a minimum 10 years	4 Pts	

Loan/HTC Commitment and Compliance Monitoring

The deferred loan/HTC document(s) will include requirements to meet this criterion. Specific performance requirement relief provisions are available for projects that meet the selection criterion and will be incorporated into the loan and HTC documents.

The owner will be required to continue renewals of project based housing subsidy payments for a minimum of 10 years. The owner must continue renewals of existing project based housing subsidy payment contract(s). The owner agrees that rents will remain affordable at 50% MTSP income limits for a 10 year period if rental assistance is not available for the full period.

The 10 year period begins for HTC developments at the time of Placed in Service (PIS) or for deferred only loan transactions, the closing date.

Rental Assistance – Further Restricted Rental Assisted Units (FRRA)

Developer Claimed Criteria	Developer Claimed HTC Pts	Agency Confirmed Criteria	Agency Awarded HTC Points	Number of Units (Agency Validated)	
☑ 15.1% to 25% of units	4 Pts	☑ 15.1% to 25% of units	4 Pts	Number of Units	8

Loan/HTC Commitment and Compliance Monitoring

The deferred loan and HTC document(s) will include the number of units required to meet this criterion for the term of the loan/LURA. Specific performance requirement relief provisions are available for projects that meet the selection criterion and will be incorporated into the loan and HTC documents.

Owner agrees to further restrict units to households whose incomes do not exceed 30% of MTSP income limit for a 10 year period. The 10 year period begins for HTC developments at the time of Placed in Service (PIS) or for deferred only loan transactions, the closing date.

Workforce Housing Communities

Developer Claimed Criteria	Developer Claimed HTC Pts	Agency Confirmed Criteria	Agency Awarded HTC Points	Number of Units (Agency Validated)
☑ Top Job Center or Net Five Year Job Growth Community	6 Pts	☑ Top Job Center or Net Five Year Job Growth Community	6 Pts	

Loan/HTC Commitment and Compliance Monitoring

Eligibility was determined at the time of selection.

Location Efficiency – Access to Transit

Developer Claimed Criteria	Developer Claimed HTC Pts	Agency Confirmed Criteria	Agency Awarded HTC Points	Number of Units (Agency Validated)
☑ One quarter mile of designated stop with service every 60 minutes OR demand response/dial-a-ride two hour notice	7 Pts	☑ One quarter mile of designated stop with service every 60 minutes OR demand response/dial-a-ride two hour notice	7 Pts	

Loan/HTC Commitment and Compliance Monitoring

Eligibility was determined at the time of selection.

Rural/Tribal

Developer Claimed Criteria	Developer Claimed HTC Pts	Agency Confirmed Criteria	Agency Awarded HTC Points	Number of Units (Agency Validated)
☑ Rural/Tribal Designate Area	10 Pts	☑ Rural/Tribal Designate Area	10 Pts	

Loan/HTC Commitment and Compliance Monitoring

Eligibility was determined at the time of selection.

Minority Owned/Women Owned Business

Developer Claimed Criteria	Developer Claimed HTC Pts	Agency Confirmed Criteria	Agency Awarded HTC Points	Number of Units (Agency Validated)
☑ A MBE/WBE	3 Pts	☑ A MBE/WBE	3 Pts	

Loan/HTC Commitment and Compliance Monitoring

Eligibility was determined at the time of selection and will be monitored through the underwriting phase.

Other Contributions

Developer Claimed Criteria	Developer Claimed HTC Pts	Agency Confirmed Criteria	Agency Awarded HTC Points	Number of Units (Agency Validated)
☑ 2.1 to 5%	2 Pts	☑ 2.1 to 5%	2 Pts	

Loan/HTC Commitment and Compliance Monitoring

Eligibility was determined at the time of selection and will be monitored through the underwriting phase.

Intermediary Costs

Developer Claimed Criteria	Developer Claimed HTC Pts	Agency Confirmed Criteria	Agency Awarded HTC Points	Number of Units (Agency Validated)
☑ 15.1 to 20%	3 Pts	☑ 15.1 to 20%	3 Pts	

Loan/HTC Commitment and Compliance Monitoring

Eligibility was determined at the time of selection and will be monitored through the underwriting phase.

Universal Design

Developer Claimed Criteria	Developer Claimed HTC Pts	Agency Confirmed Criteria	Agency Awarded HTC Points	Number of Units (Agency Validated)	
☑ Non-elevator Building	3 Pts	☑ Non-elevator Building	3 Pts	Number of Units	4

Loan/HTC Commitment and Compliance Monitoring

Eligibility was determined at the time of selection and will be validated during the underwriting phase and architectural review.

Smoke Free Building

Developer Claimed Criteria	Developer Claimed HTC Pts	Agency Confirmed Criteria	Agency Awarded HTC Points	Number of Units (Agency Validated)
☑ Smoke Free Buildings	1 Pts	☑ Smoke Free Buildings	1 Pts	

Loan/HTC Commitment and Compliance Monitoring

The deferred loan and HTC document(s) will include that the owner must maintain a smoke free policy and include a non-smoking clause in the lease for every household for the term of the loan/LURA.

The owner will be required to certify on an annual basis that the development complies with this criterion for the term of the loan/LURA.

Total Developer Claimed: 83 **Total Agency Awarded** 75

The project's application was originally submitted as a dual application. The selection criteria below was claimed as part of the 9% application and will apply to this project with a 4% financial structure.

Long Term Affordability

Developer Claimed Criteria	Developer Claimed HTC Pts	Agency Confirmed Criteria	Agency Awarded HTC Points	Number of Units (Agency Validated)
☑ Long-term affordability for a minimum of 40 years		☑ Long-term affordability for a minimum of 40 years		

Loan/HTC Commitment and Compliance Monitoring

Owner agrees to extend the term of the LURA and/or waive their right to Qualified Contract for the applicable term.

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MINNESOTA HOUSING

Board Agenda Item: 7.C
Date: 2/24/2022

Item: Adoption, Series Resolution Authorizing the Issuance and Sale of fixed rate Residential Housing Finance Bonds (RHFB)

Staff Contact(s):
Kevin Carpenter, 651.297.4009, kevin.carpenter@state.mn.us
Debbi Larson, 651.296.8183, debbi.larson@state.mn.us
Paula Rindels, 651.296.2293, paula.rindels@state.mn.us

Request Type:

☒ Approval
☒ Motion
☒ Resolution

☐ No Action Needed
☐ Discussion
☐ Information

Summary of Request:
Agency staff are preparing to issue bonds, under the Residential Housing Finance Bond (RHFB) indenture, to finance the acquisition of newly originated mortgage-backed securities that funded the origination of single family mortgages, to potentially finance the origination of certain down payment and closing costs loans, as well as to periodically refund certain outstanding RHFB debt. This resolution authorizes additional fixed rate RHFB bonds, in an amount up to $400 million over time. The initial bond offering utilizing a portion of this authority will likely be designated 2022 Series C. The RHFB 2022 Series C bond issue is expected to be sized at approximately $100 million and to price and close in March of 2022. The attached Preliminary Official Statement describes the anticipated transaction, including RHFB 2022 Series D variable rate bonds that are the subject of a separate series resolution.

Fiscal Impact:
The upcoming transaction will enable the Agency to put interest earning mortgage assets on the balance sheet at a profitable spread such that the Agency builds the sustainability of future income.

Meeting Agency Priorities:
☒ Improve the Housing System
☒ Preserve and Create Housing Opportunities
☐ Make Homeownership More Accessible
☐ Support People Needing Services
☒ Strengthen Communities

Attachment(s):
- Series Resolution
- Preliminary Official Statement

RESOLUTION NO. MHFA 22-016

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF MINNESOTA HOUSING FINANCE AGENCY RESIDENTIAL HOUSING FINANCE BONDS, 2022/2023 SERIES

BE IT RESOLVED BY THE MINNESOTA HOUSING FINANCE AGENCY:

Section 1. Authorization.

(A) General Provisions. By Resolution No. MHFA 95-82, adopted August 24, 1995 (which amended and restated in whole Resolution No. MHFA 76-32, adopted July 27, 1976, as amended) (together with any amendments or supplements heretofore or hereafter adopted from time to time as permitted therein, the "Bond Resolution"), the Agency has provided the terms and conditions for the issuance and has established covenants and agreements for the security of its Residential Housing Finance Bonds to be issued for the purposes of its Program of facilitating the purchase, development or rehabilitation of residential housing in the State of Minnesota at prices that persons and families of low and moderate income can afford. Terms used but not defined in this resolution will have the meanings given those terms in the Bond Resolution.

This resolution (the "Series Resolution") is adopted pursuant to Section 2.5 of the Bond Resolution to authorize the issuance and sale and establish the terms and provisions of one or more Series of Bonds of the Agency to be sold prior to December 31, 2023, the first Series of which may be designated as "Residential Housing Finance Bonds, 2022 Series "[C]", in the aggregate principal amount to be determined pursuant to the terms of Section 2(D) of the Series Resolution (the "Series C Bonds"), with additional Series of Bonds designated as "Residential Housing Finance Bonds, [2022] [2023] Series __," with the blank completed with an uppercase letter as appropriate for the order of issuance and to eliminate any gaps in the designation of Series; any Series issued pursuant to this Series Resolution may additionally be designated with "(Mortgage-Backed Securities Pass-Through Program)". The maximum aggregate principal amount of all Series of Bonds issued pursuant to the Series Resolution must not exceed $400,000,000; the number of Series of the Series Bonds and their corresponding principal amounts will be as determined by an Authorized Officer pursuant to Section 2(D) of the Series Resolution, and as set out in the Agency Certificate or Agency Certificates, as the case may be, delivered pursuant to Section 8(A) of the Series Resolution. All the Series of Bonds issued pursuant to the Series Resolution are the "Series Bonds."

(B) Appointment of Trustee. Pursuant to Section 8.1 of the Bond Resolution, Computershare Trust Company, National Association has been appointed as successor Trustee under the Bond Resolution and is vested with all the property, rights, powers and duties granted, pledged and assigned to it by the Bond Resolution, in trust for the Owners of Bonds issued and to be issued thereunder.

Section 2. Authorization of Series Bonds.

(A) Purposes. It is determined to be in the best interests of the Agency to issue the Series Bonds for the purpose of providing funding for the Program, and in particular for the making and purchase of DPA Loans and Program Securities backed by pools of Program Loans, that constitute qualified Program Loans in accordance with the provisions of Section 143 of the Code and Sections 10 and 11 of the Series Resolution and the Series Program Determinations made for the Series Bonds in Section 7 of the Series Resolution. This funding will be provided by:

(i) the allocation, for federal income tax purposes, of sale proceeds of the Series Bonds in the amount to be determined by an Authorized Officer pursuant to Section 2(D) of the Series Resolution and set forth in the Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution and deposit the sale proceeds, together with certain contributed funds of the Agency, if any, into the Funds and Accounts set forth in Section 8(A) of the Series Resolution to be expended for the Program; and/or

(ii) the allocation, for federal income tax purposes, of sale proceeds of the Series Bonds in the amount determined by an Authorized Officer pursuant to Section 2(D) of the Series Resolution and to be set forth in the Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution to the refunding, on the date or dates to be determined by the Agency, of certain outstanding obligations of the Agency to be listed in the Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution (the "Refunded Bonds"), and the deposit of certain transferred assets together with transferred loans and securities, if any (as hereinafter defined, the "Transferred Program Obligations"), and certain "transferred," "replacement" and sale proceeds that will become allocable to the Series Bonds upon the refunding of certain series of the Refunded Bonds, together with certain contributed funds of the Agency, if any, into the Funds and Accounts set forth in Section 9 of the Series Resolution to be expended for the Program.

(B) Single Issue. Pursuant to the provisions of Section 1.150-1(c)(1) of the Income Tax Regulations (the "Regulations"), the Agency intends to treat all Tax-Exempt Series Bonds (as defined herein) sold on the same date as a single issue of bonds.

(C) Pledge. The pledge made and security interests granted in the Bond Resolution with respect to all Revenues, Program Obligations, money, securities and Funds and Accounts therein defined and created, and all covenants and agreements made by the Agency therein, are made and granted for the equal benefit, protection and security of the Owners of all Bonds issued and to be issued thereunder, including the Series Bonds, without preference, priority or distinction of one Bond over any other of any Series, as fully as though set out at length and resolved herein, except as otherwise expressly provided therein or in a Series Resolution as permitted thereby.

(D) Approval of Contract of Purchase. The Agency will negotiate for the sale of the initial series of the Series Bonds issued pursuant to this Series Resolution to RBC Capital Markets, LLC, Piper Sandler & Co., Wells Fargo Bank, National Association and J.P. Morgan Securities LLC (collectively, the "Underwriters"). The Agency will negotiate for the sale of additional series of Series Bonds to be issued pursuant to this Series Resolution with the investment banks selected by the Agency in accordance with its most recent request for proposals for investment banking services.

Any Authorized Officer is hereby authorized to approve the final terms of the Series Bonds, subject to the following parameters:

(i) the principal amount of each Series of the Series Bonds; provided that the aggregate principal amount of all Series of the Series Bonds is not in excess of $400,000,000;

(ii) the maturity schedule of each Series of the Series Bonds (including any mandatory sinking fund schedule); provided that the Series Bonds mature at any time or times in the amount or amounts not later than 32 years from the Issue Date thereof;

(iii) the interest rates borne by each Series of the Series Bonds; provided that the combined yield on the Series Bonds issued on a particular Issue Date does not exceed 6.00% per annum; and

(iv) the fee or other compensation payable to the Underwriters of the Series Bonds; provided that the fee or other compensation does not exceed 1.00% of the principal amount of the Series Bonds.

That approval will be conclusively evidenced by the execution of one or more Contracts of Purchase (each a "Purchase Contract") with the Underwriters by an Authorized Officer. The Agency has received and examined the general form of the Purchase Contract which will set forth the terms and conditions upon which the Underwriters will purchase the related Series Bonds from the Agency. The Purchase Contract is hereby approved substantially in the form submitted and an Authorized Officer is authorized and directed to execute Purchase Contracts on behalf of the Agency with those revisions, consistent with the foregoing parameters, as may be required or approved by counsel for the Agency and the Authorized Officer of the Agency executing the same. The final terms of the Series Bonds, including any mandatory sinking fund provisions for the Series Bonds, other redemption provisions and the purchase price of the Series Bonds, will be set forth in the Agency Certificate(s) to be delivered pursuant to Section 8(A)(5) of the Series Resolution.

(E) Official Statement. The Agency has examined a draft of the form of the Preliminary Official Statement of the Agency, to be dated the date of distribution thereof, containing information relating to the Agency and the Series C Bonds; the form of the Preliminary Official Statement with respect to subsequent Series of the Series Bonds will be revised as to (i) the number and designation of Series, (ii) the structure of each Series and (iii) whether the Series is intended to be bonds the interest on which is excludable from gross income for federal income tax purposes ("Tax-Exempt Series Bonds"), all as approved by an Authorized Officer and subject to the limitations of Section 2(D) of the Series Resolution. An Authorized Officer is hereby authorized to (i) approve a final version of the Preliminary Official Statement describing the proposed terms of, and number of Series of, the Series Bonds to be issued and the use thereof by the Underwriters in the public offering of the Series C Bonds, and

(ii) approve any Preliminary Official Statements in substantially similar form to be used by the Underwriters in connection with any additional Series of the Series Bonds authorized by the Series Resolution. Final Official Statements, substantially in the form of the related Preliminary Official Statement except for revisions required or approved by counsel for the Agency and an Authorized Officer, and insertion of the terms of the related Series Bonds as provided in the related Purchase Contract, are approved and authorized to be signed by an Authorized Officer, and furnished to the Underwriters for distribution to investors.

(F) Approval of Continuing Disclosure Undertaking. The Agency has received and examined the form of a Continuing Disclosure Undertaking relating to the Series Bonds, wherein the Agency will covenant for the benefit of the beneficial owners of the Series Bonds to provide annually certain financial information and operating data relating to the Agency and to provide notices of the occurrence of certain enumerated events. The Continuing Disclosure Undertaking is approved substantially in the form submitted and a Continuing Disclosure Undertaking is authorized to be signed on behalf of the Agency by an Authorized Officer for each Series of Series Bonds, with the revisions as may be required or approved by counsel for the Agency, and the Authorized Officer of the Agency executing the same.

Section 3. Forms of Series Bonds. Each of the Series Bonds will be prepared in substantially the form appearing as Exhibits A (which is hereby incorporated herein and made a part hereof), with the additions, deletions or modifications as are permitted or required by the Bond Resolution or the Series Resolution.

Section 4. Terms.

(A) Issue and Interest Payment Dates; Denominations; Manner of Payment; Execution and Delivery. The Issue Date of the Series Bonds will be the date of original delivery thereof. The Series Bonds of each Series will be issued as fully registered Bonds in denominations as set forth in the related Agency Certificate delivered pursuant to Section 8(A) of this Series Resolution. Interest will accrue on the outstanding principal amount of the Series Bonds in the manner as set forth in the related Agency Certificate delivered pursuant to Section 8(A) of this Series Resolution, and be paid on the dates as set forth in that Agency Certificate (the Interest Payment Dates for those Series Bonds). Interest will be computed on the basis of a 360-day year composed of twelve 30-day months. Interest on the Series Bonds will be paid by check or draft mailed to the Owner as shown on the registration books of the Agency maintained by the Trustee on the 15th day of the calendar month immediately preceding the Interest Payment Date (the "Record Date") or, upon the written request of an Owner of Series Bonds of a Series in an aggregate principal amount of at least $100,000, in form satisfactory to the Trustee, by wire transfer on each Interest Payment Date from the Trustee to a domestic bank or trust company designated by the Owner; provided, however, that so long as all of the outstanding Series Bonds of a Series are registered in the name of The Depository Trust Company ("DTC") or its designee, or other securities depository, payment will be made in accordance with the operational arrangements of DTC or its designee, or other securities depository, as agreed to by the Agency. The principal of and any redemption premium on the Series Bonds of a Series will be payable at the designated corporate trust office of the Trustee upon presentation and surrender of the Series Bonds on or after the date of maturity or redemption thereof; provided, however, that so long as all outstanding Series Bonds of a Series are registered in the name of DTC or its designee, or other securities depository, DTC or any other securities depository may, in its discretion, make a notation on any Series Bond of the Series indicating the date and amount of any reduction of principal except in the case of final maturity or payment in full, in which case the Series Bonds of the Series will be surrendered to the Trustee for payment. The Series Bonds will be executed in the manner provided in Article III of the Bond Resolution by the facsimile signatures of the Chair and Commissioner of the Agency. Each Series Bond will be authenticated by the Trustee by the manual signature of its authorized representative on the Trustee's Certificate of Authentication on each Series Bond, attesting that it is delivered pursuant to the Bond Resolution and the Series Resolution, and will be delivered to the Underwriters upon compliance with the conditions set forth in Section 8 of the Series Resolution.

(B) Maturities, Interest Rates and Redemption. The Series Bonds will mature on the date or dates and in the principal amounts, will bear interest at the rate or rates per annum, and will be subject to redemption as set forth in the Agency Certificate(s) delivered pursuant to Section 8(A)(5) of the Series Resolution, all subject to the limitations in Section 2(D) of the Series Resolution.

(C) Manner of Redemption.

(i) Mandatory Redemption. Notice of the date or amount of any mandatory redemption of any Series Bond redemption (other than through mandatory sinking fund installments, if any) will be given to any Bondowner as set forth in the related Agency Certificate delivered pursuant to Section 8(A)(5) of this Series Resolution.

If Series Bonds are to be redeemed in part upon any mandatory redemption, each of the Series Bonds then outstanding will be redeemed as set forth in the related Agency Certificate delivered pursuant to Section 8(A)(5) of this Series Resolution.

(ii) Optional Redemption. Notice of any optional redemption of Series Bonds will be mailed, by first class mail, postage prepaid, to the last address on the registry books of the Owners of those Series Bonds, or, if all Outstanding Series Bonds are registered in the name of DTC or its designee, or other Bond Depository, the Trustee must give notice to the Bond Depository in accordance with its operational arrangements, in each case not less than 30 days before the optional redemption date. Upon an optional redemption of the Series Bonds, the principal amount of the Series Bonds to be redeemed will be selected by an Authorized Officer and certified to the Trustee on behalf of the Agency in accordance with the provisions of Article V of the Bond Resolution and this Series Resolution. Upon redemption of any of the Series Bonds that are Term Bonds (other than through sinking fund installments), an Authorized Officer will also determine and certify to the Trustee the years in which and the amounts by which the Sinking Fund Installments, if any, referred to in the related Agency Certificate delivered pursuant to Section 8(A)(5) of this Series Resolution are to be reduced, in the manner that the aggregate reduction equals the aggregate principal amount of the Series Bonds so redeemed.

If less than all Series Bonds are to be optionally redeemed, the Series Bonds to be optionally redeemed will be selected (i) as DTC determines under DTC's current operational arrangements, or (ii) if the Series Bonds are held under the name of another Bond Depository, under the operational arrangements of that Bond Depository. All actions of the Agency and the Trustee in the redemption of Series Bonds must conform to the provisions of Article V of the Bond Resolution and this Series Resolution.

Section 5. [Reserved]

Section 6. Securities Depository.

(A) Definitions. For purposes of this Section 6, the following terms have the following meanings:

"Beneficial Owner" means, whenever used with respect to a Series Bond, the Person in whose name the Series Bond is recorded as the beneficial owner of that Series Bond by a Participant on the records of the Participant, or that Person's subrogee.

"Cede & Co." means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series Bonds.

"Participant" means any broker-dealer, bank or other financial institution for which DTC holds Series Bonds as securities depository.

(B) General Provisions. The Series Bonds of each Series will be initially issued as separately authenticated fully registered bonds, and one Series Bond will be issued in the principal amount of each Series and stated maturity of the Series Bonds. Upon initial issuance, the ownership of the Series Bonds will be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Trustee and the Agency may treat DTC (or its nominee) as the sole and exclusive owner of the Series Bonds registered in its name for the purposes of payment of the principal or purchase price of, premium, if any, and interest on the Series Bonds, selecting the Series Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to Owners of Series Bonds under the Bond Resolution or the Series Resolution, registering the transfer of Series Bonds, and for all other purposes whatsoever, and neither the Trustee nor the Agency will be affected by any notice to the contrary. Neither the Trustee nor the Agency will have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Series Bonds under or through DTC or any Participant, or any other Person that is not shown on the bond register as being an Owner of any Series Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal or purchase price of, premium, if any, and interest on the Series Bonds, with respect to any notice that is permitted or required to be given to owners of Series Bonds under the Bond Resolution or the Series Resolution, with respect to the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption or mandatory tender of the Series Bonds, or with respect to any consent given or other action taken by DTC as Owner of the Series Bonds. So long as any Series Bond is registered in the name of Cede & Co., as nominee of DTC, the Trustee will pay all principal and purchase price of, premium, if any, and interest on the Series Bond, and will give all notices with respect to the Series Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all the payments must be valid and effective to fully satisfy and discharge the Agency's obligations with respect thereto to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Series Bonds will be transferable to the new nominee in accordance with Subsection (D) of this Section 6.

(C) Discontinuation of Book-Entry System. In the event the Agency determines to discontinue the book-entry system for the Series Bonds or any Series thereof, the Agency may notify DTC and the Trustee, whereupon DTC will notify the Participants of the availability through DTC of Series Bonds of the Series in the form of certificates. In that event, the Series Bonds of the Series will be transferable in accordance with Subsection (D) of this Section 6. DTC may determine to discontinue providing its services with respect to the Series Bonds or one or more Series at any time by giving notice to the Agency and the Trustee and discharging its responsibilities with respect thereto under applicable law. In that event the Series Bonds of that Series will be transferable in accordance with Subsection (D) of this Section 6.

(D) Transfer and Exchange. In the event that any transfer or exchange of Series Bonds is permitted under Subsection (B) or (C) of this Section 6, the transfer or exchange will be accomplished upon receipt by the Trustee of the Series Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of the Bond Resolution and the Series Resolution. In the event Series Bonds of a Series in the form of certificates are issued to Owners other than Cede & Co., its successor as nominee for DTC as Owner of all the Series Bonds, or another securities depository as Owner of all the Series Bonds, the provisions of the Bond Resolution and the Series Resolution will apply to all matters relating thereto, including, without limitation, the preparation of the Series Bonds in the form of bond certificates, the method of payment of principal and purchase price of, redemption premium, if any, and interest on the Series Bonds and the method of giving notice of redemption and other events.

Section 7. Series Program Determinations for the Series Bonds; Covenants.

(A) Definitions. As used in this Section 7 and in Sections 9 and 11 of the Series Resolution, the following terms have the following respective meanings:

2022/2023 Series Program Loan: A DPA Loan, a Transferred Program Loan or a Pooled 2022/2023 Series Program Loan.

2022/2023 Series Program Security: A Program Security financed in whole or in part with amounts on deposit in the 2022/2023 Series Acquisition Account and bearing interest at a rate equal to the stated interest rate on the corresponding Pooled 2022/2023 Series Program Loans less the applicable servicing fee and guaranty fee.

Conventional Mortgage Loan: A 2022/2023 Series Program Loan other than a DPA Loan, an FHA Insured Program Loan, a VA Guaranteed Program Loan or a USDA

Rural Development Guaranteed Program Loan, satisfying the requirements of Fannie Mae or Freddie Mac, as applicable.

Defaulted DPA Loan: A DPA Loan on which payment is not made on the sale or transfer of the property, or when the property is no longer occupied by the Mortgagor.

Defaulted Transferred Mortgage Loan: A Transferred Mortgage Loan on which payments are 60 days in arrears (but not a Transferred Mortgage Loan as to which all defaults have been cured to the satisfaction of the Agency).

Delivery Period: If all Program Securities allocable to a Series of Bonds will not be purchased on the date of issuance of that Series of Bonds, the period of time for the purchase of Program Securities from the Master Servicer. The entire Delivery Period will be as set forth in the Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution, unless extended by the Agency pursuant to Section 7(E) of the Series Resolution; provided the Delivery Period may not be extended beyond the date named in the related Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution, provided that the date is not greater than 42 months from the Issue Date of the Series Bonds.

DPA Loan: A junior lien, interest-free, deferred payment Program Loan made by the Agency for down payment and closing cost assistance in connection with a first lien Program Loan purchased or financed by the Agency .

Fannie Mae: The Federal National Mortgage Association, or any successor thereto.

Fannie Mae Security: A single pool, guaranteed mortgage pass-through Fannie Mae program security or UMBS, guaranteed as to timely payment of principal and interest by Fannie Mae and backed by Conventional Mortgage Loans, or FHA Insured or VA Guaranteed Program Loans, in the related mortgage pool.

FHA: The Federal Housing Administration of the Department of Housing and Urban Development or any agency or instrumentality of the United States of America succeeding to the mortgage insurance functions thereof.

FHA Insurance: FHA mortgage insurance issued under one of the FHA Insurance programs pursuant to the National Housing Act, including but not limited to: (a) FHA §203(b), Home Unsubsidized; (b) FHA §234(c), Condominiums; (c) FHA §203(b)(2), Veteran's Status, or (d) FHA Section 184, Indian Housing Loans.

FHA Insured: Insured by FHA Insurance.

Freddie Mac: The Federal Home Loan Mortgage Corporation, a corporate instrumentality of the United States created pursuant to the Federal Home Loan Mortgage Act (Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§ 1451-1459), and any successor to its functions.

Freddie Mac Security: A single pool, guaranteed mortgage pass-through Freddie Mac program security or UMBS, guaranteed as to timely payment of principal and interest by Freddie Mac and backed by Conventional Mortgage Loans, or FHA Insured or VA Guaranteed Program Loans, in the related mortgage pool

GNMA: The Government National Mortgage Association, a wholly owned corporate instrumentality of the United States within the Department of Housing and Urban Development, and any successor to its functions. Its powers are prescribed generally by Title III of the National Housing Act, as amended (12 U.S.C., §1716 *et seq*.).

GNMA Security: A GNMA I Mortgage Pass-Through Certificate or a GNMA II Mortgage Pass-Through Certificate issued by the Master Servicer in the name of the Trustee in exchange for Program Loans and guaranteed as to timely payment of principal and interest by GNMA pursuant to Section 306(g) of Title III of the National Housing Act of 1934 and the regulations promulgated thereunder, and backed by FHA Insured Program Loans, USDA Rural Development Guaranteed Program Loans or VA Guaranteed Program Loans in the related pool.

Home: Real property and improvements in the State, comprising not more than four dwelling units, occupied or to be occupied by one or more persons or families.

Lender: Any of the following institutions making or holding a 2022/2023 Series Program Loan: (i) any bank, savings bank, credit union, mortgage company or nonprofit corporation organized or licensed under the laws of the State or the United States, and any mortgagee or lender approved or certified by the Secretary of Housing and Urban Development or by the Administrator of Veteran Affairs; or (ii) any agency or instrumentality of the United States or the State, or a political subdivision of the State.

Master Servicer: The Person designated as servicer under the Participation Agreements and the Master Servicing Agreement, and its successors or assigns, or any substitute servicer designated by the Agency in accordance with the Master Servicing Agreement.

Master Servicing Agreement: The Servicing Agreement, dated as of October 17, 2013, between the Agency and U.S. Bank National Association, as Master Servicer, as the same has been or may be amended from time to time or any agreement executed by the Agency replacing that agreement.

Mortgage: A mortgage deed, deed of trust, or other instrument securing a 2022/2023 Series Program Loan and constituting a lien on a Home.

Mortgagor: The obligor or joint obligors on a 2022/2023 Series Program Loan.

Participation Agreements: One or more of the Participation Agreements, as amended from time to time, relating to the origination of Program Loans under the Program, either (i) between the Agency, the Master Servicer (with respect to a Participation Agreement relating to Program Loans to be pooled to back Program

Securities), and a Lender, or (ii) between the Agency and a Lender (together with a separate participation agreement between the Master Servicer and a Lender with respect to a participation agreement relating to Program Loans to be pooled to back Program Securities).

Pool Purchase Contract: (i) Any Fannie Mae Pool Purchase Contract between the Master Servicer and Fannie Mae relating to the sale by the Master Servicer of Pooled 2022/2023 Series Program Loans to Fannie Mae and the servicing thereof, or (ii) any Fannie Mae Pool Purchase Contract between the Agency and Fannie Mae relating to the sale by the Agency of Pooled 2022/2023 Series Program Loans to Fannie Mae and the servicing thereof, or (iii) any Freddie Mac Pool Purchase Contract between the Master Servicer and Freddie Mac relating to the sale by the Master Servicer of 2022/2023 Series Program Loans to Freddie Mac and the servicing thereof.

Pooled 2022/2023 Series Program Loan: A loan to a Mortgagor, secured by a Mortgage on a Home and evidenced by a promissory note, or a security payable from or evidencing an interest in Program Loans, and financed in whole or in part with amounts on deposit in the 2022/2023 Series Acquisition Account, acquired by the Master Servicer pursuant to Subsection (F) of this Section 7.

Servicer: The Agency or any other public or private institution (including the Trustee or a Depository) with which the Agency has executed a Servicing Agreement.

Servicing Agreement: A contractual agreement of the Agency with a Servicer for the servicing of a Transferred Mortgage Loan.

Transferred Program Loans: The Transferred Mortgage Loans and the Program Loans pooled into the Transferred Program Securities, if any.

Transferred Mortgage Loan: The Program Loans allocable to the Series Bonds upon the refunding of the Refunded Bonds, if any.

Transferred Program Obligations: Collectively, the Transferred Mortgage Loans and the Transferred Program Securities allocable to the Series Bonds upon the refunding of the Refunded Bonds, if any.

Transferred Program Securities: The Program Securities allocable to the Series Bonds upon the refunding of the Refunded Bonds, if any.

UMBS: The common, single mortgage-backed securities backed by fixed-rate mortgages formally known as the Uniform Mortgage-Backed Security, issued as of June 3, 2019 by Fannie Mae and Freddie Mac, guaranteed by either Fannie Mae or Freddie Mac, depending upon which issues the UMBS. UMBS are a type of Program Security.

USDA Rural Development: Rural Development, a division of the United States Department of Agriculture, and any successor to its functions. Its powers are prescribed by the Housing Act of 1949, as amended.

USDA Rural Development Guaranteed: Guaranteed by USDA Rural Development under the USDA Rural Development Guaranteed Rural Housing Loan Program.

VA: The Veterans Administration, an agency of the United States of America, or any successor to its functions.

VA Guaranteed: Guaranteed by the VA under the Serviceman's Readjustment Act of 1944, as amended

(B) Debt Service Reserve Requirement. In accordance with the provisions of the Bond Resolution, the Debt Service Reserve Requirement for the Bond Resolution is the sum of amounts established for each Series of Bonds by each respective Series Resolution. The Debt Service Reserve Requirement with respect to each Series of the Series Bonds will be in that amount or that percentage of the principal amount of the then Outstanding Series Bonds of the Series as set forth in the Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution.

(C) Insurance Reserve Requirement. In accordance with the provisions of the Bond Resolution, the Insurance Reserve Requirement for the Bond Resolution is the sum of amounts established for each Series of Bonds by each respective Series Resolution. The Insurance Reserve Requirement with respect to each Series of the Series Bonds will be in that amount or that percentage of the principal amount of the then Outstanding Series Bonds of the Series as set forth in the Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution.

(D) Requirements for 2022/2023 Series Program Securities. The Agency will designate in the Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution whether or not the Series Bonds are intended to be Tax-Exempt Bonds. A portion of the sale proceeds of Series Bonds may be used for the purchase of DPA Loans which were made by the Agency in connection with Program Loans backed by Mortgages that are in compliance with the Act, the Program and the Code. The sale proceeds of Series Bonds not used to purchase DPA Loans or to refund certain obligations of the Agency will be used to purchase Program Securities that (l) are backed by Mortgages that are in compliance with the Act, the Program, and, in the case of Series Bonds that are Tax-Exempt Bonds, the Code, and (2) comply with the requirements set forth in the Master Servicing Agreement. The Agency represents that the Transferred Program Loans were made in accordance with the applicable provisions of the Bond Resolution and the Agency's Mortgage Program Procedural Manual as in effect at the time the Transferred Program Loans were purchased by the Agency, those provisions will constitute the Series Program Determinations with respect to the Transferred Program Loans, and those Transferred Program Loans will be Program Loans within the meaning of the Bond Resolution and the Series Resolution. Except as expressly provided, the provisions of Subsection (E) of this Section 7 will not apply to the Transferred Program Loans. The provisions of the Agency's Start Up Procedural Manual, and the Master Servicer's lending guide, each as most recently revised and as revised from time to time, the applicable Participation Agreements and the Master Servicing Agreement will be used to administer the financing of the Pooled 2022/2023 Series Program Loans.

(E) Acquisition of 2022/2023 Series Program Securities and DPA Loans. For any Series Bonds designated as Mortgage-Backed Securities Pass-Through Program, prior to the issuance of those Series Bonds, the Master Servicer must have acquired Program Loans from Lenders and pooled the Program Loans into Series Bond Program Securities as provided in the Master Servicing Agreement. For any Series Bonds not designated as Mortgage-Backed Securities Pass-Through Program, during the Delivery Period for each issuance of a Series or Series of Series Bonds, the Master Servicer will acquire Program Loans from Lenders and pool the Program Loans into 2022/2023 Series Program Securities as provided in the Master Servicing Agreement. In each case, the Trustee will disburse moneys from the 2022/2023 Series Acquisition Account related to the Series for the acquisition of Program Securities pursuant to the Master Servicing Agreement and this Subsection (E). The Trustee will pay the Master Servicer the purchase price of each Program Security acquired from the Master Servicer as approved by an Authorized Officer, plus applicable fees or charges payable to a Federal Mortgage Agency and not paid by the Mortgagor, plus accrued interest, if any.

The Trustee will disburse moneys from the 2022/2023 Series Acquisition Account related to the Series for the acquisition of DPA Loans as set out in the Agency Certificate or Agency Certificates, as the case may be, delivered pursuant to Section 8(A) of the Series Resolution.

For any Series Bonds with a Delivery Period, the Agency may at any time transfer any proceeds of a Series of the Series Bonds in a 2022/2023 Series Acquisition Account related to the Series to the 2022/2023 Series Account related to the Series in the Bond Redemption Fund to be applied to the redemption of the Series Bonds. In addition, at the end the Delivery Period related to the Series of Series Bonds, the Agency must transfer from the 2022/2023 Series Acquisition Account related to the Series any amounts not expended to that date to the Bond Redemption Fund to be applied to the redemption of Series Bonds within 41 days thereafter; provided that the Agency may (instead of redeeming those Series Bonds from unexpended proceeds) extend the related Delivery Period with respect to all or any portion of the unexpended amounts remaining in a 2022/2023 Series Acquisition Account related to the Series, for the period as the Agency determines consistent with the final sentence of this paragraph, but only if the Agency has delivered to the Trustee on or prior to the expiration of the Delivery Period designated in the related Agency Certificate a Certificate (i) designating the new ending date for that Delivery Period, (ii) certifying that the Agency has delivered a Cash Flow Certificate and a Parity Certificate confirmed by an investment banking firm, financial consulting firm or accounting firm, in each case nationally recognized with respect to the cash flow analysis of qualified mortgage bonds, that Cash Flow Certificate and Parity Certificate will accompany the Agency Certificate; (iii) certifying that, to the extent necessary to satisfy the requirements of the Cash Flow Certificate and each Rating Agency then rating the Bonds, an Investment Obligation has been arranged for investment of amounts in the 2022/2023 Series Acquisition Account related to the Series to a date not earlier than the ending date of the extended Delivery Period; (iv) designating the amount of any additional deposits, if any, required by the Cash Flow Certificate, the Parity Certificate and each Rating Agency then rating the Bonds to be made into funds held under the Resolution in connection with the extension, those deposits must be made on or before the date of expiration of that Delivery Period and must be made only from the Agency's funds; and (v) certifying that the Agency has notified each Rating Agency then rating the Bonds that the extension is being planned and has provided copies of the Cash Flow Certificate and Parity Certificate to each Rating Agency then rating the Bonds, together with any other documentation as each Rating Agency then rating the Bonds may request, and has received written confirmation that the Rating of Outstanding Bonds will not be impaired by the extension of the Delivery Period. On any date subsequent to any extension of the related Delivery Period, the Agency may transfer any unexpended proceeds remaining in the 2022/2023 Series Acquisition Account related to the Series and allocable amounts, as reasonably determined by the Agency, held in the 2022/2023 Series Accounts in the Debt Service Reserve Fund and Insurance Reserve Fund, in each case allocable to the related Series, to the 2022/2023 Series Account related to those Series Bonds in the Bond Redemption Fund to be applied to redemption of those Series Bonds as provided in Section 4(C) of the Series Resolution. At the end of each Delivery Period for a Series of Bonds, including any extension thereof as provided in this Subsection (E), the Trustee must transfer from the 2022/2023 Series Acquisition Account related to the Series Bonds an amount equal to the amount of proceeds of the Series Bonds in the 2022/2023 Series Acquisition Account not expended to that date and allocable amounts, as reasonably determined by the Agency, held in the 2022/2023 Series Accounts in the Debt Service Reserve Fund and Insurance Reserve Fund, and in each case related to the Series Bonds, to the 2022/2023 Series Account in the Bond Redemption Fund to be applied to the redemption of those Series Bonds in accordance with Section 4(C) of the Series Resolution. The Delivery Period may not be extended pursuant to this Subsection (E) beyond the date named in the related Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution, provided that the date is not greater than 42 months from the Issue Date of the related Series Bonds. Notwithstanding any provision in this Subsection (E) to the contrary, the Trustee must apply amounts in a 2022/2023 Series Acquisition Account related to the Series to the redemption of the Series Bonds in accordance with Section 4(C) of the Series Resolution.

The Agency may participate each 2022/2023 Series Program Security between different sources of funds of the Agency, so long as the interest of each has equal priority as to lien in proportion to the amount of the 2022/2023 Series Program Security secured, but those interests need not be equal as to interest rate.

(F) <u>Enforcement of Transferred Mortgage Loans and DPA Loans</u>.

(1) Subject to the right of the Agency to modify the Transferred Mortgage Loans and DPA Loans pursuant to Section 6.5(E) of the Bond Resolution, the Agency will take or require a Servicer to take all measures, actions and proceedings as are reasonably necessary and are deemed by it to be most effective to recover the balance due and to become due on each Defaulted Transferred Mortgage Loan or Defaulted DPA Loan, including the curing of the default by the Mortgagor, foreclosure of the Mortgage, acceptance of a conveyance in lieu of foreclosure, sale of the Transferred Mortgage Loan, renting or selling the Home, collection of any applicable mortgage insurance or guaranties, and preservation of the title to and value of the Home pending recovery of the balance of the Defaulted Transferred Mortgage Loan or the Defaulted DPA Loan, but any action will, to the extent legally necessary, conform to the requirements of, and protect the interests of any agency or instrumentality of the United States guaranteeing, insuring or otherwise assisting the payment of that Defaulted Transferred Mortgage Loan or the Defaulted DPA Loan. All collection recoveries for Defaulted DPA Loans are subject to any collection recoveries applicable to the related first lien Program Loan.

(2) Upon receipt of any Revenues with respect to any Defaulted Transferred Mortgage Loan and any Defaulted DPA Loan or from operation of the Home subject to that Defaulted Transferred Mortgage Loan or Defaulted DPA Loan, after foreclosure or conveyance of the Home to the Agency in lieu of foreclosure, in excess of the amounts needed to preserve title to and the value of the Home, the Agency will transmit those Revenues to the Trustee for deposit in the Revenue Fund.

(G) Enforcement of 2022/2023 Series Program Securities.

(1) The 2022/2023 Series Program Securities acquired by the Trustee on behalf of the Agency, and the Transferred Program Securities, if any, will be held at all times by the Trustee in trust and subject to the pledge of the Bond Resolution. If the Trustee does not receive a payment on a GNMA I Security when due by the close of business on the 17th day of each month, or if the Trustee does not receive a payment on a GNMA II-Custom Pool Security when due by the close of business on the 22nd day of each month, the Trustee will immediately notify, and demand payment from GNMA. If the Trustee does not receive payment or advice from the depository of payment, with respect to a Fannie Mae Security when due by the close of business on the 25th day of any month (or the next Business Day if the 25th is not a Business Day), the Trustee will immediately demand payment from Fannie Mae in connection with the guaranty of timely payments of principal and interest by Fannie Mae. If the Trustee does not receive payment on a Freddie Mac Security when due by the close of business (a) for Freddie Mac Securities which are not UMBS, on the 18th day of each month (or the next Business Day if the 18th day is not a Business Day) or (b) for Freddie Mac Securities which are UMBS, on the 25th day of each month (or the next Business Day if the 25th day is not a Business Day), the Trustee will immediately demand payment from Freddie Mac.

(2) The Agency agrees that the Trustee in its name or (to the extent required by law) in the name of the Agency may enforce all rights of the Agency and all obligations of a Master Servicer under and pursuant to a Master Servicing Agreement for and on behalf of the Bondowners whether or not an Event of Default under the Bond Resolution or the Series Resolution has occurred or is continuing. The Agency will supervise, or cause to be supervised, each Lender's compliance with the Participation Agreements. In the event the Master Servicing Agreement is cancelled or terminated for any reason, the Agency will proceed with due diligence to procure a successor Master Servicer, subject to the provisions of the Master Servicing Agreement and the requirements of each applicable Federal Mortgage Agency. During the period necessary to obtain that successor, the Trustee will, subject to the approval of the applicable Federal Mortgage Agency, cause to be performed the duties and responsibilities of the Master Servicer, under the Master Servicing Agreement and will be compensated therefor, in addition to the compensation payable to it under the Bond Resolution or any other instrument, in the same manner and amounts as provided under the Master Servicing Agreement.

(H) [Reserved].

(I) [Reserved].

(J) Information to be Furnished. The Trustee will furnish information concerning the Series Bonds and the Program to each Rating Agency upon reasonable request thereof.

(K) Amendments. This Section 7 of the Series Resolution may be amended subsequent to the issuance of the Series Bonds to reflect changes in requirements applicable to the 2022/2023 Series Program Securities, DPA Loans or the Transferred Program Obligations; provided that the amendment will become effective only if Bond Counsel renders an opinion to the effect that the amendment will not adversely affect the exclusion of interest on the Series Bonds from gross income of the owners thereof for federal income tax purposes and if the Agency delivers an Agency Certificate to the Trustee to the effect that the amendment will not impair the Ratings on the Series Bonds by each Rating Agency.

Section 8. Conditions Precedent to Issuance.

(A) Documents Furnished to Trustee. Prior to the delivery of each Series of the Series Bonds an Authorized Officer will cause to be furnished to the Trustee, unless previously furnished, the following items as required by Sections 2.5 and 2.6 of the Bond Resolution:

(1) Certified copies of the Bond Resolution and the Series Resolution.

(2) An opinion of counsel to the Agency that the Bond Resolution and the Series Resolution have been duly adopted by the Agency and are valid and binding upon it and enforceable in accordance with their terms, that the Bond Resolution creates the valid pledge that it purports to create, and that the principal amount of the Series Bonds and other obligations heretofore issued by the Agency does not exceed any legal limitation.

(3) The Opinion of Bond Counsel required by Section 2.5(2) of the Bond Resolution.

(4) A Counsel's Opinion that the Series Bonds are exempt from registration under, or have been registered in accordance with, the Securities Act of 1933 and that the Series Resolution is qualified under the Trust Indenture Act of 1939 or that qualification is not necessary.

(5) An Agency Certificate (i) requesting the Trustee to authenticate the Series Bonds, and deliver them to the Underwriters upon payment or the purchase price set forth in the related Agency Certificate, (ii) certifying that the Agency is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Bond Resolution, (iii) setting forth the amount of the proceeds of the Series Bonds and other funds to be deposited with the Trustee pursuant to Section 4.1 of the Bond Resolution and the Funds and Accounts into those deposits should be made, (iv) certifying that upon the issuance and delivery of the Series Bonds, the amount on deposit in the Debt Service Reserve Fund will be at least equal to the Debt Service Reserve Requirement and the amount on deposit in the Insurance Reserve Fund will be at least equal to the Insurance Reserve Requirement, (v) stating that the issuance of the Series Bonds will have no adverse material effect on the ability of the Agency to pay the Debt Service on the Bonds then Outstanding, (vi) stating whether or not the Series of

Series Bonds are intended to be Tax-Exempt Bonds, (viii) setting forth whether any of the funds deposited to the related 2022/2023 Acquisition Account may be used for purchase of DPA Loans as provided in Section 7(E) of the Series Resolution, and (viii) setting forth the terms of the Series Bonds to be specified as provided in Section 2(D) and Section 4(C) of the Series Resolution.

(6) An Agency Certificate as required by Section 2.5(6) of the Bond Resolution and any information required to be filed with the Trustee upon deposit of amounts in an Acquisition Account pursuant to Section 4.4 of the Bond Resolution. A Cash Flow Certificate need not be filed with the Trustee in connection with the issuance of any Series of the Series Bonds.

(7) Written confirmation from each Rating Agency that issuance of the Series Bonds will not impair then existing Rating on the Bonds.

(8) If applicable, evidence that the Agency has given irrevocable instructions of the redemption of all the related Refunded Bonds, if any, and the redemption dates, if any, upon which the related Refunded Bonds are to be redeemed, to the Trustee or to the owners of the related Refunded Bonds or the trustee for those owners, as applicable.

(9) Evidence that money or Government Obligations in an amount sufficient to effect payment of the applicable redemption price, or amount payable on maturity, of the related Refunded Bonds, if any, have been deposited with the Trustee in accordance with the Bond Resolution, or have been received by the owners of the related Refunded Bonds or the trustee for those owners, in accordance with the resolution of the Agency whereby the related Refunded Bonds were issued, as applicable.

(10) If applicable, an Opinion of Bond Counsel to the effect that issuance of the Series Bonds will not result in interest on the related Refunded Bonds being included in gross income for federal income tax purposes.

(B) Acceptance and Certification by Trustee. Prior to the delivery of any Series of the Series Bonds, the Agency will also receive from the Trustee a certificate stating that it has received the documents listed in Subsection (A); and that the amounts to be deposited in the Debt Service Reserve Fund and Insurance Reserve Fund, if any, are sufficient to increase the amount in those Funds to the Debt Service Reserve Requirement and Insurance Reserve Requirement effective after the issuance of the Series Bonds as computed by the Trustee. The Trustee will administer and observe on behalf of the Agency all applicable requirements of the Code now or hereafter relating to information reporting, withholding and similar requirements with respect to ownership or payment of the Series Bonds, including, without limitation, the requirements imposed by Sections 871(h)(2)(B), 1441, 1442, 3406, 6045 and 6049 of the Code.

(C) Program Securities. Prior to each delivery of Series Bonds designated as Mortgage-Backed Securities Pass-Through Program, Transferred Program Securities and/or Series Bond Program Securities in an aggregate principal amount equal to or greater than the aggregate principal amount of those Series Bonds and to constitute the Transferred Program

Securities or Series Bond Program Securities, as applicable, for those Series of Bonds must be identified by the Agency in a manner acceptable to the Trustee.

(D) Documents Required by the Purchase Contract. Prior to delivery of a Series of the Series Bonds, an Authorized Officer will also cause to be furnished to the Underwriters each of the certificates, opinions and other documents required by the related Purchase Contract.

(E) Certification Under Applicable Federal Tax Law. An Authorized Officer is also authorized and directed, on the date of delivery of a Series of the Series Bonds that are intended to be Tax-Exempt Bonds, to prepare and execute a certificate on behalf of the Agency, setting forth in brief and summary terms the facts, estimates and circumstances on the basis of which the Agency reasonably expects that the proceeds of the Series Bonds will be used in a manner that would not cause the Series Bonds to be arbitrage bonds under applicable federal tax law, and on the basis of which the Series Bonds will be "qualified mortgage bonds" under the provisions of applicable federal tax law.

(F) Delivery. Upon fulfillment of the above conditions an Authorized Officer will direct the Trustee to authenticate and deliver the related Series Bonds as provided in the related Purchase Contract upon receipt by the Trustee of the purchase price to be paid by the Underwriters under the Purchase Contract.

Section 9. Deposit of Bond Proceeds and Other Funds; Investment Obligations.

(A) 2022/2023 Series Accounts. Within the Acquisition Account, the Revenue Fund, the Bond Fund Interest Account, the Bond Fund Principal Account, the Debt Service Reserve Fund (but only if the Debt Service Reserve Requirement with respect to the Series Bonds is greater than zero), the Insurance Reserve Fund (but only if the Insurance Reserve Requirement with respect to the Series Bonds is greater than zero) and, as applicable, the Bond Redemption Fund and the Alternative Loan Fund, the Trustee may maintain a combined 2022/2023 Series Account designated for each Series of Series Bonds issued on the same Issue Date, as directed in the Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution, for the purpose of recording the proceeds of the related Series Bonds and other amounts directed by the Series Resolution to be deposited therein and the Transferred Program Obligations, other transferred proceeds, 2022/2023 Series Program Securities, DPA Loans, and Investment Obligations purchased therefrom or allocated thereto and the prepayments and other receipts from the Transferred Program Obligations, the 2022/2023 Series Program Securities, the DPA Loans, and Investment Obligations, and the Revenues received with respect to the related Series of Series Bonds. In addition, the Trustee will establish a separate Cost of Issuance Account for the Series of Series Bonds issued on the same Issue Date.

(B) Deposits of Funds. The proceeds of each Series of the Series Bonds, the DPA Loans acquired with, or reimbursed from the proceeds of a Series of the Series Bonds, the Transferred Program Obligations, other transferred proceeds and funds of the Agency, if any, will be deposited by the Trustee into the Accounts established pursuant to Section 9(A), as set forth in the Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution.

(C) Investment Agreements. If deemed advantageous, the Commissioner or other Authorized Officer is authorized to negotiate and execute one or more investment agreements for the investment of all or a portion of the proceeds of the Series Bonds and other funds of the Agency related thereto.

Section 10. Tax Covenant and Restrictions. The below covenants relate to all Series Bonds intended to be Tax-Exempt Bonds ("Tax-Exempt Series Bonds"):

(A) General Tax Covenant. The Agency covenants that it will at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Agency on Tax-Exempt Series Bonds will be excludable from gross income for purposes of federal income taxation, and that no part of the proceeds of the Tax-Exempt Series Bonds will at any time be used directly or indirectly to acquire securities or obligations the acquisition of which, from the funds used for that purpose, if reasonably anticipated on the date of issuance of any Tax-Exempt Series Bond, would have caused the Tax-Exempt Series Bonds to be arbitrage bonds, unless that acquisition is at that time permitted by applicable federal tax law and the Treasury Regulations thereunder, as then in effect. The Agency must at all times do and perform all acts and things permitted by law and the Bond Resolution and necessary or desirable in order to assure that the proceeds of the Tax-Exempt Series Bonds, and the Revenues attributable thereto, will be used in a manner consistent with the provisions of applicable federal tax law so that the interest on the Tax-Exempt Series Bonds will be excludable from gross income for federal income tax purposes.

(B) Qualified Program Loans. The covenants and restrictions set forth in Section 11 of the Series Resolution will apply to each Program Loan, including Program Loans purchased by the Master Servicer to be pooled in a Program Security from the sale proceeds of any Tax-Exempt Series of Series Bonds. The Agency retains the right to impose covenants with respect to Program Loans, Homes and Mortgagors more restrictive than those imposed by applicable federal tax law.

(C) Amendments. Any particular covenant or restriction set forth in Sections 10 and 11 of the Series Resolution, other than the covenant in Subsection (A) of this Section 10, will apply only to the extent that the same is necessary to implement the provisions of applicable federal tax law to assure that the interest to be paid on the Tax-Exempt Series Bonds will be and remain excluded from gross income for purposes of federal income taxation. If and to the extent that applicable federal tax law is amended or supplemented, and the Agency determines on the advice of counsel that the effect thereof is to add to, delete from or change the restrictions and limitations contained in applicable federal tax law or the Agency's interpretation thereof, any provision of Section 10 and 11 of the Series Resolution may be amended or supplemented to conform to applicable federal tax law as then in effect, without the consent of the Trustee or Bondowners, as contemplated in Section 9.1(B)(6) of the Bond Resolution.

Section 11. Compliance with Applicable Federal Tax Law.

(A) Code Provisions. Unless otherwise determined in the Agency Certificate to be delivered pursuant to Section 8(A) of the Series Resolution, the Agency determines that Section 143 of the Code is applicable to the Tax-Exempt Series Bonds as a "qualified mortgage issue."

Under Section 143(a), a "qualified mortgage bond" is one issued as part of a qualified mortgage issue, all proceeds of which, exclusive of issuance costs and a reasonably required reserve, are to be used to finance owner-occupied residences, and that meets the requirements of subsections (c) through (i), inclusive, and (m)(7), of Section 143.

(B) Mortgage Eligibility Requirements; Good Faith and Corrective Action. Actions to assure compliance with the requirements of applicable federal tax law as applicable to Tax-Exempt Series Bonds are set forth in Subsections (C) through (L) of this Section 11. As to the mortgage eligibility requirements of applicable federal tax law as set forth in subsections (c) through (f), and (i), of Section 143 of the Code, the Agency and its staff have attempted, and will in good faith attempt, to meet, or cause the Master Servicer to meet, all of them before each Mortgage is executed, and to assure that 95% or more of the proceeds of the Tax-Exempt Series Bonds devoted, directly or indirectly, to owner-financing are devoted to residences with respect to which, at the time the Mortgages were or are executed, all those requirements were or are met, and that any failure to meet those requirements will be corrected within a reasonable period after the failure is first discovered, if necessary by accelerating or selling the Program Loan or replacing it with a qualifying Program Loan. With respect to the Transferred Program Loans, certifications and warranties of Mortgagors, Lenders and the Servicers and provisions of the Mortgages and related promissory notes designed for this purpose were set forth in the Agency's Mortgage Program Procedural Manual as in effect at the time the Transferred Program Loans were executed. With respect to the Pooled 2022/2023 Series Program Loans, certifications and warranties of Mortgagors, Lenders and the Master Servicer and provisions of the Mortgages and related promissory notes designed for this purpose are set forth in the Agency's Mortgage Loan Program Procedural Manual: MBS, the Participation Agreements and the Master Servicing Agreement. As to the arbitrage and recapture requirements of Sections 143 and 148 of the Code, the Agency and its staff will in good faith attempt to meet all the requirements and will take all reasonable steps to avoid failure due to inadvertent error.

(C) Residence. Each Program Loan purchased in whole or in part by the Master Servicer to be pooled in a Program Security to be financed in whole or in part from the proceeds of, or allocated to, the Tax-Exempt Series Bonds, will have been made or will be made to finance the cost of construction of a new Home, or to finance the cost of acquisition, with or without rehabilitation or improvement, of an existing Home, or to finance the cost of rehabilitation or improvement of an existing Home owned by the Mortgagor located in Minnesota and containing not more than four dwelling units, that is or can reasonably be expected to become the principal residence of the Mortgagor as established by an affidavit secured by the Lender from the Mortgagor stating his or her intent so to occupy the Home not later than 60 days after final closing and thereafter to maintain it as his or her principal residence, and that no use will be made of the Home (or of the area occupied by the Mortgagor in the case of a two- to four-family Home) that would cause any Tax-Exempt Series Bond to meet the private business use tests of Section 141(b) of the Code, and that the Home is not to be used as an investment property or a recreational home.

(D) Three-Year Prior Ownership. No Program Loan will be purchased in whole or in part by the Master Servicer to be pooled in a Program Security, unless the originating Lender secures, or has secured, and retains an affidavit of the Mortgagor stating that he or she has not had a present ownership interest in a principal residence at any time during the three-year period ending on the date when the Mortgage is executed, unless the Program Loan is made for a residence within a "targeted area," as defined in Section 143(h) of the Code and Section 6a.103A-2(b)(3) of the Regulations, or the Program Loan is made to a "veteran" borrower (as defined in 38 U.S.C. Section 101) who has not previously obtained mortgage loans financed by single family mortgage revenue bonds utilizing the veteran exception. In addition, except for Program Loans in targeted areas, or to "veteran" borrowers, the Lender must secure, or have secured, from the Mortgagor copies of the Mortgagor's federal tax returns that were filed with the Internal Revenue Service for the preceding three years (if due for these years), in order to ascertain and certify to the Agency whether the Mortgagor has claimed a deduction for taxes on property that was the Mortgagor's principal residence or for interest on a mortgage secured by that property. The Program Loan must not be purchased if either the Lender or the Master Servicer, as applicable, has reason to believe the affidavit to be false. Notwithstanding the preceding provisions of this Subsection (D) of Section 11, a Program Loan may be purchased by the Master Servicer to be pooled in a Program Security, financing the rehabilitation of a Home owned by the Mortgagor, or the purchase of a Home rehabilitated by the seller, of which the Mortgagor is the first resident after the rehabilitation work is completed, provided that the Program Loan is or has been provided in connection with a "qualified rehabilitation" as defined in Section 143(k)(5) of the Code.

(E) Purchase Price. No Program Loan will be purchased in whole or in part by the Master Servicer to be pooled in a Program Security, if the acquisition cost of the Home for which it is made exceeds 90%, or 110% if located in a targeted area as defined in Subsection (D) above, of the average area purchase price applicable to the Home as of the date of purchase or the date of financing commitment by the Lender, whichever is earlier, as established by average area purchase price limitations published by the Treasury Department for the statistical area where the Home is located, or as established by the Agency pursuant to more accurate and comprehensive data available to the Agency. Acquisition cost will be determined in accordance with Section 6a.103A-2(b)(8) of the Regulations, including all cash and non-cash items deemed therein to be included under particular circumstances as a cost of acquiring a residence from the seller as a completed residential unit. The Lender must secure and retain, or file with the Master Servicer, affidavits from both the seller and the Mortgagor, establishing facts showing that the acquisition cost requirement has been met.

(F) Income Requirements. All Program Loans to be financed in whole or in part from the proceeds of the Tax-Exempt Series Bonds, including Program Loans purchased by the Master Servicer to be pooled in a Program Security, must be made, or have been made, to Mortgagors whose family income is 115 percent or less of the applicable median family income, except as otherwise permitted for targeted areas pursuant to Section 143(f)(3) of the Code or high housing cost areas pursuant to Section 143(f)(5) of the Code. The Lender must secure, or have secured, and retain, or file with the Master Servicer, income information from available loan documents, as specified in Rev. Rul. 86-124, and an affidavit of the Mortgagor that the family income restrictions have been met. The family income limits will be adjusted for families of fewer than three individuals in accordance with Section 143(f)(6) of the Code.

(G) Limitation of Amount. Certain Series of the Tax-Exempt Series Bonds will be, for federal tax purposes, current refunding bonds issued pursuant to either the provisions of Section 1313(a) of the Tax Reform Act of 1986 or Section 146(i) of the Code and the Agency will not be required to apply the principal amount of the Tax-Exempt Series Bonds against the unused volume cap of the Agency for the issuance of qualified mortgage bonds during calendar year 2022, or 2023 if applicable, as provided pursuant to Section 146 of the Code and applicable state law.

The unused volume cap of the Agency for the issuance of qualified mortgage bonds during calendar year 2022, or 2023 if applicable, including the amount carried forward from calendar years 2020, 2021 and 2022 if applicable, as provided pursuant to Section 146 of the Code and applicable state law, is in excess of the amount of the Tax-Exempt Series Bonds. The Agency must apply the portion of the principal amount of the Tax-Exempt Series Bonds against the unused volume cap as required for the allocation of volume cap pursuant to Section 146 of the Code as set forth in the Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution.

(H) Placement in Targeted Areas. To the extent the Tax-Exempt Series Bonds are, for federal tax purposes, issued to refund bonds with respect to which the requirements of Section 143(h) of the Code have previously been met, the Agency will not be required to make available any amount of the proceeds of the Tax-Exempt Series Bonds for the making of Program Loans in targeted areas (as defined in Section 143(j) of the Code).

With respect to any portion of the Tax-Exempt Series Bonds that are not issued to refund bonds with respect to which the requirements of Section 143(h) of the Code have previously been met, the Agency must make available an amount equal to twenty percent (20%) of the proceeds of the Tax-Exempt Series Bonds deposited into the 2022/2023 Series Acquisition Account for the making of Program Loans in targeted areas (as defined in Section 143(j) of the Code).

(I) Recapture of Federal Subsidy. The Agency will take all action necessary to comply with the requirements of Section 143(m) applicable to it, including particularly the requirements of Section 143(m)(7) and applicable Regulations, as well as the provisions of Revenue Ruling 91-3 and Revenue Procedure 91-8.

(J) Arbitrage. The Agency must take all actions as may be prescribed in the future by Regulations or rulings of the Internal Revenue Service applicable to the Tax-Exempt Series Bonds to assure that the Tax-Exempt Series Bonds will meet the requirements of Section 143(g) of the Code and Section 148 of the Code relating to arbitrage, to-wit:

(1) The effective rate of interest on the Transferred Program Loans and the portions of 2022/2023 Series Program Loans purchased with, or allocated to, the proceeds of the Tax-Exempt Series Bonds may not exceed the yield of the Tax-Exempt Series Bonds, computed in accordance with Section 143(g)(2) of the Code and the Regulations, by more than one and one-eighth percentage points.

(2) The Agency must pay or cause to be paid the rebate amount required by Section 148(f) of the Code and applicable Regulations, as provided in the Arbitrage Rebate Certificate executed by the Trustee and the Agency in conjunction with the issuance and delivery of the Tax-Exempt Series Bonds.

(K) Special Requirements Relating to Use of Certain Amounts on Deposit in the 2022/2023 Series Account in the Revenue Fund. The Agency must take all necessary action pursuant to Section 143(a)(2)(A) of the Code to ensure that scheduled repayments and prepayments of principal of Transferred Mortgage Loans and 2022/2023 Series Program Securities are used to pay and redeem Tax-Exempt Series Bonds in the amounts and within the time periods mandated by that Section 143(a)(2)(A); provided that the provisions of this Subsection (K) will be not generally be applicable if (i) there is a change in the Code or Regulations, or notice or other announcement from the Treasury Department or Internal Revenue Service, that has the effect of removing the requirement for those redemptions of Tax-Exempt Series Bonds or (ii) there is delivered to the Trustee an opinion of nationally recognized bond or tax counsel that failure to make those redemptions will not adversely affect the exclusion from federal gross income of interest on the Tax-Exempt Series Bonds. Notwithstanding any contrary provisions of this Subsection (K), the Agency agrees that, so long as Tax-Exempt Series Bonds maturing on the date or dates and designated as "Specified Bonds," if any, in the Agency Certificate(s) delivered pursuant to Section 8(A) of the Series Resolution (the "Specified Bonds") remain Outstanding, the provisions of Section 143(a)(2), as existing on the date of issue of the Tax-Exempt Series Bonds, will be considered as being in full force and effect (notwithstanding any subsequent change in law or regulation) and the Agency, to the full extent permitted by law, must comply with the provisions of the Agency's final Official Statement furnished to the Underwriters pursuant to Section 2(F) of the Series Resolution relating to the special redemption of Specified Bonds from certain mortgage prepayments and/or regularly scheduled repayments of principal of the Transferred Mortgage Loans and the portion of 2022/2023 Series Program Loans allocable to the Tax-Exempt Series Bonds.

(L) New Mortgage and Assumption Requirements. None of the proceeds of the Tax-Exempt Series Bonds will be used, and none of the proceeds of any of the Refunded Bonds, if any, were used, to acquire or replace an existing mortgage, and all of the lendable proceeds of the Tax-Exempt Series Bonds will be used, and all of the lendable proceeds of any Refunded Bonds were used, to purchase Program Loans, or Program Securities backed by Program Loans, made to persons who did not have a mortgage (whether or not paid off) on the Home securing the Program Loan at any time prior to the execution of the Mortgage, except in the cases of (i) a mortgage securing a construction period loan, (ii) a mortgage securing a bridge loan, or similar initial temporary financing having a term of 24 months or less, (iii) an existing mortgage in the case of a Program Loan for a qualified rehabilitation as described in Section 143(k)(5) of the Code and (iv) certain contract for deed arrangements as set forth in Section 143(i)(1) of the Code. The relevant instruments relating to each 2022/2023 Series Program Loan and Mortgage purchased in whole or in part from the proceeds of the Tax-Exempt Series Bonds will contain a clause to the effect that the 2022/2023 Series Program Loan will be due on sale of the Home unless assumption by the purchaser is consented to by the Agency, which consent will be given only if the Agency has determined that the requirements of Subsections (C), (D), (E) and (F) of this Section 11 are met with respect to that assumption for any 2022/2023 Series Program Loan funded with proceeds of Tax-Exempt Series Bonds. In the event that those requirements are not met, notwithstanding that determination, the error will be corrected as provided in Subsection (B) of this Section 11.

Section 12. Discretion of Authorized Officer. An Authorized Officer will determine the number and aggregate principal amount of each Series of the Series Bonds, subject to the limitations in Section 2(D) of the Series Resolution. Notwithstanding anything contained in the foregoing sections of the Series Resolution, if an Authorized Officer, upon consultation with the Chair and upon the advice of Bond Counsel or counsel to the Agency, determines that it is not in the best interests of the Agency to issue and sell the Series Bonds or any Series thereof (subject to any applicable provisions of any bond purchase agreement theretofore executed), then the Series Bonds will not be issued or sold in accordance with the Series Resolution.

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Adopted by the Minnesota Housing
Finance Agency this 24th day of February, 2022.

By:___________________________
Chair

Attest: ________________________
Commissioner

[Resolution No. MHFA 22-016]

EXHIBIT A

[Form of Series Bond]

No. $

UNITED STATES OF AMERICA - STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

RESIDENTIAL HOUSING FINANCE BOND, [2022] [2023] SERIES [_]

[(MORTGAGE-BACKED SECURITIES PASS-THROUGH PROGRAM)]

Rate	Maturity Date	Date of Original Issue	CUSIP
		________, 2022/2023	

The Minnesota Housing Finance Agency, a public body corporate and politic organized and existing under the provisions of Minnesota Statutes, Chapter 462A, for value received promises to pay to

CEDE & CO.

or registered assigns, the principal sum of

DOLLARS

on the maturity date specified above, with interest thereon from the Date of Original Issue set forth above at the annual rate specified above, computed on the basis of a 360-day year composed of twelve 30-day months, payable on each January 1 and July 1, commencing ___________, to the order of the registered owner hereof as shown on the Bond Register maintained by the Trustee (as hereinafter defined) on the fifteenth (15th) day (whether or not a business day) of the immediately preceding month, subject to the provisions referred to herein with respect to the redemption of principal before maturity. The interest hereon and, upon presentation and surrender hereof, the principal and any redemption premium with respect to this Series Bond are payable in lawful money of the United States by check or draft, or other agreed means of payment, by Computershare Trust Company, National Association, in Minneapolis, Minnesota, successor Trustee under the Bond Resolution referred to below, or its successor (the "Trustee"). For the prompt and full payment thereof when due the full faith and credit of the Agency are irrevocably pledged. This Series Bond is a general obligation of the Agency, payable out of any of its moneys, assets or revenues, subject to the provisions of resolutions or indentures now or hereafter pledging particular moneys, assets or revenues to particular notes or bonds, or state or federal laws appropriating particular funds for a specified purpose. The Agency has no taxing power. The State of Minnesota is not liable hereon, and this Series Bond is not a debt of the State.

This Series Bond is one of a duly authorized Series of Residential Housing Finance Bonds, [2022] [2022] Series [_] [(Mortgage-Backed Securities Pass-Through Program)], in the original principal amount of $___________ (the "Series Bonds"), issued to provide funds needed for the Agency's Program of making or purchasing Program Obligations to facilitate the purchase, development or rehabilitation of a sufficient supply of residential housing in Minnesota at prices that persons and families of low and moderate income can afford. The Series Bonds are issued under and pursuant to the Agency's Amended and Restated Residential Housing Finance Bond Resolution, adopted August 24, 1995, as amended and supplemented (the "Bond Resolution"), and the Agency's series resolution[s], adopted [November 18, 2021 and] February 24, 2022 ([together,] the "Series Resolution"), to which resolutions, including all supplemental resolutions that may be adopted pursuant to the provisions thereof, reference is made for a description of the revenues, moneys, securities, funds and accounts pledged to the Trustee for the security of the Owners of the Series Bonds, the respective rights thereunder of the Agency, the Trustee and other Fiduciaries and the Owners of the Series Bonds, and the terms upon which the Series Bonds are issued, delivered and secured. [The Series Bonds are issued contemporaneously with the Agency's Residential Housing Finance Bonds, [2022] [2023] Series [__][______][(Mortgage-Backed Securities Pass-Through Program)].]

The Series Bonds are issuable in fully registered form. The Series Bonds are issued in denominations of $[____] principal amount or integral multiples thereof of a single stated maturity.

[The Series [___] Bonds [maturing on _______________] are required to be redeemed (unless previously purchased or redeemed) by the application of sinking fund installments on the dates and in the amounts specified pursuant to the Series Resolution, at a redemption price equal to the principal amount thereof plus accrued interest, without premium.]

[All Series Bonds are subject to mandatory redemption on each Interest Payment Date, in whole or in part, at a price equal to the principal amount thereof to be redeemed plus accrued interest, without premium, in a principal amount equal to all principal repayments, including Prepayments, on the [2022][2023] [__] Program Securities purchased with proceeds of the Series Bonds on deposit in the Revenue Fund received during the immediately preceding calendar month, as further provided in the Series Resolution.]

All Series Bonds are subject to (i) special redemption at any time at a price of par plus accrued interest, without premium, from unexpended proceeds of the Series Bonds not used to purchase Program Obligations and allocable amounts, if any, held in the 2022/2023 Series Accounts in the Debt Service Reserve Fund and Insurance Reserve Fund, and (ii) special redemption at any time at a price of par plus accrued interest, without premium, from Excess Revenues (as hereinafter defined) on deposit in the Revenue Fund. "Excess Revenues," for this purpose, means Revenues, including Prepayments, on deposit in the Revenue Fund received in excess of (i) the Principal Installments and interest from time to time due and payable on Bonds Outstanding under the Bond Resolution, (ii) amounts required by the provisions of series resolutions heretofore or hereafter adopted to be used for the mandatory redemption of certain Outstanding Bonds as specified in said series resolutions, (iii) amounts required to maintain the required balance in the Debt Service Reserve Fund and Insurance Reserve Fund, (iv) amounts payable to a Swap Counterparty, and (v) amounts required to pay fees and other costs of the Agency in connection with the Program.

All Series Bonds with stated maturities on or after _______ are also subject to redemption at the option of the Agency in whole or in part from any amounts available to the Agency for that purpose, on _________ and any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest, if any, to the date of redemption, without premium.

Upon redemption of any of the Series Bonds, the maturities and amounts of the Series Bonds to be redeemed will be selected by the Agency in a manner determined to have no material adverse effect on its ability to pay when due the Principal Installments of and interest on all Bonds Outstanding under the Bond Resolution after the redemption.

If less than all Series Bonds of a maturity are to be redeemed, the Trustee will select them at random. Upon partial redemption of a Series Bond, a new Series Bond or Series Bonds will be delivered to the Owner without charge, representing the remaining amount Outstanding.

Notice of any redemption of Series Bonds will be mailed, by first class mail, postage prepaid, to the last address on the registry books of the registered owner of any Series Bond, not less than 30 days before the redemption date. Notice having been given, the Series Bonds or portions of Series Bonds specified will be due and payable at the specified redemption date and price, with accrued interest, and funds for that payment being held by or on behalf of the Trustee so as to be available therefor, interest thereon will cease to accrue, and those Series Bonds or portions thereof will no longer be considered Outstanding under the Bond Resolution. Any failure to give that mailed notice, or defect therein, will not impair the validity of redemption of any Series Bond not affected by that defect or failure.

The Agency has issued other Series of Bonds and the Bond Resolution authorizes additional Series of Bonds to be issued (collectively with the Series Bonds, the "Bonds"), all of which are secured by the pledge made and security interest granted therein, regardless of the times of issue or maturity, are of equal rank without preference, priority or distinction of any Bond of any Series over any other except as expressly provided or permitted in the Bond Resolution; subject to conditions specified in the Bond Resolution, including conditions that upon the issuance of each Series of Bonds (a) the amount held by the Trustee in the Debt Service Reserve Fund and Insurance Reserve Fund will be increased to an amount not less than their respective requirements effective after the issuance of the Bonds, and (b) each Rating Agency will confirm that issuance of a Series of Bonds will not impair then existing rating on the Outstanding Bonds.

The Bond Resolution permits, with certain exceptions, the modification or amendment thereof and of the rights and obligations of the Agency and of the Owners of the Bonds thereunder, by a supplemental bond resolution adopted with the written consent, filed with the Trustee, of the Owners of at least a majority in principal amount of the Bonds Outstanding or affected by the amendment at the time the consent is given. Any resolution will be binding upon the Agency and all Fiduciaries and Owners of Bonds at the expiration of thirty days after filing with the Trustee of proof of the mailing of notice that the required consent has been given.

Supplemental resolutions may also be adopted, effective immediately, for the purpose of adding restrictions on or covenants by or surrendering privileges of the Agency, authorizing additional Bonds, or making provisions affecting only Bonds not yet issued or reasonably necessary to assure that interest on an applicable Series of Bonds will be, or remains, excludable from gross income under the Code; and may also be adopted, effective upon consent of the Trustee, for the purpose of curing or correcting an ambiguity, omission, defect or inconsistency, or inserting provisions not inconsistent with the Bond Resolution, clarifying matters or questions arising under it, or for any other purpose as will not be, in the opinion of the Trustee, materially adverse to the security or other interests of the Bondowners. Every Owner hereof is deemed by its purchase and retention of this Series Bond to consent to be bound by every supplemental resolution and every modification and amendment adopted in accordance with the provisions of the Bond Resolution, whether or not noted or endorsed hereon or incorporated herein.

No Owner of any Series Bond may institute any suit, action or proceeding in equity or at law for the enforcement of any provision of the Bond Resolution or for the execution of any trust thereunder or for any other remedy thereunder except upon the conditions therein provided, but nothing therein affects or impairs the right of any Owner to enforce the payment of the principal of and interest on any Series Bonds held by that Owner, or the obligation of the Agency to pay the same at the time and place expressed in the Series Bonds.

IT IS CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to exist, to happen and to be performed precedent to and in the issuance of the Series Bond in order to make it a valid and binding general obligation of the Agency in accordance with its terms do exist, have happened and have been performed in due form, time and manner as so required; that the issuance of the Series Bonds does not cause the indebtedness of the Agency to exceed any constitutional or statutory limitation; and that the opinion attached hereto is a full and correct copy of the legal opinion given by Bond Counsel with reference to the Series Bonds, dated the date of original issuance and delivery of the Series Bonds.

As provided in the Bond Resolution and subject to certain limitations set forth therein, this Series Bond is transferable upon the books of the Agency at the designated corporate trust office of the Trustee, by the registered owner hereof in person or by the owner’s attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or the owner’s duly authorized attorney and may also be surrendered in exchange for Series Bonds of other authorized denominations. Upon the transfer or exchange the Agency will cause to be issued in the name of the transferee or owner a new Series Bond or Series Bonds of the same aggregate principal amount, maturity, interest rate and terms as the surrendered Series Bond, subject to reimbursement for any tax, fee or governmental charge required to be paid by the Agency or the Trustee with respect to the transfer.

Notwithstanding any other provisions of this Series Bond, so long as this Series Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Trustee will pay all principal of, premium, if any, and interest on this Series Bond, and will give all notices with respect to this Series Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the Agency.

The Agency and the Trustee may deem and treat the person in whose name this Series Bond is registered upon the books of the Agency as the absolute owner hereof, whether this Series Bond is overdue or not, for the purpose of receiving payment of or on account of the principal, redemption price or interest and for all other purposes, and all payments so made to the registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon this Series Bond to the extent of the sum or sums so paid, and neither the Agency nor the Trustee will be affected by any notice to the contrary.

Unless the Trustee's Certificate hereon has been manually executed on behalf of the Trustee, this Series Bond will not be entitled to any benefit under the Bond and Series Resolution or be valid or obligatory for any purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Agency has caused this Series Bond to be executed by the facsimile signatures of its Chairperson and Commissioner, the Agency having no corporate seal.

Date of Authentication: ____________

Trustee's Certificate

This is one of the Series Bonds delivered pursuant to the Bond Resolution and Series Resolution mentioned within.

COMPUTERSHARE TRUST COMPANY, NATIONAL ASSOCIATION,
as successor Trustee

By____________________________
Authorized Representative

MINNESOTA HOUSING FINANCE AGENCY

____
By: (Facsimile Signature)
Chairperson

____
Attest: (Facsimile signature)
Commissioner

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

____

(please print or type name and address of transferee)

the within Series Bond and all rights thereunder and does hereby irrevocably constitute and appoint ____ attorney to transfer the within Series Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: __________________

____

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Series Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

____

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements include membership or participation in STAMP or any other "signature guaranty program" as may be determined by the Trustee in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Please insert social security or other identifying number of assignee:

____

NEW ISSUE

RATINGS: Moody's: "___"
S&P: "___"
(See "Ratings" herein.)

Minnesota Housing Finance Agency has prepared this Official Statement to provide information about the Series Bonds. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the purchase of the Series Bonds, a prospective investor should read all of this Official Statement. Capitalized terms used on this cover page have the meanings given in this Official Statement.

$150,000,000*
Minnesota Housing Finance Agency
$100,000,000* Residential Housing Finance Bonds, 2022 Series C (Non-AMT) (Social Bonds)
$50,000,000* Residential Housing Finance Bonds, 2022 Series D (Taxable) (Social Bonds)[1]

Dated Date: Date of Delivery **Due: As shown on inside front cover**

Tax Exemption	Interest on the 2022 Series C Bonds is not includable in gross income for federal income tax purposes or taxable net income of individuals, trusts and estates for state of Minnesota (the "State") income tax purposes. (For additional information, including on the application of federal and state alternative minimum tax provisions to the 2022 Series C Bonds, see "Tax Exemption and Related Considerations" herein.) *Interest on the 2022 Series D Bonds is includable in gross income for purposes of federal income taxation and is includable in the taxable net income of individuals, trusts and estates for State income tax purposes.*
Redemption and Tender	The Agency may redeem all or a portion of the Series Bonds by optional or special redemption, and must redeem a portion of the Series Bonds by mandatory sinking fund redemption, as described under "The Series Bonds" herein**.** Owners of the 2022 Series D Bonds will have the option, and may be required, to tender their Series Bonds at par, as described under "The Series Bonds" herein**.**
Security	Payment of principal and interest on the Series Bonds is secured, on an equal basis with payment of principal and interest on all Outstanding Bonds that the Agency has issued, and may subsequently issue, under the Bond Resolution, by the Agency's pledge of all Bond proceeds, Program Obligations, Investment Obligations, Revenues and other assets held under the Bond Resolution, except as otherwise expressly provided in the Bond Resolution or in a Series Resolution. The Series Bonds are also general obligations of the Agency, payable out of any of its generally available moneys, assets or revenues. *The Agency has no taxing power. The State is not liable for the payment of the Series Bonds and the Series Bonds are not a debt of the State.* (See "Security for the Bonds" herein.) Liquidity support for the purchase of any 2022 Series D Bonds tendered will, subject to the terms and conditions of that support, initially be provided by Royal Bank of Canada, acting through its branch currently located at 200 Vesey Street, New York, New York, 10281. See "Liquidity Facility" and "Security for the Bonds" herein.
Interest Payment Dates	January 1 and July 1, commencing July 1, 2022,* and, in respect of a Series Bond to be redeemed, the redemption date.
Denominations	$5,000 or any integral multiple thereof for the 2022 Series C Bonds, and $100,000 or any integral multiple of $5,000 in excess thereof for the 2022 Series D Bonds.
Closing/Settlement	March 16, 2022* through the facilities of DTC in New York, New York.
Bond Counsel	Kutak Rock LLP.
Underwriters' Counsel	Dorsey & Whitney LLP.
Trustee	Computershare Trust Company, National Association, in Minneapolis, Minnesota.
Book-Entry-Only System	The Depository Trust Company. See Appendix E hereto.

The Series Bonds are offered when, as and if issued, subject to withdrawal or modification of the offer without notice and to the opinion of Kutak Rock LLP, Bond Counsel, as to the validity of the Series Bonds, and tax exemption of interest on, the 2022 Series C Bonds.

RBC Capital Markets

J.P. Morgan **Piper Sandler & Co.** **Wells Fargo Securities**

The date of this Official Statement is March __, 2022.

RBC Capital Markets, LLC is the initial Remarketing Agent for the 2022 Series D Bonds.

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*Preliminary; subject to change.
[1]Long-term variable rate.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES*

2022 Series C Bonds (Non-AMT) (Social Bonds)

$,000* Serial Bonds

Due*	Principal Amount*	Interest Rate	CUSIP**	Due*	Principal Amount*	Interest Rate	CUSIP**
		%				%	

Price of Serial Bonds — ___%

$,000* ___% Term Bonds Due 1, * at ___% (CUSIP _________)**
$,000* ___% Term Bonds Due 1, * at ___% (CUSIP _________)**
$,000* ___% Term Bonds Due 1, * at ___% (CUSIP _________)**
$,000* ___% PAC Term Bonds Due 1, * at ___% (CUSIP _________)**

2022 Series D Bonds (Taxable) (Social Bonds)

$50,000,000* Variable Rate Demand Term Bonds Due 1, * (CUSIP _____)**
(The initial interest rate on the 2022 Series D Bonds will be set forth in a certificate of RBC Capital Markets, LLC delivered to the Trustee at closing.)
Price of 2022 Series D Bonds — 100%

*Preliminary, subject to change.

**CUSIP numbers have been assigned by an organization not affiliated with the Agency and are included for the convenience of the owners of the Series Bonds. The Agency is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Series Bonds or as indicated above. A CUSIP number for a specific maturity may be changed after the issuance date. CUSIP® is a registered trademark of the American Bankers Association.

None of Minnesota Housing Finance Agency, Royal Bank of Canada, acting through its branch currently located at 200 Vesey Street, New York, New York, 10281 (the "Initial Liquidity Provider"), or any of the Underwriters has authorized any dealer, broker, salesperson or other person to give any information or representations, other than those contained in this Official Statement. Prospective investors must not rely on any other information or representations as being an offer to buy. No person may offer or sell Series Bonds in any jurisdiction in which it is unlawful for that person to make that offer, solicitation or sale. The information and expressions of opinion in this Official Statement may change without notice. Neither the delivery of the Official Statement nor any sale of the Series Bonds will, under any circumstances, imply that there has been no change in the affairs of the Agency or the Initial Liquidity Provider since the date of this Official Statement.

This Official Statement contains statements that, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "intend," "expect," and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the Agency, its Program and the Series Bonds could cause actual results to differ materially from those contemplated in the forward-looking statements.

The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their respective responsibilities 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 the information.

In connection with this offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Series Bonds at a level above that which might otherwise prevail in the open market. This stabilizing, if commenced, may be discontinued.

NO FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS RECOMMENDED THESE SECURITIES. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

TABLE OF CONTENTS

OFFICIAL STATEMENT
relating to
$150,000,000*
MINNESOTA HOUSING FINANCE AGENCY
RESIDENTIAL HOUSING FINANCE BONDS,
2022 SERIES C AND 2022 SERIES D (TAXABLE)
(SOCIAL BONDS)

This Official Statement (which includes the cover page, inside front cover and Appendices) provides certain information concerning the Minnesota Housing Finance Agency (the "Agency"), and its Residential Housing Finance Bonds, 2022 Series C (the "2022 Series C Bonds"), and 2022 Series D (Taxable) (the "2022 Series D Bonds," and collectively with the 2022 Series C Bonds, the "Series Bonds"). The Agency is issuing the Series Bonds pursuant to Minnesota Statutes, Chapter 462A, as amended (the "Act"), a resolution of the Agency adopted as amended and restated on August 24, 1995, and as further amended and supplemented in accordance with its terms (the "Bond Resolution"), and series resolutions of the Agency adopted on November 18, 2021 and February 24, 2022 with respect to the 2022 Series C Bonds (the "2021/2022 Series C Resolutions") and a series resolution adopted on February 24, 2022 with respect to the 2022 Series D Bonds (the "2022 Series D Resolution" and, collectively with the 2021/2022 Series C Resolutions, the "Series Resolutions").. (The Bond Resolution and the Series Resolutions are herein sometimes referred to as the "Resolutions.")

The Residential Housing Finance Bonds Outstanding in the aggregate principal amount of $1,856,220,000 as of January 31, 2022 under the Bond Resolution, and any additional Residential Housing Finance Bonds hereafter issued pursuant to the Bond Resolution, including the Series Bonds (collectively referred to as the "Bonds"), are and will be equally and ratably secured under the Bond Resolution (except as otherwise expressly provided therein or in a Series Resolution).

The Resolutions include definitions of capitalized terms used in this Official Statement, some of which are reproduced in Appendix C and Appendix J. The summaries and references in this Official Statement to the Act, the Resolutions and other documents are only outlines of certain provisions and do not summarize or describe all the provisions thereof. All references in this Official Statement to the Act and the Resolutions are qualified in their entirety by the complete text of the Act and the Resolutions, copies of which are available from the Agency. All references to the Series Bonds are qualified in their entirety by the complete form thereof and the provisions in the Resolutions establishing the terms of the Series Bonds.

INTRODUCTION

The Agency is a public body corporate and politic, constituting an agency of the state of Minnesota (the "State"). The Act authorizes the Agency to issue bonds for the purpose, among other purposes, of purchasing, making or otherwise participating in the making of long-term mortgage loans to persons and families of low and moderate income for the purchase of residential housing upon the determination by the Agency that those loans are not otherwise available from private lenders upon equivalent terms and conditions.

Since its creation in 1971, the Agency has issued bonds to purchase single family mortgage loans, to purchase home improvement loans and to finance multifamily developments. In addition to financing loans through the issuance of debt, the Agency finances grants and loans through State and federal appropriations and its Alternative Loan Fund

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* Preliminary; subject to change.

in the Bond Resolution. Please refer to the information in the notes to the financial statements included in Appendix A-1 to this Official Statement at pages 64 and 65 under the heading “Net Position — Restricted by Covenant.”

The global outbreak of the coronavirus COVID-19 (“COVID-19”) and measures taken by federal, state and local governments in response thereto are impacting individuals and businesses in a manner that to an unknown extent will have negative effects on economic activity across the country and the State, including mortgage loan repayments. For descriptions of certain of these measures, their impacts on the Agency and the Agency’s responses, see “The Agency—COVID-19 Economic Disruption” herein.

Prior to the fall of 2009, the Agency implemented its single-family mortgage lending program by purchasing “whole loans” from lenders and financing purchases of the loans with proceeds of its bonds. In September 2009, the Agency began acquiring mortgage-backed securities guaranteed as to timely payment of principal and interest by a Federal Mortgage Agency (as defined in the Resolutions, “Program Securities”) instead of directly acquiring mortgage loans from lenders. (See “‘MBS’ Model.”)

The Agency is issuing the Series Bonds to provide money, from proceeds of the Series Bonds and from available funds associated with certain other outstanding single family mortgage bonds to be refunded by the Series Bonds, to be used, along with certain contributed funds of the Agency, to continue its Program by purchasing Program Securities guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (“GNMA Securities”), the Federal National Mortgage Association (“Fannie Mae Securities”) or the Federal Home Loan Mortgage Corporation (“Freddie Mac Securities”) and backed by pools of mortgage loans (“Program Loans”), that certain mortgage lending institutions (the “Lenders”) have made to qualified persons or families of low and moderate income to finance the purchase of single-family residences in Minnesota. Program Securities guaranteed by the Federal National Mortgage Association (“Fannie Mae”) and the Federal Home Loan Mortgage Corporation (“Freddie Mac”) may also include Uniform Mortgage-Backed Securities (“UMBS”). (See “The Residential Housing Finance Program—Uniform Mortgage-Backed Securities.”) Each Program Loan must be (i) insured by the Federal Housing Administration (the “FHA”) of the United States Department of Housing and Urban Development (“HUD”) pursuant to the National Housing Act of 1934, as amended (the “Housing Act”), (ii) guaranteed by the Veterans Administration (“VA”) pursuant to the Servicemen’s Readjustment Act of 1944, as amended, (iii) guaranteed by USDA Rural Development (formerly Rural Economic and Community Development) (“USDA Rural Development”), under its Guaranteed Rural Housing Loan Program, or (iv) insured by private mortgage insurance issued by an entity acceptable to Fannie Mae or Freddie Mac or have certain loan-to-value ratios or other characteristics acceptable to Fannie Mae or Freddie Mac.

The 2022 Series D Bonds will bear interest at a rate determined weekly (the “Weekly Mode”), unless the Agency converts the 2022 Series D Bonds to a different interest-rate-setting mode (a “Mode”) as described herein. Except as otherwise provided herein, so long as the 2022 Series D Bonds are in the Weekly Mode, the owners of any 2022 Series D Bonds are entitled to demand purchase of their 2022 Series D Bonds at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the date of purchase, upon satisfaction of the terms and conditions described herein. Owners also will be required to tender their 2022 Series D Bonds for purchase under certain circumstances. RBC Capital Markets, LLC, will act as the initial remarketing agent for the 2022 Series D Bonds (the “Remarketing Agent”). (See “Description of the Series Bonds – Remarketing of 2022 Series D Bonds.”)

The Agency will provide a liquidity facility (the “Liquidity Facility”) to be in effect for the period from the date of delivery of the 2022 Series D Bonds until the date, if any, when the Agency has converted all 2022 Series D Bonds from a Weekly Mode to another mode not requiring a Liquidity Facility, subject to terms and conditions described herein. The Initial Liquidity Facility with respect to the 2022 Series D Bonds will be a Standby Bond Purchase Agreement (the “Standby Bond Purchase Agreement”), between the Agency, the Trustee, the Tender Agent and Royal Bank of Canada, acting through its branch currently located at 200 Vesey Street, New York, New York, 10281 (the “Initial Liquidity Provider”). The Initial Liquidity Facility has a stated expiration date of _________, 2027,* subject to earlier termination or suspension as hereinafter described. The Standby Bond Purchase Agreement

* Preliminary; subject to change.

will be executed as of the date of delivery of the 2022 Series D Bonds, and will provide for the purchase by the Initial Liquidity Provider on the terms and conditions specified therein of tendered 2022 Series D Bonds that cannot be remarketed. If the Standby Bond Purchase Agreement is to expire or terminate according to its terms (other than as a result of an Immediate Termination Event thereunder) or is to be replaced with another Liquidity Facility, the 2022 Series D Bonds are subject to mandatory tender. If an Immediate Termination Event or Immediate Suspension Event (each as defined in the Standby Bond Purchase Agreement) has occurred under the Standby Bond Purchase Agreement, the Initial Liquidity Provider will have no obligation to purchase the 2022 Series D Bonds and the Remarketing Agent will be entitled to suspend its efforts to remarket 2022 Series D Bonds. (See "Description of the Series Bonds—Optional and Mandatory Tender of Certain 2022 Series D Bonds—Agency Not Responsible to Owners for Initial Liquidity Provider's Failure to Purchase 2022 Series D Bonds" herein, and "Appendix K – Summary of Certain Provisions of and Relating to the Standby Bond Purchase Agreement" hereto.)

THIS OFFICIAL STATEMENT PROVIDES INFORMATION TO PROSPECTIVE INVESTORS OF 2022 SERIES D BONDS WHILE THOSE SERIES BONDS ARE IN THE WEEKLY MODE AND WHILE THE INITIAL LIQUIDITY FACILITY REMAINS IN EFFECT. PROSPECTIVE INVESTORS OF 2022 SERIES D BONDS IN THE EVENT OF A MODE CHANGE, IF A CONVERSION DATE OR FLOATING RATE CHANGE DATE HAS OCCURRED OR WHILE AN ALTERNATE LIQUIDITY FACILITY IS IN EFFECT SHOULD NOT RELY ON THIS OFFICIAL STATEMENT. THE AGENCY MUST DELIVER AN UPDATED DISCLOSURE DOCUMENT IN THE EVENT OF A MODE CHANGE, FLOATING RATE CHANGE OR CONVERSION AND THE RELATED REMARKETING OF 2022 SERIES D BONDS.

On April 24, 2003, the Members of the Agency adopted a resolution authorizing the Agency to enter into interest rate exchange agreements in respect of Bonds Outstanding or proposed to be issued. The Swap Agreement (as hereinafter defined) is expected to be executed with Bank of New York Mellon as counterparty, in connection with the issuance of the 2022 Series D Bonds, effective on the anticipated date of delivery of the 2022 Series D Bonds. (See "The Series Bonds — Interest on the 2022 Series D Bonds – Swap Agreement" herein.)

Payment of principal and interest on the Series Bonds is secured, on an equal basis with payment of principal and interest on all Outstanding Bonds that the Agency has issued, and may subsequently issue, under the Bond Resolution (except as otherwise expressly provided therein or in a Series Resolution), by the Agency's pledge of all Program Obligations, Investment Obligations, Revenues and other assets held and received by the Agency pursuant to the Bond Resolution. Under the Bond Resolution, the Agency is authorized to acquire Program Obligations in connection with Housing, which is defined to include single family loans, home improvement loans, multifamily loans and other housing related loans, and to secure those loans in the manner as the Agency determines, which would include first mortgage loans, subordinate mortgage loans or loans that are unsecured. The Program Obligations acquired with the proceeds of Bonds have primarily consisted of Program Loans comprising single family housing loans secured by first or subordinate mortgages. In addition, the Agency has financed certain home improvement loans as Program Obligations by a single Series of Bonds issued under the Bond Resolution. The Agency intends to apply certain proceeds of the Series Bonds to acquire Program Securities backed by qualifying single family first mortgage loans. (See "Estimated Sources and Uses of Funds.") The Agency does not currently anticipate that future Series of Bonds issued under the Bond Resolution will finance Program Obligations other than Program Securities backed by single family loans, Deferred Payment Loans and Deferred Payment Loans Plus (each a "DPA Loan") or certain home improvement loans. (See "Security for the Bonds," "Appendix C – Summary of Certain Provisions of the Bond Resolution" and "Other Programs—Deferred Payment Loans.")

The Series Bonds are also general obligations of the Agency payable from any of its moneys, assets or revenues, subject only to the provisions of other resolutions or indentures now or hereafter pledging and appropriating particular moneys, assets or revenues to particular notes or bonds, or State or federal laws or restrictions that provide that particular funds must be applied for a specified purpose. The net position of the General Reserve and the Alternative Loan Fund is legally available if needed to pay debt service on any obligations of the Agency, including the Series Bonds. (See "The Agency—Net Position Restricted By Covenant and Operations to Date—General Reserve; Alternative Loan Fund.") (For purposes of the Resolutions, the General Reserve is designated as the "General Reserve Account.")

Although the State has appropriated amounts to the Agency for various specific purposes (see "The Agency—State Appropriations"), the Agency generally pays its general and administrative expenses from certain interest earnings and fees charged in connection with its bond-funded programs. For programs funded through State appropriations, the Agency recovers the costs of administering the programs from those appropriations only to the extent of interest earnings on the appropriations. The appropriations are not available to pay debt service on the Bonds.

The Agency has no taxing power. Neither the State nor any political subdivision thereof is or will be obligated to pay the principal or redemption price of or interest on the Series Bonds and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to that payment.

DESIGNATION OF THE SERIES BONDS AS SOCIAL BONDS

General

Kestrel Verifiers, a division of Kestrel 360, Inc. ("Kestrel Verifiers") has designated the Series Bonds as "Social Bonds." The information under the headings "Social Bond Designation" and "Independent Second Party Opinion on Social Bond Designation and Disclaimer" below has been provided by Kestrel Verifiers.

None of the Agency, any of the Underwriters, CSG Advisors Incorporated, Kutak Rock LLP or Dorsey & Whitney LLP has independently confirmed or verified the information below or assumed any obligation to ensure that the Series Bonds comply with any legal or other standards or principles that may be related to Social Bonds. The Agency has designated the Series Bonds as Social Bonds based solely on their designation as Social Bonds by Kestrel Verifiers. The designation of the Series Bonds as Social Bonds does not entitle the Owner of any Series Bond to any benefit under the Code. Owners of the Series Bonds do not have any security other than as described under "Security for the Bonds."

Social Bonds Designation

Per the International Capital Market Association (ICMA), Social Bonds are any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Social Projects and which are aligned with the four core components of the Social Bond Principles. The four core components are: 1. Use of Proceeds; 2. Process for Project Evaluation and Selection; 3. Management of Proceeds; and 4. Reporting.

Kestrel Verifiers has determined that the Series Bonds are in conformance with the four core components of the ICMA Social Bond Principles, as described in Kestrel Verifiers' "Second Party Opinion," which is attached hereto as Appendix N.

Independent Second Party Opinion on Social Bond Designation and Disclaimer

For over 20 years, Kestrel Verifiers has been consulting in sustainable finance. Kestrel Verifiers, a division of Kestrel 360, Inc. is an Approved Verifier accredited by the Climate Bonds Initiative (CBI) and an Observer for the ICMA Green Bond Principles and Social Bond Principles. Kestrel Verifiers reviews transactions in all asset classes worldwide for alignment with ICMA Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and the Climate Bonds Initiative Standards and criteria.

The Second Party Opinion issued by Kestrel Verifiers does not and is not intended to make any representation or give any assurance with respect to any other matter relating to the bonds. Designations by Kestrel Verifiers are not a recommendation to any person to purchase, hold, or sell the bonds and such labeling does not address the market price or suitability of these bonds for a particular investor and does not and is not in any way intended to address the likelihood of timely payment of interest or principal when due.

In issuing the Second Party Opinion, Kestrel Verifiers has assumed and relied upon the accuracy and completeness of the information made publicly available by the Agency or that was otherwise made available to Kestrel Verifiers.

Use of Proceeds Report

Upon the expenditure of the proceeds of the Series Bonds deposited in the 2022 Series C-D Acquisition Account, the Agency will prepare a report regarding the Program Loans backing the Program Securities financed with the proceeds of the Series Bonds consisting of the information set forth in Appendix M.

THE AGENCY

Purpose

The Agency was created in 1971 by the Act as a public body corporate and politic, constituting an agency of the State, in response to legislative findings that there existed in Minnesota a serious shortage of decent, safe, and sanitary housing at prices or rentals within the means of persons and families of low and moderate income, and that the then present patterns of providing housing in the State limited the ability of the private building industry and the investment industry to produce that housing without assistance and resulted in a failure to provide sufficient long-term mortgage financing for that housing.

Structure

Under the Act, the membership of the Agency consists of the State Auditor and six public members appointed by the Governor with the advice and consent of the Senate for terms of four years. Pursuant to the Act, each member continues to serve until a successor has been appointed and qualified. The Chair of the Agency is designated by the Governor from among the appointed public members. Pursuant to State law, the State Auditor may delegate duties and has delegated her duties as a member of the Agency in the event that the Auditor is unable to attend a meeting of the Agency.

The present members of the Agency, who serve without compensation (except for per diem allowance and expenses for members not otherwise compensated as public officers), are listed below.

John DeCramer, Chair — Term expires January 2024, Marshall, Minnesota – Magnetics Engineer

The Honorable *Julie Blaha — Ex officio*, St. Paul, Minnesota – State Auditor

Melanie Benjamin, Member — Term expires January 2025, Onamia, Minnesota – Consultant

Craig Klausing, Member — Term expires January 2023, Roseville, Minnesota – Attorney

Stephanie Klinzing, Member — Term expires January 2023, Elk River, Minnesota – Writer and Publisher

Stephen Spears, Member — Term expires January 2026, Plymouth, Minnesota – Banker

Terri Thao, Vice Chair — Term expires January 2024, St. Paul, Minnesota – Program Director

Staff

The staff of the Agency presently consists of approximately 265 persons, including professional staff members and contractors who have responsibilities in the fields of finance, law, mortgage underwriting, architecture, construction inspection and housing management. The Attorney General of the State provides certain legal services to the Agency.

The Commissioner is appointed by the Governor. The Act authorizes the Commissioner of the Agency to appoint the permanent and temporary employees as the Commissioner deems necessary subject to the approval of the Commissioner of Management and Budget.

The principal officers and staff related to the Program are as follows:

Jennifer Ho — Commissioner-Designee, appointed effective January 2019. When Governor Tim Walz took office on January 7, 2019, Ms. Ho was appointed Commissioner and has all of the powers and will perform all of the duties of the office. The appointment of Ms. Ho as Commissioner may be confirmed or rejected by the advice and consent of the state of Minnesota Senate. Prior to her appointment, Ms. Ho was the Senior Policy Advisor for Housing and Services at the U.S. Department of Housing and Urban Development during the Obama Administration. Prior to that, she served as deputy director at the United States Interagency Council on Homelessness (USICH), shepherding the creation of Opening Doors, the nation's first-ever comprehensive federal plan to prevent and end homelessness. Ms. Ho worked with former First Lady Michelle Obama to launch the Mayors Challenge to End Veteran Homelessness that resulted in reducing the number of veterans experiencing homelessness on any night by nearly half. In 1999, as Executive Director of Hearth Connection, a Minnesota non-profit, she began her work to end homelessness by managing a nationally-recognized demonstration project on supportive housing and long-term homelessness for single adults, youth and families in Ramsey and Blue Earth counties. Ms. Ho oversaw the replication of that project in 34 additional counties in partnership with the Fond du Lac, Bois Fort and Grand Portage Tribal Bands. She has served on the Boards of Directors for West Side Community Health Services in St. Paul, and nationally for the Corporation for Supportive Housing and the Melville Charitable Trust. Ms. Ho received a Bachelor of Arts Degree in philosophy from Bryn Mawr College.

Rachel Robinson — Deputy Commissioner, appointed effective March 2019. Prior to this position, Ms. Robinson was Fund Manager for the NOAH Impact Fund, a subsidiary of the Greater Minnesota Housing Fund, a certified Community Development Financial Institution, from 2016 to 2019, responsible for securing investment commitments, structuring transactions, developing investor and partner relations, and ensuring that social impact goals and compliance requirements were met. She has worked in affordable housing development and finance for over 15 years, including with CommonBond Communities from 2011 to 2015, where as Vice President she developed and led enterprise asset management systems, and as Senior Housing Development Manager from 2008 to 2011. Ms. Robinson was also Director of Property Development at Artspace Projects, Inc. from 2015 to 2016. She holds a Master's degree in Urban and Regional Planning from the University of Minnesota Humphrey School of Public Affairs and a Bachelor of Arts degree in Urban Studies from Macalester College, St. Paul, Minnesota.

Kevin Carpenter — Chief Financial Officer, appointed effective March 2016. In this position, Mr. Carpenter leads the finance and accounting teams of the Agency and provides strategic direction regarding the organization's financial resources. Prior to this position, Mr. Carpenter was the Chief Financial Officer at the City of Minneapolis from May 2011 to November 2015, and also had significant tenure in various senior financial and operating positions at RBC Capital Markets, LLC. He previously was an investment banker at RBC Capital Markets, LLC and at Lehman Brothers. Mr. Carpenter earned a Master's Degree in Business Administration from Harvard University Business School and a Bachelor of Arts degree in Government from Dartmouth College.

Debbi Larson — Director of Finance appointed effective December 2019. Ms. Larson was Controller and Director of Financial Operations for the Agency from August 2015 to December 2019. Prior to that position, she was Director of Finance and Information Technology for a subsidiary of Taylor Corporation and responsible for domestic and international locations and, prior to that, was the Chief Financial Officer for a division of the Minnesota Department of Corrections. Ms. Larson previously held various accounting positions of increasing responsibility. Ms. Larson holds a Bachelor of Science degree with a concentration in Accounting from the University of Phoenix, and an MMBA (accelerated MBA program) Executive Leadership certification from the University of St. Thomas.

Anne Smetak — General Counsel, appointed effective June 2020. Ms. Smetak has been a member of the Agency's legal team since April 2016 and served as Deputy General Counsel for the Agency from July 2019 to June 2020. Her experience prior to joining the Agency includes corporate litigation, affordable housing preservation as a legal services attorney, and clinical teaching roles at the Washington College of Law and The George Washington

University School of Law. Ms. Smetak earned a law degree and a Master of Laws degree from The George Washington University School of Law and holds a Bachelor of Arts degree in Political Science from Kenyon College.

Kayla Schuchman -- Assistant Commissioner, Single Family, appointed effective January 2022. Prior to Ms. Schuchman's appointment to this role she was the Housing Director for the City of Saint Paul, and prior to that worked as a Project Manager at CommonBond Communities. Her previous experience includes nine years with the Agency, including as Multifamily Programs Middle Manager from December 2014 to December 2016, Low Income Housing Tax Credit Program Manager and RFP Coordinator from 2012 to 2014 and Multifamily Housing Development Officer from 2007 to 2012. Prior to that, Ms. Schuchman held positions as a Senior Financial Analyst and Budget Analyst at Minneapolis Public Housing Authority. She holds a Master's degree in Public Policy from the University of Minnesota's Humphrey School and a Bachelor of Arts Degree in Economics from Macalester College, Saint Paul, Minnesota. Ms. Schuchman holds a Housing Development Finance Professional certification through the National Development Council, has served as a director on several nonprofit boards and was named a 40 under 40 by the Minneapolis/Saint Paul Business Journal in February 2021.

The Agency's offices are located at 400 Wabasha Street North, St. Paul, Minnesota 55102, and its general telephone number is (651) 296-7608. The Agency's Investor Relations Representative may be reached at the Agency's general telephone number. The Agency's website address is http://www.mnhousing.gov. No portion of the Agency's website is incorporated into this Official Statement.

Independent Auditors

The financial statements of the Agency as of and for the year ended June 30, 2021, included in this Official Statement as Appendix A-1, have been audited by RSM US LLP, independent auditors, as stated in their report appearing herein. RSM US LLP has not been engaged to perform, and has not performed, any procedures on the financial statements after June 30, 2021. RSM US LLP also has not performed any procedures relating to this Official Statement.

Financial Statements of the Agency

The Agency financial statements included in this Official Statement as Appendix A-1 as of and for the fiscal year ended June 30, 2021 are presented in combined "Agency-wide" form followed by "fund" financial statements presented for its major funds in order to comply with the requirements of Statement No. 34 of the Governmental Accounting Standards Board.

Information regarding the Minnesota State Retirement System ("MSRS"), to which the Agency contributes, is included in Appendix A-1 in the Notes to Financial Statements at pages 66 through 68 under the heading "Defined Benefit Pension Plan." The Agency's allocable portion of net pension liability reported at June 30, 2021 with respect to MSRS is $8.396 million. The Agency's total net pension liability and post-employment benefits liability is $10.189 million.

In Appendix A-2 to this Official Statement, the Agency has included certain unaudited financial statements of the Agency (excluding State Appropriated and Federal Appropriated Funds) as of and for the six months ended December 31, 2021. The Agency has prepared the information in Appendix A-2 and, in the opinion of the Agency, that information reflects all normal recurring adjustments and information necessary for a fair statement of the financial position and results of operations of the Agency (excluding State and Federal Appropriated Funds) for the period, subject to year-end adjustments. The information in Appendix A-2 is not accompanied by a statement from the independent auditors.

Disclosure Information

The Agency will covenant in a Continuing Disclosure Undertaking for the benefit of the Owners and Beneficial Owners (as defined in Appendix B hereto) of the Series Bonds to provide annually certain financial information and operating data relating to the Agency (the "Agency Annual Report") and to provide notices of the occurrence of certain enumerated events. (There is no other obligated person under the Continuing Disclosure Undertaking.) The Agency must file the Agency Annual Report no later than 120 days after the close of each fiscal year, commencing with the fiscal year ending June 30, 2022, with the Municipal Securities Rulemaking Board, at its EMMA internet repository. The Agency also must file notices of the occurrence of the enumerated events, if any, with EMMA. (See “Appendix B — Summary of Continuing Disclosure Undertaking.”)

During the prior five years, one disclosure report timely filed with EMMA was not timely linked to all outstanding CUSIPs for the associated Bonds of the Agency. The Agency timely filed the Agency Annual Report for its fiscal year ended June 30, 2019 with EMMA; however, that Agency Annual Report was not specifically linked to two CUSIPs for the Agency’s Residential Housing Finance Bonds, 2014 Series C, and three CUSIPs for the Agency’s Residential Housing Finance Bonds, 2014 Series E. The Agency posted that Annual Report to CUSIP 60416SHP8, the only one of the five omitted CUSIPs with respect to bonds still outstanding, on February 1, 2021.

The specific nature of the information to be contained in the Agency Annual Report or the notices of events, and the manner in which these materials are to be filed, are summarized in “Appendix B — Summary of Continuing Disclosure Undertaking.” The Agency has made these covenants to assist the Underwriters in complying with SEC Rule 15c2-12(b)(5) (the “Rule”).

In addition to the information required by the Continuing Disclosure Undertaking, the Agency also uses its best efforts to prepare a quarterly disclosure report for each of its single family bond resolutions (including the Bond Resolution) and a semiannual disclosure report for its rental housing bond resolution. Recent reports are available at the Agency’s website at http://www.mnhousing.gov/investors, but no information on the Agency’s website is incorporated into this Official Statement. The Agency is also committed to providing appropriate credit information as requested by any rating agency rating the Bonds at the Agency’s request.

Net Position Restricted By Covenant and Operations to Date—General Reserve; Alternative Loan Fund

In addition to its bond funds pledged to the payment of particular bonds by bond resolutions of the Agency, the Agency has also established certain other funds that it has restricted by covenant. Currently, the restricted funds are the General Reserve and the Alternative Loan Fund. The General Reserve contains the Housing Endowment Fund (also referred to as “Pool 1”) and the Agency’s net investment in capital assets. The Alternative Loan Fund, which is held under the Bond Resolution but is not pledged to pay the Bonds, comprises the Housing Investment Fund (also referred to as “Pool 2”) and the Housing Affordability Fund (also referred to as “Pool 3”). The net position of the General Reserve and the Alternative Loan Fund is not pledged to the payment of the Bonds or any other debt obligations of the Agency but, to the extent funds are available therein, are generally available to pay any debt obligations of the Agency, including the Bonds.

Subject to the restrictions in the Bond Resolution and its other bond resolutions, the Agency may withdraw excess assets from bond funds held thereunder. To the extent the Agency withdraws excess assets from bond funds, the Agency has pledged to deposit those excess assets in the General Reserve or the Alternative Loan Fund, except for any amounts as may be necessary to reimburse the State for money appropriated to restore a deficiency in any debt service reserve fund.

The Agency has further covenanted that it will use the money in the General Reserve and the Alternative Loan Fund only to administer and finance programs in accordance with the policy and purpose of the Act. This includes creating reserves for the payment of bonds and for loans made from the proceeds thereof, and accumulating and maintaining a balance of funds and investments as will be sufficient for that purpose. To ensure that assets available in the General Reserve and the Alternative Loan Fund provide security for the Agency’s bondowners as covenanted in the bond resolutions, the Agency has established investment guidelines for Pools 1 and 2. The investment guidelines are subject to change by the Agency from time to time in its discretion.

Under the net position requirements and investment guidelines effective January 23, 2014, the required size of Pool 1 (which is intended to be a liquidity reserve) is 1 percent of gross loans receivable (excluding mortgage-backed securities, appropriated loans and loans credited to Pool 3) and the required size of Pool 2 is an amount that would cause the combined net position (exclusive of unrealized gains and losses resulting from marking to market investment securities, including mortgage-backed securities, and swaps entered into by the Agency for which the unrealized loss or gain will not be realized if the security or swap is held to maturity or its optional termination date; and realized gains and losses resulting from the purchase and sale of investment securities between Agency funds) in the General Reserve, in Pool 2, and in the funds pledged under bond resolutions to be at least equal to the combined net position of the same funds as of the immediately preceding fiscal year end. Currently, this amount is $868.730 million, representing the combined net position of these funds so calculated as of June 30, 2021. Pool 2 is intended to comprise amortizing interest-bearing housing loans or investment grade securities. Pool 1 and Pool 2 represent, with assets pledged to pay bonds of the Agency, the sustainable lending operations of the Agency. Pool 3 represents the more mission-intensive operations of the Agency and is intended to comprise deferred, zero percent and low interest-rate loans and grants and, for unapplied funds, investment grade securities. Pool 3 is not subject to the investment guidelines. Loan activity related to loans financed by funds in Pool 2 and Pool 3 is recorded as part of the Alternative Loan Fund. The Agency approves all interfund transfers. A further discussion of Pools 1, 2 and 3 and the amounts credited thereto as of June 30, 2021 appears in the Notes to Financial Statements of the Agency included in Appendix A-1 to this Official Statement at pages 64 and 65 under the heading "Net Position — Restricted by Covenant."

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The following summary indicates the revenues earned, the expenses paid, and funds transferred to and from the General Reserve (which contains Pool 1 and net investment in capital assets), for the two most recent audited fiscal years of the Agency and for the six-month period ended December 31, 2021 (unaudited) (in thousands):

	Six months Ended December 31, 2021 (unaudited)	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020
Revenues			
Fees earned and other income[1]	$ 5,514	$12,676	$12,971
Interest earned on investments	55	212	590
Unrealized gain (loss) on investments	--	--	-
Administrative reimbursement[2], [3]	15,529	33,144	31,336
Total revenues	21,098	46,032	44,897
Expenses			
Salaries and benefits	16,267	32,501	30,283
Other general operating expenses	1,676	7,424	6,900
Total expenses	17,943	39,925	37,183
Revenues over expenses	3,155	6,107	7,714
Non-operating transfer of assets between funds[4]	(3,801)	(8,363)	(9,876)
Change in net position	(646)	(2,256)	(2,162)
Net position beginning of period	10,051	12,307	14,469
Net position end of period	$9,405	$10,051	$12,307

(1) Fees earned consist primarily of fees collected in conjunction with the administration of the low income housing tax credit program and HUD contract administration of certain non-Agency financed Section 8 developments.

(2) The Agency transfers bond funds to the General Reserve for administrative reimbursement in accordance with the Agency's Affordable Housing Plan based on the adjusted assets of the bond funds. Adjusted assets are defined generally as total assets (excluding the reserve for loan loss), unrealized gains or losses on investments (including mortgage-backed securities and interest rate swap agreements), deferred loss on interest rate swap agreements and assets relating to escrowed debt.

(3) Reimbursement from appropriated accounts consists of the portion of direct and indirect costs of administering the programs funded by the appropriations. The Agency recovers costs associated with administering State appropriations only to the extent of interest earnings on the appropriations. Costs associated with administering federal appropriations generally are recovered from the appropriations.

(4) The Agency may transfer excess assets from bond funds to the General Reserve to the extent permitted by the resolution or indenture securing bonds of the Agency. In addition, the Agency may transfer funds in excess of the requirement for Pool 1 from the General Reserve to the Alternative Loan Fund. See the comments under the headings "Interfund Transfers" and "Net Position Restricted by Covenant" in the Notes to Financial Statements of the Agency in Appendix A-1 to this Official Statement for additional information.

State Appropriations

Over the years, the State Legislature has appropriated funds to the Agency to be used for low interest loans, grants, programs for low and moderate income persons and families and other housing related program costs. The Agency generally does not pay its general or administrative expenses from appropriated funds, although it can recover its allocable costs of administering State appropriations from investment earnings thereon. The State Legislature has appropriated funds to the Agency for its programs in every biennium since 1975. The Agency has expended or committed most of the appropriations.

Over the biennial periods ended June 30, 2015, 2017, 2019 and 2021, the total appropriations to the Agency aggregated approximately $436.5 million. For the biennium ending June 30, 2023, the Legislature has appropriated approximately $125.6 million to the Agency.

The appropriations are not available to pay debt service on the Bonds.

Agency Indebtedness

The principal amount of bonds and notes of the Agency that are outstanding at any time (excluding the principal amount of any refunded bonds and notes) is limited to $5,000,000,000 by State statute. The following table lists the principal amounts of general obligation indebtedness of the Agency outstanding as of January 31, 2022:

	Number of Series*	Final Maturity	Original Principal Amount* (in thousands)	Principal Amount Outstanding (in thousands)
Rental Housing Bonds	8	2049	$ 42,290	$ 41,235
Residential Housing Finance Bonds	58	2052	3,255,165	1,856,220
Homeownership Finance Bonds	58	2051	2,624,572	1,191,873
Multifamily Housing Bonds (Treasury HFA Initiative)	1	2051	15,000	12,860
Totals	125		$5,937,027	$3,102,188

*Does not include series of bonds or the original principal amount of any bonds that had been, as of January 31, 2022, defeased or paid in full, whether at maturity or earlier redemption.

The payment of principal of and interest on general obligations of the Agency as shown above may be made, if necessary, from the General Reserve or the Alternative Loan Fund. (See "Net Position Restricted By Covenant and Operations to Date—General Reserve; Alternative Loan Fund" above.)

The Agency has entered into liquidity facilities and interest rate swap agreements in respect of its outstanding Bonds that bear interest at a variable rate and are subject to optional and mandatory tender. Certain information related to those liquidity facilities is included in Appendix H – Certain Information Relating to Liquidity Facilities for Bonds Outstanding and certain other information related to variable rate bonds and swap agreements is included in the notes to the audited financial statements contained in Appendix A-1 to this Official Statement and in the unaudited financial statements contained in Appendix A-2 to this Official Statement. The Agency does not make any representation as to the creditworthiness of any provider or counterparty on facilities and agreements relating to its variable rate bonds.

Certain of the swap agreements obligate the Agency to make periodic fixed rate payments and entitle the Agency to receive periodic payments based on the United States dollar-denominated London Interbank Offered Rate ("USD LIBOR"). In 2017, the Financial Conduct Authority, a United Kingdom regulatory body which supervises USD LIBOR's administrator, stated that it would not attempt to persuade or compel panel banks that currently submit interest rate information used in the setting of USD LIBOR rates to continue to do so after December 31, 2021. The Federal Reserve System and the Federal Reserve Bank of New York (the "NY Fed") convened its Alternative Reference Rate Committee ("ARRC") in 2014, consisting of public and private United States capital market participants, to identify alternative reference rates as an alternative to USD LIBOR, identify best practices for contract robustness in the interest rate market, and create an implementation plan to support an orderly adoption of new references rates. In 2017, the ARRC identified the secured overnight financing rate ("SOFR"), which the NY Fed publishes, as the rate that represents best practice for use in certain new U.S. dollar derivatives and other financial contracts. Likewise, the International Swaps and Derivatives Association's ("ISDA") working group chose SOFR as its replacement for USD LIBOR, and ISDA has released its IBOR Fallbacks Supplement which amends the 2006

ISDA Definitions (applicable to trades occurring on and after January 25, 2021), as well as its IBOR Fallbacks Protocol, which allows contract participants to amend existing contracts to include the new fallback provision. Each of the NY Fed and ISDA has made certain information concerning their respective activities relating to USD LIBOR and alternative reference rates on their respective websites. The Financial Conduct Authority has indicated that USD LIBOR will continue to be available through June 30, 2023, at which time these amendments are expected to become effective and SOFR will replace USD LIBOR. There can be no assurance as to the timing or outcome of these and other USD LIBOR-related regulatory developments, or as to the effects of market reaction to such developments. Further regulatory developments, or the official cessation of USD LIBOR publication, might affect the determination of certain scheduled and, if applicable, termination payment obligations upon those derivatives agreements. The Agency continues to monitor the USD LIBOR-related developments and anticipates it will adhere to the IBOR Fallbacks Protocol or enter into substantially similar agreements directly with its swap providers. In addition, the Agency may seek additional amendments to its other agreements which still use USD LIBOR.

In 2009, the Agency issued $13,270,000 in aggregate principal amount of its Nonprofit Housing Bonds (State Appropriation), Series 2009, to finance permanent supportive housing in two different multifamily housing developments. In 2011, the Agency issued $21,750,000 in aggregate principal amount of its Nonprofit Housing Bonds (State Appropriation), Series 2011, to finance permanent supportive housing in five additional multifamily housing developments. Both series of bonds were issued under a separate indenture of trust, are not general obligations of the Agency and are not payable from any funds or assets of the Agency other than the appropriations the Agency expects to receive from the State General Fund pursuant to a standing appropriation made by the Legislature in 2008.

From time to time, beginning in 2012, the Legislature has authorized the Agency to issue housing infrastructure bonds (the “Housing Infrastructure Bonds”) for various purposes payable, like the Nonprofit Housing Bonds, solely from a standing appropriation from the State General Fund and not from any other funds or assets of the Agency. The aggregate principal amount of Housing Infrastructure Bonds that the Agency may issue is $515,000,000. The Agency has issued 27 series of its State Appropriation Bonds (Housing Infrastructure) in 2013 through 2021 in an aggregate principal amount of $367,300,000 under a separate indenture of trust.

On December 23, 2021, the Agency issued its Third Amended and Restated Bank Note (the “Amended Bank Note”) to Royal Bank of Canada (the “Bank”), pursuant to a Revolving Credit Agreement dated as of June 1, 2018, as amended by a First Amendment to Revolving Credit Agreement dated as of October 28, 2019, a Second Amendment to Revolving Credit Agreement dated as of November 22, 2019, a Third Amendment to Revolving Credit Agreement dated as of November 12, 2020, a Fourth Amendment to Revolving Credit Agreement dated as of February 25, 2021, and a Fifth Amendment to Revolving Credit Agreement dated as of December 23, 2021 (the “Amended Revolving Credit Agreement”), and as further amended from time to time, for the purpose of preserving current private activity bond volume cap by refunding the maturing principal or redemption price, as the case may be, of portions of Bonds and Homeownership Finance Bonds previously issued by the Agency (collectively, the “Single Family Housing Bonds”). Upon the refunding of Single Family Housing Bonds with amounts advanced to the Agency pursuant to the Amended Revolving Credit Agreement as evidenced by the Amended Bank Note, funds representing prepayments and repayments of mortgage loans financed with Single Family Housing Bonds, and other amounts available under the applicable bond resolution for the payment of those Single Family Housing Bonds, will be deposited into a cash collateral fund established under a separate amended and restated indenture of trust, as amended (the “2018 Revolving Credit Indenture”), between the Agency and Computershare Trust Company, National Association, as successor trustee, as security for the repayment of the principal amount of the Amended Bank Note that has been advanced to the Agency. The Bank agrees to make advances until December 31, 2022, a later date if extended by the Bank or an earlier date upon an event of default or a termination pursuant to the terms of the Amended Revolving Credit Agreement or if the Agency elects an earlier termination. The amount of the advances outstanding and not repaid with respect to the Amended Bank Note bear interest at a variable interest rate equal to the forward looking Term SOFR Reference Rate for the following one month interest period plus a spread (currently 0.35%) and may not exceed $150,000,000 at any time, and the cumulative amount of the advances made may not exceed $1,700,000,000. The obligation of the Agency to pay the interest on, but not the principal of, the Amended Bank Note is a general obligation of the Agency. A portion of the proceeds of the Series Bonds will be used to repay a portion of the Amended Bank Note and the equivalent amount released from the cash collateral fund under the 2018 Revolving Credit Indenture will be deposited in the 2022 Series C-D subaccount in the Acquisition Account. The Agency has requested advances in the aggregate principal amount of $[943,718,081], $[25,433,264] of which will be outstanding on March 1, 2022.

Agency Continuity of Operations Plan

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

Cybersecurity

The Agency relies on a complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, the Agency faces multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware, phishing, business email compromise, and other attacks on computers and other sensitive digital networks, systems, and assets. Housing finance agencies and other public finance entities have been targeted by outside third parties, including technologically 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 the Agency, could also be a source of security risk in the event of a failure of their own security systems and infrastructure.

The Agency uses a layered approach that employs sound operational strategies and security technology solutions to secure against, detect, and mitigate the effects of cyber threats on its infrastructure and information assets. The Agency conducts regular information security and privacy awareness training that is mandatory for all Agency staff. The Agency's Business Technology Support group has management responsibility for all information technology and leads the efforts of the Agency to keep its cyber assets secure. The Agency's Business Technology Support group and contracted services from the Office of MN.IT Services, an agency of the executive branch of the State, regularly conduct risk assessments, audits and tests of the Agency's cybersecurity systems and infrastructure.

Despite its efforts, no assurances can be given that the Agency's security and operational control measures will be successful in guarding against any and each cyber threat and attack, especially because the techniques used by perpetrators are increasingly sophisticated, change frequently, are complex, and are often not recognized until launched. To date, cyber attacks have not had a material impact on the Agency's financial condition, results or business; however, the Agency is not able to predict future attacks or their severity. The results of any attack on the Agency's computer and information technology systems could impact its operations for an unknown period of time, damage the Agency's digital networks and systems, and damage the Agency's reputation, financial performance, and customer or vendor relationships. Such an attack also could 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 the Agency's reputation and relationships could adversely affect the Agency's ability to conduct its programs and operations in the future.

COVID-19 Economic Disruption

The global outbreak of COVID-19, a respiratory disease declared to be a pandemic (the "Pandemic") by the World Health Organization in March 2020, was declared an emergency by federal and state governments. Since the start of the Pandemic, Presidential administrations, Congress, the Federal Reserve, HUD/FHA (including GNMA), the Federal Housing Finance Agency (including Fannie Mae and Freddie Mac), USDA Rural Development, the VA, the Centers for Disease Control, and the Consumer Financial Protection Bureau, along with the State, have enacted legislation and/or issued orders or directives (collectively, “Governmental Actions”) to alleviate the effects of the Pandemic on homeowners, renters, landlords, servicers and lenders. Governmental Actions have included loan forbearance directives, moratoriums on foreclosures and/or evictions, loan modification directives, loan servicing assistance, rental assistance, and homeownership loan assistance. Some legislation and/or orders have been extended and/or modified, while others have expired or been enjoined. While it is generally expected that new legislation may be enacted, new orders may be issued, and existing and new orders may be extended, modified, contested, or allowed to expire, no guarantee can be made with regards to the duration and/or effectiveness of any such legislation or orders.

From April 1, 2020 to February 22, 2022, the Agency granted forbearance approvals for [504] Program Loans that are not pooled into Program Securities in an aggregate principal amount of approximately $[43.1] million, which is [12.5] percent of the principal amount of all Program Loans not pooled into Program Securities held under the Bond Resolution as of March 31, 2020, and paused foreclosure actions on occupied single-family residences with respect to [36] Program Loans not pooled into Program Securities in an aggregate principal amount of approximately $[3] million, which is [0.8] percent of the principal amount of all Program Loans not pooled into Program Securities held under the Bond Resolution as of that date. As of February 22, 2022, [44] of those Program Loans in an aggregate principal amount of approximately $[3.7] million, which is [1.1] percent of the principal amount of all Program Loans not pooled into Program Securities held under the Bond Resolution as of March 31, 2020, were still in forbearance. Of the [460] Program Loans with an aggregate principal amount of approximately $[39.4] million no longer in forbearance, approximately [18.2] percent in aggregate principal amount of those Program Loans have had missed payments deferred until maturity, approximately[9.4] percent have had missed payments subordinated as a junior lien payable to HUD, approximately [22.1] percent have had payments modified, approximately [43.4] percent have either not missed any payments or have had missed payments repaid and the remaining approximately [6.9] percent may be eligible for loss mitigation but no specific option has yet been identified. As of December 31, 2021, Program Loans not pooled into Program Securities, including DPA Loans, comprised approximately 12.9 percent of the combined Program Loans and Program Securities pledged to the payment of Bonds under the Bond Resolution. (See “The Residential Housing Finance Program – Mortgage Loan Portfolio and Acquired Program Securities.”) The Agency expects to receive and approve additional forbearance requests relating to Program Loans during the Pandemic. The Agency also provides loans under its multifamily rental housing program, many of which are covered by the relief provisions of certain Government Actions. The Agency’s loans provided under its home improvement program and its monthly payment loan program, as well as some loans for single family housing that are not pledged as security for any debt of the Agency, are not affected by the relief provisions of the Government Actions. However, the Agency has granted and may choose to grant forbearance approvals for certain of these loans during the Pandemic. (See “Other Programs” and “Other Programs — Monthly Payment Loans.”)

On March 13, 2020, the Governor of the State declared a peacetime emergency with respect to the Pandemic. Through various executive orders, which have the force and effect of law during a peacetime emergency, the Governor directed various protective measures in response to the Pandemic, including the suspension of evictions and lease terminations. The peacetime emergency ended on July 1, 2021 and all executive orders made pursuant to the peacetime emergency have expired. However, legislation was enacted effective June 30, 2021 gradually phasing out eviction protections during the period that ended October 12, 2021. While those protections have expired, certain tenants who are eligible for, have applied for, but have not yet received, federal emergency rental assistance payments will have eviction protection through June 1, 2022.

During the peacetime emergency, an executive order of the Governor designated the operation of the Agency as a critical service and Agency personnel, though almost exclusively teleworking, continued all operations in order to provide the Agency’s programs (see “Agency Continuity of Operations Plan” above). The Agency plans to re-open its offices with a portion of its personnel returning to the workplace in 2022. At this time the Agency cannot predict (i) the duration or extent of the Pandemic; (ii) the duration or expansion of any foreclosure or eviction moratorium affecting the Agency’s ability to foreclose and collect on delinquent mortgage loans; (iii) the number of mortgage loans that will be in forbearance or default as a result of the Pandemic and subsequent federal, state and local responses thereto, including the Government Actions; (iv) whether and to what extent the Pandemic may disrupt the local or global economy, real estate markets, manufacturing, or supply chain, or whether any of those types of disruption may adversely impact the Agency or its operations; (v) whether or to what extent the Agency or other government agencies may provide additional deferrals, forbearances, adjustments, or other changes to payments on mortgage loans; or (vi) the effect of the Pandemic on the State budget, or whether any such effect may adversely impact the Agency or its programs. The Agency continues to monitor and assess the impact of the Pandemic on its programs, operations and financial position, including its ability to continue to finance the purchase of Program Securities. However, the continuation of the Pandemic and the resulting containment and mitigation efforts could have a material adverse effect on the Agency's programs, operations and finances.

Single Family Mortgage Production Funding Considerations

As a state housing finance agency, the Agency relies on municipal bond markets operating efficiently to fund its Program. While these markets did not perform well, based on historical market relationships, the Agency could not fully realize the benefit of tax-exempt bond financing using traditional bond structures to finance single family mortgage loans at competitive interest rates. The Agency successfully combined traditional bond structures with economic refunding bonds and bonds secured by excess collateral under the Bond Resolution, and bonds structured with monthly principal pass-through payments from an identified portfolio of GNMA Securities, Fannie Mae Securities and Freddie Mac Securities under the Homeownership Finance Bond Resolution, to fund single family mortgage production by purchasing Program Securities.

In addition to funding its single family mortgage production by issuing bonds, the Agency from time to time sells Program Securities in the secondary market, including selling Program Securities and later repurchasing an interest-only strip in those Program Securities. Since 2009 the Agency has sold approximately $[1.588] billion of Program Securities, including Program Securities sold with the later repurchase of an interest-only strip, in the open market as of February 22, 2022, $[370] million of which would have been eligible to be financed with tax-exempt bonds. In 2013, the Agency also issued and sold three series of its Home Ownership Mortgage-Backed Exempt Securities Certificates in the aggregate principal amount of $32.5 million, each of which is a special, limited obligation of the Agency payable from, and secured solely by, all principal and interest payments made on a single Program Security. Based on market conditions and the availability of economic refunding opportunities, the Agency determines whether to issue Additional Bonds under the Bond Resolution or under its Homeownership Finance Bond Resolution or to sell Program Securities in the secondary market.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds related to the Series Bonds are as follows:

Sources

Principal amount of Series Bonds	
Original issue premium	
Agency funds	
Total Sources of Funds	

Uses

Deposit to 2022 Series C-D Acquisition Account	
Deposit to Costs of Issuance Account	
Underwriters' Compensation	
Total Uses of Funds	

Based on the Program Securities that the Agency has purchased and expects to purchase from its own funds, the Agency expects to apply and disburse approximately $_____ million* of proceeds of the Series Bonds deposited in the 2022 Series C-D Acquisition Account to purchase Program Securities backed by Program Loans with a principal

* Preliminary; subject to change.

amount of approximately $___ million,* which Program Securities are estimated to have pass-through interest rates ranging from [2.50 percent* to 3.00] percent,* on or before ________, 2022. Any Program Securities purchased from the Agency will be credited to the 2022 Series C-D Acquisition Account and pledged to the payment of Outstanding Bonds. (See "The Residential Housing Finance Program – Reimbursement of Advances of Agency Funds from Proceeds of Series Bonds.")

THE SERIES BONDS

General

The 2022 Series C Bonds will be fully registered bonds issued in the denominations of $5,000 or any integral multiple thereof of single maturities. The 2022 Series D Bonds will be fully registered bonds issued in the denominations of $100,000 or any integral multiple of $5,000 in excess thereof. The Series Bonds of each Series will initially be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for each Series of the Series Bonds. Computershare Trust Company, National Association, Minneapolis, Minnesota, serves as successor Trustee under the Bond Resolution. (See "Trustee.") Interest on the Series Bonds will be paid by moneys wired by the Trustee to DTC, or its nominee, as registered owner of the Series Bonds, which interest is to be redistributed by DTC. Principal of the Series Bonds will be paid at maturity or earlier redemption upon surrender at the principal corporate trust office of the Trustee. (See "Appendix E — Book-Entry-Only System.")

For every exchange or transfer of Series Bonds, whether temporary or definitive, the Agency or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to that exchange or transfer. The Series Bonds mature on the dates and in the amounts set forth on the inside front cover hereof, subject to prior redemption and tender as hereinafter described.

Interest on the 2022 Series C Bonds

Interest on the 2022 Series C Bonds will be paid semiannually on January 1 and July 1 of each year, commencing July 1, 2022,* and, in respect of any 2022 Series C Bond then to be redeemed, on any redemption date. The 2022 Series C Bonds will bear interest from their dated date, at the respective annual rates set forth on the inside front cover hereof until payment of the principal of or redemption price on those 2022 Series C Bonds. Interest on the 2022 Series C Bonds will be computed on the basis of a 360-day year composed of twelve 30-day months and will be paid to the Owners of record in the bond registration books maintained by the Trustee as of the 15th day of the month preceding the regularly scheduled interest payment date, whether or not a business day (the "Record Date" for the 2022 Series C Bonds).

Interest on the 2022 Series D Bonds

The 2022 Series D Bonds will bear interest from their dated date and will be dated as of the date of their authentication and delivery. The Record Date for 2022 Series D Bonds in the Weekly Mode (described below) is the last Business Day preceding each Interest Payment Date.

Weekly Mode. Interest on the 2022 Series D Bonds in a Weekly Mode will accrue from their date of delivery and will be payable in arrears, on the basis of a 365/366-day year for the number of days actually elapsed. Interest is payable on January 1 and July 1 of each year, commencing July 1, 2022,* and on any redemption date or Conversion Date; for the initial Interest Payment Date, from the date of delivery of the 2022 Series D Bonds, and for subsequent Interest Payment Dates, from the preceding Interest Payment Date (i.e., January 1 or July 1), to, but not including, that Interest Payment Date.

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* Preliminary; subject to change.

The 2022 Series D Bonds will bear interest on the date of delivery at the rate set forth in a certificate delivered by the Remarketing Agent on the date of delivery of the 2022 Series D Bonds. Thereafter, the 2022 Series D Bonds in the Weekly Mode (other than Bank Bonds) will bear interest at the Weekly Rate that will take effect each Thursday, beginning March 17, 2022,* (the "Effective Rate Date") following a Rate Determination Date and remain in effect until the day before the next Effective Rate Date. The Weekly Rate will be determined by the Remarketing Agent by 4:00 p.m. New York time on the first Business Day preceding the applicable Effective Rate Date (each a "Rate Determination Date"). In no event will the 2022 Series D Bonds (other than Bank Bonds) bear interest at an annual rate in excess of the lesser of 12 percent or the maximum rate permitted by law (the "Maximum Rate").

The Weekly Rate applicable to the 2022 Series D Bonds will be the rate that, in the determination of the Remarketing Agent, would result as nearly as practicable in the market value of the 2022 Series D Bonds on the Effective Rate Date (without taking into account accrued interest thereon) being 100 percent of the principal amount thereof. In determining the Weekly Rate for any 2022 Series D Bonds, the Remarketing Agent will take into account to the extent applicable (1) market interest rates for comparable securities held by open-end municipal bond funds or other institutional or private investors with substantial portfolios (a) with interest rate adjustment periods and demand purchase options substantially identical to those 2022 Series D Bonds, (b) bearing interest at a variable rate intended to maintain par value, and (c) rated by a national credit rating agency in the same category as those 2022 Series D Bonds; (2) other financial market rates and indices that may have a bearing on the Weekly Rate (including, but not limited to, rates borne by commercial paper, Treasury Bills, commercial bank prime rates, certificate of deposit rates, federal fund rates, the SOFR Index, indices maintained by *The Bond Buyer*, and other publicly available interest rate indices); (3) general financial market conditions; and (4) factors particular to the Agency and the 2022 Series D Bonds.

The determination by the Remarketing Agent of the Weekly Rate to be borne by any 2022 Series D Bonds (other than Bank Bonds) will be conclusive and binding on the Owners of those 2022 Series D Bonds. If the Remarketing Agent or the Trustee fails to give any notice required under the 2022 Series D Resolution, or there is any defect in a notice, it will not affect the interest rate on any 2022 Series D Bonds or the rights of the Owners thereof.

If for any reason the position of Remarketing Agent is vacant or a Remarketing Agent fails to establish the interest rate, the 2022 Series D Bonds (other than Bank Bonds) will automatically bear interest in a Weekly Mode with the interest rate reset on a weekly basis at the lesser of (i) the SOFR Index plus 0.60 percent or (ii) the Maximum Rate.

Mode and Interest Rate Changes. The Agency may elect (1) to change the intervals at which the interest rate is calculated with respect to all or part of the 2022 Series D Bonds (each change is a "Mode Change" with respect to the 2022 Series D Bonds to which that Mode Change applies, and the date on which each Mode Change is effective is a "Mode Change Date"), (2) to change all or part of the 2022 Series D Bonds to become variable rate bonds not required to be covered by a Liquidity Facility (each change an "Unenhanced Variable Rate Change" with respect to the 2022 Series D Bonds to which it applies, and the date of each change an "Unenhanced Variable Rate Change Date"), (3) to change all or a portion of the 2022 Series D Bonds to become FRNs or (4) to convert all or part of the 2022 Series D Bonds to bear interest at fixed rates to their maturity or to bear interest at an index rate (with respect to the 2022 Series D Bonds to which that conversion applies, a "Conversion," and the date on which that a Conversion is effective a "Conversion Date"). The Agency is to provide notice of a Mode Change, an Unenhanced Variable Rate Change or a Conversion to the Remarketing Agent, the Trustee, the Liquidity Provider, and the Tender Agent not less than 20 days before the applicable Mode Change Date, Unenhanced Variable Rate Change Date or Conversion Date. The Trustee is to provide notice of a Mode Change, an Unenhanced Variable Rate Change or a Conversion to DTC not less than 15 days before the applicable Mode Change Date, Unenhanced Variable Rate Change Date or Conversion Date. On each Mode Change Date, Unenhanced Variable Rate Change Date or Conversion Date, the 2022 Series D Bonds to which that Mode Change, Unenhanced Variable Rate Change or Conversion applies will be subject to mandatory tender for purchase. **This Official Statement does not describe the 2022 Series D Bonds in any Mode other than a Weekly Mode or while an Alternate Liquidity Facility is in effect**.

For additional information with respect to the 2022 Series D Bonds, see also "Optional Redemption of 2022 Series D Bonds" below, "Appendix J – Certain Definitions With Respect to the 2022 Series D Bonds" and "Appendix K – Summary of Certain Provisions of and Relating to the Standby Bond Purchase Agreement."

Swap Agreement. The Agency expects to enter into an interest rate swap agreement (the "Swap Agreement") with Bank of New York Mellon (the "Swap Counterparty") effective on the anticipated date of issuance of the 2022 Series D Bonds. The purpose of the Swap Agreement is to place a portion of the aggregate net obligation of the Agency with respect to the 2022 Series D Bonds on an approximately fixed-rate basis. Payments made to the Swap Counterparty by the Agency under the Swap Agreement are to be made semiannually on the basis of a notional principal amount, initially $_____, and the relationship between an agreed-upon fixed rate and a variable rate calculated by reference to the SOFR Index. Payments the Agency makes to the Swap Counterparty, including any applicable termination amount referenced below, will be paid from Revenues on deposit in the Revenue Fund under the Bond Resolution on a basis subordinate to the payment of the interest on and principal of the Bonds and the funding of the Debt Service Reserve Fund and the Insurance Reserve Fund. Payments the Swap Counterparty makes to the Agency under the Swap Agreement (which would result if the variable rate payable by the Swap Counterparty under the Swap Agreement exceeds the fixed interest rate payable by the Agency under the Swap Agreement) are pledged as Revenues under the Resolutions. Unless earlier terminated in whole (in which case a termination amount may be payable by one party to the other party), the Swap Agreement will expire on _____ 1, ___.*

Sinking Fund Redemption

The Agency is required to redeem the 2022 Series C Bonds with a stated maturity of 1, * in part on 1, * and on each July 1 and January 1 thereafter to and including 1, * at the principal amount thereof to be redeemed plus accrued interest thereon, without premium, on the dates and in the principal amounts as follows:

Date*	Principal Amount*	Date*	Principal Amount*

The Agency is required to redeem the 2022 Series C Bonds with a stated maturity of July 1, * in part on 1, * and on each July 1 and January 1 thereafter to and including 1, * at the principal amount thereof to be redeemed plus accrued interest thereon, without premium, on the dates and in the principal amounts as follows:

Date*	Principal Amount*	Date*	Principal Amount*

* Preliminary; subject to change.

The Agency is required to redeem the 2022 Series C Bonds with a stated maturity of 1, [*] in part on 1, [*] and 1, [*] at the principal amount thereof to be redeemed plus accrued interest thereon, without premium, on the dates and in the principal amounts as follows:

Date[*]	Principal Amount[*]	Date[*]	Principal Amount[*]

The Agency is required to redeem the 2022 Series C Bonds with a stated maturity of 1, [*] (the "PAC Term Bonds") in part on 1, [*] and on each January 1 and July 1 thereafter to and including 1, [*] at the principal amount thereof to be redeemed plus accrued interest thereon, without premium, on the dates and in the principal amounts as follows:

Date[*]	Principal Amount[*]	Date[*]	Principal Amount[*]

The Agency is required to redeem the 2022 Series D Bonds with a stated maturity of 1, in part on 1, [*] and on each July 1 and January 1 thereafter to and including 1, [*] at the principal amount thereof to be redeemed plus accrued interest thereon, without premium, on the dates and in the principal amounts as follows:

Date[*]	Principal Amount[*]	Date[*]	Principal Amount[*]

Upon redemption of Series Bonds of a Series and maturity for which sinking fund installments have been established or any purchase and cancellation in lieu of redemption, the principal amount of that Series and maturity of the Series Bonds redeemed or purchased may be credited toward one or more sinking fund installments for that Series and maturity thereafter coming due in the manner the Agency specifies. The portion of any sinking fund installment remaining after the deductions credited to those payments is the unsatisfied balance of that sinking fund installment with respect to that Series and maturity of the Series Bonds for the purpose of calculating the payment due on or scheduled for a future date.

[*] Preliminary; subject to change.

Special Redemption

Unexpended Proceeds. At its option, the Agency may redeem the Series Bonds prior to maturity, at any time, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest to the redemption date, without premium, (except that any PAC Term Bonds are to be redeemed at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest, plus the unamortized premium thereon as the Agency determines by straight-line amortization of the original issue premium set forth on the inside front cover of this Official Statement between the date of issue and ___ 1, ___* (as of which date the premium would reduce to $0)) from moneys representing Series Bond proceeds not used to purchase Program Securities and transferred to the Bond Redemption Fund from the 2022 Series C-D Acquisition Account and any allocable amounts held in the Debt Service Reserve Fund. In the event the Agency determines to redeem any Series Bonds from unexpended proceeds, the Agency will select the Series, maturities and amounts of the Series Bonds to be redeemed and the Trustee will select the Series Bonds at random within each Series and maturity.

If the Agency has not expended all proceeds of the Series Bonds credited to the 2022 Series C-D Acquisition Account and the Delivery Period has not been extended (see "The Residential Housing Finance Program—Acquisition of Program Securities"), then the Agency must redeem the Series Bonds from those unexpended proceeds upon the expiration of the Delivery Period at the redemption price specified above.

Based on the Program Securities that the Agency has purchased and expects to purchase from its own funds, the Agency expects to apply and disburse all of the proceeds of the Series Bonds credited to the 2022 Series C-D Acquisition Account to purchase Program Securities with a principal amount of approximately $___ million,* on or before ______, 2022. (See "The Residential Housing Finance Program – Reimbursement of Advances of Agency Funds from Proceeds of Series Bonds" for information with respect to anticipated Agency purchases of Program Securities as of _______, 2022.)

Excess Revenues. In the Agency's discretion and subject to the requirements of the Resolutions, the Agency may apply moneys on deposit in the Revenue Fund attributable to Excess Revenues to redeem Outstanding Bonds under the Bond Resolution (including the Series Bonds, but with respect to the PAC Term Bonds not in excess of the maximum cumulative redemption amounts shown below), at any time; subject, however, to any provisions to the contrary in any Series Resolution relating to a Series of Bonds. The redemption price of redeemed Bonds will be the principal amount of those Bonds plus accrued interest thereon, without premium. The Agency will select the Series, maturities and sinking fund installments of the Bonds to be redeemed.

As used herein, "Excess Revenues" means the Revenues, including prepayments (except as described below under "Repayments and Prepayments"), on deposit in the Revenue Fund received in excess of (i) the maturing principal and sinking fund installments and any required mandatory redemptions, together with interest from time to time payable, on Bonds Outstanding under the Bond Resolution, (ii) amounts needed to maintain the Debt Service Reserve Fund and the Insurance Reserve Fund at their respective Requirements, and (iii) amounts required by the Agency to pay fees and other costs in connection with the Bonds associated with maintaining the Program, including amounts to be paid under swap agreements, liquidity facilities, remarketing agreements and other similar instruments.

10-Year Rule Requirements. To comply with certain provisions of federal tax law, the Agency must apply all available prepayments and regularly scheduled repayments of mortgage principal from the Program Securities allocable to the 2022 Series C Bonds and (i) with respect to proceeds of the 2022 Series C Bonds allocated to the refunding of outstanding bonds of the Agency, received 10 years after the original issue date of the bonds refunded, or (ii) with respect to the remaining proceeds of the 2022 Series C Bonds, received 10 years or more after the issue date of the 2022 Series C Bonds (collectively, the "Tax-Restricted Receipts"), to pay at maturity or redeem 2022 Series C Bonds. This redemption must occur no later than the close of the first semiannual period beginning after the date of receipt, but no redemption is required if the amount available and required to be used to redeem the 2022 Series C Bonds is less than $250,000. Prepayments and scheduled repayments of mortgage principal from Program Securities

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* Preliminary; subject to change.

allocable to the 2022 Series C Bonds (collectively, the "Tax-Exempt Receipts") received on or after the following dates in the following approximate percentages constitute the "Tax-Restricted Receipts:"

Dates*	Percentages*
March 16, 2022 to	
and thereafter	100.00

Repayments and Prepayments. To the extent not needed to make regularly scheduled principal payments on the 2022 Series D Bonds, either at maturity or pursuant to sinking fund installments, all prepayments and scheduled repayments of mortgage principal from Program Securities allocable to the 2022 Series D Bonds (collectively, the "Taxable Receipts") will be applied (a) first, to redeem 2022 Series D Bonds of the maturities selected by the Agency at a price equal to the principal amount thereof to be redeemed plus accrued interest, without premium and (b) then, if no 2022 Series D Bonds are Outstanding, to redeem any Outstanding Bonds (subject, however, to any provisions to the contrary in any Series Resolutions relating to Outstanding Bonds), including any 2022 Series C Bonds other than PAC Term Bonds in excess of the Maximum Cumulative Amounts shown in the applicable table below, at a price equal to the principal amount thereof to be redeemed plus accrued interest, without premium, or for any other purpose authorized under the Resolutions.

To the extent not needed to make regularly scheduled principal payments on the 2022 Series C Bonds, either at maturity or pursuant to sinking fund installments, or not required to be applied to redemption of the PAC Term Bonds as described below, the Tax-Restricted Receipts will be applied to redeem 2022 Series C Bonds of the maturities selected by the Agency at a price equal to the principal amount thereof to be redeemed plus accrued interest, without premium; provided, however, that those redemptions will not be required: (1) if there is a change in the Code or any temporary, proposed or final Treasury Regulations, or notices or similar announcements from time to time, that have the effect of removing or reducing the requirement of such redemptions of 2022 Series C Bonds; and (2) if there shall be delivered to the Trustee an opinion of Bond Counsel that those changes in these redemption provisions will not adversely affect the exclusion from gross income of interest on the 2022 Series C Bonds.

To the extent not needed to make regularly scheduled principal payments on the Series Bonds, either at maturity or pursuant to sinking fund installments, all Tax-Exempt Receipts received by or on behalf of the Agency must first be applied to redeem the PAC Term Bonds on a cumulative basis up to the Maximum Cumulative Amounts during each Redemption Period ending on the date therefor set forth in the following table:

* Preliminary; subject to change.

Redemption Period*	Maximum Cumulative Amounts*†	Redemption Period*	Maximum Cumulative Amounts*†

†Based on an approximation of 100 percent PSA prepayment speed on the Program Loans backing Program Securities financed with the proceeds of the Series Bonds. (See "Projected Weighted Average Lives of the PAC Term Bonds" below for a discussion of the PSA Prepayment Model.) Amounts actually to be redeemed pursuant to this provision will be reduced proportionately to the extent any of the PAC Term Bonds are redeemed from unexpended proceeds of the Series Bonds.

To the extent the Agency redeems PAC Term Bonds more than once in a semiannual period or on a date that is not a regularly scheduled interest payment date, the Agency will not redeem PAC Term Bonds on a cumulative basis as of any date in an aggregate principal amount greater than the sum of (i) the Maximum Cumulative Amount in the table above for the immediately preceding regularly scheduled interest payment date and (ii) the proportionate amount (based on the number of days elapsed since the immediately preceding regularly scheduled interest payment date and the total number of days in the period (calculated on the basis of a 360-day year of twelve 30-day months)) of the difference between the Maximum Cumulative Amount set forth in the table above for the next succeeding regularly scheduled interest payment date and the Maximum Cumulative Amount for the immediately preceding regularly scheduled interest payment date.

If the Agency receives Tax-Exempt Receipts sufficient to redeem PAC Term Bonds up to the Maximum Cumulative Amounts in accordance with the table above, (1) to the extent required by applicable federal tax law, the Agency must use any excess Tax-Exempt Receipts (a) to redeem Outstanding 2022 Series C Bonds (other than PAC Term Bonds) from the maturities the Agency selects, or (b) if no 2022 Series C Bonds are Outstanding other than PAC Term Bonds, to redeem Outstanding PAC Term Bonds, in each case on any date, in whole or in part, at a price equal to the principal amount thereof to be redeemed plus accrued interest, without premium; and (2) to the extent not required by applicable federal tax law to redeem 2022 Series C Bonds, the Agency, at its option, may use any excess Tax-Exempt Receipts to redeem any Outstanding Bonds, including the Series Bonds (other than PAC Term Bonds), at a price equal to the principal amount thereof to be redeemed plus accrued interest, without premium (subject, however, to any provisions to the contrary in any Series Resolutions relating to Outstanding Bonds), or for any other purpose authorized under the Resolutions.

* Preliminary; subject to change.

To the extent that current collections of Tax-Exempt Receipts are insufficient to redeem PAC Bonds on a cumulative basis up to the Maximum Cumulative Amounts in accordance with the table above, the Agency will apply excess Tax-Exempt Receipts from a prior period, to the extent not otherwise applied as described above (see "Estimated Sources and Uses of Funds") to redeem PAC Bonds up to such amounts.

Projected Weighted Average Lives of the PAC Term Bonds. The following information is provided to allow prospective investors to evaluate the PAC Term Bonds that are the subject of the special redemption provisions described above.

The weighted average life of a bond refers to the average length of time that will elapse from the date of issuance of the bond to the date each installment of principal is paid weighted by the principal amount of that installment. The weighted average life of the PAC Term Bonds will be influenced by, among other things, the rate at which Program Securities are purchased and the rate at which principal payments (including scheduled payments and principal prepayments) are made on the Program Loans backing Program Securities financed with the proceeds of the Series Bonds (collectively, the "Series Bond Program Loans"). An Owner owning less than all of the PAC Term Bonds may experience redemption at a rate that varies from the average life of the PAC Term Bonds.

Levels of prepayment on mortgage loans are commonly measured by a prepayment standard or model. The standard used in this Official Statement is The Standard Prepayment Model of The Securities Industry and Financial Markets Association, formerly The Bond Market Association and formerly the Public Securities Association (the "PSA Prepayment Model"). The PSA Prepayment Model represents an assumed monthly rate of prepayment of the then outstanding principal balance of a pool of mortgage loans. The PSA Prepayment Model does not purport to be either a historical description of the prepayment experience of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans, including the Series Bond Program Loans. "100% PSA" assumes prepayment rates of 0.2 percent per year of the then-unpaid balance of the pool of mortgage loans in the first month of the life of the pool of mortgage loans and an additional 0.2 percent per year in each month thereafter (for example, 0.4 percent per year in the second month) until the thirtieth month. Beginning in the thirtieth month and in each month thereafter during the life of the pool of mortgage loans, "100% PSA" assumes a constant prepayment rate of 6 percent per year. Multiples will be calculated from this prepayment rate standard, e.g. "200% PSA" assumes prepayment rates will be 0.4 percent per year in month one, 0.8 percent per year in month two, reaching 12 percent per year in month thirty and remaining constant at 12 percent per year thereafter. "0% PSA" assumes no prepayments of principal of a pool of mortgage loans will occur for the life of the pool of mortgage loans.

The information in the following table, entitled "Projected Weighted Average Lives for the PAC Term Bonds" is based on the assumptions, among other things, that (i) the Series Bond Program Loans prepay at the indicated percentages of the PSA Prepayment Model, (ii) $___ million* of the proceeds of the Series Bonds in the 2022 Series C-D Acquisition Account are used to purchase Program Securities, (iii) the Program Securities financed with the proceeds of the Series Bonds will have a weighted average pass-through rate of not less than ___ percent* and will be acquired by ________, 2022,* (iv) all scheduled principal and interest payments or prepayments on Series Bond Program Loans are received thirty days after the date on which due or assumed to be made and there are no foreclosures or repurchases of those Program Loans, (v) the PAC Term Bonds are redeemed only on regularly scheduled interest payment dates, and (vi) the Series Bonds, including the PAC Term Bonds, are not redeemed pursuant to optional redemption or from Excess Revenues. Based solely on the assumptions, some or all of which are unlikely to reflect actual experience, the following table provides projected weighted average life information for the PAC Term Bonds.

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* Preliminary; subject to change.

Projected Weighted Average Lives for the PAC Term Bonds*

PSA Prepayment	PAC Term Bonds Weighted Average Life†
0%	. years
50	.
75	.
100	5.00
200	5.00
300	5.00
400	5.00
500	5.00

†The weighted average life may be affected if, among other things, the Series Bonds, including the PAC Term Bonds, are redeemed with Excess Revenues, or from unexpended proceeds of the Series Bonds, as described above, or if PAC Term Bonds are redeemed on a date other than a regularly scheduled interest payment date.

The Agency cannot give any assurance that prepayments of principal of the Series Bond Program Loans will conform to any level of a particular prepayment projection, schedule or model or that prepayments will be available to be applied to redemptions of any of the Series Bonds, including the PAC Term Bonds. The rates of principal prepayments on mortgage loans are generally influenced by a variety of economic, geographical, social and other factors, including servicing decisions, changing property values, prevailing interest rates and the time within which mortgage loans are originated. In general, if prevailing interest rates fall significantly below the interest rates on the mortgage loans, those mortgage loans may be likely to prepay at higher rates than if prevailing interest rates remain at or above the interest rates on those mortgage loans. Conversely, if prevailing interest rates increase above the interest rates on the mortgage loans, the rate of prepayments might be expected to decrease. Foreclosures or repurchases of Series Bond Program Loans will also affect the expected special redemption schedules. The Agency cannot predict the number of Series Bond Program Loans that may become delinquent, repurchased or foreclosed. For these reasons, the Agency cannot offer any assurances as to the rate at which the Series Bond Program Loans will prepay and offers no assurance that the scheduled amounts will, in fact, be available to effect any redemptions described herein.

Optional Redemption of the 2022 Series C Bonds

The Agency may redeem 2022 Series C Bonds with stated maturities on or after January 1, 2032* prior to their stated maturity dates, at its option, in whole or in part, from the Series and in the amounts and from the stated maturities that the Agency designates, on July 1, 2031* or any date thereafter, from any amounts available to the Agency for that purpose, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest to the date of redemption, without premium.

General Provisions as to 2022 Series C Bonds

Except as otherwise provided in the Series Resolutions, any 2022 Series C Bonds to be redeemed other than upon mandatory sinking fund redemption will be redeemed only upon receipt by the Trustee of a certificate signed by an officer authorized by the Agency and stating (a) the 2022 Series C Bonds to be redeemed and (b) the maturities and amounts from which 2022 Series C Bonds are to be redeemed. If less than all 2022 Series C Bonds of a maturity are to be redeemed, the 2022 Series C Bonds of that maturity to be redeemed will be selected at random by a method determined by the Trustee. The Agency will not at any time cause 2022 Series C Bonds to be redeemed (other than pursuant to mandatory redemption) if this would have any material adverse effect on its ability to pay when due the principal of and interest on the Bonds Outstanding after that redemption.

* Preliminary; subject to change.

The Trustee must mail a copy of the notice of redemption, by first class mail, to the registered owner of any 2022 Series C Bond called for redemption at least 30 days prior to the redemption date; that registered owner to be determined from the registry books as of the 15th day preceding the date that notice is mailed. (See "Appendix E — Book-Entry-Only System.")

Optional Redemption of 2022 Series D Bonds

Optional Redemption. The Agency may redeem 2022 Series D Bonds in the Weekly Mode at its option, in whole or in part on any Business Day (including any optional or mandatory tender date), from any money made available for that purpose, at a Redemption Price equal to 100 percent of the principal amount thereof to be redeemed, plus accrued interest, if any, to but not including the redemption date.

Notice of Redemption. While 2022 Series D Bonds are in the Weekly Mode, the Trustee must give a copy of the notice of redemption identifying 2022 Series D Bonds to be redeemed by Immediate Notice not less than 20 days prior to the date fixed for redemption to the Owners of 2022 Series D Bonds to be redeemed at their addresses as shown on the bond register. "Immediate Notice" means notice by telephone, telex or telecopier to the address as the addressee has directed in writing, promptly followed by written notice by first class mail, postage prepaid. Notwithstanding the foregoing, the Trustee need not give a separate notice of redemption in addition to the notice of tender the Owner or the Trustee, as applicable, must give for 2022 Series D Bonds to be redeemed on an optional or mandatory tender date.

Subject to the terms of the 2022 Series D Resolution, any 2022 Series D Bonds to be optionally redeemed will be redeemed only upon receipt by the Trustee of a certificate signed by an officer authorized by the Agency stating (1) the principal amount of the 2022 Series D Bonds to be redeemed, and (2) the years in which and the amounts by which the applicable sinking fund installments, if any, are to be reduced. Upon any redemption of 2022 Series D Bonds, the Trustee is to select those to be redeemed by lot or another method of selection as it deems proper in its discretion; provided that the 2022 Series D Bonds that are Bank Bonds must be selected for redemption before other 2022 Series D Bonds.

Optional and Mandatory Tender of 2022 Series D Bonds

Optional Tender. Owners of 2022 Series D Bonds in the Weekly Mode may elect to tender their 2022 Series D Bonds for purchase, by providing notice to the Remarketing Agent and the Tender Agent not later than 5:00 p.m. (New York City time) on any Business Day that is at least seven calendar days before the purchase date, which must be a Business Day and must be set forth in the notice. Those 2022 Series D Bonds are to be purchased on the purchase date specified in the notice at a price equal to 100 percent of the principal amount thereof plus accrued interest to but not including the purchase date (the "Purchase Price"). The notice of optional tender for purchase of 2022 Series D Bonds by the Owners or beneficial owners thereof will be irrevocable once that notice is given to the Remarketing Agent and the Tender Agent.

Mandatory Tender. The 2022 Series D Bonds or any portion thereof are subject to mandatory tender for purchase (with no right to retain) at the Purchase Price (i) on any Mode Change Date and each Unenhanced Variable Rate Change Date for those 2022 Series D Bonds, (ii) upon scheduled expiration or termination by the Agency of the Initial Liquidity Facility or an Alternate Liquidity Facility (defined below) (a "Liquidity Expiration Event") for those 2022 Series D Bonds, on a date not less than five days prior to the scheduled expiration or earlier termination of the Liquidity Facility, (iii) the effective date of an Alternate Liquidity Facility, if a mandatory tender has not already occurred pursuant to the Liquidity Expiration Event, (iv) on any Conversion Date for those 2022 Series D Bonds, (v) on any Floating Rate Change Date and (vi) upon receipt of a Notice of Termination Date (as described in any Liquidity Facility) by the Trustee following the occurrence of certain Events of Default under that Liquidity Facility, on a date not less than five days prior to the date on which the Liquidity Facility will terminate (each a "Mandatory Tender Date"). If any of the listed events occur, the Trustee must deliver a notice of mandatory tender to the Owners, at least 15 days prior to the Mandatory Tender Date, stating the reason for the mandatory tender, the date of mandatory tender, and that all Owners of 2022 Series D Bonds subject to that mandatory tender are deemed to have tendered their 2022 Series D Bonds upon that date.

This paragraph is applicable to the 2022 Series D Bonds only if the book-entry-only system has been discontinued and replacement bonds have been issued. Any 2022 Series D Bonds not tendered and delivered to the Tender Agent on or prior to its Mandatory Tender Date for which there have been irrevocably deposited in trust with the Trustee the Purchase Price will be deemed to have been tendered and purchased on that Mandatory Tender Date. Owners will not be entitled to any payment (including any interest to accrue on or after the Mandatory Tender Date) other than the principal amount of those 2022 Series D Bonds, plus accrued interest to the day preceding the Mandatory Tender Date, and those Owners will no longer be entitled to the benefits of the Resolutions, except for the purpose of payment of the Purchase Price. Replacement 2022 Series D Bonds will be issued in place of those untendered 2022 Series D Bonds pursuant to the 2022 Series D Resolution, and, after the issuance of the replacement 2022 Series D Bonds, the untendered 2022 Series D Bonds will be deemed purchased, canceled, and no longer Outstanding under the Resolutions.

Remarketing of 2022 Series D Bonds

General. On each date on which 2022 Series D Bonds are required to be purchased, the Remarketing Agent must use its best efforts to sell those 2022 Series D Bonds at a Weekly Rate (or, in the case of purchase upon a Mode Change, an interest rate corresponding to the appropriate mode) that results as nearly as practicable in the price being 100 percent of the principal amount thereof. In the event the Remarketing Agent is unable to remarket the 2022 Series D Bonds so tendered while the Initial Liquidity Facility is in effect, the Initial Liquidity Provider has agreed to purchase those 2022 Series D Bonds in accordance with the Initial Liquidity Facility. The Remarketing Agent is not required to remarket the 2022 Series D Bonds (i) after the occurrence of an Event of Default under the Resolution; (ii) after the occurrence of an Immediate Termination Event under the Initial Liquidity Facility and the Initial Liquidity Provider's termination of its commitment to purchase 2022 Series D Bonds thereunder; (iii) during an Immediate Suspension Event under the Initial Liquidity Facility and the Initial Liquidity Provider's suspension of its commitment to purchase the 2022 Series D Bonds thereunder (unless there is reinstatement of the Initial Liquidity Facility; provided that if no reinstatement occurs within specific time periods, termination will occur without mandatory tender); or (iv) if the Initial Liquidity Provider breaches its obligation to purchase 2022 Series D Bonds tendered and not remarketed. The Agency will enter into a Remarketing Agreement with the Remarketing Agent pursuant to which the Remarketing Agent will undertake the duties of Remarketing Agent in the 2022 Series D Resolution, including remarketing of tendered 2022 Series D Bonds and determination of interest rates. The Remarketing Agreement provides that the Remarketing Agent may suspend its activities under certain circumstances, that the Remarketing Agent may resign its duties by giving 30 days' written notice to the Agency, and that the Agency may remove the Remarketing Agent upon 30 days' written notice.

Remarketing Agent Is Paid by the Agency. The Remarketing Agent's responsibilities include determining the interest rate from time to time and using best efforts to remarket the 2022 Series D Bonds that are tendered by the Owners thereof (subject, in each case, to the terms of the Remarketing Agreement), as further described in this Official Statement. The Remarketing Agent is appointed by the Agency and is paid by the Agency for its services. As a result, the interests of the Remarketing Agent may differ from those of Owners and potential purchasers of 2022 Series D Bonds.

Remarketing Agent May Purchase Bonds for Its Own Account. The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, may purchase those obligations for its own account. The Remarketing Agent is permitted, but not obligated, to purchase tendered 2022 Series D Bonds for its own account and, in its sole discretion, may acquire tendered 2022 Series D Bonds in order to achieve a successful remarketing of the 2022 Series D Bonds (i.e., because there otherwise are not enough buyers to purchase the 2022 Series D Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase 2022 Series D Bonds and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the 2022 Series D Bonds by purchasing and selling 2022 Series D Bonds other than in connection with an optional or mandatory tender and remarketing. Those purchases and sales may be at or below the principal amount thereof. However, the Remarketing Agent is not required to make a market in the 2022 Series D Bonds. The purchase of 2022 Series D Bonds by the Remarketing Agent may create the appearance that there is greater third-party demand for the 2022 Series D Bonds in the market than is the case. The Remarketing Agent may also sell any 2022 Series D Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the 2022 Series D Bonds. The practices described above also may result in fewer 2022 Series D Bonds being tendered for purchase pursuant to the 2022 Series D Resolution.

2022 Series D Bonds May Be Offered at Different Prices on Any Date, Including a Rate Determination Date. Pursuant to the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in the determination of the Remarketing Agent, would result as nearly as practicable in the market value of the 2022 Series D Bonds on the Effective Rate Date (without taking into account accrued interest thereon) being 100 percent of the principal amount thereof. The interest rate will reflect, among other factors, the level of market demand for the 2022 Series D Bonds (including whether the Remarketing Agent is willing to purchase 2022 Series D Bonds for its own account). There may or may not be 2022 Series D Bonds tendered and remarketed on a Rate Determination Date, the Remarketing Agent may or may not be able to remarket any 2022 Series D Bonds tendered for purchase on that date at the principal amount thereof and the Remarketing Agent may sell 2022 Series D Bonds at varying prices to different investors on that date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the 2022 Series D Bonds at the remarketing price. In the event the Remarketing Agent owns any 2022 Series D Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer those 2022 Series D Bonds on any date, including the Rate Determination Date, at a discount to the principal amount thereof to some investors.

Ability to Sell the 2022 Series D Bonds Other Than Through Tender Process May Be Limited. The Remarketing Agent may buy and sell 2022 Series D Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require Owners that wish to tender their 2022 Series D Bonds to do so through the Tender Agent with appropriate notice. Thus, investors who purchase the 2022 Series D Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their 2022 Series D Bonds other than by tendering the 2022 Series D Bonds in accordance with the tender process.

Under Certain Circumstances, the Remarketing Agent May Be Removed, Resign or Cease Remarketing the 2022 Series D Bonds, Without a Successor Being Named. Under certain circumstances, the Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the Remarketing Agreement. In the event there is no Remarketing Agent, the Trustee will establish the applicable rate of interest on the 2022 Series D Bonds as described in the 2022 Series D Resolution.

Agency Not Responsible to Owners for Initial Liquidity Provider's Failure To Purchase 2022 Series D Bonds. Under the terms and provisions of the Remarketing Agreement and the Initial Liquidity Facility, the Purchase Price of 2022 Series D Bonds is payable from moneys furnished in connection with the remarketing of the 2022 Series D Bonds or from the Initial Liquidity Facility. Upon the occurrence of certain Immediate Termination Events or Immediate Suspension Events under the Initial Liquidity Facility, the Initial Liquidity Provider's obligation to purchase 2022 Series D Bonds under the Initial Liquidity Facility will immediately terminate or suspend without notice or other action on the part of the Initial Liquidity Provider. (See "Appendix K – Summary of Certain Provisions of and Relating to the Standby Bond Purchase Agreement.") **The Agency is not responsible to Owners if the Initial Liquidity Provider fails to purchase 2022 Series D Bonds tendered at the option of the Owner or subject to mandatory tender for purchase pursuant to the 2022 Series D Resolution or upon the occurrence of an Immediate Termination Event or a Suspension Event.**

If a Termination Event or Immediate Suspension Event has occurred resulting in the termination or suspension of the Initial Liquidity Facility or if the Initial Liquidity Provider does not purchase any 2022 Series D Bonds tendered or deemed tendered for purchase by the owners thereof and not remarketed, those Bonds will automatically bear interest in a Weekly Mode with the interest rate reset on a weekly basis at the lesser of (i) the SOFR Index plus 1.60 percent or (ii) the Maximum Rate. Owners will not have the right to tender their 2022 Series D Bonds during that period and may be required to hold their 2022 Series D Bonds to maturity or prior redemption.

LIQUIDITY FACILITY

General Provisions

The Agency has agreed in the 2022 Series D Resolution to maintain a Liquidity Facility in effect at all times when any 2022 Series D Bonds are in a Weekly Mode, or other Mode requiring a Liquidity Facility, except as otherwise provided below, in an amount not less than the potential Purchase Price of the outstanding 2022 Series D Bonds in the Weekly Mode or other Mode requiring a Liquidity Facility.

The Agency may elect to replace any Liquidity Facility (including but not limited to the Initial Liquidity Facility) for the 2022 Series D Bonds, with another liquidity facility meeting the requirements of the 2022 Series D Resolution (an "Alternate Liquidity Facility," and, together with the Initial Liquidity Facility, a "Liquidity Facility"). The Agency will notify the Trustee, the Remarketing Agent and the Tender Agent of the Agency's intention to deliver an Alternate Liquidity Facility at least 45 days prior to that delivery. Upon receipt of that notice, the Trustee will mail a notice of the anticipated delivery of an Alternate Liquidity Facility, including the name of the provider of that Alternate Liquidity Facility, to each Owner of the 2022 Series D Bonds at that Owner's registered address not less than 15 days prior to the date the 2022 Series D Bonds are subject to mandatory tender. If the Agency elects to replace the Liquidity Facility, the 2022 Series D Bonds will be subject to mandatory tender not less than five days prior to the termination of the existing Liquidity Facility. This Official Statement does not describe the 2022 Series D Bonds when an Alternate Liquidity Facility in respect thereof is in place.

The Agency may also elect to provide liquidity support for any 2022 Series D Bonds from its own funds or by delivering a liquidity facility that does not meet the requirements of an Alternate Liquidity Facility. If the Agency makes an election, those 2022 Series D Bonds will be subject to mandatory tender prior to the expiration of the Liquidity Facility then in effect.

The Standby Bond Purchase Agreement

The Initial Liquidity Facility will be the Standby Bond Purchase Agreement. Appendix K to this Official Statement summarizes certain provisions of the Standby Bond Purchase Agreement, to which Appendix reference is made for the detailed provisions thereof. Certain information regarding the Initial Liquidity Provider appears in Appendix L to this Official Statement. **The Initial Liquidity Provider has no responsibility for the form and content of this Official Statement, other than solely with respect to the information describing itself set forth in "APPENDIX L – Certain Information Regarding the Initial Liquidity Provider", and has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, other than solely with respect to the information describing itself set forth in "APPENDIX L – Certain Information Regarding the Initial Liquidity Provider", or omitted herefrom.**

SECURITY FOR THE BONDS

The Outstanding Bonds, including the Series Bonds, are secured as provided in the Bond Resolution by a pledge of (a) all proceeds of the sale of the Bonds (other than proceeds deposited in trust for the retirement of outstanding bonds, notes or other obligations), (b) all Program Obligations and Investment Obligations made or purchased from those proceeds, (c) all Revenues, (d) any other loans, funds, securities, Cash Equivalents or other property of the Agency otherwise pledged as security for Outstanding Bonds pursuant to a Series Resolution; and (e) all money, Investment Obligations, and other assets and income held in and receivables of Funds (other than the Alternative Loan Fund, except as otherwise provided in a Series Resolution), established by or pursuant to the Bond Resolution. The Bonds, including the Series Bonds, are also general obligations of the Agency, payable out of any of its moneys, assets or revenues, subject only to the provisions of other resolutions or indentures now or hereafter pledging and appropriating particular moneys, assets or revenues to particular notes or bonds, or State or federal laws or restrictions that particular funds be applied for a specified purpose. The pledge granted by the Bond Resolution is for the equal benefit, protection and security of Owners of all Outstanding Bonds, except as otherwise expressly provided therein or in a Series Resolution.

The Agency has no taxing power. The State is not liable for the payment of the Bonds, and the Bonds are not a debt of the State.

Cash Flow Certificate

The Bond Resolution requires that the Agency file a Cash Flow Certificate with the Trustee (i) at least once within a 12-month period and as otherwise required under the Bond Resolution or a Series Resolution, (ii) upon the proposed application of funds in the Revenue Fund to acquire Program Obligations or to pay Program Expenses, if not contemplated by a prior Cash Flow Certificate, or (iii) to release funds to the Agency from the Revenue Fund or to transfer funds to the Alternative Loan Fund. The Bond Resolution also permits a revised Cash Flow Certificate to be filed at any time directed by the Agency. The Cash Flow Certificate is to give effect to the action proposed to be taken and demonstrating that in the current and in each succeeding Fiscal Year in which Bonds are scheduled to be Outstanding that Revenues and other amounts expected to be on deposit in the Funds and Accounts established under the Bond Resolution or any Series Resolution (excluding the Insurance Reserve Fund, and, except to the extent otherwise provided in a Series Resolution, the Alternative Loan Fund) will be at least equal to all amounts required to be on deposit in order to pay the Debt Service on the Bonds and to maintain the Debt Service Reserve Requirement and Insurance Reserve Requirement; provided that, to the extent specified in a Series Resolution, a Fund or Account (other than those excluded above) will not be taken into account when preparing the Cash Flow Certificate. The Cash Flow Certificate is to set forth the assumptions upon which the estimates therein are based, which assumptions will be based upon the Agency's reasonable expectations at the time the Cash Flow Certificate is filed. The Agency may assume in a Cash Flow Certificate that, if Bonds of a Series are issued for purposes other than the Financing of Program Loans for the acquisition of owner-occupied housing, amounts to be deposited in or irrevocably appropriated to any Fund or Account established under the Bond Resolution (other than the Alternative Loan Fund, unless otherwise provided in a Series Resolution) from sources not subject to the lien of the Bond Resolution will be available in amounts and at times sufficient to pay the Debt Service on Outstanding Bonds of that Series when due and to maintain the Debt Service Reserve Requirement and Insurance Reserve Requirement, if any, in respect of Outstanding Bonds of that Series. As set forth more fully in "Appendix C — Summary of Certain Provisions of the Bond Resolution — Revenue Fund," the Agency may withdraw from the Revenue Fund funds to be released to the Agency free and clear of the lien of the Bond Resolution, for deposit in the Agency's General Reserve Account or deposit in the Alternative Loan Fund, in each case upon the filing with the Trustee a Cash Flow Certificate and a Parity Certificate.

Program Obligations

General information concerning the Agency's Residential Housing Finance Program and the types of Program Obligations that have been and are expected to be financed with the proceeds of the Series Bonds is provided below under the heading "The Residential Housing Finance Program." The Agency expects that approximately $___ million* in aggregate principal amount of Program Securities will be acquired with proceeds of the Series Bonds. (See "Estimated Sources and Uses of Funds.") Additional information regarding GNMA, Fannie Mae and Freddie Mac and Program Securities and the current Master Servicer is contained in Appendix I to this Official Statement.

Investment Obligations

Bond proceeds and other funds held in the Acquisition Account, the Debt Service Reserve Fund, the Insurance Reserve Fund, the Revenue Fund, the Bond Fund, and the Redemption Fund under the Bond Resolution may be invested in Investment Obligations as defined in the Bond Resolution (see "Appendix C – Summary of Certain Provisions of the Bond Resolution – Certain Defined Terms").

Under the Bond Resolution, the Agency may direct the Trustee to invest funds held thereunder in investment agreements (sometimes referred to as "guaranteed investment contracts"), if that investment agreement does not adversely affect any ratings of the Bonds at the time of execution thereof. As of December 31, 2021, $298,650 on

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* Preliminary; subject to change.

deposit in the Debt Service Reserve Fund held in respect of Bonds under the Bond Resolution is invested in an investment agreement with Transamerica Life Insurance Co.

There is no assurance that the providers of Investment Obligations held under the Bond Resolution will be able to pay principal of and interest on those Investment Obligations as provided therein. No representation is made as to the creditworthiness of any provider.

The failure of a provider to pay principal and interest when due under an Investment Obligation pertaining to the Acquisition Account could result in the Agency's inability to acquire Program Obligations in an amount necessary to fully secure the Bonds. A failure by a provider to pay amounts due under an Investment Obligation pertaining to the other Funds could result in the Agency's inability to pay debt service on the Bonds. All of the Agency's investment agreements contain "downgrade" provisions giving the Agency the right to withdraw all invested funds early if the provider's credit ratings are downgraded below specified levels and remedial action is not taken by the provider. Funds withdrawn from investment agreements under those circumstances will be invested in alternate Investment Obligations at the direction of the Agency.

Revenues

When Revenues are greater than the amount necessary to pay maturing principal of and interest on the Bonds, the Agency may use the excess, to the extent permitted by applicable federal tax law, to make or purchase additional Program Obligations or to redeem Bonds. If Revenues are less than the amount necessary to pay maturing principal of the Bonds, then either the Agency, at its option, may provide the amount necessary for that payment from any of (a) the General Reserve Account of the Agency, (b) the Alternative Loan Fund, or (c) any other lawful source other than funds and accounts pledged pursuant to the Bond Resolution, or the Trustee must withdraw the necessary amount from the following funds in order of priority: (i) the Bond Redemption Fund, but only to the extent that amounts therein are in excess of amounts required for the redemption of Bonds for which the notice of redemption has been given, (ii) the Revenue Fund, (iii) the Debt Service Reserve Fund, and (iv) the Insurance Reserve Fund.

Debt Service Reserve Fund

The Bond Resolution creates and establishes a Debt Service Reserve Fund and provides that the Debt Service Reserve Requirement as of any date will be the sum of amounts established for each Series of Bonds by each Series Resolution. The aggregate Debt Service Reserve Requirement with respect to the Series Bonds is equal to $0. The balance in the Debt Service Reserve Fund on January 3, 2022, was $8,855,711 which was at least equal to the Debt Service Reserve Requirement for all Series of Bonds then Outstanding.

The Act provides that the Agency may create and establish one or more debt service reserve funds for the security of its bonds. The moneys held in or credited to a debt service reserve fund are to be used solely for the payment of principal of bonds of the Agency as the same mature, the purchase of those bonds, the payment of interest thereon or the payment of any premium required when those bonds are redeemed before maturity, provided that the moneys in that fund are not to be withdrawn therefrom at any time in an amount that would reduce the amount reasonably necessary for the purposes of the fund, except for the purpose of paying principal and interest due on the bonds secured by the fund for the payment of which other moneys of the Agency are not available. The Agency is not to issue any additional bonds or notes that are secured by a debt service reserve fund if the amount in that debt service reserve fund or any other debt service reserve fund at the time of issuance does not equal or exceed the minimum amount required by the resolution creating the fund unless the Agency deposits in each debt service reserve fund at the time of issuance, from the proceeds of the bonds or otherwise, an amount that, together with the amount then in the fund, is not less than the minimum amount required. The Act further provides that:

> In order to assure the payment of principal and interest on bonds and notes of the agency and the continued maintenance of all debt service reserve funds created and established therefor, the agency shall annually determine and certify to the governor, on or before December 1, (a) the amount, if any, then needed to restore each debt service reserve fund to the minimum amount required by the resolution or indenture establishing the fund, not exceeding the maximum amount of principal and

> interest to become due and payable in any subsequent year on all bonds or notes which are then outstanding and secured by such fund; and (b) the amount, if any, determined by the agency to be needed in the then immediately ensuing fiscal year, with other funds pledged and estimated to be received during that year, for the payment of the principal and interest due and payable in that year on all then outstanding bonds and notes secured by a debt service reserve fund the amount of which is then less than the minimum amount agreed. The governor shall include and submit to the legislature, in the budget for the following fiscal year, or in a supplemental budget if the regular budget for that year has previously been approved, the amounts certified by the agency ….

In the opinion of Bond Counsel and counsel to the Agency, under current law the State Legislature is legally authorized *but is not legally obligated* to appropriate those amounts.

Insurance Reserve Fund

The Bond Resolution creates and establishes an Insurance Reserve Fund to be used for the purpose of paying that portion of the claim for loss with respect to any defaulted Program Obligation that is not paid by a public or private insuring agency. As of any particular date of calculation, the Insurance Reserve Requirement is the sum of amounts, if any, established for each Series of Bonds by the applicable Series Resolution. The Insurance Reserve Requirement with respect to the Series Bonds is $0. Currently, there is no balance in the Insurance Reserve Fund, as there is no Insurance Reserve Requirement for any Series of Bonds Outstanding.

Additional Bonds

The Bond Resolution permits the issuance of additional Bonds, upon the adoption of a Series Resolution, without limitation as to amount, to provide funds for the purpose of financing Program Obligations and, in addition, to refund outstanding Bonds or other obligations of the Agency. No additional Series of Bonds may be issued except upon receipt by the Trustee of (i) an Agency Certificate (in which the Agency may make certain assumptions permitted in a Cash Flow Certificate) certifying (a) that an amount equal to the Debt Service Reserve Requirement effective upon issuance of those Bonds will be on deposit in the Debt Service Reserve Fund and an amount equal to the Insurance Reserve Requirement effective upon issuance of those Bonds will be on deposit in the Insurance Reserve Fund, and (b) that estimated Revenues are in excess of required fund transfers and debt service on the Bonds in each Fiscal Year, and (ii) written confirmation that the then existing ratings of the Bonds will not be impaired. A Cash Flow Certificate need not be filed in connection with the issuance of additional Bonds unless the Series Resolution authorizing Bonds of the Series so provides.

Any additional Bonds issued under the Bond Resolution will be secured on an equal basis with the Series Bonds and all other Outstanding Bonds and will be entitled to the equal benefit, protection and security of the provisions, covenants and agreements in the Bond Resolution, except as otherwise expressly provided therein or in a Series Resolution.

State Pledge Against Impairment of Contracts

The State in the Act has pledged to and agreed with the Owners that it will not limit or alter the rights vested in the Agency to fulfill the terms of any agreements made with them or in any way impair the rights and remedies of the Owners until the Bonds, together with the interest thereon and on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the Owners, are fully met and discharged.

THE RESIDENTIAL HOUSING FINANCE PROGRAM

General

Under the Bond Resolution, the Agency may issue Bonds to finance Program Obligations in order to provide financing for housing for low and moderate income persons, including single family loans, home improvement loans, multifamily loans and other housing-related loans, and to secure those loans in the manner as the Agency determines, which would include first mortgage loans, subordinate mortgage loans or loans that are unsecured. All Outstanding Bonds issued under the Bond Resolution are secured on an equal basis, except as otherwise expressly provided in the Bond Resolution or in a Series Resolution. Certain proceeds of the Series Bonds will be used to purchase Program Securities backed by single family mortgage loans.

The following provides a general description of the Agency's Program in respect of the Program Securities backed by single family mortgage loans to be purchased with proceeds of the Series Bonds. *The Series Program Determinations governing the Program Obligations to be financed with proceeds of the Series Bonds may be revised by the Agency from time to time as provided in the Series Resolutions and, consequently, the following general description is subject to change.*

"MBS" Model

Effective for commitments made on or after September 1, 2009, the Agency changed its single-family mortgage lending program from a "whole loan" model to an "MBS" (mortgage-backed securities) model. The Agency has entered into a Servicing Agreement, dated as of October 17, 2013 (the "Servicing Agreement"), with U.S. Bank National Association, as master servicer (the "Master Servicer"), for an indefinite term (subject to termination rights). Pursuant to the Servicing Agreement, the Master Servicer is to acquire single family mortgage loans meeting Program requirements and pool those Program Loans into Program Securities to be purchased by the Trustee on behalf of the Agency. (See "Procedures for Origination, Purchase and Pooling -- Program Securities" below.) For additional information regarding the Master Servicer, see Appendix I to this Official Statement.

Prior to the transition to the "MBS" model, the Agency's Program provided funds for the purchase by the Agency of newly originated Program Loans at a price and bearing interest at rates established from time to time on the basis of the interest cost of the Bonds and local mortgage market conditions. Generally, outstanding Program Loans purchased by the Agency with the proceeds of Bonds have 30-year terms except for some outstanding Program Loans purchased during a short period beginning in 2006 until October 2008 that have 40-year terms.

Outstanding Bonds have financed both Program Loans and Program Securities.

Reimbursement of Advances of Agency Funds with Proceeds of Series Bonds

The Agency anticipates that it will have purchased with its own funds Program Securities that are eligible to be financed with Bonds in excess of $____ million in unpaid principal balance of mortgage loans as of March 16, 2022, at pass-through interest rates ranging from [2.50 percent to 3.00] percent. The Agency expects that all funds credited to the 2022 Series C-D Acquisition Account will be disbursed by _______, 2022 to purchase, or reimburse the Agency for the purchase of, Program Securities.

Procedures for Origination, Purchase and Pooling

Application

The Agency has published, and revises from time to time, its Start Up Program Procedural Manual (the "Manual") which sets forth the guidelines and procedures for participation in the Program and certain requirements for origination of mortgage loans, including provisions for compliance with the requirements of applicable federal tax law. The Master Servicer has also published its lending manual for the Program establishing additional origination, documentation and processing requirements. The Agency responds to inquiries by interested lenders by directing them to the Master Servicer and the appropriate page on the Master Servicer's website delineating information regarding the requirements a lender must satisfy to be eligible to participate in the Program. Lenders must complete an application process with the Master Servicer, including the payment of an application fee. Each Lender that satisfies the requirements of the Master Servicer and participates in the Program must execute a participation agreement with the Agency, which incorporates the Manual, and a participating lender agreement with the Master Servicer, which incorporates the Master Servicer's lending manual by reference. Generally, Lenders that participate in the Program receive no advance commitment of funds. Rather, Lenders may request an individual commitment of loan funds via the internet by entering loan information in the Agency's online loan purchase approval system (the "Commitment System"). Each commitment request is subject to a review of the Agency's eligibility rules that are a part of the Commitment System. If the information entered by the Lender meets the eligibility rules, the loan funds are then committed for each specific loan for a specific period. Should a specific loan ultimately be rejected or cancelled, the funds are available for use by another eligible borrower and Lender. There is no prescribed limit on the amount of funds that may be used by an individual participating Lender, subject to availability of funds.

Lenders are not required to pay a reservation fee upon obtaining a commitment of funds through the Commitment System. If the Master Servicer has not received a loan package pursuant to an individual commitment after 60 days, the Agency, at its option, may charge and, if so charged, the Lender must agree to pay an extension fee to maintain the individual commitment for a specified, extended period of time. Extension fees, if charged and not refunded, are deposited into the funds from which the loans or the Program Securities are purchased, either the Alternative Loan Fund or the Revenue Fund under the Bond Resolution.

Qualified Borrowers

The Agency has established the maximum gross income for eligible borrowers under the Program based upon applicable federal law and Agency policy objectives. The maximum gross income of an eligible borrower under the Program is currently as follows:

Household Size	**11-County Twin Cities Metropolitan Area***	**Dodge and Olmsted Counties**	**Balance of State**
1 or 2 Persons	$104,900	$101,200	$93,100
3 or more Persons	$120,600	$116,300	$107,000

*As used in this table, the "Twin Cities Metropolitan Area" comprises the following 11 counties: Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright Counties.

The Agency will apply the income limitations set forth in Section 143(f) of the Code to applicants for loans financed with proceeds of the Series Bonds. The Agency may revise the income limits for the loans from time to time to conform to State and federal law and Agency policy objectives.

At the time a loan is made, the borrower must certify his or her intention to occupy the mortgaged property as his or her principal residence.

Credit underwriting must be in compliance with FHA, VA, USDA Rural Development (formerly the Rural Housing and Community Development Service), Fannie Mae, Freddie Mac or the insuring private mortgage insurance company and the Master Servicer's underwriting standards.

Certain borrowers may be eligible for down payment and closing cost assistance, if needed for borrower qualification. (See "Deferred Payment Loans" and "Monthly Payment Loans" under "Other Programs" below.)

Certain Fannie Mae Loan Product

In May 2012, the Agency began offering the Fannie Mae HFA Preferred Risk Sharing™ loan product for borrowers who meet the qualifying guidelines. The HFA Preferred Risk Sharing™ loan product enabled eligible state housing finance agencies to deliver loans with up to 97 percent loan-to-value ratios without mortgage insurance. The loan product carried a higher Fannie Mae guarantee fee and the Agency had to agree to repurchase the loan if it becomes delinquent in the first 12 months and remains delinquent for four consecutive months thereafter, or if the loan is delinquent at the 12th month, does not become current and remains delinquent for four consecutive months thereafter. From May 2012 to date, Fannie Mae has requested the repurchase of, and the Agency has repurchased, [29] loans. The Agency is also aware of [one] loan that may be subject to a future request for repurchase although no request has been received. Fannie Mae and the Agency entered into a variance with respect to 25 loans to borrowers who requested forbearance during the period permitted by the CARES Act, including the period for which forbearance could be requested as was subsequently extended by FHFA. Under the terms of that variance Fannie Mae extended the term of the repurchase obligation with respect to those 25 loans to 48 months after resolution of the forbearance by the borrower either making the missed payments or accepting one of Fannie Mae's home retention workout options. If those loans are Program Loans pooled into Program Securities, those Program Securities have the same Fannie Mae guaranty as other Fannie Mae Securities.

Effective for loans with application dates in Fannie Mae's underwriting system on and after September 5, 2019, Fannie Mae only made the HFA Preferred Risk Sharing™ loan product available to borrowers whose qualifying income, as calculated pursuant to Fannie Mae's underwriting standards, was not greater than 80 percent of area median income. E**ffective July 1, 2020, Fannie Mae no longer offers the HFA Preferred Risk Sharing™ loan product; the Agency ceased taking commitments for those loans on April 1, 2020.**

Uniform Mortgage-Backed Securities

On June 3, 2019, Fannie Mae and Freddie Mac began issuing new, common, single mortgage-backed securities, formally known as the Uniform Mortgage-Backed Security ("UMBS"). The UMBS finance the same types of fixed-rate mortgages that currently back Fannie Mae Securities and Freddie Mac Securities and will continue to be guaranteed by either Fannie Mae or Freddie Mac depending upon which issues the UMBS. The UMBS have characteristics similar to Fannie Mae Certificates and Freddie Mac will offer investors the opportunity to exchange existing Freddie Mac Securities for "mirror" UMBS backed by the same loans as the existing securities. Proceeds of the Series Bonds will be to be used to purchase Program Securities, which include UMBS. For purposes of this Official Statement, the term "Program Securities" includes UMBS.

Program Loans

Under the "whole loan" model utilized by the Agency until 2009, Program Loans were purchased from (1) Lenders including any bank, savings bank, credit union or mortgage company organized under the laws of Minnesota or the United States or nonprofit licensed by the State of Minnesota, and any mortgagee or lender approved or certified by the Secretary of Housing and Urban Development or by the Administrator of Veterans Affairs, or (2) any agency or instrumentality of the United States or the State.

Subject to the right of the Agency to modify the terms of Program Loans (see Appendix C – Summary of Certain Provisions of the Bond Resolution – Program Loans; Modification of Terms) under applicable Series Resolutions, the Agency must take or require a Servicer to take all measures, actions and proceedings reasonably necessary and deemed by it to be most effective to recover the balance due on a Defaulted Program Loan, including the curing of the default by the Mortgagor, foreclosure of the Mortgage, acceptance of a conveyance in lieu of foreclosure, sale of the Mortgage, renting or selling the Home, collection of any applicable mortgage insurance or guaranty, and preservation of the title to and value of the Home pending recovery of the balance of the Defaulted Program Loan. (See "State Laws Affecting Foreclosures" in Appendix D to this Official Statement.)

Acquisition of Program Securities

Under the "MBS" model, the Trustee, on behalf of the Agency, is to purchase mortgage-backed GNMA I and GNMA II-Custom Pool securities, guaranteed as to timely payment of principal of and interest by GNMA, mortgage-backed Fannie Mae Securities, guaranteed as to payment of principal and interest by Fannie Mae, and mortgage-backed Freddie Mac Securities, guaranteed as to payment by Freddie Mac (each a Program Security), each of which is backed by pools of mortgage loans that have been made by Lenders to qualified borrowers to finance the purchase of single family residential housing located in the State, in accordance with the Servicing Agreement, the Participation Agreements, the Manual and other Program documents. For additional information regarding GNMA, Fannie Mae, Freddie Mac, Program Securities and the Master Servicer, see Appendix I to this Official Statement.

During the Delivery Period, the Master Servicer is to acquire Program Loans from Lenders and pool the Program Loans into Program Securities as provided in the Servicing Agreement. The Trustee is to disburse moneys from the 2022 Series C-D Acquisition Account for the acquisition of Program Securities pursuant to the Servicing Agreement. The Trustee is to pay the Master Servicer an amount equal to between 101.5 percent and 103.5 percent of the principal amount of each Program Security acquired from the Master Servicer, plus accrued interest, if any, and any applicable fees or charges payable to a Federal Mortgage Agency and not paid by the mortgagor.

The Agency may at any time transfer any proceeds of the Series Bonds in the 2022 Series C-D Acquisition Account to the Bond Redemption Fund to be applied to the redemption of Series Bonds. In addition, the Agency will transfer any remaining proceeds of the Series Bonds in the 2022 Series C-D Acquisition Account to the Bond Redemption Fund to be applied to the redemption of Series Bonds at the end of the Delivery Period; provided that the Agency may (instead of redeeming Series Bonds from unexpended proceeds) extend the Delivery Period with respect to all or any portion of the unexpended amounts remaining in the 2022 Series C-D Acquisition Account, for the period or periods as the Agency determines consistent with the final sentence of this paragraph, but only if the Agency has delivered to the Trustee on or prior to the expiration of the then-current Delivery Period an Agency Certificate (i) designating the new ending date for the Delivery Period, (ii) certifying that the Agency has received a Cash Flow Certificate and a Parity Certificate confirmed by an investment banking firm, financial consulting firm or accounting firm, in each case nationally recognized with respect to the cash-flow analysis of qualified mortgage bonds, that shows that the extension will not adversely affect the availability of Revenues sufficient to make timely payment of principal of and interest on the Outstanding Bonds in the current and each subsequent Fiscal Year, and that at all times the assets of the Program will equal or exceed the liabilities of the Program, which Cash Flow Certificate and Parity Certificate must accompany the Agency Certificate; (iii) certifying that, to the extent necessary to satisfy the requirements of the Cash Flow Certificate and each Rating Agency then rating the Bonds, an Investment Obligation has been arranged for investment of amounts in the 2022 Series C-D Acquisition Account to a date not earlier than the ending date of the extended Delivery Period; (iv) designating the amount of any additional deposits required by the Cash Flow Certificate, the Parity Certificate and each Rating Agency then rating the Bonds to be made into funds held under the Resolutions in connection with that extension, which deposits must be made on or before the date of expiration of the then-current Origination Period and only from the Agency's funds; and (v) certifying that the Agency has notified each Rating Agency then rating the Bonds that the extension is being planned and has provided copies of the Cash Flow Certificate and Parity Certificate to each Rating Agency then rating the Bonds, together with any other documentation as each Rating Agency then rating the Bonds may request, and has received written confirmation that the Rating of Outstanding Bonds will not be impaired by the extension of the Delivery Period. On any date or dates subsequent to any extension of the Delivery Period, the Agency may transfer any unexpended proceeds relating to the Series Bonds remaining in the 2022 Series C-D Acquisition Account to the Bond Redemption Fund to be applied to redemption of Series Bonds. At the end of the Delivery Period, including any extension thereof, the Trustee is to transfer all amounts relating to the Series Bonds remaining in the 2022 Series C-D Acquisition Account to the Bond Redemption Fund to be applied to the redemption of Series Bonds. The Delivery Period may not be extended beyond the date set forth in the definition under "Certain Defined Terms" in Appendix C to this Official Statement.

The Agency may participate each Program Security between different sources of funds of the Agency, so long as the interest of each has equal priority as to lien in proportion to the amount of the Program Security secured, but those interests need not be equal as to interest rate.

Qualified Real Property

Program Loans may finance the purchase of residential property in Minnesota on which is located an owner-occupied one or two-family dwelling, or an owner-occupied residential unit in a condominium, townhouse or planned unit development.

The Agency has established maximum purchase prices under the Program pursuant to the requirements of applicable federal law. The maximum purchase prices for both one and two-family homes currently are as follows:

If the property to be mortgaged is located in:	Maximum Purchase Price
Twin Cities Metropolitan Area	$352,300
Balance of State	$311,900

The Agency may revise the maximum purchase prices from time to time to conform to applicable State and federal law and Agency policy objectives.

Targeted Areas

Pursuant to applicable federal tax law, targeted areas have been established for the Program. Targeted areas consist of certain census tracts in the State in which 70 percent of the families have an annual income of 80 percent or less of the statewide median income or areas determined by the State and approved by the Secretary of the Treasury of the United States and the Secretary of the United States Department of Housing and Urban Development to be areas of chronic economic distress (the “Targeted Areas”). The Agency will make available the required amount of the proceeds of the Series Bonds for the financing of loans for the purchase of residences located in Targeted Areas and will advertise the availability of those funds for loans in Targeted Areas. The Agency is also required to exercise reasonable diligence in seeking to finance residences in Targeted Areas. Absent any determination by the Agency that further availability of the proceeds of the Series Bonds is required by federal law, any moneys remaining unused may be made available to finance the purchase of residences located anywhere within the State, or may be used to redeem Bonds.

Servicing of Program Loans

Under the Program, the Agency has set forth requirements for the servicing and accounting of Program Loans in a Servicing Manual. Each Servicer must maintain at all times a fidelity bond and an errors and omissions policy issued by a company having a current rating in Best’s Insurance Reports of A/AAA or better. Servicers are required to ensure that mortgagors maintain on each home a hazard insurance policy providing fire and extended coverage equal to or greater than that customary in the geographic area in which the home is located. Servicers are required to advise the Agency if a home is exposed to a risk not otherwise covered by the hazard insurance policy and the Agency may require additional coverage.

The Agency requires its Servicers to supply reports and other data sufficient to reconcile the transactions within its loan portfolio. Servicers remit mortgage collections daily to the Trustee. The Agency may, at any time, terminate a servicing agreement and re-assign servicing. Under the Program, Servicers will receive as compensation a monthly servicing fee not to exceed 0.375 percent/12 of the outstanding principal amount of Program Loans they service.

The Agency has established specific requirements for Servicers regarding the procedures to be followed in cases involving delinquencies. In addition to a monthly report requirement, Servicers are required, by following the Agency’s procedures, to bring a delinquency current in the shortest practicable time. Servicers use the following tools in an effort to bring delinquencies current: borrowers may be referred to foreclosure prevention counselors, Servicers may, in some cases, accept partial payments, set up repayment plans with borrowers, enter into forbearance agreements, modify the delinquent loan, approve a short sale and accept a deed-in-lieu of foreclosure. The Agency has significant flexibility under the Bond Resolution to modify the terms of a loan, including interest rate reductions, extension of loan term and principal forgiveness. (See “Security for the Bonds—Modification of Terms of Program Loans” in this Official Statement.)

Servicing of Program Securities

A servicer of mortgage loans backing a Program Security must be a GNMA, Fannie Mae and Freddie Mac approved servicer experienced in servicing pools of mortgage loans for GNMA, Fannie Mae and Freddie Mac under their respective guaranteed mortgage-backed securities programs and be subject to the standards set forth in the GNMA Servicer's Guide, the Fannie Mae Single Family Selling and Servicing Guide and the Freddie Mac guidelines.

The Agency has entered into the Servicing Agreement with the Master Servicer to service mortgage loans backing Program Securities. For additional information regarding the Master Servicer, see Appendix I to this Official Statement. The Series Resolutions provide that in the event the Servicing Agreement is cancelled or terminated for any reason, the Agency must proceed with due diligence to procure a successor Master Servicer, subject to the provisions of the Servicing Agreement and the requirements of each applicable Federal Mortgage Agency. During the period necessary to obtain that successor, the Trustee will, subject to the approval of the applicable Federal Mortgage Agency, cause to be performed the duties and responsibilities of the Master Servicer, under the Servicing Agreement and will be compensated therefor, in addition to the compensation payable to it under the Resolutions or any other instrument, in the same manner and amounts as provided under the Servicing Agreement.

Applicable Federal Law Mortgage Eligibility Requirements

Applicable federal law imposes significant limitations on the financing of mortgage loans on owner occupied one- to four-family residences with the proceeds of a qualified mortgage bond issue, such as the Series Bonds. (See "Tax Exemption and Related Considerations.")

Mortgage Loan Portfolio and Acquired Program Securities

As of December 31, 2021, the Agency had outstanding Program Loans receivable of $241,979,000 gross, including outstanding DPA Loans receivable of $13,037,000 gross, which were financed from the proceeds of Bonds. There are no uncommitted proceeds from previous bond sales under the Bond Resolution available for commitment. Certain information relating to mortgage insurance, delinquency and foreclosure statistics and payment forbearances requested and granted pursuant to the CARES Act for the single family mortgage whole loan portfolio funded by Bonds is contained in Appendix G to this Official Statement.

In addition, as of December 31, 2021, the following Program Securities (comprised of GNMA Securities, Fannie Mae Securities and Freddie Mac Securities) were pledged to secure Outstanding Bonds under the Bond Resolution:

	Principal Amount Outstanding	Percentage
GNMA II	$799,585,000	48.88 %
GNMA I	48,701,000	2.98
FNMA	667,218,000	40.79
FHLMC	120,279,000	7.35
Total	$1,635,783,000	100.00%

OTHER PROGRAMS

In addition to the Program funded from the proceeds of the Bonds, the Agency offers other housing programs that provide loans for the purchase or improvement of single family housing and the acquisition, construction or rehabilitation of multifamily rental housing in the State. The assets devoted to these programs are briefly described in the Notes to the Financial Statements in Appendix A-1 to this Official Statement.

For example, as of December 31, 2021, the Homeownership Finance Bond Fund had $1,193,356,000 in outstanding principal amount of mortgage-backed securities, which were financed from the proceeds of the Agency's homeownership finance bonds. As of December 31, 2021, the Agency had outstanding home improvement loans receivable of $84,005,000 gross. *None of these loans secure or are available for the payment of principal of or interest on the Bonds*.

Step Up Program

The Agency has initiated its Step Up program in 2012 under which the Agency purchases mortgage loans made to mortgagors who do not qualify for its Start Up Program, including in connection with refinancing of an existing mortgage loan. Down payment and closing cost assistance is available under the Step Up Program as described under "Monthly Payment Loans" below. The Agency causes Step Up mortgage loans to be securitized and then sold on the secondary market or retained in the Agency's portfolio.

Deferred Payment Loans

The Agency has established The Deferred Payment Loan Program, a Homeownership Assistance Fund program funded by State appropriations. The Alternative Loan Fund within the Bond Resolution and the Series Bonds are also a source of funding for these loans. (See "Estimated Sources and Uses of Funds" and "The Residential Housing Finance Program— Reimbursement of Advances of Agency Funds with Proceeds of Series Bonds.") Under The Deferred Payment Loan Program there are two options: the Deferred Payment Loan and the Deferred Payment Loan Plus. A DPA Loan originated under either of these options is a junior lien loan from the Agency to the mortgagor that is interest-free, with repayment due on sale or transfer of the property or when the property is no longer occupied by the mortgagor.

Mortgagors who meet program income and liquid asset limits, and who do not have sufficient cash for down payment and closing costs, are eligible for a Deferred Payment Loan in an amount of up to $11,000.

Mortgagors who meet the requirements for a Deferred Payment Loan and additional targeting criteria are eligible for a Deferred Payment Loan Plus in an amount of up to $15,000. In addition to down payments and closing costs, mortgagors may use the funds to write down the senior lien loan principal.

Program Loans backing Program Securities made or purchased from the proceeds of a Series of Bonds may or may not be accompanied by either of The Deferred Payment Loan Program options. The Agency has not pledged the Homeownership Assistance Fund to the payment of principal or interest on Outstanding Bonds and it is not available for that purpose. Amounts on deposit in the Alternative Loan Fund are available for the payment of principal of or interest on the Bonds and other debt of the Agency but are not pledged to payment of Outstanding Bonds or other debt. DPA Loans financed with proceeds of the Bonds are pledged to payment of Outstanding Bonds. (See "Security for the Bonds.")

Monthly Payment Loans

In connection with the introduction of the Start Up program and the Step Up program, the Agency added another down payment and closing cost loan option, the Monthly Payment Loan. A Monthly Payment Loan is a junior lien loan made by the Agency. The interest-bearing, amortizing loan has a ten-year term with an interest rate equal to the interest rate of the applicable first mortgage. Borrowers can receive a Monthly Payment Loan in an amount up to $17,000.

TAX EXEMPTION AND RELATED CONSIDERATIONS

The 2022 Series C Bonds

The Code establishes certain requirements that must be met subsequent to the issuance of the 2022 Series C Bonds in order that interest thereon be and remain excludable from gross income for federal income tax purposes. Failure to comply with those requirements could cause the interest on the 2022 Series C Bonds to be includable in gross income retroactive to their date of original issuance. The requirements of the Code include provisions that restrict the yield and set forth other limitations within which the proceeds made available upon the issuance of the 2022 Series

C Bonds are to be invested, including mortgage eligibility requirements, and require that certain investment earnings be rebated on a periodic basis to the United States Treasury.

Section 143 of the Code imposes significant limitations on the financing of single-family mortgage loans that are applicable to the 2022 Series C Bonds. The Agency will covenant, as described below, that the Program Loans financed by the proceeds made available upon the issuance of the 2022 Series C Bonds will satisfy these requirements, including, but not limited to, the borrower income and purchase price limitations of Section 143 of the Code.

Under the Code, the following requirements must be met with respect to each Program Loan financed, in whole or in part, with proceeds of the 2022 Series C Bonds: (a) the residence being financed must reasonably be expected by the Agency to become the principal residence of the mortgagor within a reasonable time after the financing is provided, must not be intended primarily or expected to be used in a trade or business and may not be used as an investment property or as a recreational home; (b) subject to certain exceptions, at least 95 percent of the lendable proceeds of an issue must be used to finance residences of borrowers who have not had a present ownership interest in a principal residence during the three-year period prior to the date on which the mortgage is executed; (c) the acquisition cost of the residence must not exceed certain limitations; (d) all mortgages must be made to borrowers whose income does not exceed certain limitations; (e) except in certain limited circumstances, proceeds may not be applied to acquire or replace an existing mortgage; and (f) if assumable in accordance with its terms, a mortgage may not be assumed unless requirements (a) through (d) above are met.

An issue of bonds is treated as meeting the mortgage eligibility requirements of the Code only if the issuer in good faith attempts to meet all of the mortgage eligibility requirements before the mortgages are executed and any failure to comply with the mortgage eligibility requirements is corrected within a reasonable period after that failure is first discovered. In addition, 95 percent or more of the proceeds of the issue used to make loans must be used to finance residences that met all those requirements at the time the loans were executed. In determining whether 95 percent of the proceeds have been so used, the issuer is entitled to rely on an affidavit of the mortgagor and of the seller and on the mortgagor’s income tax returns filed with the Internal Revenue Service for the three years preceding the date the mortgage is executed even though the relevant information in those affidavits and returns should ultimately prove to be untrue, unless the issuer or its agent knows or has reason to believe that the information is false. If the relevant information in the affidavits obtained in connection with any loan is discovered to be untrue, however, the correction still must be made within a reasonable period.

The Agency has included provisions in the Resolutions, its procedural manuals (including the Manual) and other relevant documents, and has established procedures (including receipt of certain affidavits and representations from Lenders, mortgagors and others respecting the mortgage eligibility requirements) in order to ensure compliance with the mortgage eligibility requirements and other requirements of the Code relating to nonmortgage investments that must be met subsequent to the date of issuance of the 2022 Series C Bonds. The Agency has covenanted in the Resolutions to do all things necessary to assure that interest paid on the 2022 Series C Bonds will be excludable from gross income for federal tax purposes under current law. Under the Code, certain requirements must be met subsequent to the delivery of the 2022 Series C Bonds to ensure that interest on the 2022 Series C Bonds is not included in gross income. The Agency believes that the procedures and documentation requirements established for the purpose of fulfilling its covenant are sufficient to ensure that the proceeds of the 2022 Series C Bonds will be applied in accordance with the Code.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the 2022 Series C Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made to any bondholder who fails to provide certain required information, including an accurate taxpayer identification number, to any person required to collect that information pursuant to Section 6049 of the Code. The reporting requirement does not, in and of itself, affect or alter the excludability of interest on the 2022 Series C Bonds from gross income for federal tax purposes or any other federal tax consequences of purchasing, holding or selling tax-exempt obligations.

Opinion of Bond Counsel

In the opinion of Kutak Rock LLP, Bond Counsel, to be delivered, with respect to the 2022 Series C Bonds, on the date of issuance of the 2022 Series C Bonds, assuming the accuracy of certain representations and continuing compliance by the Agency with certain covenants, under existing laws, regulations, rulings and judicial decisions, interest payable on the 2022 Series C Bonds is not includable in gross income of the owners thereof for federal income tax purposes, except as hereafter described. Bond Counsel is of the opinion that interest on the 2022 Series C Bonds will not be treated as an item of tax preference in calculating the alternative minimum tax imposed under the Code.

In addition, in the opinion of Bond Counsel, interest on the 2022 Series C Bonds is not includable in the taxable net income of individuals, trusts and estates for State income tax purposes. Interest on the 2022 Series C Bonds is includable in the income of corporations and financial institutions for purposes of the State franchise tax. Interest on the 2022 Series C Bonds is not includable in the State alternative minimum taxable income of individuals, estates and trusts.

A form of the Bond Counsel opinion with respect to the 2022 Series C Bonds is attached hereto as Appendix F.

Although Bond Counsel is rendering an opinion that the interest on the 2022 Series C Bonds, as described above, is not included in gross income for federal, and in some cases, State, income tax purposes, the accrual or receipt of interest on the 2022 Series C Bonds may otherwise affect the federal and state income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any those consequences. Purchasers of the 2022 Series C Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks thrifts or other financial institutions or recipients of Social Security or railroad retirement benefits, taxpayers otherwise entitled to claim earned income credit and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations are advised to consult their tax advisors as to the tax consequences of purchasing, holding or selling the 2022 Series C Bonds.

Tax Treatment of Premium on PAC Term Bonds

The PAC Term Bonds are expected to be sold at a premium. An investor that acquires a PAC Term Bond for a cost greater than its remaining stated redemption price at maturity and holds the PAC Term Bond as a capital asset will be considered to have purchased the PAC Term Bond at a premium and, under Section 171 of the Code, must generally amortize that premium under the constant yield method. Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizable bond premium that reduces interest payments under Section 171 of the Code. Regulations have been issued dealing with certain aspects of federal income tax treatment of bond premium, but those regulations do not fully address the method to be used to amortize bond premium on obligations such as the PAC Term Bonds. Therefore, investors should consult their tax advisors regarding the tax consequences of amortizing bond premium.

Tax Treatment of Original Issue Discount

Any 2022 Series C Bonds that are sold at an initial public offering price that is less than the stated amount to be paid at maturity will constitute "Discount Bonds." The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the “adjusted issue price” of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Certain State Tax Legislation

The State, like many other states, generally taxes interest on obligations of governmental issuers in other states. In 1995, the State enacted a statement of intent, codified at Minn. Stat. § 289A.50, subd. 10, that interest on obligations of State governmental units and Indian tribes be included in the net income of individuals, estates and trusts for State income tax purposes if a court determines that the State’s exemption of that interest and its taxation of interest on obligations of governmental issuers in other states unlawfully discriminates against interstate commerce. This provision applies to taxable years that begin during or after the calendar year in which any court decision becomes final, irrespective of the date upon which the obligations were issued.

On May 19, 2008 the U.S. Supreme Court held in *Department of Revenue of Kentucky v. Davis* that Kentucky’s taxation of interest on bonds issued by other states and their political subdivisions, while exempting from taxation interest on bonds issued by the Commonwealth of Kentucky or its political subdivision, does not impermissibly discriminate against interstate commerce under the Commerce Clause of the U.S. Constitution. In a footnote, however, the Court stated that it had not addressed whether differential treatment of “so-called ‘private-activity,’ ‘industrial-revenue,’ or ‘conduit’ bonds . . . used to finance projects by private entities” violate the Commerce Clause, adding that “we cannot tell with certainty what the consequences would be of holding that Kentucky violates the Commerce Clause by exempting such bonds; we must assume that it could disrupt important projects that the States have deemed to have public purposes. Accordingly, it is best to set this argument aside and leave for another day any claim that differential treatment of interest on private-activity bonds should be evaluated differently from the treatment of municipal bond interest generally.”

The 2022 Series C Bonds are “private activity bonds” even though they finance individual residential mortgages, not projects by private entities. Since the Supreme Court’s opinion left open the possibility of a challenge to the State’s differential treatment of the interest on private activity bonds issued in other states, the Agency cannot predict the outcome of any challenge. If the State’s treatment of those bonds were held to unlawfully discriminate against interstate commerce, the court making the finding would have to decide upon a remedy for the tax years at issue in the case. Even if the remedy applied to those years preceding the decision were to exempt other states’ bond interest rather than to tax State bond interest, application of the 1995 statute to subsequent years could cause interest on the 2022 Series C Bonds to become taxable by the State and the market value of the 2022 Series C Bonds to decline.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above, prevent owners of the 2022 Series C Bonds from realizing the full current benefit of the tax treatment of the 2022 Series C Bonds or adversely affect the market value of the 2022 Series C Bonds. It cannot be predicted whether or in what form any proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the 2022 Series C Bonds. It cannot be predicted whether any regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the 2022 Series C Bonds or the market value thereof would be impacted thereby. Purchasers of the 2022 Series C Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 2022 Series C Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

The 2022 Series D Bonds

The following is a summary of certain material federal income tax consequences of the purchase, ownership and disposition of the 2022 Series D Bonds for the investors described below and is based on the advice of Bond Counsel. This summary is based upon laws, regulations, rulings and decisions currently in effect, all of which are subject to change. The discussion does not deal with all federal tax consequences applicable to all categories of investors, some of which may be subject to special rules, including but not limited to, partnerships or entities treated as partnerships for federal income tax purposes, pension plans and foreign investors, except as otherwise indicated. In addition, this summary is generally limited to investors that are "U.S. holders" (as defined below) who will hold the 2022 Series D Bonds as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Code. Investors should consult their own tax advisors to determine the federal, state, local and other tax consequences of the purchase, ownership and disposition of 2022 Series D Bonds. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the "IRS") with respect to any of the federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions.

As used herein, a "U.S. holder" is a "U.S. person" that is a beneficial owner of a 2022 Series D Bond. A "non U.S. holder" is a holder (or beneficial owner) of a 2022 Series D Bond that is not a U.S. person. For these purposes, a "U.S. Person" is a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in the Treasury Regulations), an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (i) a United States court is able to exercise primary supervision over the trust's administration and (ii) one or more United States persons have the authority to control all of the trust's substantial decisions.

Interest on the 2022 Series D Bonds (including original issue discount treated as interest) is not excludable from gross income for federal income tax purposes under Section 103 of the Code. Interest on the 2022 Series D Bonds (including original issue discount treated as interest) will be fully subject to federal income taxation. Thus, owners of the 2022 Series D Bonds generally must include interest (including original issue discount treated as interest) on the 2022 Series D Bonds in gross income for federal income tax purposes.

Characterization as Indebtedness

The Agency intends for applicable tax purposes that the 2022 Series D Bonds will be indebtedness of the Agency secured by the pledged Program Obligations and other assets. The owners of the 2022 Series D

Bonds, by accepting 2022 Series D Bonds, have agreed to treat the 2022 Series D Bonds as indebtedness of the Agency for federal income tax purposes. The Agency intends to treat this transaction as a financing reflecting the 2022 Series D Bonds as its indebtedness for tax and financial accounting purposes. Bond Counsel is of the opinion that the 2022 Series D Bonds should be treated as indebtedness of the Agency for federal income tax purposes.

In general, the characterization of a transaction as a sale of property rather than a secured loan, for federal income tax purposes, is a question of fact, the resolution of which is based upon the economic substance of the transaction, rather than its form or the manner in which it is characterized. While the IRS and the courts have set forth several factors to be taken into account in determining whether the substance of a transaction is a sale of property or a secured indebtedness, the primary factor in making this determination is whether the transferee has assumed the risk of loss or other economic burdens relating to the property and has obtained the benefits of ownership thereof. Notwithstanding the foregoing, in some instances, courts have held that a taxpayer is bound by the particular form it has chosen for a transaction, even if the substance of the transaction does not accord with its form. The Agency believes that it has retained the preponderance of the benefits and burdens associated with the pledged Program Obligations and other assets. Therefore, the Agency believes that it should be treated as the owner of the pledged Program Obligations and other assets for federal income tax purposes, and the 2022 Series D Bonds should be treated as its indebtedness for federal income tax purposes. If, however, the IRS were to successfully assert that this transaction should not be treated as a loan secured by the pledged Program Obligations and other assets, the IRS could further assert that the Resolutions created a separate entity for federal income tax purposes which would be the owner of the pledged Program Obligations and other assets and would be deemed engaged in a business. That entity, the IRS could assert, should be characterized as an association or publicly traded partnership taxable as a corporation. In that event, the separate entity would be subject to corporate tax on income from the pledged Program Obligations and other assets, reduced by interest on the 2022 Series D Bonds. Any such tax could materially reduce cash available to make payment on the 2022 Series D Bonds.

In the opinion of Bond Counsel, the 2022 Series D Bonds will not be treated as a taxable mortgage pool within the meaning of Section 7701(i) of the Code.

Taxation of Interest Income of the 2022 Series D Bonds

Payments of interest with regard to the 2022 Series D Bonds will be includable as ordinary income when received or accrued by the holders thereof in accordance with their respective methods of accounting and applicable provisions of the Code. If the 2022 Series D Bonds are deemed to be issued with original issue discount, Section 1272 of the Code requires the current ratable inclusion in income of original issue discount greater than a specified de minimis amount using a constant yield method of accounting. In general, original issue discount is calculated, with regard to any accrual period, by applying the instrument’s yield to its adjusted issue price at the beginning of the accrual period, reduced by any qualified stated interest (as defined in the Code) allocable to the period. The aggregate original issue discount allocable to an accrual period is allocated to each day included in that period. The holder of a debt instrument must include in income the sum of the daily portions of original issue discount attributable to the number of days he owned the instrument. Section 1272(a)(6) of the Code applies a specific method for accruing original issue discount on a debt instrument the principal payments of which may be accelerated by virtue of the prepayment of other debt instruments (such as the 2022 Series D Bonds that are subject to acceleration by virtue of prepayment of the Program Obligations). Holders of the 2022 Series D Bonds should consult their tax advisor as to the proper method of applying this provision of the Code for purposes of accruing original issue discount and the prepayment assumption to be applied to that calculation.

Payments of interest received with respect to the 2022 Series D Bonds will also constitute investment income for purposes of certain limitations of the Code concerning the deductibility of investment interest expense. Potential holders of the 2022 Series D Bonds should consult their own tax advisors concerning the treatment of interest payments with regard to the 2022 Series D Bonds.

Individuals, estates or trusts owning the 2022 Series D Bonds may be subject to the unearned income Medicare contribution tax under Section 1411 of the Code (the “Medicare Tax”) with respect to interest received or accrued on the 2022 Series D Bonds, gain realized from a sale or other disposition of the 2022 Series D Bonds and other income realized from owning, holding or disposing of the 2022 Series D Bonds. The Medicare Tax is imposed on individuals beginning January 1, 2013. The Medicare Tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), (ii) the excess of “modified adjusted gross income” of the individual over $200,000 for unmarried individuals ($250,000 for married couples filing a joint return and a surviving spouse). Holders of the 2022 Series D Bonds should consult with their tax advisor concerning this Medicare Tax as it may apply to interest earned on the 2022 Series D Bonds as well as gain on the sale of a 2022 Series D Bond.

A purchaser (other than a person who purchases a 2022 Series D Bond upon issuance at the issue price) who buys a 2022 Series D Bond at a discount from its principal amount (or its adjusted issue price if issued with original issue discount greater than a specified de minimis amount) will be subject to the market discount rules of the Code. In general, the market discount rules of the Code treat principal payments and gain on disposition of a debt instrument as ordinary income to the extent of accrued market discount. Each potential investor should consult his tax advisor concerning the application of the market discount rules to the 2022 Series D Bonds.

Sale or Exchange of the 2022 Series D Bonds

If a holder sells a 2022 Series D Bond, that person will recognize gain or loss equal to the difference between the amount realized on that sale and the holder’s basis in that 2022 Series D Bond. Ordinarily, that gain or loss will be treated as a capital gain or loss. However, if a 2022 Series D Bond was originally issued at a discount or was subsequently purchased at a market discount, a portion of that gain will be recharacterized as ordinary income.

If the terms of a 2022 Series D Bond were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications that may be treated as material are those that relate to redemption provisions and, in the case of a nonrecourse obligation, those that involve the substitution of collateral. Each potential holder of a 2022 Series D Bond should consult its own tax advisor concerning the circumstances in which the 2022 Series D Bonds would be deemed reissued and the likely effects, if any, of that reissuance.

The legal defeasance of the 2022 Series D Bonds may result in a deemed sale or exchange of those 2022 Series D Bonds under certain circumstances. Holders of those 2022 Series D Bonds should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Backup Withholding

Certain purchasers may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the 2022 Series D Bonds, if the purchasers, upon issuance, fail to supply the Trustee or their brokers with their taxpayer identification numbers, furnish incorrect taxpayer identification numbers, fail to report interest, dividends or other “reportable payments” (as defined in the Code) properly, or, under certain circumstances, fail to provide the Trustee with a certified statement, under penalty of perjury, that they are not subject to backup withholding.

Tax Treatment of Original Issue Discount

2022 Series D Bonds that have an original yield above their interest rate constitute “Discounted Obligations.” The difference between the initial public offering prices of Discounted Obligations and their stated amounts to be paid at maturity, constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

In the case of an owner of a Discounted Obligation, the amount of original issue discount that is treated as having accrued with respect to that Discounted Obligation is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of a Discounted Obligation (including its sale, redemption or payment at maturity). Amounts received upon disposition of a Discounted Obligation that are attributable to accrued original issue discount will be treated as taxable interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Obligation, on days that are determined by reference to the maturity date of that Discounted Obligation. The amount treated as original issue discount on a Discounted Obligation for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for that Discounted Obligation (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of that Discounted Obligation at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any interest payable for that Discounted Obligation during the accrual period. The tax basis is determined by adding to the initial public offering price on that Discounted Obligation the sum of the amounts that have been treated as original issue discount for those purposes during all prior periods. If a Discounted Obligation is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in that compounding period.

The Code contains additional provisions relating to the accrual of original issue discount in the case of owners of a Discounted Obligation who purchase those Discounted Obligations after the initial offering. Holders of Discounted Obligations including purchasers of Discounted Obligations in the secondary market should consult their own tax advisors with respect to the determination for federal income tax purposes of original issue discount accrued with respect to those obligations as of any date and with respect to the state and local tax consequences of owning a Discounted Obligation.

Tax Treatment of Bond Premium

2022 Series D Bonds that have an original yield (or are subsequently purchased at a price that yields) below their interest rate constitute “Premium Obligations”. An amount equal to the excess of the purchase price of a Premium Obligation over its stated redemption price at maturity constitutes premium on that Premium Obligation. A purchaser of that Premium Obligation has the option to amortize any premium over that Premium Obligation’s term using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, it offsets the interest allocable to the corresponding payment period and the purchaser’s basis in that Premium Obligation is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of that Premium Obligation prior to its maturity. Purchasers of Premium Obligations should consult with their own tax advisors with respect to the election to amortize bond premium and the determination and treatment of amortizable premium for federal income tax purposes and with respect to the state and local tax consequences of owning those Premium Obligations.

State, Local or Foreign Taxation

No representations are made regarding the tax consequences of purchase, ownership or disposition of the 2022 Series D Bonds under the tax laws of any state, locality or foreign jurisdiction (except as provided in “State Law Considerations” below). Investors considering an investment in the 2022 Series D Bonds should consult their own tax advisors regarding those tax consequences.

Tax-Exempt Investors

In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for that entity’s exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to that interest is subject to acquisition indebtedness. Therefore, except to the extent any holder of a 2022 Series D Bond incurs acquisition indebtedness with respect to a 2022 Series D Bond, interest paid or accrued with respect to that holder may be excluded by that tax exempt holder from the calculation of unrelated business taxable income. Each potential tax exempt holder of a 2022 Series D Bond is urged to consult its own tax advisor regarding the application of these provisions.

Certain ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of those plans (collectively, "ERISA Plans") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the 2022 Series D Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, those plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of the 2022 Series D Bonds could be viewed as violating those prohibitions. In addition, Code Section 4975 prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Code Section 503 includes similar restrictions with respect to governmental and church plans. In this regard, the Agency or any Underwriter of the 2022 Series D Bonds might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Code Sections 4975 or 503. Prohibited transactions within the meaning of ERISA and the Code may arise if the 2022 Series D Bonds are acquired by those plans or arrangements with respect to which the Agency or any Underwriter is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above Code Sections, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the 2022 Series D Bonds. The sale of the 2022 Series D Bonds to a plan is in no respect a representation by the Agency or any Underwriter that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular plan. **Any plan proposing to invest in the 2022 Series D Bonds should consult with its counsel to confirm that that investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.**

State Law Considerations

Interest on the 2022 Series D Bonds is includable in the taxable net income of individuals, trusts and estates for State income tax purposes. That interest is also includable in the income of corporations and financial institutions for purposes of the State franchise tax.

LITIGATION

There is not now pending or, to the best knowledge of the officers of the Agency, overtly threatened any litigation against the Agency seeking to restrain or enjoin the sale, issuance, execution or delivery of the Series Bonds, or in any manner questioning or affecting the validity of the Series Bonds or the proceedings or authority pursuant to which they are to be issued and sold.

The Agency is a party to various litigations arising in the ordinary course of business. While the ultimate effect of those actions cannot be predicted with certainty, the Agency expects that the outcome of these matters will not result in a material adverse effect on the financial position or results of operations of the Agency.

LEGAL MATTERS

The validity of the Series Bonds and the tax exemption of interest on the 2022 Series C Bonds are subject to the opinions of Kutak Rock LLP, Bond Counsel. The opinion of Bond Counsel will be provided in substantially the form set forth in Appendix F attached hereto. Certain legal matters will be passed upon for the Underwriters by their counsel, Dorsey & Whitney LLP.

RATINGS

The 2022 Series C Bonds are rated "___" by Moody's Investors Service, Inc. ("Moody's"), and "___" by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"), and the 2022 Series D Bonds are rated "________" by Moody's and "_______" by S&P. The short-term ratings assigned to the 2022 Series D Bonds are conditioned upon the issuance by the Initial Liquidity Provider of the Standby Bond Purchase Agreement. The ratings reflect only the views of the applicable rating agency, and an explanation of the significance of that rating may be obtained only from the rating agency and its published materials. The ratings described above are not a recommendation to buy, sell or hold the Series Bonds. There can be no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. Therefore, after the date hereof, investors should not assume that those ratings are still in effect. A downward revision or withdrawal of either rating is likely to have an adverse effect on the market price and marketability of the Series Bonds. The Agency has not assumed any responsibility either to notify the owners of the Series Bonds of any proposed change in or withdrawal of any rating subsequent to the date of this Official Statement, except in connection with the reporting of events as provided in the Continuing Disclosure Undertaking (see Appendix B to this Official Statement), or to contest any revision or withdrawal.

TRUSTEE

Computershare Trust Company, National Association (the "Trustee"), a national banking association, serves as successor Trustee under the Bond Resolution to Wells Fargo Bank, National Association ("WFBNA"). The Trustee also serves as bond trustee for other outstanding bonds of the Agency. As part of the sale of WFBNA's corporate trust services to the Trustee, virtually all corporate trust services employees of WFBNA along with most existing corporate trust services systems, technology and offices, transferred to the Trustee, together with all duties, obligations and rights of WFBNA under the Bond Resolution.

Pursuant to the Bond Resolution, any successor Trustee, including a successor by sale or transfer of the corporate trust business, must be a bank or trust company or national banking association having trust powers and combined capital and surplus aggregating at least $75,000,000.

FINANCIAL ADVISOR

CSG Advisors Incorporated (the "Financial Advisor") is serving as financial advisor to the Agency with respect to the planning, structuring and sale of the Series Bonds. The Financial Advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series Bonds and provided other advice to the Agency. The Financial Advisor does not underwrite or trade bonds and will not engage in any underwriting activities with regard to the issuance and sale of the Series Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification, or to assume responsibility for the accuracy, completeness or fairness, of the information contained in this Official Statement and is not obligated to review or ensure compliance with continuing disclosure undertakings.

UNDERWRITING

RBC Capital Markets, LLC, Piper Sandler & Co., Wells Fargo Bank, National Association and J.P. Morgan Securities LLC (collectively, the "Underwriters") will purchase from the Agency, and the Agency will sell to the Underwriters, all of the Series Bonds for the public offering prices stated on the inside front cover of this Official Statement. The Agency will pay the Underwriters a fee of $______________ with respect to their purchase of the Series Bonds. The Underwriters may offer and sell the Series Bonds to certain dealers and certain dealer banks at prices lower than those public offering prices.

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

Wells Fargo Bank, National Association ("WFBNA"), acting through its Municipal Finance Group, one of the underwriters of the Series Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Series Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing compensation, as applicable with respect to the Series Bonds with WFA. WFBNA also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate, Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company ("WFC").

Wells Fargo Corporate & Investment Banking (which may be referred to elsewhere as "CIB," "Wells Fargo Securities" or "WFS") is the trade name used for the corporate banking, capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including WFBNA, a member of the National Futures Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, N.A. Municipal Finance Group, a separately identifiable department of WFBNA, registered with the U.S. Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Series Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series Bonds that that firm sells.

RBC Capital Markets, LLC, an underwriter of the Series Bonds and the initial Remarketing Agent for the 2022 Series D Bonds, is a subsidiary of Royal Bank of Canada, the Initial Liquidity Provider.

MISCELLANEOUS

This Official Statement is submitted in connection with the offering of the Series Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements made or incorporated in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are set forth as opinion or estimates and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Agency and the purchasers or owners of any of the Series Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Agency.

MINNESOTA HOUSING FINANCE AGENCY

By ___________________________________
Commissioner

Dated: __, 2022.

APPENDIX A-1

AUDITED FINANCIAL STATEMENTS OF THE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

APPENDIX A-2

FINANCIAL STATEMENTS OF CERTAIN FUNDS OF THE AGENCY
(EXCLUDING STATE APPROPRIATED AND FEDERAL APPROPRIATED FUNDS)
AS OF DECEMBER 31, 2021
AND FOR THE SIX MONTHS THEN ENDED (UNAUDITED)

APPENDIX B

SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING

The following statements are extracted provisions of the Continuing Disclosure Undertaking to be executed by the Agency in connection with the issuance of the Series Bonds.

Purpose

This Disclosure Undertaking is executed and delivered by the Agency for the benefit of the holders and owners (the "Bondowners" or "Owners") and the Beneficial Owners of the Series Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule. There is no obligated person other than the Agency that is a party to the Disclosure Undertaking.

Definitions

In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Undertaking, the following capitalized terms shall have the following meanings:

"*Annual Financial Information*" means the following financial information and operating data (in addition to Audited Financial Statements): information about the outstanding principal amounts and types of Program Securities pledged to the payment of Bonds outstanding under the Bond Resolution as the end of that fiscal year of a type substantially similar to that under the heading "The Residential Housing Finance Program—Mortgage Loan Portfolio and Acquired Program Securities" in the Official Statement; information of the type set forth in Appendix G to the Official Statement relating to mortgage insurance, delinquency and foreclosure statistics and, so long as applicable, payment forbearances received and granted pursuant to the CARES Act for the single family mortgage whole loan portfolio funded by Bonds; information of the type set forth in Appendix H to the Official Statement relating to liquidity facilities for outstanding Bonds; and information under the heading "Security for the Bonds – Investment Obligations" in the Official Statement concerning funds held in respect of Bonds under the Bond Resolution in investment agreements.

"*Annual Financial Information Disclosure*" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as described under "Annual Financial Information Disclosure" herein.

"*Audited Financial Statements*" means the audited financial statements of the Agency, prepared pursuant to the standards and as described under the caption "Annual Financial Information Disclosure."

"*Beneficial Owners*" means (1) in respect of a Series Bond subject to a book-entry-only registration system, any person or entity that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, that Series Bond (including persons or entities holding Series Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Series Bond for federal income tax purposes, and that person or entity provides to the Trustee evidence of that beneficial ownership in form and substance reasonably satisfactory to the Trustee; or (2) in respect of a Series Bond not subject to a book-entry-only registration system, the registered owner or owners thereof appearing in the bond register maintained by the Trustee, as Registrar.

"*CARES Act*" means the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), signed into law on March 27, 2020.

"*Commission*" means the Securities and Exchange Commission.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Financial Obligation*" 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 or planned debt obligation, or, (iii) guarantee of either (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

"*Listed Event*" means the occurrence of any of the events with respect to the Series Bonds set forth below:

1. Principal and interest payment delinquencies;

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

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Agency (within the meaning of the Rule);

13. The consummation of a merger, consolidation or acquisition involving the Agency or the sale of all or substantially all of the assets of the Agency, 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 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 the Agency, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Agency, any of which affect security holders, 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 the Agency, any of which reflect financial difficulties.

"*Listed Events Disclosure*" means dissemination of a notice of a Listed Event as described under the heading "Listed Events Disclosure" in this Appendix B.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Participating Underwriter*" means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series Bonds.

"*Prescribed Form*" means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Listed Events with the MSRB at www.emma.msrb.org (or another address or addresses as the MSRB may from time to time specify), the electronic format, accompanied by the identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of that information.

"*Rule*" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"*Undertaking*" means the obligations of the Agency described under the headings "Annual Financial Information Disclosure" and "Listed Events Disclosure" in this Appendix B.

Annual Financial Information Disclosure

The Agency shall disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below) for each fiscal year of the Agency, commencing with the fiscal year ending June 30, 2022, by one of the following methods: (i) the Agency may deliver that Annual Financial Information and the Audited Financial Statements to the MSRB within 120 days of the completion of the Agency's fiscal year or (ii) delivery of an Official Statement of the Agency to the MSRB within 120 days of the completion of the Agency's fiscal year, but only to the extent that Official Statement includes that Annual Financial Information and Audited Financial Statements.

The Agency shall deliver the information in Prescribed Form and by the time so that those entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Agency shall disseminate a statement to that effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Disclosure Undertaking, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

All or a portion of the Annual Financial Information and the Audited Financial Statements may be included by reference to other documents that have been submitted to the MSRB or filed with the Commission. The Agency shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 120 days after the last day of the Agency's fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 business days after availability to the Agency.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by the Disclosure Undertaking, including for this purpose a change made to the fiscal year-end of the Agency, the Agency will disseminate a notice to the MSRB of that change in Prescribed Form.

Listed Events Disclosure

The Agency shall disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Listed Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series Bonds or defeasance of any Series Bonds need not be given under this Disclosure Undertaking any earlier than the notice (if any) of that redemption or defeasance is given to the owners of the Series Bonds pursuant to the Resolutions. In addition, notice of the mandatory sinking fund redemption of certain of the Series Bonds is not required to be given as a Listed Event.

Consequences of Failure of the Agency To Provide Information

The Agency shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Agency to comply with any provision of this Disclosure Undertaking, the Bondowner or Beneficial Owner of any Series Bond may seek specific performance by court order to cause the Agency to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Resolutions or any other agreement, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Agency to comply with this Disclosure Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of this Disclosure Undertaking, the Agency may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Agency or type of business conducted;

(ii) This Disclosure Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Bondowners of the Series Bonds, as determined either by parties unaffiliated with the Agency (such as the Trustee) or by an approving vote of the Bondowners of the Series Bonds holding a majority of the aggregate principal amount of the Series Bonds (excluding Series Bonds held by or on behalf of the Agency or its affiliates) pursuant to the terms of the Resolutions at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Termination of Undertaking

This Disclosure Undertaking shall terminate when the Agency shall no longer have any legal liability for any obligation on or relating to the repayment of the Series Bonds. The Agency shall give notice to the MSRB in a timely manner and in Prescribed Form if the Undertaking is so terminated before the final stated maturity of the Series Bonds.

Additional Information

Nothing in this Disclosure Undertaking shall be deemed to prevent the Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the Agency chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the Agency shall not have any obligation under this Disclosure Undertaking to update that information or include it in any future disclosure or notice of the occurrence of a Listed Event.

Beneficiaries

This Disclosure Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Disclosure Undertaking shall inure solely to the benefit of the Agency, the Bondowners and Beneficial Owners of the Series Bonds, and shall create no rights in any other person or entity.

Recordkeeping

The Agency shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure, including the content of that disclosure, the names of the entities with whom that disclosure was filed and the date of filing that disclosure.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following statements are brief summaries of certain provisions of the Bond Resolution. Terms defined herein are identical in all material respects with the definitions in the Bond Resolution or the Series Resolutions.

Certain Defined Terms

Agency Certificate: As the case may be, a document signed by an Authorized Officer either (i) attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or (ii) setting forth matters to be determined by the Agency or an Authorized Officer pursuant to the Bond Resolution or (iii) requesting or directing the Trustee or other party to take action pursuant to the Bond Resolution.

Agency Swap Payment: A payment due to a Swap Counterparty from the Agency pursuant to the applicable Swap Agreement (including, but not limited to, payments in respect of any early termination of such Swap Agreement).

Authorized Officer: The Chairperson, Vice Chairperson, Commissioner or Deputy Commissioner of the Agency or any other person authorized by resolution of the Agency to perform an act or sign a document.

Bondowner or *Owner*: The registered owner of any outstanding Bond or Bonds which at the time is registered on the registration books maintained by the Trustee.

Cash Flow Certificate: A certificate from an Authorized Officer giving effect to the action proposed to be taken and demonstrating that in the current and in each succeeding Fiscal Year in which Bonds are scheduled to be Outstanding that Revenues and other amounts expected to be on deposit in the Funds and Accounts established hereunder or under any Series Resolution (excluding the Insurance Reserve Fund and, except to the extent otherwise provided in a Series Resolution, the Alternative Loan Fund) will be at least equal to all amounts required to be on deposit in order to pay the Debt Service on the Bonds and to maintain the Debt Service Reserve Requirement and Insurance Reserve Requirement; provided that, to the extent specified in a Series Resolution, a Fund or Account (other than those excluded above) shall not be taken into account when preparing such Cash Flow Certificate. The Cash Flow Certificate shall set forth the assumptions upon which the estimates therein are based, which assumptions shall be based upon the Agency's reasonable expectations at the time such Cash Flow Certificate is filed. The Agency may assume in a Cash Flow Certificate that, if Bonds of a Series are issued for purposes other than the Financing of Program Loans for the acquisition of owner-occupied housing, amounts to be deposited in or irrevocably appropriated to any Fund or Account established under the Bond Resolution (other than the Alternative Loan Fund or, unless otherwise provided in a Series Resolution) from sources not subject to the lien of the Bond Resolution will be available in amounts and at times sufficient to pay the Debt Service on Outstanding Bonds of such Series when due and to maintain the Debt Service Reserve Requirement and Insurance Reserve Requirement, if any, with respect to Outstanding Bonds of such Series.

Code: The Internal Revenue Code of 1986, as amended, and the applicable temporary, proposed and final Treasury regulations promulgated thereunder or applicable thereto.

Counterparty Swap Payment: A payment due to or received by the Agency from a Swap Counterparty pursuant to a Swap Agreement (including, but not limited to, payments in respect of any early termination of such Swap Agreement) and amounts received by the Agency under any related Swap Counterparty Guarantee.

Debt Service Reserve Requirement: As of any particular date of computation, the sum of amounts established for each Series of Bonds by each Series Resolution.

Defaulted Program Loan: A Program Loan on which payments are 60 days in arrears (but not a Program Loan as to which all defaults have been cured to the satisfaction of the Agency).

Delivery Period: For the Series Bonds, the period of time for the purchase of Program Securities from the Master Servicer; the Delivery Period shall end on September 1, 2022 unless extended by the Agency pursuant to the Series Resolution; provided the Delivery Period may not be extended beyond September 1, 2025.

Fannie Mae: The Federal National Mortgage Association or any successor thereto.

Fannie Mae Security: A single pool, guaranteed mortgage pass-through Fannie Mae Program Security, guaranteed as to timely payment of principal and interest by Fannie Mae and backed by Conventional Mortgage Loans, or FHA Insured or VA Guaranteed Program Loans, in the related mortgage pool.

Federal Mortgage Agency: The Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Farmers Home Mortgage Corporation and such other public or private agencies or corporations as the United States Congress may create for the purpose of housing finance and which are an agency or instrumentality of the United States or sponsored thereby.

FHA: The Federal Housing Administration of the Department of Housing and Urban Development or any agency or instrumentality of the United States of America succeeding to the mortgage insurance functions thereof.

Finance or finance: When used with reference to a Program Obligation, shall be construed to include (i) the making or purchase of such Program Obligation, (ii) the participation by the Agency, either with itself or with others, in the making or purchase thereof, or (iii) the permanent financing of a Program Obligation which has been temporarily financed by the Agency through the issuance of notes or other obligations or otherwise.

Fiscal Year: The period of 12 calendar months commencing on July 1 in any calendar year and ending on June 30 in the following year, or such other 12-month period as may be designated by the Agency by Agency Certificate delivered to the Trustee.

Freddie Mac: The Federal Home Loan Mortgage Corporation, a corporate instrumentality of the United States created pursuant to the Federal Home Loan Mortgage Act (Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§ 1451-1459), and any successor to its functions.

Freddie Mac Security: A single pool, guaranteed mortgage pass-through Freddie Mac program security, guaranteed as to timely payment of principal and interest by Freddie Mac and backed by Conventional Mortgage Loans, or FHA Insured or VA Guaranteed Program Loans, in the related mortgage pool.

GNMA: The Government National Mortgage Association, a wholly owned corporate instrumentality of the United States within HUD, and any successor to its functions. Its powers are prescribed generally by Title III of the National Housing Act, as amended (12 U.S.C., §1716 et seq.).

Insurance Reserve Requirement: As of any particular date of computation, the sum of amounts, if any, established for each Series of Bonds by the Series Resolution.

Investment Obligations: Any of the following securities and other investments, if and to the extent the same are at the time legal for the investment of the Agency's moneys:

(a) Direct obligations of, or obligations the timely payment of principal and interest on which are insured or guaranteed by, the United States of America;

(b) Obligations (i) which are backed by the full faith and credit of any state of the United States of America, (ii) of any agency of the United States of America, or (iii) of any public corporation sponsored by the United States of America, provided that, at the time of purchase, such obligations shall not adversely affect the Rating of the Bonds;

(c) Interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements with any bank, trust company, national banking association or other savings institution (including any Fiduciary) provided that (i) such deposits, certificates and other arrangements are fully insured by the Federal Deposit Insurance Corporation or guaranteed by the State, the proceeds of which insurance are timely available, or (ii) such Depository has combined capital and surplus of at least $75,000,000 and such deposits, certificates and other arrangements are fully secured by obligations described in clause (a) or (b) of this definition, or a combination thereof, at such levels and valuation frequency as shall not adversely affect the Rating of the Bonds or (iii) the deposit of funds with such Depository will not adversely affect the Rating of the Bonds;

(d) Repurchase agreements and reverse repurchase agreements with banks which are members of the Federal Deposit Insurance Corporation, or with government bond dealers reporting to and trading with the Federal Reserve Bank of New York, which agreements are secured by obligations described in the preceding clauses (a) and (b) of this definition;

(e) Shares of (i) an investment company registered under the federal investment company act of 1940, whose shares are registered under the federal securities act of 1933, whose only investments are in securities described in subparagraphs (a) or (b) above, or (ii) a common trust fund established by a national banking association or a bank or trust company organized under the laws of any state with combined capital and surplus of at least $75,000,000, under the supervision and regulation of the Comptroller of the Currency pursuant to 12 C.F.R. 9, or any successor regulation, whose only investments are in securities described in subparagraphs (a) or (b) above;

(f) Any investment contract with any provider as long as such investment contract does not adversely affect the Rating of the Bonds; and

(g) Any other investment that will not adversely affect the Rating of the Bonds.

Lender: To the extent permitted in the Act, any bank or trust company, savings and loan association, savings bank, credit union, insurance company or other financial intermediary (whether or not organized for profit) approved by the Agency or mortgage banker or mortgage broker authorized to deal in mortgage loans insured or guaranteed by an agency of the United States government. Such Lender shall be authorized to do business in the State, and shall have such qualifications as may be established from time to time by rules and regulations of the Agency. For purposes of the Bond Resolution, Lender shall also be deemed to include any federal or state agency, including the Agency, or any political subdivision of the State or agency thereof.

Parity Certificate: An Agency Certificate, giving effect to the action proposed to be taken in connection with the filing thereof, showing that (A) the sum of (i) the moneys, Investment Obligations and Cash Equivalents then credited to the Acquisition Accounts, the Revenue Fund, the Bond Fund Principal Account, the Bond Fund Interest Account and the Debt Service Reserve Fund, (ii) the unpaid principal amount of all Program Obligations credited to the Acquisition Accounts (other than any Acquisition Account funded with moneys transferred from the Alternative Loan Fund), and (iii) any other moneys, Investment Obligations and Cash Equivalents and the unpaid principal amount of all Program Obligations otherwise specifically pledged to the payment of Outstanding Bonds by a Series Resolution, exceeds (B) an amount equal to 103% of the principal amount of Outstanding Bonds of all Series.

Principal Requirement: As of any particular date of calculation with respect to Bonds Outstanding on that date, the amount of money equal to any unpaid Principal Installment then due plus the Principal Installment to become due on each Series of Bonds on the next respective Principal Installment Date within the next succeeding six months.

Private Mortgage Insurer: Any private mortgage insurance company approved by the applicable Federal Mortgage Agency and the Agency and providing private mortgage guaranty insurance on Conventional Mortgage Loans.

Program: The program for the financing of Program Obligations for Housing established by the Agency pursuant to the Act, as the same may be amended from time to time, and the Bond Resolution and for financing Other Obligations.

Program Loan: A loan for Housing secured in such manner as the Agency may specify in the applicable Series Resolution for Program Loans to be made from the proceeds of a Series of Bonds.

Program Obligation: Any Program Loan or Program Security acquired by the Agency by the expenditure of amounts in an Acquisition Account.

Program Security: An obligation representing an undivided interest in a pool of Program Loans, to the extent the payments to be made on such obligation are guaranteed or insured by a Federal Mortgage Agency.

Rating: With respect to any Series of Bonds, the rating issued by a Rating Agency in force immediately prior to the proposed action to be taken by the Agency under the Bond Resolution, and an action which does not "impair" the Rating with respect to any Series of Bonds shall be an action which will not cause the Rating Agency to lower or withdraw the rating it has assigned to the Series of Bonds.

Rating Agency: Any nationally recognized entity which, upon the request of the Agency, has issued a credit rating on any Series of Bonds issued pursuant to the Bond Resolution.

Revenues: With respect to the Outstanding Bonds, all payments, proceeds, rents, premiums, penalties, charges and other cash income received by the Agency from or on account of any Program Obligation (including scheduled, delinquent and advance payments of, and any net insurance or guaranty proceeds with respect to, principal and interest on any Program Obligation or the net operating income or net proceeds of sale of any property acquired thereunder) (exclusive, however, of Program Obligations, if any, credited to the Alternative Loan Fund), any Counterparty Swap Payments received from any Swap Counterparty pursuant to a Swap Agreement, any amounts deposited in or irrevocably appropriated to any Fund or Account established under the Bond Resolution (other than the Alternative Loan Fund, except as otherwise provided in a Series Resolution) from sources not subject to the lien of the Bond Resolution, and all interest earned or gain realized in excess of losses as a result of the investment of the amount in any Fund or Account established under the Bond Resolution (other than the Alternative Loan Fund, except as otherwise provided in a Series Resolution), but excludes (i) any amount retained by a servicer (including the Agency) of any Program Obligation as compensation for services rendered in connection with such Program Obligation, (ii) any payments for the guaranty or insurance of any Program Obligation, (iii) any payments of taxes, assessments or similar charges or premiums or other charges for fire or other hazard insurance (and any escrow payments in connection therewith) called for by or in connection with any Program Obligation, (iv) amounts payable with respect to a Program Obligation which represent a return on amounts financed by the Agency or by other persons pursuant to a participation, forbearance or other arrangement from sources other than proceeds of Bonds or other amounts held hereunder and (v) to the extent such items do not exceed the income derived therefrom, payments or charges constituting expenses of managing and maintaining property acquired pursuant to a Program Loan.

Series: All Bonds delivered on original issuance in a simultaneous transaction, regardless of variations in maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds pursuant to the Bond Resolution.

Series Resolution: A resolution of the Agency authorizing the issuance and delivery of Bonds pursuant to the Bond Resolution.

Swap Agreement: With respect to any Bonds, an interest rate exchange agreement between the Agency and a Swap Counterparty, as amended or supplemented, or other interest rate hedge agreement between the Agency and a Swap Counterparty, as amended or supplemented, for the purpose of converting, in whole or in part, (i) the Agency's fixed interest rate liability on all or a portion of any Bonds to a variable rate liability, (ii) the Agency's variable rate liability on all or a portion of any Bonds to a fixed rate liability or (iii) the Agency's variable rate liability on all or a portion of any Bonds to a different variable rate liability.

Swap Counterparty: Any Person with whom the Agency shall from time to time enter into a Swap Agreement, as specified in a Series Resolution.

Swap Counterparty Guarantee: A guarantee in favor of the Agency given in connection with the execution and delivery of a Swap Agreement, as specified in a Series Resolution.

UMBS: The common, single mortgage-backed securities backed by fixed-rate mortgages formally known as the Uniform Mortgage-Backed Security, issued as of June 3, 2019 by Fannie Mae and Freddie Mac, guaranteed by either Fannie Mae or Freddie Mac, depending upon which issues the UMBS. UMBS are a type of Program Security.

Series Accounts

Unless otherwise provided in a Series Resolution, the Trustee shall establish within each Fund under the Bond Resolution (other than the Alternative Loan Fund), a separate Series Account for each Series of Bonds. The proceeds of a particular Series of Bonds, other amounts made available by the Agency in the Series Resolution or otherwise relating to a particular Series of Bonds and the Revenues relating to a particular Series of Bonds (including the payments on Program Obligations acquired with the proceeds of a particular Series of Bonds or the payments on any other collateral pledged to a particular Series of Bonds and the earnings on investments of any of said proceeds, funds and amounts) shall be deposited or credited to the separate Series Accounts established for that particular Series of Bonds. Where required to assure compliance with the covenants of the Bond Resolution and any Series Resolution, withdrawals from Series Accounts established in connection with a particular Series of Bonds may be made and used (including for purposes of redemption) for any other Series of Bonds. For purposes of investment, the Trustee, may, or shall at the direction of the Agency, consolidate the Series Accounts required to be established in a particular Fund so long as adequate records are maintained as to the amounts held in each such Fund allocable to each Series of Bonds. In addition to the Funds and Accounts established under the Bond Resolution, the Trustee may from time to time, establish, maintain, close and reestablish such accounts and subaccounts as may be requested by the Agency for convenience of administration of the Program and as shall not be inconsistent with the provisions of the Bond Resolution.

Cost of Issuance Accounts

Each Series Resolution authorizing the issuance of a Series of Bonds may, but is not required to, provide for a separate Cost of Issuance Account to be held by the Trustee. Moneys in each such Cost of Issuance Account shall be expended for Costs of Issuance of such Series of Bonds and for no other purpose upon receipt by the Trustee of a requisition signed by an Authorized Officer stating the amount and purpose of any such payment. Any amounts in a Cost of Issuance Account remaining therein upon payment of all Costs of Issuance for such Series of Bonds shall (i) if not proceeds of Bonds, be transferred to the Revenue Fund and (ii) if sale proceeds, investment proceeds or transferred proceeds of Bonds, be transferred to any one or more of the Acquisition Accounts or the Bond Redemption Fund, upon receipt by the Trustee of a Certificate of the Agency stating that such moneys are no longer needed for the payment of Costs of Issuance whereupon such Account shall be closed. Interest and other income derived from the investment or deposit of each such Cost of Issuance Account shall be transferred by the Trustee upon receipt thereof to the Revenue Fund.

Acquisition Accounts

Each Series Resolution authorizing the issuance of a Series of Bonds shall, unless such Bonds are Refunding Bonds for which no such account is necessary, establish a separate Acquisition Account to be held by the Trustee. There shall be deposited from time to time in each Acquisition Account (i) any proceeds of Bonds or other amounts required to be deposited therein pursuant to the Bond Resolution or the applicable Series Resolution and (ii) any other amounts determined by the Agency to be deposited therein from time to time.

Except as otherwise permitted or required to be transferred to other Funds and Accounts, amounts in an Acquisition Account shall be expended only to Finance Program Obligations. All Program Obligations Financed by application of amounts in an Acquisition Account shall be credited to such Acquisition Account or, if a Series Resolution so provides, to the Alternative Loan Fund. No Program Loan shall be Financed unless the requirements of the applicable Series Resolution have been met, and no Program Security shall be Financed unless the Program Security is registered in the name of the Trustee or is registered in the name of the Agency and delivered to the Trustee with a written assignment thereof to the Trustee pursuant to the Bond Resolution from and after the date such Program Security is Financed hereunder. In addition, no Program Security shall be Financed unless such Program Security represents a pass through or participation interest in a pool of Program Loans and provides for a guaranty of all payments to be made to the Agency thereunder by a Federal Mortgage Agency.

The Trustee shall pay out and permit the withdrawal of amounts on deposit in any Acquisition Account at any time for the purpose of making payments pursuant to the Bond Resolution, but only upon receipt of the following documents prior to any proposed withdrawal:

(1) an Agency Certificate setting forth the amount to be paid, the person persons to whom such payment is to be made (which may be or include the Agency) and, in reasonable detail, the purpose or purposes of such withdrawal; and

(2) an Agency Certificate stating that the amount to be withdrawn from such Acquisition Account pursuant to such requisition is a proper charge thereon and, if such requisition is made to Finance the acquisition of Program Obligations, that (i) the terms of such Program Obligations conform to the description of the Program Obligations to be Financed from such amount as provided to the Trustee pursuant to the terms of the Bond Resolution, and (ii) such Program Obligations otherwise comply with the provisions of the Bond Resolution.

At any time the Agency, by Agency Certificate, may direct the Trustee to transfer amounts in an Acquisition Account into the Bond Fund Principal Account or Bond Fund Interest Account, as appropriate, to pay principal or sinking fund installments of and interest on the related Series of Bonds, or into the appropriate account in the Debt Service Reserve Fund or Insurance Reserve Fund, which Request shall state that such transfer is appropriate to meet the requirements of said Fund.

The interest earned and other income derived from the investment or deposit of each Acquisition Account may be transferred to the appropriate account in the Revenue Fund for the related Series of Bonds by the Trustee upon receipt thereof to the extent that such amounts exceed any losses realized by investment of deposits in such Acquisition Account or may be retained in the Acquisition Account for the Financing of additional Program Obligations, as directed by Agency Certificate.

All amounts deposited into an Acquisition Account shall be disbursed in the manner provided in the Bond Resolution or the Agency may, by Agency Certificate, direct the Trustee to transfer any amounts from the Acquisition Account to the Bond Redemption Fund to be used for the redemption of Bonds of the related Series; provided, however, that (i) the Agency Certificate shall specify the maturities, the principal amounts of each maturity, and the Series of Bonds to be redeemed (including any credits against sinking fund installments on any Term Bonds to be redeemed) and (ii) in the case of any selection method of Bonds for an optional or special redemption different from the selection method assumed in the most recently filed Cash Flow Certificate, the Agency shall file an updated Cash Flow Certificate with the Trustee.

The Agency may establish temporary subaccounts within an Acquisition Account for the collection and custody of fees paid by Lenders or other persons in connection with the reservation of funds in the Acquisition Account for use in Financing Program Obligations to be originated by such Lenders or other persons. To the extent that the Agency’s agreements with such Lenders or other persons provide for the refund of any such fees (or portions thereof), amounts may be withdrawn from any such subaccount or the Acquisition Account in accordance with such agreements, and any amounts not required to be so applied may, pursuant to an Agency Certificate, be applied to any other purpose of the Acquisition Account as provided in the Bond Resolution.

Revenue Fund

The Agency shall cause all Revenues to be deposited promptly with a Depository and to be transmitted regularly to the Trustee. Unless otherwise provided in the Bond Resolution, all such amounts shall be deposited in the Revenue Fund. There shall also be deposited in the Revenue Fund any other amounts required to be deposited therein pursuant to the Bond Resolution or the Series Resolution or other resolution of the Agency.

The Trustee shall withdraw from any money in the Revenue Fund and credit to each of the following Funds and Accounts, or pay to the Person specified, the amount indicated in the following tabulation, at the times indicated in the following tabulation:

(1) on or before the applicable Interest Payment Date, to the Bond Fund Interest Account the amount needed, taking into account any balance then on deposit therein, to increase the balance therein to the Interest Requirement;

(2) on or before the applicable Principal Installment Date, to the Bond Fund Principal Account the amount, needed, taking into account any balance then on deposit therein, to increase the amount therein to the Principal Requirement;

(3) on any date, assuming any prior transfers required pursuant to subsections (1) and (2) above have been made, to the Debt Service Reserve Fund, the amount, if any, needed to increase the amount therein to the Debt Service Reserve Requirement;

(4) on any date, assuming any prior transfers required pursuant to subsections (1), (2) and (3) above have been made, to the Insurance Reserve Fund, the amount, if any, needed to increase the amount therein to the Insurance Reserve Requirement;

(5) unless otherwise expressly provided in the Series Resolution in respect of a Series of Bonds to which the Swap Agreement relates in whole or in part, on or before the applicable due dates, assuming any prior transfers required pursuant to subsections (1), (2), (3) and (4) above have been made, to any Swap Counterparty, the Agency Swap Payments due from time to time pursuant to a Swap Agreement; and

(6) to the extent not transferred pursuant to the preceding subsections, the balance shall be held in the Revenue Fund until and unless directed by Agency Certificate to be transferred and utilized as set forth elsewhere in this section.

At such periodic intervals as the Agency, by Agency Certificate, shall direct, the Trustee shall withdraw from the Revenue Fund and transfer to the United States of America such amounts as are necessary to comply with the Code, including particularly the arbitrage rebate requirements of Section 148 thereof.

Amounts credited to the Revenue Fund shall be transferred to the Bond Redemption Fund on or before the designated Redemption Date to be used for the purchase or redemption of Bonds pursuant to the Bond Resolution and the terms of any related Series Resolution upon the filing with the Trustee of (i) an Agency Certificate specifying the maturities, the principal amounts of each maturity, and the Series of Bonds to be redeemed (including any credits against sinking fund installments on any Term Bonds to be redeemed) and (ii) in the case of any selection method of Bonds for an optional or special redemption different from the selection method assumed in the most recently filed Cash Flow Certificate, a Cash Flow Certificate.

Amounts credited to the Revenue Fund may be transferred to an existing Acquisition Account or a new Acquisition Account to be established to be used to acquire Program Obligations upon filing with the Trustee of (i) an Agency Certificate specifying the amount to be so transferred and either specifying the existing Acquisition Account to which the funds are to be deposited or directing the establishment of a new Acquisition Account for the deposit of the funds and providing the information relating to the new Acquisition Account required by the Bond Resolution and (ii) a Cash Flow Certificate.

Amounts credited to the Revenue Fund, as directed by an Agency Certificate, shall be released to the Agency for the payment of Program Expenses or the establishment of reserves therefor in an amount needed or required to pay reasonable and necessary Program Expenses; provided that if the amount to be released exceeds the amount assumed in the most recently filed Cash Flow Certificate, the Agency shall file a new Cash Flow Certificate with the Trustee.

Amounts credited to the Revenue Fund, except Program Expenses, may be released to the Agency free and clear of the lien of the Bond Resolution, for deposit in the Agency's General Reserve Account or deposit in the Alternative Loan Fund, upon the filing with the Trustee of (i) an Agency Certificate directing the same, (ii) a Cash Flow Certificate and (iii) a Parity Certificate.

Any investment earnings on moneys held in the Revenue Fund shall be retained therein.

Bond Fund Interest Account and Bond Fund Principal Account

The Trustee shall withdraw from the Bond Fund Interest Account, on or immediately prior to each Interest Payment Date of the Bonds, an amount equal to the unpaid interest due on the Bonds on such Interest Payment Date, and shall cause the same to be applied to the payment of said interest when due and is authorized to transmit the same to any Paying Agents who shall apply the same to such payment.

If the withdrawals required with respect to the same and every prior date shall have been made, the Trustee shall withdraw from the Bond Fund Principal Account, on or immediately prior to each Principal Installment Date, an amount equal to the principal amount of the Outstanding Bonds, if any, maturing on or before said Principal Installment Date and shall cause the same to be applied to the payment of the principal amount of said Bonds when due and is authorized to transmit the same to any Paying Agents who shall apply the same to such payment.

Any amount at any time held in the Bond Fund Interest Account or Bond Fund Principal Account in excess of the Interest Requirement or Principal Requirement may be transferred by the Trustee to the Revenue Fund, if so directed by Agency Certificate, and otherwise shall be retained in the Bond Fund Interest Account or Bond Fund Principal Account, as the case may be.

The interest earned or other income derived from the investment of moneys in the Bond Fund Interest Account and Bond Fund Principal Account shall be transferred by the Trustee to the Revenue Fund (unless the Trustee is directed by Agency Certificate to retain such amounts in the Bond Fund Interest Account or Bond Fund Principal Account, as the case may be).

Bond Redemption Fund

Subject to the provisions of the respective Series of Bonds and to the provisions of the respective Series Resolutions authorizing the issuance thereof, all amounts deposited in the Bond Redemption Fund shall be applied to the purchase or redemption of Bonds, including payment of any redemption premium, on the applicable Redemption Date; provided, however, that in the event the Agency has issued refunding obligations for the purpose of redeeming Bonds of a Series in accordance with the Bond Resolution, upon receipt of an Agency Certificate directing such transfer and confirmation by the Trustee that provisions have been made for wiring proceeds of such refunding obligations to the Trustee, the Trustee, immediately on the date of such confirmation, shall transfer moneys in the Bond Redemption Fund in an amount equal to the amount of refunding proceeds received by the Trustee to the funds or accounts specified in the refunding resolution as specified in the Agency Certificate. The Redemption Price of Bonds subject to redemption by operation of the Bond Redemption Fund in the Bond Fund shall be the price set forth in the applicable Series Resolution. Upon receipt of an Agency Certificate directing the same, the Trustee shall transfer at the time of purchase or no more than 45 calendar days prior to such redemption to the Bond Redemption Fund in the Bond Fund from the Debt Service Reserve Fund or Insurance Reserve Fund the amount stated in such Request, which amount shall be no greater than the amount by which the Debt Service Reserve Requirement or Insurance Reserve Requirement will decrease due to the purchase or redemption of Bonds. Subject to the provisions of the Bond Resolution or of any Series Resolution authorizing the issuance of Bonds, requiring the application thereof to the purchase or redemption of any particular Bonds, the Trustee shall apply any amounts deposited in the Bond Redemption Fund to the purchase or redemption of Bonds at the times and in the manner provided in the Bond Resolution. Amounts on deposit in the Bond Redemption Fund for the payment, purchase or redemption of any particular Bonds in accordance with the provisions of any Series Resolution authorizing the issuance of Refunding Bonds shall be segregated and shall be identified as such on the records of the Trustee.

Any earnings derived from the investment of amounts deposited in the Bond Redemption Fund pursuant to the issuance and delivery of Refunding Bonds, to the extent required to provide amounts sufficient for the payment or redemption of Bonds in accordance with the conditions for issuance of Refunding Bonds set forth in the Resolution, be deposited in the Bond Redemption Fund. All other interest earned or other income derived from the investment or deposit or moneys in each Bond Redemption Fund in the Bond Fund shall be transferred by the Trustee upon receipt thereof to the Revenue Fund.

Debt Service Reserve Fund

There shall be deposited in the Debt Service Reserve Fund all amounts required to be deposited therein by the Bond Resolution or any Series Resolution and any other amounts available therefor and determined by the Agency to be deposited therein.

If on any Bond Payment Date the amount in the Bond Fund Interest Account, Bond Fund Principal Account or Bond Redemption Fund, as appropriate, shall be less than the amount required for the payment of the Principal Installments and interest due on the Outstanding Bonds on such date, the Trustee shall apply amounts from the Debt Service Reserve Fund to the extent required pursuant to the Bond Resolution.

If, concurrently with any allocation from the Revenue Fund pursuant to the Bond Resolution, or, on any date upon which a Series Resolution shall be delivered to the Trustee, the amount on deposit in the Debt Service Reserve Fund shall be in excess of the Debt Service Reserve Requirement, the Trustee shall, if so directed in writing pursuant to an Agency Certificate, (1) transfer the amount of such excess which is Revenues to any one or more of the Acquisition Accounts, the Bond Fund Interest Account, the Bond Fund Principal Account, the Bond Redemption Fund or the Revenue Fund as so directed and (2) transfer the amount of such excess which is sale proceeds, investment proceeds or transferred proceeds of Bonds to any one or more of the Acquisition Accounts or the Bond Redemption Fund.

Subject to any limitation provided in the Act, a Series Resolution may provide that the Debt Service Reserve Requirement may be funded through Cash Equivalents. For purposes of determining whether such Requirement has been met, the amount in the Debt Service Reserve Fund so funded shall be deemed to include any amount payable under such Cash Equivalents on the demand of the Trustee.

Any earnings derived from the investment of amounts deposited in the Debt Service Reserve Fund shall, to the extent the balance therein is less than the Debt Service Reserve Requirement, be retained in the Debt Service Reserve Fund and otherwise shall be transferred by the Trustee upon receipt thereof to the Revenue Fund.

In order better to secure the Bonds and to make them more marketable and to maintain in the Debt Service Reserve Fund an amount equal to the Debt Service Reserve Requirement, and in accordance with the provisions of Section 22, Subdivision 3 of the Act, the Agency shall cause the Chair annually, on or before December 1 of each year, to make and deliver to the Governor of the State the Chair's certificate stating the sum, if any, that is necessary to restore the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Requirement. All money received by the Agency from the State in accordance with the provisions of Section 22, Subdivision 3 of the Act pursuant to any such certification shall be paid to the Trustee for deposit in and credit to the Debt Service Reserve Fund.

Notwithstanding the provisions of the foregoing paragraph, prior to causing the Chair to execute and deliver the certificate specified therein, the Agency shall first transfer to the Debt Service Reserve Fund from the Alternative Loan Fund such amount as may be available therein to reduce or eliminate, if possible, the deficiency in the Debt Service Reserve Fund.

Insurance Reserve Fund

The Insurance Reserve Requirement, if any, received by the Trustee upon the issuance of a Series of Bonds shall be held in the Insurance Reserve Fund and used for the purpose of paying that portion of the claim for loss with respect to any Program Loan in default, made or purchased from an Acquisition Account, which is not paid by any public or private insuring agency. The Agency shall promptly furnish to the Trustee an Agency Certificate stating the amount of the loss, when determinable, and the Trustee shall forthwith transfer this amount to the extent available from the Insurance Reserve Fund to the Revenue Fund.

If on any Bond Payment Date the amount in the Bond Fund Interest Account, Bond Fund Principal Account or Bond Redemption Fund, as appropriate, shall be less than the amount required for the payment of the Principal Installments and interest due on the Outstanding Bonds on such date, the Trustee shall apply amounts from the Insurance Reserve Fund to the extent required pursuant to the Bond Resolution.

If, concurrently with any allocation from the Revenue Fund pursuant to the Bond Resolution, or, on any date upon which a Series Resolution shall be delivered to the Trustee, the amount on deposit in the Insurance Reserve Fund shall be in excess of the Insurance Reserve Requirement, the Trustee shall, if so directed in writing pursuant to an Agency Certificate, (1) transfer the amount of such excess which is Revenues to any one or more of the Acquisition Accounts, the Bond Fund Interest Account, the Bond Fund Principal Account, the Bond Redemption Fund or the

Revenue Fund as so directed and (2) transfer the amount of such excess which is sale proceeds, investment proceeds or transferred proceeds of Bonds to any one or more of the Acquisition Accounts or the Bond Redemption Fund.

Subject to any limitation provided in the Act, a Series Resolution may provide that the Insurance Reserve Requirement may be funded through Cash Equivalents. For purposes of determining whether such Requirement has been met, the amount in the Insurance Reserve Fund so funded shall be deemed to include any amount payable under such Cash Equivalents on the demand of the Trustee.

Any earnings derived from the investment of amounts deposited in the Insurance Reserve Fund shall, to the extent the balance therein is less than the Insurance Reserve Requirement, be retained in the Insurance Reserve Fund and otherwise shall be transferred by the Trustee upon receipt thereof to the Revenue Fund.

Alternative Loan Fund

The Trustee shall maintain the Alternative Loan Fund created within the Bond Resolution and shall deposit therein any amounts authorized by an Agency Certificate to be withdrawn from the Revenue Fund in accordance with the Resolution and any other amounts provided by the Agency for deposit therein. Amounts on deposit in the Alternative Loan Fund shall be free and clear of any lien or pledge created by the Bond Resolution, and free and clear of any restrictions on the investment of funds set forth in the Bond Resolution. Amounts deposited into the Alternative Loan Fund may be used for any lawful purpose for which the Agency may from time to time use funds on deposit in its General Reserve Account and, pending such use, may be invested in any securities or investments permissible generally for the investment of funds of the Agency as specified by Agency Certificate. By Agency Certificate furnished to the Trustee, the Agency may at any time appropriate any funds and investments on deposit in the Alternative Loan Fund to any Account or Fund created pursuant to the Bond Resolution (in which case such funds and investments shall become subject to the lien and pledge thereof) or may direct that such funds and investments be transferred to the Agency's General Reserve Account or to any other fund or account established pursuant to resolution of the Agency.

The Agency, by Agency Certificate, may request the Trustee to establish one or more subaccounts in the Alternative Loan Fund to be restricted to such uses, and used in accordance with such terms, as are specified in the Agency Certificate.

Any earnings derived from the investment of amounts deposited in the Alternative Loan Fund shall be retained therein unless otherwise directed by Agency Certificate.

Investment of Moneys Held by the Trustee

Moneys held by the Trustee for the credit of any Account or Fund established under the Bond Resolution shall be invested by the Trustee as directed by the Agency to the fullest extent practicable and reasonable in Investment Obligations which shall mature or be redeemable at the option of the Owner prior to the respective dates when the moneys held for the credit of such Fund or Account will be required for the purposes intended. Unless otherwise confirmed in writing, an account statement delivered by the Trustee to the Agency shall be deemed written confirmation by the Agency that investment transactions identified therein accurately reflect the investment directions given to the Trustee pursuant to the terms of the Bond Resolution, unless the Agency notifies the Trustee in writing to the contrary within 45 days of the date of such settlement.

The Investment Obligations purchased shall be held by the Trustee and shall be deemed at all times to be part of such Fund or Account or combination thereof, and the Trustee shall inform the Agency of the detail of all such investments. The Trustee shall sell at the best price obtainable, or present for redemption, any Investment Obligations purchased by it as an investment whenever it shall be necessary to provide moneys to meet any payment from a Fund or Account. The Trustee shall not be liable for any depreciation of the value of any investment on the redemption, sale and maturity thereof, and in the absence of any direction from the Agency, the Trustee shall not be required to invest such funds.

The Trustee may purchase from or sell to itself or an affiliate, as principal or agent, any Investment Obligations. The Trustee shall advise the Agency in writing monthly, unless otherwise directed by Agency Certificate, of all investments held for the credit of each Fund and Account in its custody under the provisions of the Bond Resolution as of the end of the preceding month.

In computing the amount in any Fund or Account, Investment Obligations shall be valued at par or, if purchased at a price other than par, at their Amortized Value, in either event exclusive of accrued interest purchased.

Except as otherwise specifically provided in the Bond Resolution or in a Series Resolution, the income or interest earned, or gain, shall be transferred by the Trustee upon receipt thereof to the appropriate Revenue Account.

The Trustee shall not be liable or responsible for the making of any investment authorized by the Bond Resolution in the manner provided in the Bond Resolution or for any loss resulting from any such investment so made, except for its own negligence.

Program Loans; Modification of Terms

The Agency may consent to the modification of the security for, or any terms or provisions of, one or more Program Loans but only if (1) the Agency reasonably determines that the modification will not be materially adverse to the security or other interests of Owners of Outstanding Bonds, and (2) the modification does not impair any contract of insurance or guaranty of the Program Loan.

Any such modifications shall be reflected in the next Cash Flow Certificate which the Agency is required to prepare and provide to the Trustee pursuant to the provisions of the Bond Resolution; provided, however, that if the cumulative effect of such modifications not reflected in a Cash Flow Certificate previously delivered to the Trustee would reduce estimated Revenues from the Program Loans so modified by more than $500,000 in the current or any future Fiscal Year, then the Agency may not consent to such modifications until it has delivered a Cash Flow Certificate to the Trustee reflecting such modifications.

Sale of Program Obligations

The Agency may at any time sell, assign or otherwise dispose of a Program Obligation (or the premises to which such Program Obligation is related):

(i) in the event that payment under such Program Loan is delinquent more than 90 calendar days or, at any time, in order to realize the benefits of insurance with respect to such Program Obligation or property;

(ii) in order to obtain funds to provide for the redemption (whether optional or special, to the extent permitted by the terms of any applicable Series Resolution) or purchase of an amount of Bonds having a value corresponding to the value of such Program Obligation as reasonably estimated by the Agency; or

(iii) in the event that a Certificate of the Agency shall be filed with the Trustee, and each Rating Agency, which gives effect to the proposed sale thereof and states that such sale, assignment, transfer or other disposition would not have a material adverse effect on the ability of the Agency to pay the Debt Service on the Outstanding Bonds when and as due and payable and reasonable and necessary Program Expenses.

Cash Flow Certificates

The Agency is required to file a Cash Flow Certificate (i) at least once within any 12-month period and (ii) at such other times as may be required pursuant to the provisions of the Bond Resolution or of any Series Resolution authorizing the issuance of Bonds of a Series then Outstanding.

Creation of Liens

The Agency shall not issue any bonds or other evidences of indebtedness, other than the Bonds, secured by a pledge of Revenues or of the moneys, securities, rights and interests pledged or held or set aside by the Agency or by any Fiduciary under the Bond Resolution and shall not create or cause to be created any lien or charge on any pledged Revenues or such moneys, securities, rights or interests: provided, however, that nothing in the Bond Resolution shall prevent the Agency from issuing (i) evidences of indebtedness secured by a pledge of Revenues to be derived after any pledge of Revenues provided in the Bond Resolution shall be discharged and satisfied as provided in the Bond Resolution, or (ii) notes or bonds of the Agency not secured under the Bond Resolution; and provided, further, that, to secure its obligation to make Agency Swap Payments to a Swap Counterparty pursuant to a Swap Agreement, the Agency may grant to the Swap Counterparty a subordinate and junior pledge and security interest (subordinate and junior to the pledge and security interest granted to the Bondowners) in all or any of the collateral pledged to the payment of the Bonds under the Bond Resolution.

Defeasance of Bonds

Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee or any one or more of the alternate Paying Agents (through deposit by the Agency of moneys for such payment or redemption or otherwise) at the maturity or Redemption Date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the Bond Resolution. All Outstanding Bonds of any Series shall be deemed prior to the maturity or Redemption Date thereof to have been paid within the meaning and with the effect expressed in the Bond Resolution if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Agency shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail notice of redemption of such Bonds on said date; (ii) there shall have been deposited with the Trustee either moneys in an amount sufficient, or Government Obligations the principal of and the interest on which when due will provide moneys in an amount that, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price of and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be. Neither Government Obligations nor moneys deposited with the Trustee pursuant to this section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, of and interest on said Bonds.

Events of Default

Each of the following events shall constitute an event of default under the Bond Resolution: (1) the Agency shall fail to pay any Principal Installment or the 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, or shall fail to pay the purchase price of any Bond tendered or deemed tendered for purchase on the date established therefor; or (2) the Agency shall fail to pay any installment of interest on any Bond when and as the same shall become due and payable; or (3) the Agency shall fail to perform or observe any other covenant, agreement or condition on its part contained in the Bond Resolution or in the Bonds, and such failure shall continue for a period of 60 days after written notice thereof to the Agency by the Trustee or to the Agency and to the Trustee by the Bondowners of not less than a majority in principal amount of the Bonds Outstanding; or (4) the Agency shall file a petition seeking a composition of indebtedness under the Federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State; or (5) the State limits or alters the rights of the Agency pursuant to the Act, as in force on the date of adoption of the Bond Resolution, to fulfill the terms of any agreements made with the Owners of the Bonds or in any way impaired the rights and remedies of Owners of Bonds while any Bonds are Outstanding.

Acceleration; Annulment of Acceleration

Upon the occurrence of an Event of Default, the Trustee may and, upon the written request of the Bondowners of not less than 25% in aggregate principal amount of Bonds Outstanding shall, give 30 days' notice in writing to the Agency of its intention to declare all Bonds Outstanding immediately due and payable; provided, however, that the Trustee may not make any such declaration with respect to an Event of Default under item (3) above unless (1) the Trustee has received a written request to do so from 100% of the Owners of all Outstanding Bonds or (2) there are sufficient moneys available in the Funds and Accounts to pay the principal and interest on the Bonds upon such declaration. At the end of such 30-day period the Trustee may, and upon such written request of Bondowners of not less than 25% in aggregate principal amount of Bonds Outstanding shall, by notice in writing to the Agency, declare all Bonds Outstanding immediately due and payable and such Bonds shall become and be immediately due and payable, anything in the Bonds or in the Bond Resolution to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest accrued thereon and which will accrue thereon to the date of payment.

At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Bond Resolution, the Trustee may annul such declaration and its consequences with respect to any Bonds not then due by their terms if (1) moneys shall have been deposited in the Bond Fund sufficient to pay all matured installments of interest and principal or Redemption Price or purchase price (other than principal then due only because of such declaration) of all Outstanding Bonds; (2) moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and any Paying Agents; (3) all other amounts then payable by the Agency under the Bond Resolution shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (4) every Event of Default known to the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent Default or impair any right consequent thereon.

If the Agency shall fail to pay any Principal Installment, the Redemption Price, the purchase price or any installment of interest on any Bond when and as the same shall become due and payable, the Trustee shall, within 30 days, give written notice thereof by first class mail to the Bondowners, shown by the registry of Bondowners required to be maintained at the office of the Trustee.

Additional Remedies and Enforcement of Remedies

Upon the occurrence and continuance of any Event of Default, the Trustee may, and upon the written request of the Bondowners of not less than a majority in aggregate principal amount of the Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce its rights and the rights of the Bondowners under the Act, the Bonds and the Bond Resolution by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient, including but not limited to: (1) suit upon all or any part of the Bonds; (2) suit to require the Agency to account as if it were the trustee of an express trust for the Bondowners; (3) suit to enjoin any acts or things which may be unlawful or in violation of the rights of the Bondowners; (4) enforcement of any other right of the Bondowners conferred by law or by the Bond Resolution; and (5) in the event that all Bonds are declared due and payable, by selling Program Obligations.

Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Bondowners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the Bond Resolution by any acts which may be unlawful or in violation of the Bond Resolution, or (ii) to preserve or protect the interests of the Bondowners, provided that such request is in accordance with law and the provisions of the Bond Resolution.

Amendments

Amendments of the Resolutions may be made by a Supplemental Resolution.

Supplemental Resolutions may become effective upon filing with the Trustee if they add limitations and restrictions in addition to the limitations and restrictions contained in the Bond Resolution or Series Resolution, add covenants and agreements of the Agency in the Bond Resolution or Series Resolution that are not contrary to or inconsistent with the Bond Resolution or the applicable Series Resolution in effect at the time, add limitations and restrictions to be observed by the Agency, surrender any right, power or privilege reserved to or conferred upon the Agency or are reasonably necessary to preserve the tax exemption of Outstanding Bonds or permit the issuance of additional tax exempt Bonds.

Supplemental Resolutions become effective upon consent of the Trustee for the following purposes:

(1) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Bond Resolution or any Series Resolution;

(2) To insert such provisions clarifying matters or questions arising under the Bond Resolution or any Series Resolution as are necessary or desirable and are not contrary to or inconsistent with the Bond Resolution or the applicable Series Resolution theretofore in effect;

(3) To waive any right reserved to the Agency, provided that the loss of such right shall not adversely impair any Revenues available to pay the Outstanding Bonds of any Series; and

(4) To make any other change as shall not be, in the opinion of the Trustee, materially adverse to the security or other interests of the Bondowners. With respect to the foregoing, the Trustee may rely upon the opinion of the Rating Agency with respect to whether the Rating of the Bonds has been adversely affected as conclusively establishing whether the change is materially adverse to the security or other interests of the Bondowners.

Other Supplemental Resolutions may become effective only with consent (i) of the Bondowners of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given and (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Bondowners of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given.

However, no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price or purchase price thereof or in the rate of interest thereon (except as otherwise provided in a Series Resolution) without the consent of the Bondowners of all such Bonds, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Bondowners of which is required to effect any such modification or amendment or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

Any amendment may be made with unanimous consent of the Bondowners, except that no amendment shall change any of the rights or obligations of any fiduciary without the consent of the Fiduciary.

APPENDIX D

MORTGAGE INSURANCE PROGRAMS AND STATE LAWS AFFECTING FORECLOSURES

The following description of certain mortgage insurance programs is only a brief outline and does not purport to summarize or describe all of the provisions of these programs. For a more complete description of the terms of these programs, reference is made to the provisions of the insurance and guaranty contracts embodied in regulations of the Federal Housing Administration ("FHA"), Rural Development ("RD") and the Veterans Administration ("VA"), respectively, and of the regulations, master insurance contracts and other information of the various private mortgage insurers. Program Loans purchased by the Agency are not limited by the Resolutions to the foregoing programs and it is possible that insurance benefits under other federal or private programs in which the Agency may participate could be more or less favorable.

While all Program Loans are subject to the applicable mortgage insurance programs, Program Loans that back Program Securities are further guaranteed by GNMA, Fannie Mae or Freddie Mac as further described in Appendix I to this Official Statement.

Federal Housing Administration Single-Family Mortgage Insurance Programs

The National Housing Act of 1934, as amended, authorizes various FHA mortgage insurance programs, which differ in some respects depending primarily upon whether the mortgaged premises contain five or more dwelling units or less than five units.

The regulations governing all of the FHA programs under which the mortgage loans may be insured provide that insurance benefits are payable upon foreclosure (or other acquisition of possession) and conveyance of the mortgaged premises to the Department of Housing and Urban Development ("HUD").

Under some of the FHA insurance programs, insurance claims are paid by HUD in cash, unless the mortgage holder specifically requests payment in debentures issued by HUD. Under others, HUD has the option, at its discretion, to pay insurance claims in cash or in those debentures. The current HUD policy, subject to change at any time, is to make insurance payments on single family mortgage loans in cash, with respect to all programs covering those units as to which it has discretion to determine the form of insurance payment.

HUD debentures issued in satisfaction of FHA insurance claims bear interest at the HUD debenture interest rate in effect under HUD regulations on the date of the mortgage insurance commitment or of the initial insurance endorsement of the mortgage, whichever rate is higher. The HUD debenture interest rates applicable to the FHA insured mortgages that the Agency has acquired or committed to acquire are in most cases lower than the interest rates of those mortgages.

When entitlement to insurance benefits results from foreclosure (or other acquisition of possession) and conveyance, the insurance payment is computed as of the date of institution of foreclosure proceedings or acquisition of the property. The mortgage holder generally is not compensated for mortgage interest accrued and unpaid prior to that date. Under those circumstances, the amount of insurance benefits generally paid by FHA is equal to the unpaid principal amount of the mortgage loan, adjusted to reimburse the mortgagee for certain tax, insurance and similar payments made by it and to deduct certain amounts received or retained by the mortgagee after default, plus reimbursement not to exceed 2/3 of the mortgagee's foreclosure costs. The regulations under all insurance programs described above provide that the insurance payment itself bears interest from the date of default, to the date of payment of the claim at the same interest rate as the applicable HUD debenture interest rate determined in the manner set forth above.

When any property to be conveyed to HUD has been damaged by fire, earthquake, flood or tornado, or, if the property has suffered damage because of failure of the mortgage holder to take action to inspect and preserve the property, it is generally required, as a condition to payment of an insurance claim, that the property be repaired by the mortgage holder prior to the conveyance or assignment. For mortgages insured on or after April 19, 1992, if the property has been damaged during the mortgage holder's possession by events other than fire, flood, earthquake or tornado notwithstanding reasonable action by the mortgage holder, HUD may require the mortgage holder to repair the property prior to conveyance to HUD as a condition to payment of an insurance claim.

Veterans Administration Guaranty Program

The Serviceman's Readjustment Act of 1944, as amended, permits a veteran (or, in certain instances, his or her spouse) to obtain a mortgage loan guaranteed by the VA covering mortgage financing of the purchase of a one to four family dwelling unit at interest rates agreed upon by the purchaser and the mortgagee, as the VA may elect. The program has no mortgage loan limits (other than that the amount may not exceed the property's reasonable value as determined by the VA), requires no down payment from the purchaser and permits the guaranty of mortgage loans with terms of up to 30 years. The guaranty provisions for mortgage loans are as follows: (a) for home and condominium loans of $45,000 or less, 50 percent of the loan is guaranteed (for loans with an original principal balance of $45,000 and not more than $56,250, the guaranty will not exceed $22,500); (b) for home and condominium loans of more than $56,250 but less than or equal to $144,000, 40 percent of the loan is guaranteed subject to a maximum guaranty of $36,000; (c) for home and condominium loans of more than $144,000, 25 percent of the principal amount of the loan is guaranteed subject to a maximum guarantee amount hereinafter described; and (d) for loans for manufactured homes, 40 percent of the loan is guaranteed (with a maximum guaranty of $20,000). The maximum guaranty amount for loans greater than $144,000 is generally 25 percent of the Freddie Mac conforming loan limit (currently $417,000); however, pursuant to the Housing and Economic Recovery Act of 2008 and the Veterans Benefits Improvement Act of 2008, the maximum guaranty amount for loans originated in 2009 through 2011 is 25 percent of the greater of (i) the Freddie Mac conforming loan limit or (ii) 125 percent of the area median price for a single family residence in the county in which the property securing the loan is located. The liability on the guaranty is reduced or increased pro rata with any reduction or increase in the amount of the indebtedness, but in no event will the amount payable on the guaranty exceed the amount of the original guaranty. Notwithstanding the dollar and percentage limitations of the guaranty, a mortgage holder will ordinarily suffer a monetary loss only where the difference between the unsatisfied indebtedness and the proceeds of a foreclosure sale of mortgaged premises is greater than the original guaranty as adjusted. The VA may, at its option and without regard to the guaranty, make full payment to a mortgage holder of unsatisfied indebtedness on a mortgage upon its assignment to the VA.

Rural Development (RD) Insured Program

Loans insured by RD may be made to purchase new or existing homes in designated rural areas. Eligible rural areas have a population not in excess of 10,000 persons or if located outside a Metropolitan Statistical Area, not in excess of 25,000. Loans may be made up to 100 percent of the market value of the property or 100 percent of the acquisition cost, whichever is less. The maximum loan amount is the applicable FHA maximum loan amount. The interest rate of these 30 year mortgages may not exceed the higher of the current VA rate or the Fannie Mae required net yield for 90 day commitments on a 30 year fixed rate mortgage with actual/actual remittance plus 60 basis points. RD covers all losses on foreclosed loans up to 35 percent of the original principal. Any loss in excess of this amount carries an 85 percent guarantee. It is the present administrative policy of the Agency to tender a claim to RD by the earlier of (a) six months after the date of acquisition of the property through foreclosure or (b) 30 days after the sale of the property. The Agency retains title to the property and may apply the insurance proceeds and any sale proceeds to the outstanding debt.

Private Mortgage Insurance Programs

Under outstanding Series Resolutions, all Program Loans insured by a private mortgage insurance company are to be in any amount not exceeding the Market Value of the Home, provided that the Agency is issued a mortgage insurance policy under which the minimum insured percentage of any claim filed is at least equal to that percentage of the Market Value or sale price of the Home, whichever is less, by which the original principal amount of the mortgage exceeds 80 percent of that Market Value. Each private mortgage insurer insuring those Program Loans must be a company (a) that is licensed to do business in Minnesota; (b) that has ratings not less than "A2" from Moody's Investors Service, Inc., and "AA" from S&P Global Ratings, Inc., or that is approved to insure mortgages purchased by Fannie Mae and Freddie Mac, or any other agency or instrumentality of the United States to which the powers of either of them have been transferred or which has similar powers to purchase Program Loans; and (c) that, by insuring Program Loans financed by the Agency, does not cause the Rating on the Bonds to be adversely affected. Both Fannie

Mae and Freddie Mac require approval of private mortgage insurance companies before mortgages insured by those companies are eligible for purchase by them.

Among the considerations taken into account by Fannie Mae in determining whether to approve a private mortgage insurer currently are the following: (a) experienced mortgage insurers are expected to have policyholders' surplus of not less than $5 million; (b) it is preferred that an insurer's principal insurance activity relate to loss resulting from nonpayment of mortgages and deeds of trust on residential structures, with total liability not in excess of 25 times its policyholders' surplus; (c) a private mortgage insurer must demonstrate that it possesses the technical expertise necessary to properly evaluate property and credit; and (d) an insurer must expressly consent to and comply with Fannie Mae's requirements for audit and reports concerning changes in personnel, financial structure, qualifications, and rates.

Freddie Mac eligibility requirements for approving private mortgage insurers presently provide that (a) not more than 10 percent of an insurer's mortgage insurance risk may be represented by mortgage insurance covering property other than real property improved by a building or buildings designed for occupancy by one to four families; (b) an insurer shall not insure mortgages secured by properties in a single housing tract or contiguous tracts where the insurance risk applicable thereto is in excess of 10 percent of its policyholders' surplus (net of reinsurance); (c) no insurer shall have more than 20 percent of its total insurance in force in any one Standard Metropolitan Statistical Area nor may any combination of insurance in force in any one state exceed 60 percent of its total insurance in force; and (d) an insurer shall limit its insurance risk with respect to each insured to the maximum permitted under state law.

Freddie Mac also requires the private mortgage insurer to meet the following financial requirements: (a) policyholders' surplus must be maintained at not less than $5 million; (b) an insurer shall maintain an unearned premium reserve computed on a monthly pro rata basis; if a greater unearned premium reserve is required by the state where the insurer is licensed, then that greater requirement shall be met; (c) an insurer shall establish and maintain a contingency reserve in an amount equal to 50 percent of earned premiums; (d) an insurer shall maintain a loss reserve for claims incurred but not reported, including estimated losses on insured mortgages that have resulted in the conveyance of property that remains unsold, mortgages in the process of foreclosure or mortgages in default for four or more months; (e) an insurer shall maintain no less than 85 percent of its total admitted assets in the form of marketable securities or other highly liquid investments that qualify as insurance company investments under the laws and regulations of the state of its domicile and the standards of the National Association of Insurance Commissioners; and (f) an insurer shall not at any time have total insurance risk outstanding in excess of 25 times its policyholders' surplus. Approved private mortgage insurers must file quarterly and annual reports with the Freddie Mac.

It has been the administrative policy of the Agency to require that any private mortgage insurance policy with respect to a Program Loan to be purchased with the proceeds of Bonds contain provisions substantially as follows: (a) the private mortgage insurer must pay a claim, including unpaid principal, accrued interest and certain expenses, within sixty days of presentation of the claim by the mortgage lender; (b) for a mortgage lender to present a claim, the mortgage lender must have acquired, and tendered to the insurer, title to the property, free and clear of all liens and encumbrances, including any right of redemption by the mortgagor; (c) when a claim is presented, the insurer will have the option of paying the claim in full, taking title to the property and arranging for its sale, or of paying the insured percentage of the claim (the Agency's exposure is to be limited to 70 percent or 75 percent, depending on the initial loan-to-value ratio of the mortgage loan) and allowing the insured lender to retain title to the property.

The private mortgage insurance companies providing mortgage insurance on outstanding Program Loans under the Bond Resolution are identified in Appendix G to this Official Statement. There is no assurance that any private mortgage insurance company will be able or willing to honor its obligations under the mortgage insurance policy as provided therein. In particular, certain private mortgage insurance companies have recently experienced substantial financial difficulties and ratings downgrades, and some are in receivership and are paying claims at the rate of 50 cents on the dollar. No representation is made as to the creditworthiness of any private mortgage insurance company.

State Laws Affecting Foreclosures

Mortgage foreclosures in Minnesota are governed by statute and permit two alternative methods, "by action" or "by advertisement." The latter is normally utilized since it is slightly faster, less expensive, and does not have the same tendency to invite contest as does foreclosure by action. The process is normally initiated by the publication, recordation and service of a notice of foreclosure. This notice must include all relevant information on the mortgage loan and the secured premises as well as a statement of the time and place of sale and the time allowed by law for redemption by the mortgagor. This notice must then be published in a legal newspaper each week for six consecutive weeks. Service of the notice on the mortgagor and any other affected party must be completed at least four weeks prior to the designated date of the foreclosure sale. Compliance with the above publication and service of notice requirements within the prescribed time limitations is essential to the validity of the mortgage foreclosure sale.

Prior to the foreclosure sale, the mortgagor has the right to reinstate the mortgage and prevent foreclosure by curing all defaults on a current basis and by paying attorneys' fees and out-of-pocket disbursements to the extent permitted by statute. If the mortgage is not reinstated, the foreclosure sale is held in the sheriff's office in the county in which the real estate being foreclosed is located. Although anyone can bid at a foreclosure sale, the normal result of the foreclosure sale is that the lien holder bids in the debt without competing bidders (and under the Bond Resolution, the Agency is required to do so), and purchases the mortgaged property from the defaulting borrower through the sheriff, subject to the rights of the borrower and subsequent creditors to redeem.

The holding of the foreclosure sale starts the period of redemption. The period of redemption will normally be six months but can be as long as twelve months. During the period of redemption the mortgagor normally retains the right to remain in possession of the mortgaged property without making mortgage payments or paying real estate taxes. During the period of redemption, the mortgagor has the right to pay off the entire indebtedness, including full principal, accrued interest, any amounts reasonably paid by the mortgagee to preserve the security, and attorneys' fees and disbursements to the extent allowed by statute.

After the period of redemption expires, the mortgagee is entitled to possession of the premises, but may have to bring an unlawful detainer proceeding to enforce its possessory rights, and a proceeding subsequent in the case of Torrens property to perfect its title to the mortgaged property.

It is not unusual, therefore, for a mortgagee to be delayed 10 months or more from the date of initiation of the mortgage foreclosure proceeding until it realizes its possessory rights.

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

General

The Depository Trust Company, New York, New York ("DTC"), is to act as securities depository for each Series of the Series Bonds. The ownership of one fully registered Series Bond of each Series for each maturity in the aggregate principal amount of that maturity, will be registered in the name of Cede & Co., DTC's partnership nominee. *So long as Cede & Co. or another nominee designated by DTC is the registered owner of the Series Bonds of a Series, references herein to the Bondowners, Owners or registered owners of those Series Bonds means Cede & Co. or any other nominee and not the Beneficial Owners(as hereinafter defined) of those Series Bonds.*

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, 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"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of beneficial ownership interests in the Series Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series Bonds on DTC's records. The ownership interest of each actual purchaser of each Beneficial Owner (as defined in Appendix B) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 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 Series Bonds, except in the event that use of the Book-Entry System for the Series Bonds of the Series is discontinued as described below.

To facilitate subsequent transfers, all Series Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or any other name as may be requested by an authorized representative of DTC. The deposit of Series Bonds with DTC and their registration in the name of Cede & Co. or that other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts those Series 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. For every transfer and exchange of beneficial ownership in the Series Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

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 will be sent to DTC. If less than all of the Series Bonds of a Series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Series Bonds of the Series and maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to any Series Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the bond issuer 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 Series Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of the principal, redemption price and purchase price of, and interest on, the Series Bonds will be made to Cede & Co., or any other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the bond issuer or 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 that Participant and not of DTC, the Trustee or the Agency, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal, redemption price, purchase price and interest to Cede & Co. (or any other nominee as may be requested by an authorized representative of DTC), is the responsibility of the Trustee, disbursement of those payments to Direct Participants will be the responsibility of DTC, and disbursement of those payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

Under the Series Resolutions, payments made by or on behalf of the Agency to DTC or its nominee shall satisfy the Agency's obligations to the extent of the payments so made.

A Beneficial Owner must give notice to elect to have its Series Bonds purchased or tendered, through its Participant, to the Tender Agent and the Remarketing Agent, and must effect delivery of such Series Bonds by causing the Direct Participant to transfer the Participant's interest in the Series Bonds, on DTC's records, to the Tender Agent. The requirement for physical delivery of Series Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series Bonds to the Tender Agent's DTC account.

The above information contained in this section "Book-Entry-Only System" is based solely on information provided by DTC. No representation is made by the Agency or the Underwriters as to the completeness or the accuracy of that information or as to the absence of material adverse changes in that information subsequent to the date hereof.

The Agency, the Underwriters and the Trustee cannot and do not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series Bonds (i) payments of principal of or interest and premium, if any, on the Series Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in Series Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities Exchange Commission, and the current "Procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

Neither the Agency, the Underwriters nor the Trustee will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (2) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal, redemption price or purchase price of, or interest on, the Series Bonds; (3) the delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Resolutions to be given to Owners of Series Bonds; (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of Series Bonds; or (5) any consent given or other action taken by DTC as a Bondowner.

Discontinuation of Book-Entry System

DTC may discontinue its book-entry services with respect to all or any Series of the Series Bonds at any time by giving notice to the Agency and discharging its responsibilities with respect thereto under applicable law. Under those circumstances, that Series of the Series Bonds are required to be delivered as described in the Series Resolutions. The Beneficial Owner, upon registration of those Series Bonds held in the Beneficial Owner's name, shall become the Bondowner.

The Agency may determine to discontinue the system of book entry transfers through DTC (or a successor securities depository) for all or any Series of the Series Bonds. In that event, the Series Bonds of that Series are to be delivered as described in the Series Resolutions.

APPENDIX F

FORM OF OPINION OF BOND COUNSEL

[to be dated the date of issuance of the Series Bonds]

_________, 2022

Minnesota Housing Finance Agency
St. Paul, Minnesota 55102

Minnesota Housing Finance Agency
Residential Housing Finance Bonds
2022 Series C
2022 Series D (Taxable)

Ladies and Gentlemen:

We have acted as bond counsel to the Minnesota Housing Finance Agency (the "Agency") in connection with the authorization, issuance and delivery by the Agency of its Residential Housing Finance Bonds, 2022 Series C, in the aggregate principal amount of $_________ (the "2022 Series C Bonds"), and its Residential Housing Finance Bonds, 2022 Series D (Taxable), in the aggregate principal amount of $_________ (the "2022 Series D Bonds" and, together with the 2022 Series C Bonds, the "2022 Series Bonds") each series of which is issuable only as fully registered bonds of single maturities in denominations as are provided in the Series Resolution referenced below.

The 2022 Series Bonds are dated, mature on the dates, bear interest at the rates and are payable as provided in the Series Resolution referenced below. The 2022 Series Bonds are subject to optional, mandatory and special redemption prior to maturity, including special redemption at par, and the 2022 Series D Bonds are subject to optional and mandatory tender, all as provided in the Series Resolutions referenced below.

As bond counsel, we have examined certificates as to facts, estimates and circumstances and certified copies of resolutions and proceedings of the Agency and other documents we considered necessary as the basis for this opinion, including the Agency's Amended and Restated Bond Resolution adopted August 24, 1995, as amended and supplemented (the "Bond Resolution"), and Series Resolutions relating to the 2022 Series C Bonds adopted November 18, 2021 and February 24, 2022, and a Series Resolution relating to the 2022 Series D Bonds adopted February 24, 2022 (together, the "Series Resolutions"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Applicable federal tax law, including certain provisions of Sections 143 and 148 of the Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to the delivery of the 2022 Series C Bonds in order that interest on the 2022 Series C Bonds may be excluded from gross income for federal income tax purposes. The Agency has covenanted in the Bond Resolution and Series Resolutions to comply with the requirements of applicable federal tax law and for such purpose to adopt and maintain appropriate procedures. In rendering this opinion, we have assumed compliance by the Agency with and enforcement by the Agency of the provisions of the Bond Resolution and Series Resolutions.

From such examination it is our opinion that, under state and federal laws, regulations, rulings and decisions in effect on the date hereof: (1) the Agency is a public body corporate and politic, having no taxing power, duly organized and existing under Minnesota Statutes, Chapter 462A, as amended; (2) the Bond Resolution and Series Resolutions have been duly and validly adopted by the Agency and are valid and binding upon it in accordance with their terms, and create the valid pledge and security interest they purport to create with respect to the Program Obligations, Investment Obligations, Revenues, moneys and other assets held and to be set aside under the Bond Resolution and Series Resolutions; (3) the 2022 Series Bonds are duly and lawfully authorized to be issued and are valid and binding general obligations of the Agency in accordance with their terms, entitled to the benefits granted by and secured by the covenants contained in the Bond Resolution and Series Resolutions, and are further secured by the pledge of the full faith and credit of the Agency, and are payable out of any of its moneys, assets or revenues, subject to the provisions of other resolutions or indentures now or hereafter pledging and appropriating particular moneys, assets, or revenues to other bonds or notes, or state laws appropriating particular funds for a specified purpose, but the State of Minnesota is not liable thereon and the 2022 Series Bonds are not a debt of the State; (4) in the Bond Resolution the Agency has created a Debt Service Reserve Fund for the security of the 2022 Series Bonds and other bonds issued or to be issued under the Bond Resolution, to be maintained in an amount specified therein, and has agreed to certify annually to the Governor the sum, if any, necessary to restore the Fund to this amount for inclusion in the next budget submitted to the Legislature, and the Legislature is legally authorized, but is not legally obligated, to appropriate such amount to the Fund; (5) the interest payable on the 2022 Series C Bonds is not includable in gross income of owners thereof for federal income tax purposes or in taxable net income of individuals, trusts and estates for State of Minnesota income tax purposes, but such interest is includable in the income of corporations and financial institutions for purposes of the Minnesota franchise tax, (6) interest payable on the 2022 Series D Bonds is includable in gross income of owners thereof for federal income tax purposes, in taxable net income of individuals, trusts and estates for state of Minnesota income tax purposes and in the income of corporations and financial institutions for purposes of the Minnesota franchise tax; and (7) the 2022 Series D Bonds will not be treated as a taxable mortgage pool within the meaning of Section 7701(i) of the Code

Interest on the 2022 Series C Bonds will not be treated as an item of tax preference in calculating the alternative minimum tax imposed under the Code. Interest on the 2022 Series C Bonds will not be treated as an item of tax preference for purposes of calculating the Minnesota alternative minimum tax imposed on individuals, trusts and estates. We express no opinion regarding other federal, state or local tax consequences arising from the ownership or disposition of the 2022 Series Bonds. All owners of 2022 Series Bonds (including, but not limited to, insurance companies, financial institutions, Subchapter S corporations, United States branches of foreign corporations and recipients of social security and railroad retirement benefits) should consult their tax advisors concerning other possible indirect tax consequences of owning and disposing of the 2022 Series Bonds.

The opinions expressed above are qualified only to the extent that the enforceability of the 2022 Series Bonds and the Bond Resolution and Series Resolutions is subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully yours,

APPENDIX G

CERTAIN INFORMATION RELATING TO THE RHFB WHOLE LOAN MORTGAGE PORTFOLIO

Mortgage Insurance for RHFB Whole Loan Mortgage Portfolio as of December 31, 2021

Series	FHA	VA	Rural Development	MGIC	Genworth	Other Private Mortgage Insurers*	Uninsured	Total
Retired	$ 1,394,205	$ 23,143	$ 286,558	$ -	$ -	$ -	$ 145,252	$ 1,849,158
06LMN	40,132	-	-	-	-	-	189,819	229,951
07M	675,966	86,113	756,301	585,946	265,785	105,101	2,137,644	4,612,856
07M-40 Year	-	-		1,008,297	137,124	384,535	355,476	1,885,432
12ABCD	10,038,038	347,762	4,258,094	12,396	-	-	3,965,886	18,622,176
13ABC	3,002,288	105,222	2,282,826	215,534	75,996	147,831	3,463,269	9,292,966
14A	1,658,456	98,240	637,563	6,750	32,093	19,074	920,008	3,372,184
14B	2,636,507	43,167	792,545	44,194	11,561	2,749	718,529	4,249,252
14CDE	10,420,788	865,521	9,044,344	1,904,127	154,772	818,561	18,554,590	41,762,703
15ABCD	3,035,953	164,141	2,019,825	721,856	130,939	253,935	6,247,819	12,574,468
15ABCD-40 Year	-	-	-	119,567	-	675,951	161,843	957,361
15EFG	4,890,972	251,058	6,148,049	1,710,625	406,825	604,752	11,492,986	25,505,267
15EFG-40 Year	-	-	-	1,435,841	440,653	1,459,875	1,255,420	4,591,789
16ABC	1,305,621	230,090	2,971,134	1,410,498	873,492	499,300	8,521,709	15,811,844
16ABC-40 Year	-	-	-	2,525,429	821,496	1,887,764	1,544,224	6,778,913
16DEF	2,060,182	259,924	1,445,766	908,058	426,335	155,824	3,353,022	8,609,111
16DEF-40 Year	-	-	-	1,501,902	204,253	572,781	529,498	2,808,434
17ABC	7,965,427	84,998	3,811,639	753,162	289,422		5,503,202	18,407,850
17ABC-40 Year	-	-	-	2,025,364	719,185	982,713	2,110,126	5,837,388
17DEF	4,474,375	-	1,638,552	-	35,158	-	2,823,686	8,971,771
17DEF-40 Year	-	-	-	1,215,757	-	609,401	1,049,920	2,875,078
18ABCD	4,459,997	102,534	2,659,285	-	11,000	-	2,870,521	10,103,337
19ABCD	13,765,243	154,735	2,414,437	78,611	19,598	38,712	2,761,318	19,232,654
Total Bond Financed	$ 71,824,150	$ 2,816,648	$ 41,166,918	$ 18,183,914	$ 5,055,687	$ 9,218,859	$ 80,675,767	$ 228,941,943
	31.37%	1.23%	17.98%	7.94%	2.21%	4.03%	35.24%	100.00%

RMIC 1.799%, United 1.085%, PMI 0.618%, Radian Guarantee Fund 0.235%, Commonwealth 0.154%, Triad 0.136%, Amerin 0.000%

RHFB Whole Loan Mortgage Portfolio

Delinquency and Foreclosure Statistics as of December 31, 2021

			Payments Past Due as a Percentage of the Number of Loans Outstanding								
			30-59 Days		60-89 Days		90-119 Days		120 Days and Greater (1)		Total (2)
Bond Financed:	Number of Loans	Balance Outstanding	#	%	#	%	#	%	#	%	%
Retired	42.0	$1,849,158	8.0	19.05	-	-	1.0	2.38	7.0	16.67	19.05
06LMN	3.0	229,951	1.0	33.33	-	-	-	-	-	-	-
07M	60.0	4,612,856	2.6	4.33	1.4	2.33	0.4	0.67	4.2	7.00	10.00
07M-40 Yr	13.4	1,885,432	0.4	2.99	-	-	-	-	2.4	17.91	17.91
12ABCD	442.0	18,622,176	15.0	3.39	5.0	1.13	1.0	0.23	28.0	6.33	7.69
13ABC	223.5	9,292,966	10.5	4.70	6.0	2.68	2.0	0.89	10.0	4.47	8.05
14A	148.0	3,372,184	4.0	2.70	1.0	0.68	1.0	0.68	3.0	2.03	3.38
14B	150.0	4,249,252	9.0	6.00	4.0	2.67	1.0	0.67	7.0	4.67	8.00
14CDE	589.0	41,762,703	21.5	3.65	11.5	1.95	3.0	0.51	21.0	3.57	6.03
15ABCD	163.0	12,574,468	7.0	4.29	1.0	0.61	1.0	0.61	14.0	8.59	9.82
15ABCD-40 Year	6.0	957,361	-	-	-	-	-	-	-	-	-
15EFG	364.5	25,505,267	13.0	3.57	5.5	1.51	2.0	0.55	19.5	5.35	7.41
15EFG-40 Year	34.0	4,591,789	1.0	2.94	-	-	-	-	3.0	8.82	8.82
16ABC	201.0	15,811,844	13.5	6.72	3.5	1.74	-	-	12.5	6.22	7.96
16ABC-40 Year	51.0	6,778,913	2.0	3.92	-	-	-	-	5.0	9.80	9.80
16DEF	165.0	8,609,111	8.9	5.39	4.1	2.48	1.6	0.97	10.3	6.24	9.70
16DEF-40 Year	19.6	2,808,434	0.6	3.06	-	-	-	-	3.6	18.37	18.37
17ABC	255.5	18,407,850	11.0	4.31	1.0	0.39	2.0	0.78	12.0	4.70	5.87
17ABC-40 Year	53.0	5,837,388	1.0	1.89	2.0	3.77	2.0	3.77	2.0	3.77	11.32
17DEF	117.0	8,971,771	2.0	1.71	2.0	1.71	3.0	2.56	10.0	8.55	12.82
17DEF-40 Year	25.0	2,875,078	-	-	-	-	-	-	2.0	8.00	8.00
18ABCD	201.5	10,103,337	6.0	2.98	4.0	1.99	4.0	1.99	7.0	3.47	7.44
19ABCD	399.0	19,232,654	13.0	3.26	2.0	0.50	2.0	0.50	33.5	8.40	9.40
Total Bond Financed	3,726.0	$228,941,943	151.0	4.05	54.0	1.45	27.0	0.72	217.0	5.82	8.00

All Loans are serviced by US Bank Home Mortgage.

If the number of properties allocated to a series of Bonds in the table is expressed in an increment of 0.5, the allocation reflects the fact that proceeds of Bonds of the series were used, with an equal amount of funds from another source (which may be another series of Bonds) to purchase the mortgage loan that financed the property. In such cases, while principal repayments and prepayments are allocated equally to each funding source, interest payments on the mortgage loan are not allocated pro rata. However, mortgage loans that were originated with 07LM Bonds were funded with proceeds of 07L (and series of Bonds that refunded 07L) and 07M in the fractions of 0.6 and 0.4, respectively. Currently, allocation of repayments and prepayments to each funding source may be expressed in multiples of 0.1.

(1) Included in "Foreclosures" are loans for which the sheriff's sale has been held and the redemption period (generally six months) has not yet elapsed in addition to those customarily included in delinquency statistics.

(2) 30-59 days not included in total.

See page G-3 for comparative delinquency and foreclosure statistics.

continued from page G-2.

Comparative 60+ Day Delinquency Statistics[1]	9/30/2021	12/31/2021
Residential Housing Finance Bond Resolution Loan Portfolio	7.70%	7.23%
Mortgage Bankers Association of America, Minnesota[2]	5.02%	4.12%
Mortgage Bankers Association of America, National[2]	5.39%	4.43%

Comparative Foreclosure Statistics[3]	9/30/2021	12/31/2021
Residential Housing Finance Bond Resolution Loan Portfolio	0.67%	0.70%
Mortgage Bankers Association of America, Minnesota[2]	0.25%	0.25%
Mortgage Bankers Association of America, National[2]	0.51%	0.49%

(1) This table compares 60+ day delinquency statistics. The delinquency rates do not include those delinquent loans referred to an attorney, where the first legal documents have been filed, or where any further foreclosure proceedings have occurred. Thus, the percentage for the Residential Housing Finance Bond Resolution loan portfolio differs from that in the table on page G-2.

(2) Mortgage Bankers Association of America average of 60+ days delinquency and foreclosure statistics adjusted by the Agency to reflect the proportions of insurance types in the Residential Housing Finance Bond Resolution loan portfolio. The unadjusted 12/31/21 Mortgage Bankers Association of America average 60+ days delinquency rate is 2.29% Minnesota and 3.26% national. The unadjusted 12/31/2021 Mortgage Bankers Association of America foreclosure rate is 0.13% Minnesota and 0.37% national. None of the delinquency and foreclosure rates presented are seasonally adjusted. Reprinted by permission of the Mortgage Bankers Association. For more information, contact the Mortgage Bankers Association, 1331 L Street NW, Washington D.C. 20005, (202) 557-2700 http://www.mortgagebankers.org

(3) This table compares foreclosure statistics, where "foreclosures" include only those loans referred to an attorney and with the first legal documents filed, but not loans for which a foreclosure sale has been held. Thus, the percentage for the Residential Housing Finance Bond Resolution loan portfolio is not directly comparable to the table on page G-2.

Bond Financed	No. of Loans	Loan Balance	Average Balance	Payment Amount Due	Months (monthly payments) Past Due	Average Number of Months (monthly payments) Past Due
	CARES Act Forbearances					
Retired	2.0	103,095	51,547	640	24.00	12.00
07M	1.4	157,542.6	112,530.4	792.1	11.6	8.3
07M-40 Year	0.0	0.0	0.0	0.0	0.0	0.0
12ABCD	5.0	161,923.8	32,384.8	1,378.4	20.0	4.0
13ABC	3.0	242,513.3	80,837.8	1,274.8	37.0	12.3
14A	0.0	0.0	0.0	0.0	0.0	0.0
14B	2.0	136,579.7	68,289.8	1,034.4	39.0	19.5
14CDE	2.0	209,186.8	104,593.4	1,461.0	19.0	9.5
15ABCD	4.0	503,097.7	125,774.4	3,230.5	49.0	12.3
15ABCD-40 Year	0.0	0.0	0	0.0	0.0	0.00
15EFG	7.5	424,258.2	56,567.8	3,820.6	64.0	8.5
15EFG-40 year	2.0	261,841.6	130,920.8	1,715.4	23.0	11.5
16ABC	1.0	142,245.9	142,245.9	916.3	17.0	17.0
16ABC-40 Year	2.0	280,418.7	140,209.3	1,090.4	14.0	7.0
16DEF	2.1	236,313.9	112,530.4	1,188.2	17.4	8.3
16DEF-40 Year	0.0	0.0	0.0	0.0	0.0	0.0
17ABC	5.0	354,632.3	70,926.5	2,406.2	35.5	7.1
17ABC-40 Yr	2.0	275,629.6	137,814.8	1,205.7	22.0	11.0
17DEF	1.0	42,210.0	42,210.0	621.5	2.0	2.0
17DEF-40 Yr	2.0	196,738.5	98,369.3	1,044.3	26.0	13.0
18ABCD	7.0	519,109.0	74,158.4	4,208.5	52.0	7.4
19ABCD	6.0	394,617.6	65,769.6	3,019.3	64.5	10.8
Total	57.0	4,641,954	81,438	31,048	537.0	9.42

If the number of properties allocated to a series of Bonds in the table is expressed in an increment of 0.5, the allocation reflects the fact that proceeds of Bonds of the series were used, with an equal amount of funds from another source (which may be another series of Bonds) to purchase the mortgage loan that financed the property. In such cases, while principal repayments and prepayments are allocated equally to each funding source, interest payments on the mortgage loan are not allocated pro rata. However, mortgage loans that were originated with 07LM Bonds were funded with proceeds of 07L (and series of Bonds that refunded 07L) and 07M in the fractions of 0.6 and 0.4, respectively. Currently, allocation of repayments and prepayments to each funding source may be expressed in multiples of 0.1.

APPENDIX H

CERTAIN INFORMATION RELATING TO LIQUIDITY FACILITIES FOR BONDS OUTSTANDING

as of December 31, 2021

(unaudited)

Liquidity Provider	Related Bond Series	Bonds Outstanding	Expiration Date
Royal Bank of Canada	2015 Series D	18,225,000	8/11/2022
	2015 Series G	33,500,000	1/2/2023
	2017 Series F	40,000,000	1/2/2023
	2019 Series D	44,020,000	7/1/2024
		$135,745,000	
Federal Home Loan Bank of Des Moines	2016 Series F	$ 46,650,000	1/2/2024
	2017 Series C	40,000,000	7/19/2024
		$ 86,650,000	
U.S. Bank National Association	2019 Series H	$ 43,985,000	9/10/2024

APPENDIX I

CERTAIN INFORMATION RELATING TO GNMA, FANNIE MAE, FREDDIE MAC AND CERTAIN PROGRAM SECURITIES AND THE MASTER SERVICER

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE-BACKED SECURITIES

This summary does not purport to be comprehensive and is qualified in its entirety by reference to the GNMA Mortgage-Backed Securities Guide and to the documents referred to herein for full and complete statements of their provisions. Additional information is available at www.ginniemae.gov.

In response to current financial market and real estate market disruptions due to COVID-19 and the Pandemic, certain federal insurance and guaranty programs for mortgage loans have been changed. See "The Agency—COVID-19 Economic Disruption" herein for a discussion of certain of those related program changes.

The Government National Mortgage Association is a wholly owned corporate instrumentality of the United States within the Department of Housing and Urban Development with its principal office in Washington, D.C. The documents and websites referred to above are not a part of this Official Statement, and neither the Agency nor any of the Underwriters takes any responsibility for information contained in any of these documents or websites.

Each GNMA Security is to be issued under either the GNMA I Program or the GNMA II Program. Although there are a number of differences between GNMA I Securities and GNMA II-Custom Pool Securities, those differences do not adversely affect the availability of Revenues with which to pay principal of and interest on Outstanding Bonds. Each GNMA Security is to be backed by a pool of mortgage loans in a minimum aggregate amount of $25,000 and multiples of $1 in excess of $25,000. The Master Servicer is required to pay to the Trustee (in the case of a GNMA I Security) or to the Central Paying and Transfer Agent (in the case of a GNMA II-Custom Pool Security), and the Central Paying and Transfer Agent is required to pay to the Trustee, as the owner of the GNMA Security, the regular monthly installments of principal and interest on the mortgage loans backing the GNMA Security (less the Master Servicer's servicing fee, which includes the GNMA guaranty fee), whether or not the Master Servicer receives those installments, plus any mortgage prepayments received by the Master Servicer in the previous month. The Government National Mortgage Association guarantees the timely payment of the principal of and interest on the GNMA Security.

In order to issue GNMA Securities, the Master Servicer must first apply to and receive from the Government National Mortgage Association a commitment to guarantee securities. Such a commitment authorizes the Master Servicer to issue GNMA Securities up to a stated amount during a one-year period following the date of the commitment. The Master Servicer is required to pay the application fee to the Government National Mortgage Association for the commitments. The amount of commitments to guarantee GNMA Securities that the Government National Mortgage Association can approve in any federal fiscal year is limited by statute and administrative procedures. The total annual amount of available commitments is established in appropriation acts and related administrative procedures.

The issuance of each GNMA Security by the Master Servicer is subject to the following conditions, among others: (i) the purchase by the Master Servicer of mortgage loans in a minimum aggregate principal amount at least equal to the minimum size permitted by the Government National Mortgage Association for each GNMA Security (the origination being subject, among other conditions, to the availability of FHA mortgage insurance and VA guarantees), (ii) the submission by the Master Servicer to the Government National Mortgage Association of certain documents required by the Government National Mortgage Association in form and substance satisfactory to the Government National Mortgage Association, (iii) the Master Servicer's continued compliance, on the date of issuance of the GNMA Security, with all of the Government National Mortgage Association's eligibility requirements, specifically including, but not limited to, certain net worth requirements, (iv) the Master Servicer's continued approval by the Government National Mortgage Association to issue GNMA Securities, and (v) the Master Servicer's continued ability to issue, execute and deliver the GNMA Security, as that ability may be affected by the Master Servicer's bankruptcy, insolvency or reorganization. In addition, the issuance of a GNMA Security by the Master Servicer is subject to the condition that the Government National Mortgage Association must have entered into a guaranty agreement with the Master Servicer. The conditions to the Government National Mortgage Association entering into such an agreement may change from time to time, and there can be no assurance that the Master Servicer will be able to satisfy all the requirements in effect at the time a GNMA Security is to be issued. Moreover, there can be no assurance that all of the above conditions will be satisfied at the time a GNMA Security is to be issued by the Master Servicer for purchase by the Trustee.

GNMA Security

The Government National Mortgage Association is authorized by Section 306(g) of Title III of the National Housing Act of 1934, as amended (the "Housing Act") to guarantee the timely payment of the principal of, and interest on, securities that are based on and backed by a pool composed of, among other things, mortgage loans insured by FHA under the Housing Act or guaranteed by the VA under the Servicemen's Readjustment Act of 1944, as amended. Section 306(g) further provides that "[T]he full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection." An opinion dated December 9, 1969, of an Assistant Attorney General of the United States, states that guarantees under Section 306(g) of mortgage-backed securities of the type to be delivered to the Trustee by the Lenders are authorized to be made by the Government National Mortgage Association and "would constitute general obligations of the United States backed by its full faith and credit."

Government National Mortgage Association Borrowing Authority

In order to meet its obligations under the guaranty, the Government National Mortgage Association, in its corporate capacity under Section 306(d) of Title III of the Housing Act, may issue its general obligations to the United States Treasury (the "Treasury") in an amount outstanding at any one time sufficient to enable the Government National Mortgage Association, with no limitations as to amount, to perform its obligations under its guaranty of the timely payment of the principal of and interest on the GNMA Securities. The Treasury is authorized to purchase any obligations so issued by the Government National Mortgage Association and has indicated in a letter dated February 13, 1970, from the Secretary of the Treasury to the Secretary of Housing and Urban Development ("HUD") that the Treasury will make loans to the Government National Mortgage Association, if needed, to implement the aforementioned guaranty.

The Government National Mortgage Association is to warrant to the Trustee, as the owner of the GNMA Securities, that, in the event it is called upon at any time to honor its guaranty of the payment of principal and interest on any GNMA Security, it shall, if necessary, in accordance with Section 306(d), apply to the Treasury Department of the United States for a loan or loans in amounts sufficient to make the payment.

Servicing of the Mortgage Loans

Under contractual arrangements that will be entered into by and between the Master Servicer and the Government National Mortgage Association, and pursuant to the Program Documents, the Master Servicer is responsible for servicing and otherwise administering the mortgage loans in accordance with generally accepted practices of the mortgage lending industry and the Government National Mortgage Association Servicer's Guide.

The monthly remuneration of the Master Servicer, for its servicing and administrative functions, and the guaranty fee charged by the Government National Mortgage Association, are based on the unpaid principal amount of each GNMA Security outstanding on the last day of the month preceding the calculation. Each GNMA Security carries an interest rate that is fixed below the lowest interest rate on the underlying mortgage loans because the servicing and guaranty fees are deducted from payments on the mortgage loans before the payments are forwarded to the Trustee.

It is expected that interest and principal payments on the mortgage loans received by the Master Servicer will be the source of money for payments on the GNMA Securities. If those payments are less than the amount then due, the Master Servicer is obligated to advance its own funds to ensure timely payment of all scheduled payments of principal and interest due on the GNMA Securities. The Government National Mortgage Association guarantees the timely payment in the event of the failure of the Master Servicer to pass through an amount equal to the scheduled payments (whether or not made by the mortgagors).

The Master Servicer is required to advise the Government National Mortgage Association in advance of any impending default on scheduled payments so that the Government National Mortgage Association, as guarantor, will be able to continue the payments as scheduled on the third business day after the twentieth day of each month. However, if the payments are not received as scheduled, the Trustee has recourse directly to the Government National Mortgage Association.

Guaranty Agreement

The Government National Mortgage Association guaranty agreement to be entered into by the Government National Mortgage Association and the Master Servicer upon issuance of a GNMA Security, pursuant to which the Government National Mortgage Association guarantees the payment of principal of and interest on that GNMA Security (the "GNMA Guaranty Agreement"), provides that, in the event of a default by the Master Servicer, including (i) a failure to make any payment due under the GNMA Security, (ii) a request to the Government National Mortgage Association to make a payment of principal or interest on a GNMA Security and the utilization thereof by the Master Servicer, (iii) insolvency of the Master Servicer, or (iv) default by the Master Servicer under any other terms of the GNMA Guaranty Agreement, the Government National Mortgage Association has the right, by letter to the Master Servicer, to effect and complete the extinguishment of the Master Servicer's interest in the mortgage loans, and the mortgage loans will thereupon become the absolute property of the Government National Mortgage Association, subject only to the unsatisfied rights of the owner of the GNMA Security. In that event, the GNMA Guaranty Agreement provides that on and after the time the Government National Mortgage Association directs a letter of extinguishment to the Master Servicer, the Government National Mortgage Association will be the successor in all respects to the Master Servicer in its capacity under the GNMA Guaranty Agreement and the transaction and arrangements set forth or arranged for therein, and will be subject to all responsibilities, duties, and liabilities (except the Master Servicer's indemnification of the Government National Mortgage Association), theretofore placed on the Master Servicer by the terms and provisions of the GNMA Guaranty Agreement, provided that at any time the Government National Mortgage Association may enter into an agreement with any other eligible issuer of GNMA Securities under which the latter undertakes and agrees to assume any part or all responsibilities, duties or liabilities theretofore placed on the Master Servicer, and provided that no agreement is to detract from or diminish the responsibilities, duties or liabilities of the Government National Mortgage Association in its capacity as guarantor of the GNMA Security, or otherwise adversely affect the rights of the owner thereof.

Payment of Principal of and Interest on the GNMA Securities

Regular monthly installment payments on each GNMA Security are required to begin on the fifteenth day (in the case of a GNMA I Security) and on the twentieth day (in the case of a GNMA II-Custom Pool Security) (or in each case if that day is not a business day then the next business day), of the first month following the date of issuance of the GNMA Security and will be equal to the aggregate amount of the scheduled monthly principal and interest payments on each mortgage loan in the mortgage pool backing the GNMA Security, less the monthly servicing and guaranty fees. In addition, each payment is required to include any mortgage prepayments on mortgage loans underlying the GNMA Security.

FANNIE MAE MORTGAGE-BACKED SECURITIES

General

The following summary of the Fannie Mae MBS Program (as defined below), the Fannie Mae Securities, Fannie Mae's mortgage purchase and servicing standards and other documents referred to herein does not purport to be complete and is qualified in its entirety by reference to Fannie Mae's Prospectus, as defined below, the Fannie Mae Single Family Selling and Servicing Guides and the other documents referred to herein.

In response to current financial market and real estate market disruptions due to COVID-19 and the Pandemic, certain federal insurance and guaranty programs for mortgage loans have been changed. See "The Agency—COVID-19 Economic Disruption" herein for a discussion of certain of those related program changes.

Fannie Mae is subject to the supervision and regulation of the Federal Housing Finance Agency to the extent provided in the Housing and Economic Recovery Act of 2008. The FHFA has placed Fannie Mae into conservatorship.

Information on Fannie Mae and its financial condition is contained in Fannie Mae's most current annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K that are filed with the Securities and Exchange Commission (the "SEC"). Fannie Mae files reports, proxy statements and other information with the SEC. Materials that it files with the SEC are also available from the SEC's website, "www.sec.gov." In addition, these materials may be inspected, without charge, and copies may be obtained at prescribed rates, at the SEC's Public Reference Room at 100 F Street, NE, Room 1580, Washington, DC 20549. Investors may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The periodic reports filed by Fannie Mae with the SEC are also available on Fannie Mae's website at http://www.fanniemae.com/ir/sec or from Fannie Mae at the Office of Investor Relations at 202-752-7115. The documents and websites referred to above are not a part of this Official Statement, and neither the Agency nor any of the Underwriters takes any responsibility for information contained in any of these documents or websites.

Fannie Mae

Fannie Mae is a government-sponsored enterprise that was chartered by the U.S. Congress in 1938, organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. 1716 et seq. (the "Charter"). Fannie Mae has a public mission to support liquidity and stability in the secondary mortgage market, where existing mortgage loans are purchased and sold. Fannie Mae securitizes mortgage loans originated by lenders in the primary mortgage market into mortgage-backed securities ("Fannie Mae MBS"), which can then be bought and sold in the secondary mortgage market. Fannie Mae also participates in the secondary mortgage market by purchasing mortgage loans (often referred to as "whole loans") and mortgage-related securities, including Fannie Mae MBS, for Fannie Mae's mortgage portfolio. In addition, Fannie Mae makes other investments to increase the supply of affordable housing, however, pursuant to the Charter, Fannie Mae may not lend money directly to consumers in the primary mortgage market. *Although Fannie Mae is a corporation chartered by the U.S. Congress, the conservator of Fannie Mae is a U.S. Government agency, and the United States Department of Treasury ("Treasury") owns senior preferred stock and a warrant to purchase common stock of Fannie Mae, the U.S. Government (including Treasury) does not guarantee, directly or indirectly, the securities or other obligations of Fannie Mae.*

On September 6, 2008, the Director of the Federal Housing Finance Agency ("FHFA"), the safety, soundness and mission regulator of Fannie Mae, placed Fannie Mae into conservatorship and appointed FHFA as the conservator. As the conservator, FHFA succeeded to all rights, titles, powers and privileges of Fannie Mae, and of any stockholder, officer or director of Fannie Mae with respect to Fannie Mae and the assets of Fannie Mae. As such, FHFA has the authority to conduct all business of Fannie Mae. Pursuant to the Housing and Economic Recovery Act of 2008, FHFA, as conservator, may take "such action as may be necessary to put the regulated entity in a sound and solvent condition." Fannie Mae has no control over FHFA's actions or the actions it may direct Fannie Mae to take. The conservatorship has no specified termination date; Fannie Mae does not know when or how the conservatorship will be terminated. In addition, the Board of Directors of Fannie Mae does not have any fiduciary duties to any person or entity except to FHFA, as conservator. Accordingly, the Board of Directors is not obligated to consider the interests of Fannie Mae or the stockholders of Fannie Mae unless specifically directed to do so by FHFA, as conservator. The United States

Department of Housing and Urban Development, however, remains Fannie Mae's regulator with respect to fair lending matters.

Mortgage-Backed Security Program

Fannie Mae has implemented a mortgage-backed securities program pursuant to which Fannie Mae issues securities backed by pools of mortgage loans (the "MBS Program"). **The obligations of Fannie Mae, including its obligations under the Fannie Mae Securities, are obligations solely of Fannie Mae and are not guaranteed by the United States Government (including Treasury) and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof, including Treasury and FHFA, other than Fannie Mae.**

The terms of the MBS Program are governed by the Fannie Mae Single Family Selling and Servicing Guides (the "Fannie Mae Guides"), as modified by a pool purchase contract, and, in the case of mortgage loans such as the Program Loans exchanged with Fannie Mae, a single family master trust agreement (the "Trust Indenture"), and a supplement thereto to be issued by Fannie Mae in connection with each pool. The MBS Program is further described in a prospectus issued by Fannie Mae (the "Fannie Mae Prospectus"). The Fannie Mae Prospectus is updated from time to time.

Fannie Mae Securities

Fannie Mae Securities are mortgage-backed pass-through securities issued and guaranteed by Fannie Mae under its MBS Program. As of June 3, 2019, each Fannie Mae Security will be a Uniform Mortgage-Backed Security ("UMBS") (see "The Residential Housing Finance Program—Uniform Mortgage-Backed Securities"). Each Fannie Mae Security will represent the entire interest in a specified pool of mortgage loans purchased by Fannie Mae from the Master Servicer and identified in records maintained by Fannie Mae. The Pool Contract requires that each Fannie Mae Security be in a minimum amount of $250,000 (or, in each case, the lesser amounts as may be approved by Fannie Mae). The mortgage loans backing each Fannie Mae Security are to bear interest at a rate higher than each Fannie Mae Security (the "pass-through rate"). The difference between the interest rate on the mortgage loans and the pass-through rate on the Fannie Mae Security is to be collected by the Master Servicer and used to pay the Master Servicer's servicing fee and Fannie Mae's guaranty fee.

Fannie Mae will guarantee to the registered holder of the Fannie Mae Securities that it will distribute amounts representing scheduled principal and interest at the applicable pass-through rate on the mortgage loans in the pools represented by the Fannie Mae Securities, whether or not received, and the full principal balance of any foreclosed or other finally liquidated mortgage loan, whether or not that principal balance is actually received. **The obligations of Fannie Mae under these guarantees are obligations solely of Fannie Mae and are not backed by, nor entitled to the faith and credit of the United States. If Fannie Mae were unable to satisfy these obligations, distributions to the Trustee, as the registered holder of the Fannie Mae Securities, would consist solely of payments and other recoveries on the underlying mortgage loans and, accordingly, monthly distributions to the Trustee, as the holder of the Fannie Mae Securities, and payments on Outstanding Bonds would be affected by delinquent payments and defaults on those mortgage loans**.

Payments on the Mortgage Loans; Distributions on the Fannie Mae Securities

Payments on a Fannie Mae Security will be made on the 25th day of each month (beginning with the month following the month the Fannie Mae Security is issued), or, if the 25th day is not a business day, on the first business day next succeeding the 25th day. With respect to each Fannie Mae Security, Fannie Mae will distribute to the Trustee an amount equal to the total of (i) the principal due on the mortgage loans in the related pool underlying the Fannie Mae Security during the period beginning on the second day of the month prior to the month of the distribution and ending on the first day of the month of distribution, (ii) the stated principal balance of any mortgage loan that was prepaid in full during the second month next preceding the month of the distribution (including as prepaid for this purpose at Fannie Mae's election any mortgage loan repurchased by Fannie Mae because of Fannie Mae's election to repurchase the mortgage loan after it is delinquent, in whole or in part, with respect to four consecutive installments of principal and interest; or because of Fannie Mae's election to repurchase that mortgage loan under certain other circumstances), (iii) the amount of any partial prepayment of a mortgage loan received in the second month next preceding the month of distribution, and (iv) one month's interest at the pass-through rate on the principal balance of the Fannie Mae Security as reported to the Trustee (assuming the Trustee is the registered holder) in connection with the previous distribution (or, respecting the first distribution, the principal balance of the Fannie Mae Security on its issue date).

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

FREDDIE MAC MORTGAGE-BACKED SECURITIES

General

The following summary of the Freddie Mac Guarantor Program, the Freddie Mac Securities, Freddie Mac's mortgage purchase and servicing standards and other documents referred to herein does not purport to be complete and is qualified in its entirety by reference to Freddie Mac's Mortgage Participation Certificates Offering Circular, applicable Offering Circular Supplements, Freddie Mac's Information Statement, any Information Statement Supplements, the Freddie Mac Securities and any other documents made available by Freddie Mac. Copies of the Offering Circular, Information Statement and any supplements to those documents and other information can be obtained by calling Freddie Mac's Investor Inquiry Department (telephone (800) 336-3672) or by accessing Freddie Mac's World Wide Web site.

In response to current financial market and real estate market disruptions due to COVID-19 and the Pandemic, certain federal insurance and guaranty programs for mortgage loans have been changed. See "The Agency—COVID-19 Economic Disruption" herein for a discussion of certain of those related program changes.

Freddie Mac is subject to the supervision and regulation of the FHFA to the extent provided in the federal Housing and Economic Recovery Act of 2008. The FHFA has placed Freddie Mac into conservatorship.

Freddie Mac is a publicly traded company listed on the New York Stock Exchange (symbol: FRE). Information on Freddie Mac and its financial condition is contained in annual, quarterly and current reports, proxy statements and other information that Freddie Mac files with the SEC. You may read and copy any document Freddie Mac files with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. These SEC filings are also available to the public from the SEC's website at http://www.sec.gov. The documents and websites referred to above are not a part of this Official Statement, and neither the Agency nor any of the Underwriters takes any responsibility for information contained in any of these documents or websites.

Freddie Mac

Freddie Mac is a shareholder-owned government-sponsored enterprise created on July 24, 1970 pursuant to the Federal Home Loan Mortgage Corporation Act, Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§ 1451-1459 (the "Freddie Mac Act"). Freddie Mac's statutory mission is (i) to provide stability in the secondary market for residential mortgages; (ii) to respond appropriately to the private capital market; (iii) to provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities); and (iv) to promote access to mortgage credit throughout the United States (including central cities, rural areas and underserved areas) by increasing the liquidity of mortgage financing. Neither the United States nor any agency or instrumentality of the United States is obligated, either directly or indirectly, to fund the mortgage purchase or financing activities of Freddie Mac or to guarantee Freddie Mac's securities or obligations.

Freddie Mac's principal business consists of the purchase of (i) first-lien, conventional residential mortgages subject to certain maximum loan limits and other underwriting requirements under the Freddie Mac Act and (ii) securities backed by those mortgages. Freddie Mac finances its mortgage purchases and mortgage-backed securities purchases through the issuance of a variety of securities, primarily pass-through mortgage participation certificates and unsecured debt, as well as with cash and equity capital.

On September 7, 2008, the Director of the Federal Housing Finance Agency ("FHFA") appointed FHFA as conservator of Freddie Mac in accordance with the Federal Housing Finance Reform Act of 2008 (the "Reform Act") and the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. On September 7, 2008, in connection with the appointment of FHFA as conservator, Freddie Mac and the U.S. Department of the Treasury ("Treasury") entered into a Senior Preferred Stock Purchase Agreement. Also, pursuant to its authority under the Reform Act, Treasury announced that it has established the Government Sponsored Enterprise Credit Facility (a lending facility to ensure credit availability to Freddie Mac, Fannie Mae, and the Federal Home Loan Banks that will provide secured funding on an as needed basis under terms and conditions established by the Treasury Secretary to protect taxpayers) and a program under which Treasury will purchase Government Sponsored Enterprise (including Freddie Mac) mortgage-backed securities (MBS) in the open market. The announcements by FHFA and Treasury and descriptions of these programs are available at their respective websites: http://www.OFHEO.gov and http://www.Treasury.gov.

Freddie Mac Guarantor Program

Freddie Mac has established a mortgage purchase program pursuant to which Freddie Mac purchases a group of mortgages from a single seller in exchange for a Freddie Mac certificate representing an undivided interest in a pool consisting of the same mortgages (the "Guarantor Program"). Freddie Mac approves the institutions that may sell and service mortgages under the Guarantor Program on an individual basis after consideration of factors such as financial condition, operational capability and mortgage origination and/or servicing experience. Most sellers and servicers are HUD-approved mortgagees or FDIC-insured financial institutions.

Freddie Mac Securities

Freddie Mac Securities will be mortgage-backed pass-through securities issued and guaranteed by Freddie Mac under its Guarantor Program. As of June 3, 2019, each Freddie Mac Security will be a Uniform Mortgage-Backed Security ("UMBS") (see "The Residential Housing Finance Program—Uniform Mortgage-Backed Securities"). Freddie Mac Securities are issued only in book-entry form through the Federal Reserve Banks' book-entry system. Each Freddie Mac Security represents an undivided interest in a pool of mortgage loans. Payments by borrowers on the mortgage loans in the pool are passed through monthly by Freddie Mac to record holders of the Freddie Mac Securities representing interests in that pool.

Payments on Freddie Mac Securities that are not UMBS begin on or about the 15th day of the first month following issuance. Payments on Freddie Mac Securities that are UMBS begin on the 25th day of the first month following issuance, or, if the 25th day is not a business day, on the first business day next succeeding the 25th day. Each month Freddie Mac passes through to record holders of Freddie Mac Securities their proportionate share of principal payments on the mortgage loans in the related pool and one month's interest at the applicable pass-through rate. The pass-through rate for a Freddie Mac Security is determined by subtracting from the lowest interest rate on any of the mortgage loans in the pool the applicable servicing fee and Freddie Mac's management and guarantee fee, if any. The interest rates on the mortgages in a pool formed under Freddie Mac's Guarantor Program must fall within a range from the pass-through rate on the Freddie Mac Securities plus the minimum servicing fee through the pass-through rate plus 250 basis points.

Freddie Mac guarantees to each record holder of a Freddie Mac Security the timely payment of interest at the applicable pass-through rate on the principal balance of the holder's Freddie Mac Security. Freddie Mac also guarantees to each holder of a Freddie Mac Security (i) the timely payment of the holder's proportionate share of monthly principal due on the related mortgage loans, as calculated by Freddie Mac, and (ii) the ultimate collection of the holder's proportionate share of all principal of the related mortgage loans, without offset or reduction, no later than the payment date that occurs in the month by which the last monthly payment on the Freddie Mac Security is scheduled to be made.

Freddie Mac may pay the amount due on account of its guarantee of ultimate collection of principal on a mortgage at any time after default, but not later than 30 days following (i) the foreclosure sale of the mortgaged property, (ii) if applicable, the payment of an insurance or guaranty claim by the mortgage insurer or guarantor or (iii) the expiration of any right of redemption that the borrower may have, whichever is the last to occur. In no event, however, will Freddie Mac make payments on account of this guarantee later than one year after an outstanding demand has been made on the borrower for accelerated payment of principal or for payment of the principal due at maturity.

The obligations of Freddie Mac under its guarantees of the Freddie Mac Securities are obligations of Freddie Mac only. The Freddie Mac Securities, including the interest thereon, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. If Freddie Mac were unable to satisfy its obligations under its guarantees, distributions on the Freddie Mac Securities would consist solely of payments and other recoveries on the related mortgages; accordingly, delinquencies and defaults on the mortgage loans would affect distributions on the Freddie Mac Securities and could adversely affect payments on Outstanding Bonds.

Mortgage Purchase and Servicing Standards

All mortgage loans purchased by Freddie Mac must meet certain standards established by the Freddie Mac Act. In addition, Freddie Mac has established its own set of mortgage purchase standards, including credit, appraisal and underwriting guidelines. These guidelines are designed to determine the value of the real property securing a mortgage loan and the creditworthiness of the borrower. Freddie Mac's administration of its guidelines may vary based on its evaluation of and experience with the seller of the mortgage loans, the loan-to-value ratio and age of the mortgage loans, the type of property securing the mortgage loans and other factors.

Freddie Mac has also established servicing policies and procedures to support the efficient and uniform servicing of the mortgage loans it purchases. Each servicer must perform diligently all services and duties customary to the servicing of mortgage loans in a manner consistent with prudent servicing standards. The duties performed by a servicer include collection and remittance of principal and interest to Freddie Mac; administration of escrow accounts; collection of insurance or guaranty claims; property inspections; and, if necessary, foreclosure. Freddie Mac monitors servicers' performance through periodic and special reports and inspections.

In the event of an existing or impending delinquency or other default on a mortgage loan, Freddie Mac may attempt to resolve the default through a variety of measures. In determining which measures to pursue with respect to a given mortgage loan and when to initiate those measures, Freddie Mac seeks to minimize the costs that may be incurred in servicing the mortgage, as well as Freddie Mac's possible exposure under its guarantees. However, the measures that Freddie Mac may choose to pursue to resolve a default will not affect Freddie Mac's guarantees. In any event, Freddie Mac generally repurchases from a pool any mortgage loan that has remained delinquent for at least 120 consecutive days and makes payment of principal to record holders pursuant to Freddie Mac's guarantee of ultimate collection of principal.

THE MASTER SERVICER

U.S. Bank National Association currently serves as Master Servicer for the Agency's MBS Program, including the Program Securities to be financed with proceeds of the Series Bonds. The Agency has entered into a Servicing Agreement, dated as of October 17, 2013 (the "Servicing Agreement"), with U.S. Bank National Association, as master servicer (the "Master Servicer"), for an indefinite term (subject to termination rights), which replaces the previous servicing agreement executed by the Agency and the Master Servicer. The Program Securities acquired with proceeds of the Series Bonds are expected to be serviced by the Master Servicer.

THE FOLLOWING INFORMATION ABOUT THE MASTER SERVICER RELATES TO AND WAS SUPPLIED BY U.S. BANK NATIONAL ASSOCIATION. NONE OF THE AGENCY, THE UNDERWRITERS, THEIR COUNSEL OR BOND COUNSEL HAS VERIFIED THIS INFORMATION OR GUARANTEES IT AS TO COMPLETENESS OR ACCURACY. POTENTIAL INVESTORS SHOULD NOT CONSTRUE THIS INFORMATION AS A REPRESENTATION OF ANY OF THE AGENCY, THE UNDERWRITERS, THEIR COUNSEL OR BOND COUNSEL.

As of December 31, 2021, the Master Servicer serviced 1,276,443 single-family mortgage loans purchased through its U.S. Bank Home Mortgage Division, with an aggregate principal balance of approximately $219 billion. The Master Servicer currently services single-family mortgage loans for state and local housing finance authorities, mutual savings banks, life insurance companies, savings and loan associations, commercial banks, as well as Fannie Mae, GNMA and Freddie Mac.

As of December 31, 2021, according to its unaudited quarterly financial statements, U.S. Bancorp had total assets of approximately $573.3 billion and a net worth of $54.9 billion. For the twelve months ended December 31, 2021, the Master Servicer, through its U.S. Bank Home Mortgage Division, originated and purchased single-family mortgage loans in the total principal amount of approximately $102.2 billion.

The Master Servicer is (i) an FHA- and VA-approved lender in good standing. (ii) a GNMA-approved seller and servicer of mortgage loans and an issuer of mortgage-backed securities guaranteed by GNMA, (iii) a Fannie Mae approved seller and servicer of Fannie Mae Securities, and (iv) a Freddie Mac approved seller and servicer of Freddie Mac securities.

The Master Servicer is not liable for the payment of the principal of Outstanding Bonds or the interest or redemption premium, if any, thereon.

The holding company for U.S. Bank National Association is U.S. Bancorp, the fifth largest financial services holding company in the United States.

APPENDIX J

CERTAIN DEFINITIONS WITH RESPECT TO THE 2022 SERIES D BONDS

"*Alternate Liquidity Facility*" means any standby purchase agreement, line of credit, letter of credit or similar agreement (not including a Non-Conforming Liquidity Facility or Self-Liquidity Facility) providing liquidity for the Liquidity Facility Bonds or any portion thereof, delivered by the Agency in connection with a Mode Change to a Mode Period or in substitution for an existing Liquidity Facility pursuant to the terms of the 2022 Series D Resolution. The extension or renewal of an extant Liquidity Facility will not be deemed an Alternate Liquidity Facility.

"*Bank*" means (i) with respect to the Initial Liquidity Facility for the 2022 Series D Bonds, Royal Bank of Canada, acting through its branch currently located at 200 Vesey Street, New York, New York, 10281, together with its successors and assigns; (ii) with respect to an Alternate Liquidity Facility or a Non-Conforming Liquidity Facility, the provider thereof, together with its successors and assigns; and (iii) with respect to Self-Liquidity, the Agency, together with its successors and assigns.

"*Bank Bonds*" means 2022 Series D Bonds purchased with funds provided by the Bank pursuant to a Liquidity Facility, other than Self Liquidity.

"*Bank Interest Rate*" means the rate of interest, if any, on any Bank Bonds held by and payable to the Bank at any time as determined and calculated in accordance with the provisions of the Liquidity Facility.

"*Bank Purchase Date*" means any Purchase Date on which the Bank purchases 2022 Series D Bonds.

"*Business Day*" means any day other than (a) a Saturday, a Sunday, or (b) a day on which banking institutions in New York, New York are authorized or required by law or executive order to close, or (c) a day on which the New York Stock Exchange is closed or (d) a day on which the principal office of the Trustee is authorized to be closed for regular business.

"*Conversion Date*" means the Business Day on which the interest rate on any of the 2022 Series D Bonds is Converted to a Fixed Interest Rate or an Indexed Rate.

"*Convert*," "*Converted*" or "*Conversion*," as appropriate, means the conversion of the interest rate on any of the 2022 Series D Bonds to a Fixed Interest Rate or an Indexed Rate pursuant to the 2022 Series D Resolution.

"*Floating Rate Change*" means a change to all or a portion of the Variable Rate Bonds, FRNs or Index Bonds to bear interest at a New Floating Rate.

"*Floating Rate Change Date*" means the date on which a Floating Rate Change is effective (inclusive of a FRN Rate Change Date).

"*Liquidity Expiration Event*" means either (i) the Agency has determined to terminate a Liquidity Facility in accordance with its terms, (ii) the Bank has delivered notice to the Trustee on or prior to 45 days prior to the scheduled expiration of a Liquidity Facility that the Liquidity Facility will not be extended or renewed or (iii) the Bank has not delivered notice to the Trustee on or prior to 45 days prior to the scheduled expiration of a Liquidity Facility that the Liquidity Facility will be extended or renewed.

"*Liquidity Facility*" means any instrument delivered pursuant to the terms of the 2022 Series D Resolution that provides liquidity support for the purchase of Liquidity Facility Bonds in accordance with the terms of the 2022 Series D Resolution, including the Initial Liquidity Facility and any Alternate Liquidity Facility, Non-Conforming Liquidity Facility or Self Liquidity.

"*Maximum Rate*" means (i) with respect to the 2022 Series D Bonds (other than Bank Bonds) 12 percent per annum, unless the Agency directs in writing that the rate be increased to a higher rate and delivers to the Trustee (a) an Agency Certificate to the Trustee to the effect that the increase will not impair the Ratings on the 2022 Series D Bonds by each Rating Agency; and (b) a certified copy of a resolution adopted by the Agency approving that increase in the Maximum Rate; and (ii) with respect to Bank Bonds, the meaning ascribed to that term in the Liquidity Facility; provided, however, that in no event may the Maximum Rate, as described in (i) above, exceed the lesser of (a) 12 percent or a higher rate as approved by the Agency's governing body or specified for the Bank Bonds, or (b) the maximum rate permitted by applicable law, anything herein to the contrary notwithstanding.

"*Mode*" means the manner in which the interest rate on any of the 2022 Series D Bonds is determined, consisting of a Daily Rate, Weekly Rate, Monthly Rate, Quarterly Rate, or Semiannual Rate.

"*Mode Change*" means a change in Mode Period.

"*Mode Change Date*" means the date of effectiveness of a Mode Change.

"*Mode Period*" means each period beginning on the first Effective Rate Date for any of the 2022 Series D Bonds, or the first Effective Rate Date following a change from one Mode to another, and ending on the date immediately preceding the first Effective Rate Date following the next change in Mode with respect to those 2022 Series D Bonds.

"*Non-Conforming Liquidity Facility*" means a liquidity facility delivered by the Agency pursuant to the 2022 Series D Resolution that does not meet the requirements for an Alternate Liquidity Facility.

"*Purchase Date*" means any date that 2022 Series D Bonds are to be purchased pursuant to the 2022 Series D Resolution.

"*Purchase Price*" means an amount equal to the principal amount of any 2022 Series D Bond tendered or deemed tendered for purchase as provided herein, plus, if the Purchase Date is not an Interest Payment Date, accrued interest from the previous Interest Payment Date to the day preceding the Purchase Date.

"*Record Date*" means, with respect to Variable Rate Bonds, the Business Day immediately prior to the applicable Interest Payment Date and, in all other cases, the 15th day preceding each Interest Payment Date; provided, however, that if the Record Date is not a Business Day, then that Record Date will be deemed to be the first Business Day following that Record Date.

"*Remarketing Agreement*" means the Remarketing Agreement, between the Agency and RBC Capital Markets, LLC, with respect to the 2022 Series D Bonds, as the same may be amended in accordance with the terms thereof, and any similar agreement entered into between the Agency and any successor Remarketing Agent in respect of those 2022 Series D Bonds.

"*Replacement Index Rate*" means on or after such period as the originally designated index otherwise ceases to be available, then such index rate shall be the index rate designated by the Agency in writing provided to the Trustee via Electronic Means, together with the effective date of the substitute or replacement index; such substitute or replacement must be consistent with any corresponding replacement index designated pursuant to the related 2022 Series Swap Agreement (if any).

"*Self-Liquidity*" means a liquidity facility provided by the Agency's own funds pursuant to the 2022 Series D Resolution, other than a Non-Conforming Liquidity Facility.

"SOFR Index" means the Secured Overnight Financing Rate ("SOFR"), as published on or about 3:00 p.m. (New York time) on the Federal Reserve's Website (or any successor publisher website) for each SOFR Published Date, representing the SOFR Index as of the SOFR Lookback Date. For any date that the SOFR does not so appear by 5:00 p.m. (New York time) on such date or if such date is not a U.S. Government Securities Business Day, the rate shall be the SOFR published on the Federal Reserve's Website on the first preceding U.S. Government Securities Business Day for which SOFR was published on the Federal Reserve's Website. On any date that a SOFR Index determination is necessary, if (1) the relevant rate is not available for any reason or (2) the Agency in its sole but commercially reasonable discretion determines that SOFR is no longer a reliable market indicator, then a comparable Replacement Index will be determined by such alternate method as reasonably selected and designated in writing by the Agency to the Calculation Agent and shall be used in place of the SOFR Index. "SOFR Published Date" means the second U.S. Government Securities Business Day immediately preceding each Effective Rate Date. "SOFR Lookback Date" means the third U.S. Government Securities Business Day immediately preceding an Effective Rate Date. "U.S. Government Securities Business Day" means any day except for a Saturday, a Sunday or a day on which

the Securities Industry and Financial Markets Association (or any successor entity) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. Government Securities. "Federal Reserve's Website" means the website of the Federal Reserve Bank of New York, or the website of any successor publisher of SOFR. Notwithstanding the foregoing, the Agency may choose to modify the description set forth above to a description that is commercially reasonable.

"*Tender Agent*" means the Trustee appointed pursuant to the Bond Resolution.

"*Variable Rate Bonds*" means 2022 Series D Bonds (or portion thereof) during a Daily Mode Period, a Weekly Mode Period, a Monthly Mode Period, a Quarterly Mode Period, or a Semiannual Mode Period (whether or not in each case those 2022 Series D Bonds are Liquidity Facility Bonds or Unenhanced Variable Rate Bonds).

APPENDIX K

SUMMARY OF CERTAIN PROVISIONS OF AND RELATING TO THE STANDBY BOND PURCHASE AGREEMENT

[FOR REVIEW AND REVISION BY LIQUIDITY PROVIDER COUNSEL]

General

The following description is a summary of certain provisions of the Initial Liquidity Facility. This summary does not purport to be a complete description or restatement of the material provisions of the Initial Liquidity Facility. Investors should obtain and review a copy of the Initial Liquidity Facility in order to understand all of the terms of that document.

The Initial Liquidity Facility provides that, subject to the terms and conditions set forth in the Initial Liquidity Facility, the Initial Liquidity Provider must purchase Eligible Bonds (as defined in the Initial Liquidity Facility) tendered or deemed tendered from time to time pursuant to an optional or mandatory tender by owners thereof in accordance with the terms of the Resolution, in each case, to the extent those Eligible Bonds are not remarketed by the Remarketing Agent. The Initial Liquidity Facility will expire on ____________, 2027,* (the *"Expiration Date"*), unless extended or terminated pursuant to its terms.

Under certain circumstances described below, the obligation of the Initial Liquidity Provider to purchase Eligible Bonds tendered or deemed tendered by the owners thereof pursuant to an optional or mandatory tender may be immediately and automatically suspended or terminated without notice to the Bondowners. In that event, sufficient funds may not be available to purchase Eligible Bonds tendered or deemed tendered by the owners thereof pursuant to an optional or mandatory tender. In addition, the Initial Liquidity Facility does not provide support or security for the payment of principal of, premium, if any, or interest on the Eligible Bonds.

Purchase of Tendered Eligible Bonds by the Initial Liquidity Provider

Subject to the terms and conditions of the Initial Liquidity Facility, the Initial Liquidity Provider will purchase from time to time during the period from the Effective Date (as defined in the Initial Liquidity Facility) to and including the close of business on the earliest of (a) the Expiration Date, (b) the day immediately succeeding the date on which no Bonds are Outstanding and (c) the date on which the Available Commitment (as defined in the Initial Liquidity Facility) and the Initial Liquidity Provider's obligation to purchase Eligible Bonds have been terminated in their entireties pursuant to terms of the Initial Liquidity Facility, Eligible Bonds tendered or deemed tendered from time to time, pursuant to an optional or mandatory tender by owners thereof in accordance with the terms and provisions of the Resolution, in each case, to the extent the Eligible Bonds are not remarketed in accordance with the terms and provisions of the Remarketing Agreement (as defined in the Initial Liquidity Facility). The price to be paid by the Initial Liquidity Provider for the Eligible Bonds will be equal to the aggregate principal amount of the Eligible Bonds, provided that the aggregate principal amount of those Eligible Bonds so purchased may not exceed the Available Principal Commitment (as defined in the Initial Liquidity Facility), plus the lesser of (i) the Available Interest Commitment (as defined in the Initial Liquidity Facility) and (ii) interest accrued thereon to but excluding the date of that purchase (excluding Defaulted Interest and, if the Purchase Date for such Eligible Bonds is also an Interest Payment Date, excluding all accrued interest).

Events of Default

The following events, among others, constitute Events of Default under the Initial Liquidity Facility. Reference is made to the Initial Liquidity Facility for a complete listing of all Events of Default.

Events of Default not Permitting Immediate Termination

(a) *Payments*. The Agency fails to pay (i) when due any amounts owed by the Agency to the Initial Liquidity Provider pursuant to Section 2.07, 3.01 or 3.02 (other than as specified in the sub-heading "Events of Default Permitting Immediate Termination or Suspension" below); or (ii) within five Business Days after the same becomes due any amount owed to the Initial Liquidity Provider pursuant to any other section of the Initial Liquidity Facility or the Fee Letter (as defined in the Initial Liquidity Facility).

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* Preliminary; subject to change.

(b) *Representations*. Any representation or warranty made by or on behalf of the Agency in the Initial Liquidity Facility or in any other Related Document (as defined in the Initial Liquidity Facility) or in any certificate or statement delivered thereunder proves to have been incorrect or untrue in any material respect when made or deemed to have been made.

(c) *Covenants*. The Agency fails to observe or perform any covenant under Section 6.01, 6.03, 6.09, 6.14, 6.19, 6.20, 6.21, 6.24, 6.25 or Article VII of the Initial Liquidity Facility.

(d) *Other Covenants*. The Agency fails to perform or observe any other term, covenant or agreement (other than the ones described in any other paragraph under this sub-caption "Events of Default not Permitting Immediate Termination") contained in the Initial Liquidity Facility or any other Related Document on its part to be performed or observed which failure continues for 30 days or more after receipt of written notice of that failure from the Initial Liquidity Provider.

(e) Any Event of Default under any of the other Related Documents occurs.

(f) *Downgrade*. The rating assigned to the 2022 Series D Bonds or to any other Parity Debt (as defined in the Initial Liquidity Facility) (without regard to third party credit enhancement) by Moody's or S&P is withdrawn or suspended for credit related reasons or fall below "A2" by Moody's or "A" by S&P.

(g) *Cross Acceleration*. Any act or omission by the Agency occurs under any mortgage, agreement or other instrument under or pursuant to which any Material Debt (as defined in the Initial Liquidity Facility) is incurred or issued that results in that Material Debt becoming, or being capable of becoming, immediately due and payable.

(h) *Cross Default*. The Agency defaults under any mortgage, agreement or other instrument under or pursuant to which any Material Debt is incurred or issued, and that default continues beyond the period of grace, if any, allowed with respect thereto.

(i) *Invalidity or Contest of Validity*. Other than as described in the sub-heading "Events of Default Permitting Immediate Termination or Suspension" below, (i) the Initial Liquidity Facility, any other Related Document or any provision of the Initial Liquidity Facility or of any Related Document at any time for any reason ceases to be valid and binding on the Agency or is declared in a final, non-appealable judgment by any court of competent jurisdiction to be null and void, invalid or unenforceable or (ii) the Agency, the State or any other Governmental Authority (as defined in the Initial Liquidity Facility) with appropriate jurisdiction contests the validity or enforceability of the Agency's obligations under the Initial Liquidity Facility or under the other Related Documents or deny that the Agency has any further liability or obligation under the Initial Liquidity Facility or under the other Related Documents.

(j) *Default*. The Agency defaults in the payment of any regularly scheduled amount due in respect of any Interest Rate Protection Agreement (as defined in the Initial Liquidity Facility) with the Initial Liquidity Provider with a notional amount equal to or greater than $5,000,000 or in the payment due in respect of any principal of or interest on any Debt outstanding in a principal amount equal to or greater than $5,000,000 owed to the Initial Liquidity Provider.

Events of Default Permitting Immediate Termination or Suspension

(a) *Event of Insolvency.* An Event of Insolvency (as defined below) has occurred with respect to the Agency.

(b) *Payment Default*. Any principal or interest due with respect to the 2022 Series D Bonds (including regularly scheduled payments of principal and interest on Bank Bonds (as defined in the Initial Liquidity Facility)) is not paid when due or the Agency fails to make or otherwise defaults in any regularly scheduled payment of principal of or interest on any other Material Debt beyond any grace period provided with respect thereto.

(c) *Invalidity*. (i) The Act, the 2022 Series D Bonds (including Bank Bonds), the Initial Liquidity Facility, the Resolution, any Material Debt, or any material provision of the Initial Liquidity Facility or of the Act, the 2022 Series D Bonds (including Bank Bonds), the Resolution or any Material Debt relating to the payment of principal of or interest on the 2022 Series D Bonds or other Material Debt, at any time for any reason ceases to be valid and binding on the Agency as determined by any court of competent jurisdiction or Governmental Authority having appropriate jurisdiction over the Agency in a final non-appealable judgment, ruling, finding, decree, order or legislative act or similar action or is declared in a final, non-appealable judgment, ruling, finding, decree, order or legislative act or similar action by any court of competent jurisdiction or Governmental Authority having appropriate jurisdiction over the Agency to be null and void, invalid or unenforceable; (ii) the pledge of and Lien (as defined in the Initial Liquidity Facility) on the Trust Estate (as defined in the Initial Liquidity Facility) at any time for any reason ceases to be valid and binding on the Agency as determined by any court of competent jurisdiction or Governmental Authority having appropriate jurisdiction over the Agency in a final non-appealable judgment, ruling, finding, decree, order or legislative act or similar action or is declared in a final, non-appealable judgment, ruling, finding, decree, order or legislative act or similar action by any court of competent jurisdiction or Governmental Authority having appropriate jurisdiction over the Agency to be null and void, invalid or unenforceable; or (iii) any Governmental Authority with jurisdiction to rule on the validity of the Initial Liquidity Facility, the Act, the 2022 Series D Bonds (including Bank Bonds), the Resolution or any Material Debt finds or rules that any of the Act, the Initial Liquidity Facility, the 2022 Series D Bonds (including Bank Bonds), the Resolution or any Material Debt, as the case may be, or any provision of the Initial Liquidity Facility or of the Act, the 2022 Series D Bonds (including Bank Bonds), the Resolution or any Material Debt relating to (A) the payment of principal of or interest on the 2022 Series D Bonds (including Bank Bonds) or any Material Debt or (B) the pledge of and Lien on the Trust Estate is not valid or not binding on the Agency or is null and void.

(d) *Contest of Validity*. The Agency or any Governmental Authority with appropriate jurisdiction (i) repudiates or denies that the Agency has any further liability or obligation under the Initial Liquidity Facility, under the 2022 Series D Bonds (including Bank Bonds), the Act, the Resolution or any Material Debt or (ii) claims that any of the provisions that provide (A) for the payment of principal of or interest on the 2022 Series D Bonds (including Bank Bonds) or any Material Debt or (B) for the pledge of and Lien on the Trust Estate, in the Resolution, the 2022 Series D Bonds (including Bank Bonds) or the Initial Liquidity Facility, is not valid or not binding on the Agency; or (iii) initiates any legal proceedings to seek an adjudication that any of the provisions that provide (A) for the payment of principal of or interest on the 2022 Series D Bonds (including Bank Bonds) or any Material Debt or (B) for the pledge of and Lien on the Trust Estate, in the Resolution, the 2022 Series D Bonds (including Bank Bonds) or the Initial Liquidity Facility is not valid or not binding on the Agency; or (iv) has taken or permitted to be taken any official action, or has duly enacted any statute that would make or cause any provision of the 2022 Series D Bonds (including Bank Bonds), the Act, the Resolution or any Material Debt) that provide (A) for the payment of principal of or interest on the 2022 Series D Bonds (including Bank Bonds) or any Material Debt or (B) for the pledge of and Lien on the Trust Estate, in the Resolution, the 2022 Series D Bonds (including Bank Bonds) or the Initial Liquidity Facility to be null and void, invalid or unenforceable.

(e) *Investment Grade Rating*. The unenhanced rating of the 2022 Series D Bonds or any other Material Debt is (i) withdrawn or suspended for credit-related reasons or reduced below “Baa3” by Moody’s and (ii) withdrawn or suspended for credit-related reasons or reduced below “BBB-” by S&P.

(f) *Judgment*. (i) One or more final, non-appealable judgments or orders in an amount in excess of $5,000,000 in the aggregate is rendered against the Agency and (ii) those judgments or orders have not been paid in accordance with the terms of those judgments or orders or discharged, vacated, satisfied or stayed within 60 days after entry thereof or if, after the expiration of any stay, those judgments or orders have not been paid in accordance with the terms of those judgments or orders or discharged.

“Event of Insolvency” means, with respect to any Person, the occurrence of one or more of the following events:

(a) the issuance, under the laws of any state or under the laws of the United States of America, of an order for relief, rehabilitation, liquidation or dissolution of that Person;

(b) (i) the commencement against that Person of a case or other proceeding seeking an order for relief, liquidation, reorganization or other relief with respect to that Person or its debts under any bankruptcy, insolvency, reorganization or other similar state or federal law now or hereafter in effect, including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for that Person or any substantial part of its property or the appointment, and that Person consents to such case or other proceeding at any time, or such case or other proceeding remains uncontested by that Person for a period of 60 days or such case or proceeding results in an order for such relief; (ii) the commencement by that Person of a case or other proceeding seeking an order for relief, liquidation, reorganization or other relief with respect to that Person or its debts under any bankruptcy, insolvency, reorganization or other similar state or federal law now or hereafter in effect, including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for that Person or any substantial part of its property or the appointment; or (iii) the designation with respect to that Person, of an entity such as an organization, board, commission, authority, agency or body to monitor, review, oversee, recommend or declare a financial emergency or similar state of financial distress with respect to it or the declaration of, or the introduction or proposal for consideration by it or by any legislative or regulatory body with competent jurisdiction over it of the existence of a state of financial emergency or similar state of financial distress in respect of it;

(c) the making of an assignment for the benefit of creditors by that Person;

(d) that Person is "insolvent" as defined in Section 101(32) of the United States Bankruptcy Code;

(e) the declaration of a moratorium with respect to the payment of the debts of that Person, which, in the case of the Agency, means that a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction is declared by, or imposed on, Material Debt as a result of a finding or ruling of a Governmental Authority with jurisdiction over the Agency;

(f) the admission by that Person in writing of its inability to pay its debts when due; or

(g) the initiation of any actions to authorize any of the foregoing by or on behalf of that Person.

Remedies

The following are remedies available to the Initial Liquidity Provider under the Initial Liquidity Facility upon the occurrence of an Event of Default thereunder:

(a) *Termination with Notice*. Upon the occurrence of any Event of Default described under the sub-caption **"Events of Default not Permitting Immediate Termination"**, the Initial Liquidity Provider may terminate the Available Commitment and Purchase Period (as defined in the Initial Liquidity Facility) by giving a Notice of Termination Date (as defined in the Initial Liquidity Facility) to the Agency, the Tender Agent, the Trustee and the Remarketing Agent, specifying the date on which the Available Commitment and Purchase Period will terminate, which date will be not less than 30 days after the date of receipt of that Notice of Termination Date by the Trustee. On and after the date specified in a Notice of Termination Date, the Available Commitment and the Purchase Period will terminate and the Initial Liquidity Provider will be under no further obligation to purchase Eligible Bonds under the Initial Liquidity Facility.

(b) *Immediate Termination*. Upon the occurrence of any Event of Default described in paragraphs (a), (b), (c)(i), (c)(ii), (d), (e) or (f) under the sub-caption **"Events of Default Permitting Immediate Termination or Suspension"** (each an *"Immediate Termination Event"*), the Available Commitment, the Purchase Period and the obligation of the Initial Liquidity Provider to purchase Eligible Bonds will immediately terminate without notice or demand, and thereafter the Initial Liquidity Provider will be under no obligation to purchase Eligible Bonds. Upon an Immediate Termination Event, the Initial Liquidity Provider will promptly give written notice of the same to the Agency, the Trustee, the Tender Agent and the Remarketing Agent; *provided* that the Initial Liquidity Provider will incur no liability of any kind by reason of its failure to give that notice, and that failure will in no way affect the termination of the Available Commitment, the Purchase Period and the Initial Liquidity Provider's obligation to purchase Eligible Bonds pursuant to the Initial Liquidity Facility.

(c) *Suspension Events*. In the case of an Event of Default specified in clause (iii) of paragraph (c) under the sub-caption **"Events of Default Permitting Immediate Termination or Suspension"** (following the entry of a judgment subject to further proceedings and prior to the entry of a final, non-appealable judgment) (an *"Immediate Suspension Event"*), the Initial Liquidity Provider's obligation to purchase Eligible Bonds will be immediately suspended without notice or demand and thereafter the Initial Liquidity Provider will be under no obligation to purchase Eligible Bonds until that obligation is reinstated as described in this paragraph (c). Promptly upon the Initial Liquidity Provider obtaining knowledge of any Immediate Suspension Event, the Initial Liquidity Provider will give written notice to the Agency, the Tender Agent, the Trustee and the Remarketing Agent of that suspension; *provided* that the Initial Liquidity Provider will incur no liability or responsibility whatsoever by reason of its failure to give that notice and that failure will in no way affect the suspension of the Initial Liquidity Provider's obligation to purchase Eligible Bonds. If a court with jurisdiction to rule on the validity of the provisions described in clause (iii) of paragraph (c) under the sub-caption **"Events of Default Permitting Immediate Termination or**

Suspension" enters a final, non-appealable judgment that any provision is not valid and binding on the Agency, then, in either case, the Purchase Period, the Available Commitment and the Initial Liquidity Provider's obligation to purchase Eligible Bonds will immediately terminate. If a court with jurisdiction to rule on the validity of the provisions described in clause (iii) of paragraph (c) the sub-caption **"Events of Default Permitting Immediate Termination or Suspension"** thereafter finds or rules that those provisions are valid and binding on the Agency, the Initial Liquidity Provider's obligation to purchase Eligible Bonds under the Initial Liquidity Facility will be automatically reinstated and the terms of the Initial Liquidity Facility will continue in full force and effect (unless the obligation of the Initial Liquidity Provider to purchase Eligible Bonds under the Initial Liquidity Facility otherwise has terminated or been suspended as provided in the Initial Liquidity Facility). Notwithstanding the foregoing, if, upon the earlier of the expiration of the Purchase Period and the date that is two years after the effective date of suspension of the Initial Liquidity Provider's obligation pursuant to this paragraph (c), litigation is still pending and a judgment regarding the validity of the provisions described in clause (iii) of paragraph (c) under the sub-caption **"Events of Default Permitting Immediate Termination or Suspension"** that are the cause of that Immediate Suspension Event has not been obtained, then the Available Commitment, the Purchase Period and the obligation of the Initial Liquidity Provider to purchase Eligible Bonds will at that time immediately terminate and thereafter the Initial Liquidity Provider will be under no obligation to purchase Eligible Bonds.

(d) *Other Remedies*. In addition to the rights and remedies provided in paragraphs (a), (b) and (c) above, upon the occurrence and during the continuation of any Event of Default specified in any provision under the caption "Events of Default" above, upon the election of the Initial Liquidity Provider: (i) all amounts payable under the Initial Liquidity Facility, under the Fee Letter and under Bank Bonds will, upon demand by the Initial Liquidity Provider given to the Agency and the Trustee, become immediately due and payable without other presentment, demand, protest or further notice of any kind, all of which are expressly waived by the Agency pursuant to the Initial Liquidity Facility; and (ii) all Bank Bonds will, upon demand by the Initial Liquidity Provider made to the Agency and the Trustee, become subject to immediate mandatory redemption at a redemption price equal to the principal amount thereof, plus accrued interest thereon, without premium. Upon the occurrence of any Event of Default as specified in any provision under the caption "Events of Default" above, the Initial Liquidity Provider will have all the rights and remedies available to it under the Initial Liquidity Facility, the other Related Documents or otherwise pursuant to law or equity; *provided, however,* that the Initial Liquidity Provider will not have the right to terminate its obligation to purchase Eligible Bonds or to declare any amount due under the Initial Liquidity Facility due and payable except as expressly provided in the Initial Liquidity Facility.

(e) *Remedies Non-exclusive*. The remedies provided under the caption "Remedies" above will only be exclusive with respect to Events of Default to the extent described under the caption "Remedies" above and to the extent they are obtained by the Initial Liquidity Provider. If, for any reason whatsoever, the Initial Liquidity Provider is not able to obtain all those remedies, then the Initial Liquidity Provider thereby reserves the right and will have the right to pursue any other available remedies, whether provided by law, equity, or any Related Document.

Notwithstanding the provisions of paragraph (b) under the caption "Remedies" above, if, upon the occurrence of and during the continuation of an Event of Default under the sub-caption "**Events of Default not Permitting Immediate Termination or Suspension**," the Initial Liquidity Provider exercises its rights under paragraph (d) under the caption "Remedies" above or under the Initial Liquidity Facility to declare the amounts owed thereunder, under the Fee Letter and under the Bank Bonds to be immediately due and payable or to have the Bank Bonds become subject to immediate mandatory redemption, the failure by the Agency to pay those accelerated amounts will not, by itself, permit the immediate termination of the Available Commitment, the Purchase Period or the Initial Liquidity Provider's obligation to purchase Eligible Bonds pursuant to paragraph (b) under the caption "**Remedies**" above.

APPENDIX L

CERTAIN INFORMATION RELATING TO THE LIQUIDITY PROVIDER

Information Concerning Royal Bank of Canada

Royal Bank of Canada (referred to in this section as "Royal Bank") is a Schedule I bank under the *Bank Act* (Canada), which constitutes its charter and governs its operations. Royal Bank's corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J5, Canada, and its head office is located at 1 Place Ville Marie, Montreal, Quebec, H3B 3A9, Canada. Royal Bank is the parent company of RBC Capital Markets, LLC, the Remarketing Agent for the 2022 Series D Bonds.

Royal Bank is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. Our success comes from the 87,000+ employees who leverage their imaginations and insights to bring our vision, values and strategy to life so we can help our clients thrive and communities prosper. As Canada's biggest bank, and one of the largest in the world based on market capitalization, we have a diversified business model with a focus on innovation and providing exceptional experiences to our 17 million clients in Canada, the U.S. and 27 other countries.

Royal Bank had, on a consolidated basis, as at October 31, 2021, total assets of C$1,706.3 billion (approximately US$1,378.7 billion[1]), equity attributable to shareholders of C$98.7 billion (approximately US$79.7 billion[1]) and total deposits of C$1,100.8 billion (approximately US$889.5 billion[1]). The foregoing figures were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been extracted and derived from, and are qualified by reference to, Royal Bank's audited Consolidated Financial Statements included in Royal Bank's Annual Report for the fiscal year ended October 31, 2021.

The senior long-term debt[2] of Royal Bank has been assigned ratings of A (stable outlook) by S&P Global Ratings, A1 (stable outlook) by Moody's Investors Service and AA- (stable outlook) by Fitch Ratings. The legacy senior long-term debt[3] of Royal Bank has been assigned ratings of AA- by S&P Global Ratings, Aa1 by Moody's Investors Service and AA by Fitch Ratings. Royal Bank's common shares are listed on the Toronto Stock Exchange, the New York Stock Exchange and the Swiss Exchange under the trading symbol "RY." Its preferred shares are listed on the Toronto Stock Exchange.

On written request, and without charge, Royal Bank will provide a copy of its most recent publicly filed Annual Report on Form 40-F, which includes audited Consolidated Financial Statements, to any person to whom this Official Statement is delivered. Requests for such copies should be directed to Investor Relations, Royal Bank of Canada, by writing to 200 Bay Street, South Tower, Toronto, Ontario, M5J 2J5, Canada, or by calling (416) 955-7802, or by visiting rbc.com/investorrelations[4].

The delivery of this Official Statement does not imply that there has been no change in the affairs of Royal Bank since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.

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[1] As at October 31, 2021: C$1.00 = US$0.808

[2] Includes senior long-term debt issued on or after September 23, 2018 which is subject to conversion under the Canadian Bank Recapitalization (Bail-in) regime.

[3] Includes senior long-term debt issued prior to September 23, 2018 and senior long-term debt issued on or after September 23, 2018 which is excluded from the Bail-in regime.

[4] This website URL is an inactive textual reference only, and none of the information on the website is incorporated in this Official Statement.

APPENDIX M

USE OF PROCEEDS REPORT*

Series Bond Proceeds Summary

Total Proceeds Deposited in 2022 Series C-D Acquisition Account	Proceeds Spent to Acquire Program Securities	Proceeds Remaining

Program Loans backing Program Securities Acquired with Series Bonds Originated by Borrower Income as a Percent of Area Median Income (“AMI”)**				
AMI Band	$ of Loans	# of Loans	% of Proceeds Allocated to Acquire Program Loans pooled into Program Securities	% of Proceeds Allocated to Acquire Program Loans to BIPOC Households pooled into Program Securities
<50%				
50% - 59%				
60% - 69%				
70% - 79%				
80% - 89%				
90% - 99%				
100%+				
Total				

Down Payment Assistance Provided in Conjunction with Program Loans pooled into Program Securities Acquired with the Series Bonds	
Total DPA Provided ($)	
Total DPA Provided (#)	
Borrowers Receiving DPA (%)	
Average DPA Provided per Borrower ($)	
Average DPA Provided (% of Purchase Price)	

*As of the date hereof, the Agency has not yet pooled all Program Loans that are expected to be Program Loans backing the Program Securities to be acquired with the Series Bonds. When all proceeds of the Series Bonds deposited in the 2022 Series C-D Acquisition Account have been spent, the Agency will provide this information on EMMA with respect to all Program Loans pooled into Program Securities financed with proceeds of the Series Bonds.
**Reported income is based on borrower income at time of loan origination.

APPENDIX N

KESTREL VERIFIERS' SECOND PARTY OPINION

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MINNESOTA HOUSING

Board Agenda Item: 7.D
Date: 2/24/2022

Item: Adoption, Series Resolution authorizing the issuance and sale of Minnesota Housing Finance Agency variable rate Residential Finance Housing Bonds (RHFB)

Staff Contact(s):
Kevin Carpenter, 651-297-4009; kevin.carpenter@state.mn.us
Debbi Larson, 651-296-8183; debbi.larson@state.mn.us
Paula Rindels, 651-296-2293; paula.rindels@state.mn.us

Request Type:

☒ Approval	☐ No Action Needed
☒ Motion	☐ Discussion
☒ Resolution	☐ Information

Summary of Request:
Agency staff is preparing to issue bonds, under the Residential Housing Finance Bond (RHFB) indenture, to finance the acquisition of newly originated mortgage-backed securities that funded the origination of single family mortgages, to potentially finance the origination of certain down payment and closing cost loans, as well as to periodically refund certain outstanding RHFB debt. This resolution authorizes variable rate RHFB bonds, in an amount up to $100 million through the end of calendar 2022. The initial bond offering utilizing a portion of this authority will likely be designated 2022 Series D. The RHFB 2022 Series D variable rate bond issue is expected to be sized at $50 million, and to price and close in March 2022. The attached Preliminary Official Statement describes the anticipated transaction, including RHFB 2022 Series C fixed rate bonds that are the subject of separate series resolution.

This variable rate series resolution selects RBC Capital Markets as the Remarketing Agent for the variable rate bonds, as well as the Liquidity Provider backing the variable rate bonds. Also, Bank of New York Mellon is selected as the interest rate swap counterparty to provide an interest rate swap to hedge some of the interest rate payment risk from issuing variable rate bonds. If the Agency utilizes the $50M in variable rate authority not expected to be used by 2022 Series D, we anticipate getting indications of interest from appropriate counterparties to be either the Liquidity Provider and/or the Interest Rate Swap provider for that subsequent variable rate transaction. If a provider other than RBC Capital Markets is recommended to be selected to be the Remarketing Agent or provide Liquidity, and/or a provider other than Bank of New York Mellon is recommended to be selected to provide an interest rate swap, the Board will be presented with an amendment to the Series Resolution to authorize the selection of these alternate counterparties and service providers.

Fiscal Impact:
The upcoming transaction will enable the Agency to put interest earning mortgage assets on the balance sheet at a profitable spread such that the Agency builds the sustainability of future income. By including a variable rate component in the upcoming issuance (and using an

interest rate swap to convert a portion of the payment obligation into a largely fixed payment), the Agency is able to lower its overall borrowing cost.

Meeting Agency Priorities:

☒ Improve the Housing System
☒ Preserve and Create Housing Opportunities
☐ Make Homeownership More Accessible
☐ Support People Needing Services
☒ Strengthen Communities

Attachment(s):

- Series Resolution
- Preliminary Official Statement (included in 7C)

RESOLUTION NO. MHFA 22-017

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF
MINNESOTA HOUSING FINANCE AGENCY
RESIDENTIAL HOUSING FINANCE BONDS, 2022 SERIES

Adopted February 24, 2022

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SECTION 12.
PAYMENT OF TENDERED 2022 SERIES BONDS

SECTION 13.
THE TENDER AGENT; THE REMARKETING AGENT; THE CALCULATION AGENT

SECTION 14.
DISCRETION OF AUTHORIZED OFFICER

RESOLUTION NO. MHFA 22-017

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF
MINNESOTA HOUSING FINANCE AGENCY
RESIDENTIAL HOUSING FINANCE BONDS, 2022 SERIES

BE IT RESOLVED BY THE MINNESOTA HOUSING FINANCE AGENCY:

Section 1. Authorization.

1.01. General Provisions. By Resolution No. MHFA 95-82, adopted August 24, 1995 (which amended and restated in whole Resolution No. MHFA 76-32, adopted July 27, 1976, as amended) (together with any amendments or supplements heretofore or hereafter adopted from time to time as permitted therein, the "Bond Resolution"), the Agency has provided the terms and conditions for the issuance and has established covenants and agreements for the security of its Residential Housing Finance Bonds to be issued for the purposes of its Program of facilitating the purchase, development or rehabilitation of residential housing in the State of Minnesota at prices that persons and families of low and moderate income can afford. Terms used but not defined in this resolution will have the meanings given those terms in the Bond Resolution.

This resolution (the "2022 Variable Rate Series Resolution") is adopted pursuant to Section 2.5 of the Bond Resolution to authorize the issuance and sale and establish the terms and provisions of one or more Series of Bonds of the Agency to be sold prior to December 31, 2022, the first series of which may be designated as "Residential Housing Finance Bonds, 2022 Series D (Taxable)" (the "2022 Series D Bonds"), in the aggregate principal amount to be determined pursuant to Section 2.04 of this 2022 Variable Rate Series Resolution, with additional Series of Bonds to be designated as "Residential Housing Finance Bonds, 2022 Series _____ [Taxable]," with the blank completed with an uppercase letter as appropriate for the order of issuance and to eliminate any gaps in the designation of the Series. The maximum aggregate principal amount of all Series of Bonds issued pursuant to this Series Resolution shall not exceed $100,000,000; the number of Series of the 2022 Series Bonds and their corresponding principal amounts shall be as determined by an Authorized Officer pursuant to Section 2.04(i) of this 2022 Variable Rate Series Resolution, and as set out in the Agency Certificate or Agency Certificates, as the case may be, delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution. All such Series of Bonds issued pursuant to this 2022 Variable Rate Series Resolution are the "2022 Series Bonds." The Agency Certificate delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution will set forth all appropriate revisions to the defined terms in this 2022 Variable Rate Series Resolution necessitated by any re-designation of any series of the Series Bonds.

1.02. Appointment of Trustee. Pursuant to Section 8.1 of the Bond Resolution, Computershare Trust Company, National Association has been appointed as successor Trustee under the Bond Resolution and is vested with all the property, rights, powers and duties granted, pledged and assigned to it by the Bond Resolution, in trust for the Owners of Bonds issued and to be issued thereunder.

Section 2. Authorization of 2022 Series Bonds.

2.01. Purposes. It is determined to be in the best interests of the Agency to issue the Series Bonds, including the 2022 Series Bonds, for the purpose of providing funding for the Program, and in particular for the making and purchase of Program Securities backed by pools of Program Loans, that constitute qualified Program Loans in accordance with the provisions of Section 143 of the Code, Sections 8 and 9 of this 2022 Variable Rate Series Resolution and Section 10 and 11 of the 2022/2023 Fixed Rate Series Resolution and the Series Program Determinations made for the 2022 Series Bonds in Section 5 of this 2022 Variable Rate Series Resolution and Section 7 of the 2022/2023 Fixed Rate Series Resolution. With respect to the 2022 Series Bonds, this funding will be provided by either or both of:

(i) the allocation, for federal income tax purposes, of sale proceeds of each Series of the 2022 Series Bonds in the respective amounts to be determined by an Authorized Officer pursuant to Section 2.04(i) of the 2022 Variable Rate Series Resolution and set forth in the Agency Certificate(s) delivered pursuant to Section 6.01 of the 2022 Variable Rate Series Resolution and the deposit of the sale proceeds, together with certain contributed funds of the Agency, if any, into the Funds and Accounts set forth in Section 7.02 of the 2022 Variable Rate Series Resolution to be expended for the Program; and

(ii) the allocation, for federal income tax purposes, of sale proceeds of each Series of the 2022 Series Bonds in the respective amounts determined by an Authorized Officer pursuant to Section 2.04(i) of the 2022 Variable Rate Series Resolution and set forth in the Agency Certificate(s) delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution, to the refunding, on the date or dates to be determined by the Agency, of the related Refunded Bonds, and the deposit of certain transferred assets, together with transferred loans and securities (as hereinafter defined, the "Transferred Program Obligations"), and certain "transferred," "replacement" and sale proceeds that will become allocated to the 2022 Series Bonds upon the refunding of the related Refunded Bonds, together with certain contributed funds of the Agency, into the Funds and Accounts set forth in Section 7.02 of this 2022 Variable Rate Series Resolution to be expended for the Program.

2.02. Single Issue. Pursuant to the provisions of Section 1.150-1(c)(1) of the Income Tax Regulations (the "Regulations"), the Agency intends to treat all Tax-Exempt Series Bonds sold on the same date as a single issue of bonds.

2.03. Pledge. The pledge made and security interests granted in the Bond Resolution with respect to all Revenues, Program Obligations, money, securities and Funds and Accounts therein defined and created, and all covenants and agreements made by the Agency therein, are made and granted for the equal benefit, protection and security of the Owners of all Bonds issued and to be issued thereunder, including the 2022 Series Bonds, without preference, priority or distinction of one Bond over any other of any Series, as fully as though set out at length and resolved herein, except as otherwise expressly provided therein or in a Series Resolution as permitted thereby.

2.04. Approval of Contract of Purchase. The Agency will negotiate for the sale of each Series of the 2022 Series Bonds to the Underwriters.

Any Authorized Officer is hereby authorized to approve the final terms of the 2022 Series Bonds, subject to the following parameters:

(i) the principal amount of each Series of the 2022 Series Bonds; provided that the principal amount of all Series of the 2022 Series Bonds is not in excess of $100,000,000;

(ii) the maturity schedule of each Series of the 2022 Series Bonds (including any mandatory sinking fund schedule); provided that each Series of the 2022 Series Bonds mature at any time or times in the amount or amounts not later than 32 years from the Issue Date thereof; and

(iii) the fee or other compensation payable to the Underwriters of the 2022 Series Bonds; provided that the fee or other compensation payable to the purchasers of the 2022 Series Bonds does not exceed 1.00 percent of the principal amount of the 2022 Series Bonds.

That approval will be conclusively evidenced by the execution of one or more Contracts of Purchase with the Underwriters by an Authorized Officer (each a "Purchase Contract"). The Agency has received and examined the general form of the Purchase Contract which will set forth the terms and conditions upon which the Underwriters will purchase the related 2022 Series Bonds from the Agency. The Purchase Contract is hereby approved substantially in the form submitted and an Authorized Officer is authorized and directed to execute the Purchase Contracts on behalf of the Agency with those revisions, consistent with the foregoing parameters, as may be required or approved by counsel for the Agency, and the Authorized Officer of the Agency executing the same. The final terms of each Series of the 2022 Series Bonds, including any mandatory sinking fund provisions for those 2022 Series Bonds, other redemption provisions and the purchase price of that Series of 2022 Series Bonds, will be set forth in the final Official Statement of the Agency, furnished to the Underwriters as provided in the following paragraph of this 2022 Variable Rate Series Resolution, or in the Agency Certificate to be delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution, as the case may be.

2.05. Official Statement. The Agency has examined the form of the form of the Preliminary Official Statement of the Agency to be dated the date of distribution thereof, containing information relating to the Agency and the Series Bonds; the form of the Preliminary Official Statement with respect to subsequent Series of the 2022 Series Bonds shall be revised as to (i) the number and designation of Series, (ii) the structure of each Series and (iii) whether such Series is intended to be bonds the interest on which is excludable from gross income for federal income tax purposes ("Tax-Exempt Series Bonds"), all as approved by an Authorized Officer and subject to the limitations of Section 2.04 of this Series Resolution. An Authorized Officer is hereby authorized to approve a final version of the Preliminary Official Statement and establish the date of sale of each Series of the Series Bonds. An Authorized Officer is hereby authorized to (i) approve a final version of the Preliminary Official Statement describing the proposed terms of, and number of Series of the 2022 Series Bonds to be issued and the use thereof by the Underwriters in the public offering of those 2022 Series Bonds, and (ii) approve any Preliminary Official Statements in substantially similar form to be used by the Underwriters in connection with any additional Series of the 2022 Series Bonds authorized by this Series Resolution. Final Official Statements, substantially in the form of the related Preliminary Official Statement except for revisions required or approved by counsel for the Agency and an Authorized Officer, and insertion of the terms of the 2022 Series Bonds as provided in the related Purchase Contract, are approved and authorized to be signed by an Authorized Officer and furnished to the Underwriters for distribution to investors.

2.06. Approval of Continuing Disclosure Undertaking. The Agency has also received and examined the form of a Continuing Disclosure Undertaking relating to the Series Bonds, wherein the Agency will covenant for the benefit of the beneficial owners of the Series Bonds to provide annually certain financial information and operating data relating to the Agency and to provide notices of the occurrence of certain enumerated events. The Continuing Disclosure Undertaking is approved substantially in the form submitted and a Continuing Disclosure Undertaking is authorized to be signed on behalf of the Agency by an Authorized Officer for each Series of 2022 Series Bonds, with such revisions as may be required or approved by counsel for the Agency, and the Authorized Officer of the Agency executing the same.

2.07. Approval of Remarketing Agreement. The Agency has also received and examined the form of the Remarketing Agreement relating to the 2022 Series Bonds, to be entered into between the Agency and RBC Capital Markets, LLC, as Remarketing Agent. The Remarketing Agreement is approved substantially in the form submitted and is authorized to be signed for each Series of the 2022 Series Bonds on behalf of the Agency by an Authorized Officer, with any Remarketing Agent change and agreement revisions as may be required or approved by counsel for the Agency and the Authorized Officer of the Agency executing the same.

2.08. Liquidity Facility. The Agency has also received and examined the form of the Initial Liquidity Facility provided by the Royal Bank of Canada relating to any Series of the 2022 Series Bonds bearing interest at a Variable Rate, to be entered into between the Agency, the Trustee and Royal Bank of Canada, including the related Fee Letter between the Agency and Royal Bank of Canada. Each such Initial Liquidity Facility shall initially provide liquidity support for the entire principal amount of the related Series of 2022 Series Bonds bearing interest at a Variable Rate, is approved substantially in the form submitted and is authorized to be signed on behalf of the Agency by an Authorized Officer with the revisions as may be required or approved by counsel for the Agency and the Authorized Officer of the Agency executing the same. Any Authorized Officer is authorized to negotiate the terms of, approve and execute (i) any Initial Liquidity Facility and related fee letter (if any) provided by a Bank other than the Royal Bank of Canada, as such Bank is designated in an Agency Certificate, and (ii) any Alternate Liquidity Facility, provided those agreements are consistent with the terms of this 2022 Variable Rate Series Resolution. The execution and delivery by the Authorized Officer of the agreements will constitute conclusive evidence of both the Agency's and the Authorized Officer's approval of all changes, modifications, amendments, revisions and alterations made therein and will conclusively establish the Authorized Officer's absolute, unconditional and irrevocable authority with respect thereto from the Agency and the authorization, approval and ratification by the Agency of the agreements so executed.

2.09. 2022 Series Swap Agreement. An Authorized Officer is hereby authorized to enter into in the name and on behalf of the Agency a 2022 Series Swap Agreement in respect of the interest payments payable on all or a portion of a Series of the 2022 Series Bonds during the term of the related 2022 Series Swap Agreement, in substantially the form thereof available at the meeting at which this 2022 Variable Rate Series Resolution is adopted, with the changes therein or additions thereto as an Authorized Officer and counsel to the Agency approves, which approval will be conclusively evidenced by the execution and delivery of that 2022 Series Swap Agreement by an Authorized Officer; provided, however, that (i) any 2022 Series Swap Agreement will provide that the Agency must pay a fixed rate to the 2022 Series Swap Counterparty not exceeding 4.75 percent per annum, and the 2022 Series Swap Counterparty must pay a variable rate based on an index approved by the Authorized Officer, (ii) the original notional amount of any 2022 Series Swap Agreement will not exceed the aggregate original principal amount of the related Series of 2022 Series Bonds, and (iii) the stated term of that 2022 Series Swap Agreement will not extend beyond the final stated maturity of the related Series of 2022 Series Bonds. If any 2022 Series Swap Agreement is entered into by the Agency as so authorized, the Trustee is authorized and directed to pay to the 2022 Series Swap Counterparty, from the Revenue Fund, the amounts due from time to time pursuant to any 2022 Series Swap Agreement, as provided in Section 4.5 of the Bond Resolution. The Agency agrees that for purposes of Section 7.4 of the Bond Resolution, all obligations of the Agency due under any 2022 Series Swap Agreement will be Program Expenses.

An Authorized Officer may decline to enter into a 2022 Series Swap Agreement, notwithstanding the authorization contained in this Section 2.09, if, in his or her judgment, following consultation with the Chair or Vice Chair, the execution and delivery of a 2022 Series Swap Agreement is not in the best interests of the Agency because it is not necessary to achieve the interest rate or rates on the 2022 Series Program Loans required for purposes of the Program or because the risks inherent in that 2022 Series Swap Agreement as proposed to achieve the necessary interest rates are unduly detrimental to the interests of the Agency.

Section 3. Definitions and Rules of Interpretation.

3.01. Incorporated Definitions. Except as provided in Section 3.02, all defined terms contained in the Bond Resolution when used in this 2022 Variable Rate Series Resolution will have the same meanings as set forth in the Bond Resolution.

3.02. Definitions. As used in this 2022 Variable Rate Series Resolution, unless the context otherwise requires, the following terms will have the following respective meanings:

> "*2022 Series Bonds*" means each Series of the Residential Housing Finance Bonds, 2022 Series, issued by the Agency pursuant to the Bond Resolution and this 2022 Variable Rate Series Resolution, in an aggregate principal amount to be determined pursuant to Section 2.04 of this 2022 Variable Rate Series Resolution.

"*2022 Series Program Loan*" means a Transferred Program Loan or a Pooled 2022 Series Program Loan.

"*2022 Series Program Security*" means a Program Security financed in whole or in part with amounts on deposit in the 2022 Series Acquisition Account and bearing interest at a rate equal to the stated interest rate on the corresponding Pooled 2022 Series Program Loans less the applicable servicing fee and guaranty fee.

"*2022 Series Swap Agreement*" means, collectively, the ISDA Master Agreement, the Schedule to the ISDA Master Agreement, the ISDA Credit Support Annex to the Schedule, and the related Confirmation in respect of all or a portion of a Series of the 2022 Series Bonds, all between the Agency and the 2022 Series Swap Counterparty.

"*2022 Series Swap Counterparty*" means The Bank of New York Mellon.

"*2022 Variable Rate Series Resolution*" means this Resolution No. MHFA 22-017, adopted February 24, 2022, as hereafter amended and supplemented from time to time as permitted herein and in the Bond Resolution.

"*2022/2023 Fixed Rate Series Resolution*" means together, Resolution 21-066, adopted November 18, 2021, and Resolution No. MHFA 22-016, adopted February 24, 2022, each as hereafter amended and supplemented from time to time as permitted therein and in the Bond Resolution.

"*2022/2023 Series Bonds*" means any Bonds issued pursuant to the 2022/2023 Fixed Rate Series Resolution.

"*Adjusted Rate*" means the interest rate on any FRNs determined by the Calculation Agent on each Rate Determination Date as the sum of (a) for any Tax-Exempt Series Bonds, the SIFMA Swap Index, and (b) for any 2022 Series Bonds which are not Tax-Exempt Series Bonds, the SOFR Index, in each case plus the FRN Adjustment Factor applicable on that Rate Determination Date; provided that the Adjusted Rate will not exceed the Maximum Rate. All percentages resulting from any calculation of the Adjusted Rate will be rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards, and all dollar amounts used in or resulting from the calculation will be rounded to the nearest cent (with one-half cent being rounded upwards).

"*Agency Bonds*" means any tendered 2022 Series Bonds registered in the name of the Agency and not pledged to the Bank.

"*Alternate Liquidity Facility*" means any standby purchase agreement, line of credit, letter of credit or similar agreement (not including a Non-Conforming Liquidity Facility or Self-Liquidity Facility) providing liquidity for any Series of the Liquidity Facility Bonds or any portion thereof, delivered by the Agency in connection with a Mode Change or in substitution for an existing Liquidity Facility pursuant to the terms of this 2022 Variable Rate Series Resolution. The extension or renewal of an extant Liquidity Facility will not be deemed an Alternate Liquidity Facility.

"*Applicable Percentage*" means, with respect to any Unenhanced Variable Rate Bonds on any date of determination, the percentage set forth below based on the Prevailing Rating of the applicable Unenhanced Variable Rate Bonds in effect on the close of business on the Business Day immediately preceding that date of determination:

Prevailing Rating	Applicable Percentage
Aaa/AAA	150 percent
Aa/AA	200
A/A	250
Baa/BBB	350
Below Baa/BBB	400

"*Authorized Denominations*" means (i) for any FRNs, $5,000 or integral multiples thereof, (ii) during a Daily Mode Period, a Weekly Mode Period, a Monthly Mode Period, or a Quarterly Mode Period, $100,000 or integral multiples of $5,000 in excess of $100,000, (iii) while the Variable Rate Bonds are Unenhanced Variable Rate Bonds, $25,000 or integral multiples thereof, and (iv) during a Semiannual Mode Period, $5,000 or any integral multiples thereof; and from and after a Conversion Date, $5,000 or any integral multiple thereof.

"*Bank*" means (a) with respect to any Initial Liquidity Facility for a Series of the 2022 Series Bonds, (i) Royal Bank of Canada, acting through its branch currently located at 200 Vesey Street, New York, New York 10281, together with its successors and assigns, or (ii) the provider set forth in an Agency Certificate delivered pursuant to Section 2.08 of this 2022 Variable Rate Series Resolution; (b) with respect to an Alternate Liquidity Facility or a Non-Conforming Liquidity Facility, the provider thereof, together with its successors and assigns; and (c) with respect to Self Liquidity, the Agency, together with its successors and assigns.

"*Bank Bonds*" means 2022 Series Bonds purchased with funds provided by the Bank pursuant to a Liquidity Facility (other than Self Liquidity).

"*Bank Interest Rate*" means the rate of interest, if any, on any Bank Bonds held by and payable to the Bank at any time as determined and calculated in accordance with the provisions of the Liquidity Facility.

"*Bank Purchase Date*" means any Purchase Date on which the Bank purchases 2022 Series Bonds.

"*Beneficial Owner*" means, whenever used with respect to a 2022 Series Bond, the Person in whose name the 2022 Series Bond is recorded as the beneficial owner of that 2022 Series Bond by a Participant on the records of the Participant, or that Person's subrogee.

"*Bond Counsel*" means one or more attorneys or firms of attorneys with a nationally recognized standing in the field of municipal bond financings selected by the Agency.

"*Bond Purchase Account*" means the 2022 Series Bond Purchase Account established pursuant to Sections 7.01 and 7.04 of this 2022 Variable Rate Series Resolution for any Series of the 2022 Series Bonds.

"*Bond Resolution*" means Resolution No. MHFA 95-82, adopted August 24, 1995 (which amended and restated in whole Resolution No. MHFA 76-32, adopted July 27, 1976), as heretofore or hereafter amended and supplemented from time to time as permitted therein.

"*BSBY*" means the Bloomberg Short-Term Bank Yield Index Rate administered by Bloomberg Index Services Limited.

"*Business Day*" means any day other than (a) a Saturday, a Sunday, or (b) a day on which banking institutions in New York, New York are authorized or required by law or executive order to close, or (c) a day on which the New York Stock Exchange is closed or (d) a day on which the principal office of the Trustee is authorized to be closed for regular business.

"*Calculation Agent*" means Computershare Trust Company, National Association or any successor appointed by the Agency, acting as calculation agent.

"*Cede & Co.*" means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the 2022 Series Bonds.

"*Change to FRN Rate*" means a change to all or a portion of any 2022 Series Bonds to a FRN Rate.

"*Change to Variable Rate*" means a change to all or a portion of any 2022 Series Bonds to Variable Rate Bonds.

"*Code*" means the Internal Revenue Code of 1986, as amended, and the regulations of the United States Department of Treasury thereunder.

"*Conventional Mortgage Loan*" means a 2022 Series Program Loan other than an FHA Insured Program Loan, a VA Guaranteed Program Loan or a USDA Rural Development Guaranteed Program Loan, satisfying the requirements of Fannie Mae or Freddie Mac, as applicable.

"*Conversion Date*" means the Business Day on which the interest rate on any of the 2022 Series Bonds is Converted to a Fixed Interest Rate or an Indexed Rate.

"*Convert*," "*Converted*" or "*Conversion*," as appropriate, means the conversion of the interest rate on any of the 2022 Series Bonds to a Fixed Interest Rate or an Indexed Rate pursuant to Section 11.08 of this 2022 Variable Rate Series Resolution.

"*Daily Mode Period*" means the period of time during which any of the 2022 Series Bonds bear interest at a Daily Rate.

"*Daily Rate*" means the rate of interest to be borne by the 2022 Series Bonds as described in Section 11.02(b) of this 2022 Variable Rate Series Resolution.

"*Defaulted Transferred Mortgage Loan*" means a Transferred Mortgage Loan on which payments are 60 days in arrears (but not a Transferred Mortgage Loan as to which all defaults have been cured to the satisfaction of the Agency).

"*Delayed Remarketing Period*" means a period commencing on a FRN Mandatory Tender Date to but not including the date that all FRNs subject to that remarketing are successfully remarketed.

"*Delivery Period*" means the period of time for the purchase of Program Securities from the Master Servicer. The entire Delivery Period for each Series of the 2022 Series Bonds will be as set forth in the Agency Certificate delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution, unless such Delivery Period is extended by the Agency pursuant to Section 5.04 of this 2022 Variable Rate Series Resolution; provided that Delivery Period may not be extended beyond the date as set forth in the related Agency Certificate delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution.

"*DTC*" means The Depository Trust Company, of New York, New York.

"*Early Mandatory Tender Date*" means, after a remarketing of any Series or Subseries of FRNs or Variable Rate Bonds to FRNs, the date determined to be the Early Mandatory Tender Date (if any) by the Agency in accordance with Section 11.02(c) hereof and set forth in an Agency Certificate delivered in connection with that remarketing and any Business Day thereafter to but not including the related Final Mandatory Tender Date.

"*Effective Rate*" means the rate of interest (which rate must be less than or equal to the Maximum Rate) payable on any of the 2022 Series Bonds that are Variable Rate Bonds or FRNs prior to Conversion, as determined for each Effective Rate Period pursuant to the terms of this 2022 Variable Rate Series Resolution.

"*Effective Rate Date*" means each date on which any of the Variable Rate Bonds begin to bear interest at the applicable Effective Rate described in the Mode Period Chart and, with respect to FRNs, the Thursday following the Rate Determination Date (or the Wednesday that would have been the applicable Rate Determination Date had that Wednesday been a Business Day) and, after a Floating Rate Change Date, the date specified in an Agency Certificate related to that Floating Rate Change.

"*Effective Rate Period*" means, with respect to any Variable Rate Bonds, each period during which interest accrues under a particular Mode from one Effective Rate Date to and including the day preceding the next Effective Rate Date with respect to that Variable Rate Bond and, with respect to FRNs, the period from one Effective Rate Date to and including the day preceding the next Effective Rate Date.

"*Electronic Means*" means a facsimile transmission or any other electronic means of communication approved in writing by the Agency and satisfactory to the Trustee.

"*Failed Remarketing*" has the meaning set forth in Section 11.10(d) hereof.

"*Fannie Mae*" means the Federal National Mortgage Association, or any successor thereto.

"*Fannie Mae Security*" means a single pool, guaranteed mortgage pass-through Fannie Mae program security or UMBS, guaranteed as to timely payment of principal and interest by Fannie Mae and backed by Conventional Mortgage Loans, or FHA Insured or VA Guaranteed Program Loans, in the related mortgage pool.

"*Final Mandatory Tender Date*" means, after a remarketing of any Series or Subseries of FRNs or Variable Rate Bonds to FRNs, the Final Mandatory Tender Date (or the date on which a related Delayed Remarketing Period ends) determined by the Agency in accordance with Section 11.02(c) hereof and set forth in an Agency Certificate in connection with that remarketing.

"FHA" means the Federal Housing Administration of the Department of Housing and Urban Development or any agency or instrumentality of the United States of America succeeding to the mortgage insurance functions thereof.

"*FHA Insurance*" means FHA mortgage insurance issued under one of the FHA Insurance programs pursuant to the National Housing Act, including but not limited to: (a) FHA §203(b), Home Unsubsidized; (b) FHA §234(c), Condominiums; (c) FHA §203(b)(2), Veteran's Status, or (d) FHA Section 184, Indian Housing Loans.

"*FHA Insured*" means insured by FHA Insurance.

"*Fixed Interest Rate*" means a long-term interest rate fixed to maturity of any 2022 Series Bonds, established in accordance with Section 11.08 of this 2022 Variable Rate Series Resolution.

"*Fixed Rate Bonds*" means 2022 Series Bonds that bear interest at a Fixed Interest Rate.

"*Floating Rate Change*" means a change to all or a portion of the Variable Rate Bonds, FRNs or Index Bonds to bear interest at a New Floating Rate.

"*Floating Rate Change Date*" means the date on which a Floating Rate Change is effective (inclusive of a FRN Rate Change Date).

"*Floating Rate Term*" means any Floating Rate Term and any subsequent Floating Rate Term determined as set forth in Section 11.02(c) hereof.

"*Freddie Mac*" means the Federal Home Loan Mortgage Corporation, a corporate instrumentality of the United States created pursuant to the Federal Home Loan Mortgage

Act (Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§ 1451-1459), and any successor to its functions.

"*Freddie Mac Security*" means a single pool, guaranteed mortgage pass-through Freddie Mac program security or UMBS, guaranteed as to timely payment of principal and interest by Freddie Mac and backed by Conventional Mortgage Loans, or FHA Insured or VA Guaranteed Program Loans, in the related mortgage pool.

"*FRN(s)*" means 2022 Series Bonds that bear interest at a FRN Rate.

"*FRN Adjustment Factor*" means, initially and after each FRN Mandatory Tender Date after which the 2022 Series Bonds bear interest at a FRN Rate, the percentage interest to be added to the index selected by the Agency as provided in Section 11.02(c) hereof as determined in accordance with Section 11.02(c) hereof.

"*FRN Mandatory Tender Date*" means an Early Mandatory Tender Date, if any, or a Final Mandatory Tender Date.

"*FRN Rate*" means, with respect to any FRNs, the interest rate determined in accordance with Section 11.02(a) hereof which, prior to any initial Floating Rate Change Date, will be the Adjusted Rate and, on and after a Floating Rate Change Date, the Replacement Index specified by the Agency in an Agency Certificate related to that Floating Rate Change plus the applicable FRN Adjustment Factor, if any, determined for those FRNs.

"*FRN Rate Change Date*" means the date on which a Change to FRN Rate occurs.

"*GNMA*" means the Government National Mortgage Association, a wholly owned corporate instrumentality of the United States within the Department of Housing and Urban Development, and any successor to its functions. Its powers are prescribed generally by Title III of the National Housing Act, as amended (12 U.S.C., §1716 *et seq*.).

"*GNMA Security*" means a GNMA I Mortgage Pass-Through Certificate or a GNMA II Mortgage Pass-Through Certificate issued by the Master Servicer in the name of the Trustee in exchange for Program Loans and guaranteed as to timely payment of principal and interest by GNMA pursuant to Section 306(g) of Title III of the National Housing Act of 1934 and the regulations promulgated thereunder, and backed by FHA Insured Program Loans, USDA Rural Development Guaranteed Program Loans or VA Guaranteed Program Loans in the related pool.

"*Home*" means real property and improvements in the State, comprising not more than four dwelling units, occupied or to be occupied by one or more persons or families.

"*Immediate Notice*" means notice by telephone, telex or telecopier to the address that the addressee has directed in writing, promptly followed by written notice by first class mail, postage prepaid; provided, however, that if any Person required to give an Immediate Notice has not been provided with the necessary information as to the telephone, telex or telecopier number of an addressee, Immediate Notice means written notice by first class mail, postage prepaid.

"*Index*" means, with respect to any 2022 Series Bonds, the interest rate index (the SIFMA Swap Index for any Tax-Exempt Series Bonds and SOFR Index for any 2022 Series Bonds which are not Tax-Exempt Series Bonds, or the Replacement Index, as applicable) specified by the Agency in connection with the Conversion of those Bonds to be used in the Indexed Rate Determination Method with respect to those Bonds.

"*Index Accrual Period*" means, with respect to any 2022 Series Bonds bearing interest at an Indexed Rate (i) determined in accordance with Section 11.08(g)(ii) or Section 11.08(g)(iv) of this 2022 Variable Rate Series Resolution, the period commencing on the Conversion Date of those Bonds to but excluding the day occurring one week thereafter and each one week period thereafter and (ii) determined in accordance with Section 11.08(g)(iii) or Section 11.08(g)(iv) of this 2022 Variable Rate Series Resolution, the period commencing on each January 1, April 1, July 1 and October 1 to and including the following December 31, March 31, June 30 and September 30 respectively; provided that the initial Index Accrual Period will be the period commencing on the Conversion Date of those Bonds and ending on the immediately succeeding March 31, June 30, September 30 or December 31.

"*Index Adjustment Factor*" means, with respect to any 2022 Series Bonds bearing interest at an Indexed Rate determined in accordance with Section 11.10(g)(ii) or Section 11.10(g)(iv) of this 2022 Variable Rate Series Resolution, the per annum spread to the related Index (expressed in basis points) established on the Index Determination Date immediately preceding the Conversion Date for those Bonds in accordance with Section 11.10 of this 2022 Variable Rate Series Resolution.

"*Index Determination Date*" means, with respect to any Index Accrual Period, the second Business Day preceding the beginning of that Index Accrual Period.

"*Index Percentage*" means, with respect to 2022 Series Bonds bearing interest at an Indexed Rate determined in accordance with Section 11.08(g)(i) or Section 11.08(g)(iii) of this 2022 Variable Rate Series Resolution, the percentage of the related Index established on the Conversion Date for those Bonds in accordance with Section 11.08 of this 2022 Variable Rate Series Resolution.

"*Indexed Rate*" means, with respect to any Index Accrual Period and any 2022 Series Bonds, a per annum rate determined in accordance with the Indexed Rate Determination Method specified upon the Conversion of those Bonds, provided that the Indexed Rate for any Index Accrual Period must not exceed the Maximum Rate.

"*Indexed Rate Bonds*" means 2022 Series Bonds that bear interest at an Indexed Rate.

"*Indexed Rate Determination Method*" means, with respect to any 2022 Series Bonds, the method for determining the Indexed Rate for those Bonds for each Index

Accrual Period, as selected by the Agency in accordance with Section 11.08(g) of this 2022 Variable Rate Series Resolution.

"*Initial Liquidity Facility*" means each initial Standby Bond Purchase Agreement relating to a Series of the 2022 Series Bonds, between the Agency, the Trustee, and (a) Royal Bank of Canada, acting through its branch currently located at 200 Vesey Street, New York, New York 10281, or (b) the provider set forth in an Agency Certificate delivered pursuant to Section 2.08 of this 2022 Variable Rate Series Resolution, including the related Fee Letter between such Bank and the Agency, if any. Each such Initial Liquidity Facility shall have a principal coverage equal to the initial aggregate principal amount of the related 2022 Series Bonds.

"*Interest Payment Date*" means: (a) with respect to any FRNs, the first Business Day of each month, (b) with respect to Variable Rate Bonds (excluding Bank Bonds), January 1 and July 1 of each year, commencing July 1, 2022 for the 2022 Series D Bonds, and July 1, 2022 or January 1, 2023 for any subsequent Series of the 2022 Series Bonds, each as set forth for each Series of the 2022 Series Bonds in the related Agency Certificate delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution, and any day that is a Conversion Date for those 2022 Series Bonds; (c) with respect to Fixed Rate Bonds and Indexed Rate Bonds, each January 1 and July 1 and, after a Conversion, the first of those dates occurring at least two months after the Conversion Date and each January 1 and July 1 thereafter; and (d) with respect to Bank Bonds, (i) any Bank Purchase Date, (ii) the first calendar Business Day of each month after each Bank Purchase Date and (iii) the date of remarketing of the Bank Bonds; provided, however, the establishment of the Interest Payment Date for Bank Bonds hereunder is not intended to modify or otherwise affect any provision of the Bond Resolution that by its terms may contemplate the occurrence of certain events on a semiannual Interest Payment Date.

"*Interest Rate Change*" means a Floating Rate Change, a Change to Variable Rate or a Conversion.

"*Interest Rate Change Date*" means a Floating Rate Change Date, a Variable Rate Change Date or a Conversion Date.

"*Issue Date*" has the meaning set forth in Section 11.01 hereof.

"*Lender*" means any of the following institutions making or holding a 2022 Series Program Loan: (i) any bank, savings bank, credit union, mortgage company or nonprofit corporation organized or licensed under the laws of the State or the United States, and any mortgagee or lender approved or certified by the Secretary of Housing and Urban Development or by the Administrator of Veteran Affairs; or (ii) any agency or instrumentality of the United States or the State, or a political subdivision of the State.

"*Liquidity Expiration Event*" means either (i) the Agency has determined to terminate a Liquidity Facility in accordance with its terms, (ii) the Bank has delivered notice to the Trustee on or prior to 45 days prior to the scheduled expiration of a

Liquidity Facility that the Liquidity Facility will not be extended or renewed, or (iii) the Bank has not delivered notice to the Trustee on or prior to 45 days prior to the scheduled expiration of a Liquidity Facility that the Liquidity Facility will be extended or renewed.

"*Liquidity Facility*" means any instrument delivered pursuant to the terms of this 2022 Variable Rate Series Resolution that provides liquidity support for the purchase of Liquidity Facility Bonds in accordance with the terms of this 2022 Variable Rate Series Resolution, including each Initial Liquidity Facility and any Alternate Liquidity Facility, Non-Conforming Liquidity Facility or Self Liquidity.

"*Liquidity Facility Bonds*" means Variable Rate Bonds (including Bank Bonds but not including Unenhanced Variable Rate Bonds) that are required pursuant to this 2022 Variable Rate Series Resolution to be covered by a Liquidity Facility.

"*Mandatory Tender Date*" means each date on which any of the 2022 Series Bonds are subject to mandatory tender pursuant to Section 11.10 of this 2022 Variable Rate Series Resolution, including without limitation any FRN Mandatory Tender Date.

"*Master Servicer*" means the Person designated as servicer under the Participation Agreements and the Master Servicing Agreement, and its successors or assigns, or any substitute servicer designated by the Agency in accordance with the Master Servicing Agreement.

"*Master Servicing Agreement*" means the Servicing Agreement, dated as of October 17, 2013, between the Agency and U.S. Bank National Association, as Master Servicer, as the same has been or may be amended from time to time or any agreement executed by the Agency replacing that agreement.

"*Maximum Rate*" means (i) with respect to FRNs, 9 percent per annum, (ii) with respect to the 2022 Series Bonds other than FRNs and Bank Bonds, 12 percent per annum or the maximum rate permitted by law, unless the Agency directs in writing that the rate be increased to a higher rate and delivers to the Trustee (x) an opinion of Bond Counsel to the effect that the amendment will not adversely affect the exclusion of interest on any Tax-Exempt Series Bonds from gross income of the owners thereof for federal income tax purposes, (y) an Agency Certificate to the Trustee to the effect that the increase will not impair the Ratings on the 2022 Series Bonds by each Rating Agency; and (z) a certified copy of a resolution adopted by the Agency approving the increase in the Maximum Rate; and (iii) with respect to Bank Bonds, has the meaning ascribed to that term in the Liquidity Facility; provided, however, that in no event will the Maximum Rate, as described in (i) or (ii) above, exceed the lesser of (x) 12 percent or a higher rate as approved by the Agency's governing body or (y) the maximum rate permitted by applicable law, anything herein to the contrary notwithstanding.

"*Mode*" means the manner in which the interest rate on any of the 2022 Series Bonds is determined, consisting of a Daily Rate, Weekly Rate, Monthly Rate, Quarterly Rate or Semiannual Rate.

"*Mode Change*" means a change in Mode Period.

"*Mode Change Date*" means the date of effectiveness of a Mode Change.

"*Mode Period*" means each period beginning on the first Effective Rate Date for any of the 2022 Series Bonds, or the first Effective Rate Date following a change from one Mode to another, and ending on the date immediately preceding the first Effective Rate Date following the next change in Mode with respect to those 2022 Series Bonds.

"*Mode Period Chart*" means the chart entitled "Mode Periods" as set forth in Section 11.02 of this 2022 Variable Rate Series Resolution.

"*Monthly Mode Period*" means each period of time during which any of the 2022 Series Bonds bear interest at a Monthly Rate.

"*Monthly Rate*" means the rate of interest to be borne by any of the 2022 Series Bonds as described in Section 11.02(b) of this 2022 Variable Rate Series Resolution.

"*Moody's*" means Moody's Investors Service Inc., and its successors and assigns.

"Mortgage" means a mortgage deed, deed of trust, or other instrument securing a 2022 Series Program Loan and constituting a lien on a Home.

"*Mortgagor*" means the obligor or joint obligors on a 2022 Series Program Loan.

"*New Floating Rate*" means a rate calculated by the Calculation Agent according to a Replacement Index specified by the Agency.

"*Non-Conforming Liquidity Facility*" means a liquidity facility delivered by the Agency pursuant to Section 12.04 of this 2022 Variable Rate Series Resolution.

"*Notice Parties*" means the Agency, the Remarketing Agent, the Bank, the Tender Agent, the Calculation Agent and the Trustee.

"*Participant*" means any broker-dealer, bank or other financial institution for which DTC holds 2022 Series Bonds as securities depository.

"*Participants*" means those broker-dealers, banks, and other financial institutions from time to time for which a securities depository holds 2022 Series Bonds.

"*Participation Agreements*" means one or more of the Participation Agreements, as amended from time to time, relating to the origination of Program Loans under the Program, either (i) between the Agency, the Master Servicer (with respect to a Participation Agreement relating to Program Loans to be pooled to back Program Securities), and a Lender, or (ii) between the Agency and a Lender (together with a separate participation agreement between the Master Servicer and a Lender with respect to a participation agreement relating to Program Loans to be pooled to back Program Securities).

"*Person*" means an individual, partnership, corporation, limited liability company, limited liability partnership, trust or unincorporated organization or a government or any agency, instrumentality, political subdivision or corporation thereof.

"*Pool Purchase Contract*" means (i) Any Fannie Mae Pool Purchase Contract between the Master Servicer and Fannie Mae relating to the sale by the Master Servicer of Pooled 2022 Series Program Loans to Fannie Mae and the servicing thereof, or (ii) any Fannie Mae Pool Purchase Contract between the Agency and Fannie Mae relating to the sale by the Agency of Pooled 2022 Series Program Loans to Fannie Mae and the servicing thereof, or (iii) any Freddie Mac Pool Purchase Contract between the Master Servicer and Freddie Mac relating to the sale by the Master Servicer of 2022 Series Program Loans to Freddie Mac and the servicing thereof.

"*Pooled 2022 Series Program Loan*" means a loan to a Mortgagor, secured by a Mortgage on a Home and evidenced by a promissory note, or a security payable from or evidencing an interest in Program Loans, and financed in whole or in part with amounts on deposit in the 2022 Series Acquisition Account, acquired by the Master Servicer pursuant to Section 5.04 of this 2022 Variable Rate Series Resolution.

"*Purchase Contract*" means the Contract of Purchase to be entered into between the Agency and the Underwriters with respect to each Series of the 2022 Series Bonds.

"*Purchase Date*" means any date that 2022 Series Bonds are to be purchased pursuant to Sections 11.09 and 11.10 of this 2022 Variable Rate Series Resolution.

"*Purchase Price*" means an amount equal to the principal amount of any 2022 Series Bonds tendered or deemed tendered for purchase as provided herein, plus, if the Purchase Date is not an Interest Payment Date, accrued interest from the previous Interest Payment Date to the day preceding the Purchase Date.

"*Qualified Index*" means one of the following indices: (i) SIFMA Swap Index, (ii) SOFR Index, (iii) BSBY Index, or (iv) such other variable rate index selected by the Agency as a commercially reasonable index; provided, however, for any Tax-Exempt Series Bonds the index selected pursuant to clause (iv) must either be a "qualified floating rate" within the meaning of the Code and the regulations thereunder, or an index that, in the opinion of bond counsel, does not adversely affect the exclusion from gross income the interest on any related Tax-Exempt Series Bonds for federal income tax purposes.

"*Quarterly Mode Period*" means each period of time during which any of the 2022 Series Bonds bears interest at a Quarterly Rate.

"*Quarterly Rate*" means the rate of interest to be borne by any of the 2022 Series Bonds as described in Section 11.02(b) of this 2022 Variable Rate Series Resolution.

"*Rate Determination Date*" means the date on which an Effective Rate is determined for an Effective Rate Period following any Rate Determination Date, as described in the Mode Period Chart with respect to Variable Rate Bonds and, with respect to FRNs, the date specified in the Agency Certificate to be delivered upon a FRN Rate Change Date, and thereafter, the Wednesday immediately preceding the next Effective Rate Date (provided that if that Wednesday is not a Business Day, then the Rate Determination Date will be the next succeeding Business Day) and, after a Floating Rate Change Date other than a FRN Rate Change Date, the date specified in an Agency Certificate related to that Floating Rate Change.

"*Record Date*" means, with respect to Variable Rate Bonds and FRNs, the Business Day immediately prior to the applicable Interest Payment Date and, in all other cases, the fifteenth day preceding each Interest Payment Date; provided, however, that if the Record Date is not a Business Day, then that Record Date will be deemed to be the first Business Day following that Record Date.

"*Refunded Bonds*" means those certain outstanding Bonds (if any) listed in the Agency Certificate delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution upon the issuance of a Series of the 2022 Series Bonds.

"*Regulations*" means the Income Tax Regulations promulgated under the Code and applicable to the 2022 Series Bonds.

"*Remarketing Agent*" means the remarketing agent(s) appointed by the Agency pursuant to the Remarketing Agreement for the remarketing of the 2022 Series Bonds.

"*Remarketing Agreement*" means the Remarketing Agreement, between the Agency and RBC Capital Markets, LLC, with respect to each Series of the 2022 Series Bonds bearing interest at a Variable Rate, as the same may be amended in accordance with the terms thereof, and any similar agreement entered into between the Agency and RBC Capital Markets, LLC or any alternate or successor Remarketing Agent in respect of the 2022 Series Bonds.

"*Replacement Index*" means on any Floating Rate Change Date or Conversion Date, or on or after such date or after such period as an originally designated index pursuant to this 2022 Variable Rate Series Resolution ceases to be available or ceases to be a reliable market indicator, such Qualified Index as shall be designated by the Agency in writing provided to the Calculation Agent via Electronic Means, together with the Effective Date of the substitute or replacement index; for any Tax-Exempt Series Bonds, such substitute or replacement Qualified Index for any Tax-Exempt Series Bonds must be substantially similar to any corresponding replacement index designated pursuant the related 2022 Series Swap Agreement (if any), unless such replacement index, in the opinion of bond counsel, does not adversely affect the exclusion from gross income of the interest on the related Tax-Exempt Series Bonds.

"*S&P*" means S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, or its successors or assigns.

"*Self Liquidity*" means a liquidity facility provided by the Agency's own funds pursuant to Section 12.04 of this 2022 Variable Rate Series Resolution, other than a Non-Conforming Liquidity Facility.

"*Semiannual Mode Period*" means each period of time during which any of the 2022 Series Bonds bear interest at a Semiannual Rate.

"*Semiannual Rate*" means the rate of interest to be borne by any of the 2022 Series Bonds as described in Section 11.02(b) of this 2022 Variable Rate Series Resolution.

"*Series Bonds*" means collectively, the 2022/2023 Series Bonds and the 2022 Series Bonds.

"*Servicer*" means the Agency or any other public or private institution (including the Trustee or a Depository) with which the Agency has executed a Servicing Agreement.

"*Servicing Agreement*" means a contractual agreement of the Agency with a Servicer for the servicing of a Transferred Mortgage Loan.

"*SIFMA*" means the Securities Industry and Financial Markets Association, its successors and assigns.

"*SIFMA Swap Index*" means, on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Bloomberg and published or made available by SIFMA or any person or entity acting in cooperation with or under the sponsorship of SIFMA and acceptable to the Agency and effective from that date, or if that index is no longer available, "SIFMA Swap Index" will refer to the Replacement Index that the Agency, in consultation with its independent financial advisors and Remarketing Agent, if any, determines closely approximates an index for seven day tax-exempt variable rate demand obligations. The obligations on which the Replacement Index is based will not include any obligation the interest on which is subject to a "minimum tax" or similar tax under the Code, unless all tax-exempt obligations are subject to that tax.

"*SOFR Index*" means the Secured Overnight Financing Rate ("SOFR"), as published on or about 8:00 a.m. (New York time) on the Federal Reserve's Website (or any successor publisher website) for each SOFR Published Date, representing the SOFR Index as of the SOFR Lookback Date. For any date that the SOFR does not so appear by 5:00 p.m. (New York time) on such date or if such date is not a U.S. Government Securities Business Day, the rate shall be the SOFR published on the Federal Reserve's Website on the first preceding U.S. Government Securities Business Day for which SOFR was published on the Federal Reserve's Website. On any date that a SOFR Index determination is necessary, if (1) the relevant rate is not available for any reason or (2) the Agency in its sole but commercially reasonable discretion determines that SOFR is no longer a reliable market indicator, then a comparable Replacement Index will be determined by such alternate method as reasonably selected and designated in writing by the Agency to the Calculation Agent and shall be used in place of the SOFR Index. "SOFR Published Date" means the second U.S. Government Securities Business Day immediately preceding each Effective Rate Date. "SOFR Lookback Date" means the third U.S. Government Securities Business Day immediately preceding an Effective Rate

Date. "U.S. Government Securities Business Day" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor entity) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. Government Securities. "Federal Reserve's Website" means the website of the Federal Reserve Bank of New York, or the website of any successor publisher of SOFR. Notwithstanding the foregoing, the Agency may choose to modify the description set forth above to a description that is commercially reasonable.

"*Tax-Exempt Series Bonds"* means any Series of Bonds that are intended to be bonds the interest on which is excludable from gross income for federal income tax purposes.

"*Tender Agent*" means the Trustee appointed pursuant to the Bond Resolution.

"*Transferred Program Loans*" means the Transferred Mortgage Loans and the Program Loans pooled into the Transferred Program Securities.

"*Transferred Mortgage Loans*" means the Program Loans allocable to a Series of the Series Bonds upon the refunding of any Refunded Bonds.

"*Transferred Program Obligations*" means, collectively, the Transferred Mortgage Loans and the Transferred Program Securities allocable to a Series of the Series Bonds upon the refunding of the related Refunded Bonds.

"*Transferred Program Securities*" means the Program Securities allocable to a Series of the Series Bonds upon the refunding of the Refunded Bonds.

"*UMBS*" means the common, single mortgage-backed securities backed by fixed-rate mortgages formally known as the Uniform Mortgage-Backed Security, issued as of June 3, 2019 by Fannie Mae and Freddie Mac, guaranteed by either Fannie Mae or Freddie Mac, depending upon which issues the UMBS. UMBS are a type of Program Security.

"*Underwriters*" means RBC Capital Markets, LLC., Piper Sandler & Co., Wells Fargo Bank, National Association and J.P. Morgan Securities LLC.

"*Unenhanced Variable Rate Bonds*" means Variable Rate Bonds that are not required to be covered by a Liquidity Facility.

"*Unenhanced Variable Rate Change Dates*" means the effective date of a change from Liquidity Facility Bonds to Unenhanced Variable Rate Bonds, or a change from Unenhanced Variable Rate Bonds to Liquidity Facility Bonds.

"*Unenhanced Variable Rate Default Rate*" means, in respect of any Mode Period, (a) with respect to any Tax-Exempt Series Bonds, 500 percent of the SIFMA Swap Index, and (b) with respect to any 2022 Series Bonds which are not Tax-Exempt Series Bonds, 500 percent of the sum of the SOFR Index plus 0.11448 percent, in each case, as determined on the Mode Change Date next preceding the first day of that Mode Period; provided, however, that in no event will the Unenhanced Variable Rate Default Rate with respect to those Bonds exceed 12 percent per annum.

"*Unenhanced Variable Rate Minimum Rate*" has the meaning set forth in Section 11.02(a)(ii) of this 2022 Variable Rate Series Resolution.

"*Unenhanced Variable Rate Minimum Rate Determination Date*" has the meaning set forth in Section 11.02(a)(iv) of this 2022 Variable Rate Series Resolution.

"*Unenhanced Variable Rate Non-Remarketed Rate*" means the rate per annum (not exceeding 12 percent per annum) equal to the product of the Applicable Percentage of (a) in the case of Unenhanced Variable Rate Bonds bearing interest at a Daily Rate, Weekly Rate or Monthly Rate, (i) with respect to any Tax-Exempt Series Bonds, the SIFMA Swap Index and (ii) with respect to any 2022 Series Bonds which are not Tax-Exempt Series Bonds, the sum of the SOFR Index plus 0.11448 percent; (b) in the case of Unenhanced Variable Rate Bonds bearing interest at a Quarterly Rate, the sum of the SOFR Index and the Index Adjustment Factor; and (c) in the case of Unenhanced Variable Rate Bonds bearing interest at a Semiannual Rate, the sum of the SOFR Index and the Index Adjustment Factor.

"*Untendered Bonds*" has the meaning set forth in Section 11.10(d) of this 2022 Variable Rate Series Resolution.

"*USDA Rural Development*" means Rural Development, a division of the United States Department of Agriculture, and any successor to its functions. Its powers are prescribed by the Housing Act of 1949, as amended.

"*USDA Rural Development Guaranteed*" means guaranteed by USDA Rural Development under the USDA Rural Development Guaranteed Rural Housing Loan Program.

"*VA*" means the Veterans Administration, an agency of the United States of America, or any successor to its functions.

"*VA Guaranteed*" means guaranteed by the VA under the Serviceman's Readjustment Act of 1944, as amended.

"*Variable Rate*" means the interest rate borne by Variable Rate Bonds in accordance with Section 11.02(d) hereof.

"*Variable Rate Bonds*" means a Series (or portion thereof) of the 2022 Series Bonds during a Daily Mode Period, a Weekly Mode Period, a Monthly Mode Period, a Quarterly Mode Period or a Semiannual Mode Period (whether or not in each case those 2022 Series Bonds are Liquidity Facility Bonds or Unenhanced Variable Rate Bonds).

"*Variable Rate Change Date*" means the date on which a Change to Variable Rate occurs, which for any FRNs, may occur only on any FRN Mandatory Tender Date.

"*Weekly Mode Period*" means each period of time during which any of the 2022 Series Bonds bear interest at a Weekly Rate.

"*Weekly Rate*" means the rate of interest to be borne by any of the 2022 Series Bonds as described in Section 11.02(b) of this 2022 Variable Rate Series Resolution.

3.03. Rules of Interpretation.

(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this 2022 Variable Rate Series Resolution, refer to this 2022 Variable Rate Series Resolution.

(b) The section headings herein and in the Table of Contents are for convenience only and will not affect the construction hereof.

(c) All references in this instrument to designated "Sections" and other subdivisions are to be the designated Sections and other subdivisions of this instrument as originally executed.

(d) "Or" is not exclusive, but is intended to permit or encompass one, more or all of the alternatives conjoined.

(e) If any provision of this 2022 Variable Rate Series Resolution is held or deemed to be or is, in fact, illegal, inoperative or unenforceable, the same will not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

(f) This 2022 Variable Rate Series Resolution will be governed by and construed in accordance with the internal laws of the State of Minnesota.

(g) The Trustee will be protected in acting upon any notice, resolution, request, consent, order or certificate of an Authorized Officer that is transmitted to the Trustee by Electronic Means.

Section 4. Securities Depository.

4.01. General Provisions. The 2022 Series Bonds of each Series will be initially issued as separately authenticated fully registered bonds, and one 2022 Series Bond will be issued in the principal amount of each stated maturity of each Series. Upon initial issuance, the ownership of such 2022 Series Bond will be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Trustee and the Agency may treat DTC (or its nominee) as the sole and exclusive owner of the 2022 Series Bond registered in its name for the purposes of payment of the principal or purchase price of, premium, if any, and interest on the 2022 Series Bonds, selecting the 2022 Series Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to Owners of 2022 Series Bonds under the Bond Resolution or this 2022 Variable Rate Series Resolution, registering the transfer of 2022 Series Bonds, and for all other purposes whatsoever, and neither the Trustee nor the Agency will be affected by any notice to the contrary. Neither the Trustee nor the Agency will have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the 2022 Series Bonds under or through DTC or any Participant, or any other Person that is not shown on the bond register as being an Owner of any 2022 Series Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal or purchase price of, premium, if any, and interest on the 2022 Series Bonds, with respect to any notice that is permitted or required to be given to owners of 2022 Series Bonds under the Bond Resolution or this 2022 Variable Rate Series Resolution, with respect to the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption or mandatory tender of the 2022 Series Bonds, or with respect to any consent given or other action taken by DTC as Owner of the 2022 Series Bonds. So long as any 2022 Series Bond is registered in the name of Cede & Co., as nominee of DTC, the Trustee will pay all principal and purchase price of, premium, if any, and interest on such 2022 Series Bond, and will give all notices with respect to the 2022 Series Bonds, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all those payments will be valid and effective to fully satisfy and discharge the Agency's obligations with respect thereto to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the 2022 Series Bonds will be transferable to that new nominee in accordance with Section 4.02.

4.02. Discontinuation of Book-Entry System. In the event the Agency determines to discontinue the book-entry system for the 2022 Series Bonds or any Series thereof, the Agency may notify DTC and the Trustee, whereupon DTC will notify the Participants of the availability through DTC of 2022 Series Bonds of such Series in the form of certificates. In that event, such 2022 Series Bonds will be transferable in accordance with Section 4.03. DTC may determine to discontinue providing its services with respect to the 2022 Series Bonds or one or more Series at any time by giving notice to the Agency and the Trustee and discharging its responsibilities with respect thereto under applicable law. In that event the 2022 Series Bonds of such Series will be transferable in accordance with Section 4.03.

4.03. Transfer and Exchange. In the event that any transfer or exchange of 2022 Series Bonds or one or more Series is permitted under Sections 4.01 or 4.02, that transfer or exchange will be accomplished upon receipt by the Trustee of the 2022 Series Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of the Bond Resolution and this 2022 Variable Rate Series Resolution. In the event 2022 Series Bonds of a Series in the form of certificates are issued to Owners other than Cede & Co., its successor as nominee for DTC as Owner of all the 2022 Series Bonds, or another securities depository as Owner of all the 2022 Series Bonds, the provisions of the Bond Resolution and this 2022 Variable Rate Series Resolution will apply to all matters relating thereto, including, without limitation, the preparation of the 2022 Series Bonds in the form of bond certificates, the method of payment of principal and purchase price of, redemption premium, if any, and interest on the 2022 Series Bonds and the method of giving notice of redemption and other events.

Section 5. Series Program Determinations for the 2022 Series Bonds.

5.01. Debt Service Reserve Requirement. In accordance with the provisions of the Bond Resolution, the Debt Service Reserve Requirement for the Bond Resolution is the sum of amounts established for each Series of Bonds by each respective Series Resolution. The Debt Service Reserve Requirement with respect to each Series of the 2022 Series Bonds will be in that amount or that percentage of the principal amount of the then Outstanding 2022 Series Bonds as set forth in the related Agency Certificate delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution.

5.02. Insurance Reserve Requirement. In accordance with the provisions of the Bond Resolution, the Insurance Reserve Requirement for the Bond Resolution is the sum of amounts established for each Series of Bonds by each respective Series Resolution. The Insurance Reserve Requirement with respect to each Series of the 2022 Series Bonds will be in that amount or that percentage of the principal amount of the then Outstanding Series of 2022 Series Bonds as set forth in the related Agency Certificate delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution.

5.03. Requirements for 2022 Series Program Securities. The Agency will designate in each Agency Certificate to be delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution whether or not the related Series of the 2022 Series Bonds is intended to be Tax-Exempt Series Bonds. The sale proceeds of Tax-Exempt Series Bonds not used to refund certain obligations of the Agency will be used to purchase Program Securities that (l) are backed by Mortgages that are in compliance with the Act, the Program, and, in the case of Series Bonds that are Tax-Exempt Series Bonds, the Code, and (2) comply with the requirements set forth in the Master Servicing Agreement. The Agency represents that the Transferred Program Loans were made in accordance with the applicable provisions of the Bond Resolution and the Agency's Mortgage Program Procedural Manual as in effect at the time the Transferred Program Loans were purchased by the Agency, which provisions will constitute the Series Program Determinations with respect to the Transferred Program Loans, and those Transferred Program Loans will be Program Loans within the meaning of the Bond Resolution and this 2022 Variable Rate Series Resolution. Except as expressly provided, the provisions of Section 5.04 below will not apply to the Transferred Program Loans. The provisions of the Agency's Start Up Procedural Manual, and the Master Servicer's lending guide, each as most recently revised and as revised from time to time, the applicable Participation Agreements and the Master Servicing Agreement will be used to administer the financing of the Pooled 2022 Series Program Loans.

5.04. Acquisition of 2022 Series Program Securities. During the related Delivery Period for each Series of the Series Bonds, the Master Servicer will acquire Program Loans from Lenders and pool the Program Loans into 2022 Series Program Securities as provided in the Master Servicing Agreement. The Trustee will disburse moneys from the 2022 Series Acquisition Account related to that Series of 2022 Series Bonds for the acquisition of Program Securities pursuant to the Master Servicing Agreement and this Section 5.04. The Trustee will pay the Master Servicer the purchase price of each Program Security acquired from the Master Servicer as set forth in the then operative Master Servicing Agreement, plus applicable fees or charges payable to a Federal Mortgage Agency and not paid by the Mortgagor, plus accrued interest, if any.

The Agency may at any time transfer any proceeds of a Series of the Series Bonds in the 2022 Series Acquisition Account related to such Series to the 2022 Series Account in the Bond Redemption Fund to be applied to the redemption of those Series Bonds. In addition, at the end the Delivery Period related to that Series of Bonds, the Agency must transfer from the related 2022 Series Acquisition Account any amounts not expended to that date to the Bond Redemption Fund to be applied to the redemption of those Series Bonds within 41 days thereafter; provided that the Agency may (instead of redeeming those Series Bonds from unexpended proceeds) extend the related Delivery Period with respect to all or any portion of the unexpended amounts remaining in a 2022 Series Acquisition Account relating to those 2022 Series Bonds, for the period as the Agency determines consistent with the final sentence of this paragraph, but only if the Agency has delivered to the Trustee on or prior to the expiration of that Delivery Period designated in the related Agency Certificate a Certificate (i) designating the new ending date for that Delivery Period, (ii) certifying that the Agency has delivered a Cash Flow Certificate and a Parity Certificate confirmed by an investment banking firm, financial consulting firm or accounting firm, in each case nationally recognized with respect to the cash flow analysis of qualified mortgage bonds, which Cash Flow Certificate and Parity Certificate will accompany the Agency Certificate; (iii) certifying that, to the extent necessary to satisfy the requirements of the Cash Flow Certificate and each Rating Agency then rating the Bonds, an Investment Obligation has been arranged for investment of amounts in the 2022 Series Acquisition Account relating to those Series of 2022 Series Bonds to a date not earlier than the ending date of the extended Delivery Period; (iv) designating the amount of any additional deposits, if any, required by the Cash Flow Certificate, the Parity Certificate and each Rating Agency then rating the Bonds to be made into funds held under the Resolution in connection with the extension, which deposits must be made on or before the date of expiration of that Delivery Period and must be made only from the Agency’s funds; and (v) certifying that the Agency has notified each Rating Agency then rating the Bonds that the extension is being planned and has provided copies of the Cash Flow Certificate and Parity Certificate to each Rating Agency then rating the Bonds, together with any other documentation as each Rating Agency then rating the Bonds may request, and has received written confirmation that the Rating of Outstanding Bonds will not be impaired by the extension of that Delivery Period. On any date subsequent to any extension of the related Delivery Period, the Agency may transfer any unexpended proceeds remaining in the related 2022 Series Acquisition Account and allocable amounts, as reasonably determined by the Agency, held in the related 2022 Series Accounts in the Debt Service Reserve Fund and Insurance Reserve Fund, to the related 2022 Series Account in the Bond Redemption Fund to be applied to redemption of those Series Bonds as provided in Section 4(C) of this 2022 Variable Rate Series Resolution. At the end of each Delivery Period, including any extension thereof as provided in this Section 5.04, the Trustee must transfer from the 2022 Series Acquisition Account relating to that Series an amount equal to the amount of proceeds of those Series Bonds in that 2022 Series Acquisition Account not expended to that date and allocable amounts, as reasonably determined by the Agency, held in the 2022 Series Accounts in the Debt Service Reserve Fund and Insurance Reserve Fund, to the 2022 Series Account in the Bond Redemption Fund to be applied to the redemption of those Series Bonds in accordance with Section 11.03 of this 2022 Variable Rate Series Resolution. A Delivery Period may not be extended pursuant to this Section 5.04 beyond the date set forth in the related Agency Certificate delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution. Notwithstanding any provision in this Section 5.04 to the contrary, the Trustee must apply amounts in the related 2022 Series

Acquisition Account to the redemption of the related Series Bonds in accordance with Section 11.03 of this 2022 Variable Rate Series Resolution.

The Agency may participate each 2022 Series Program Security between different sources of funds of the Agency, so long as the interest of each has equal priority as to lien in proportion to the amount of the 2022 Series Program Security secured, but those interests need not be equal as to interest rate.

5.05. Enforcement of Transferred Mortgage Loans.

(a) Subject to the right of the Agency to modify the Transferred Mortgage Loans pursuant to Section 6.5(E) of the Bond Resolution, the Agency will take or require a Servicer to take all measures, actions and proceedings as are reasonably necessary and are deemed by it to be most effective to recover the balance due and to become due on each Defaulted Transferred Mortgage Loan, including the curing of the default by the Mortgagor, foreclosure of the Mortgage, acceptance of a conveyance in lieu of foreclosure, sale of the Transferred Mortgage Loan, renting or selling the Home, collection of any applicable mortgage insurance or guaranties, and preservation of the title to and value of the Home pending recovery of the balance of the Defaulted Transferred Mortgage Loan, but any action will, to the extent legally necessary, conform to the requirements of, and protect the interests of any agency or instrumentality of the United States guaranteeing, insuring or otherwise assisting the payment of that Defaulted Transferred Mortgage Loan.

(b) Upon receipt of any Revenues with respect to any Defaulted Transferred Mortgage Loan or from operation of the Home subject to that Defaulted Transferred Mortgage Loan, after foreclosure or conveyance of the Home to the Agency in lieu of foreclosure, in excess of the amounts needed to preserve title to and the value of the Home, the Agency will transmit those Revenues to the Trustee for deposit in the Revenue Fund.

5.06. Enforcement of 2022 Series Program Securities and the Transferred Program Securities.

(a) The 2022 Series Program Securities acquired by the Trustee on behalf of the Agency and the Transferred Program Securities will be held at all times by the Trustee in trust and subject to the pledge of the Bond Resolution. If the Trustee does not receive a payment on a GNMA I Security when due by the close of business on the 17th day of each month, or if the Trustee does not receive a payment on a GNMA II-Custom Pool Security when due by the close of business on the 22nd day of each month, the Trustee will immediately notify, and demand payment from GNMA. If the Trustee does not receive payment or advice from the depository of payment, with respect to a Fannie Mae Security when due by the close of business on the 25th day of any month (or the next Business Day if the 25th is not a Business Day), the Trustee will immediately demand payment from Fannie Mae in connection with the guaranty of timely payments of principal and interest by Fannie Mae. If the Trustee does not receive payment on a Freddie Mac Security when due by the close of business (i) for Freddie Mac Securities which are not UMBS, on the 18th day of each month (or the next Business Day if the 18th day is not a Business Day) and (ii) for Freddie Mac Securities which are UMBS, on the 25th day of each month (or the next Business Day if the 25th day is not a Business Day), the Trustee will immediately demand payment from Freddie Mac.

(b) The Agency agrees that the Trustee in its name or (to the extent required by law) in the name of the Agency may enforce all rights of the Agency and all obligations of a Master Servicer under and pursuant to a Master Servicing Agreement for and on behalf of the Bondowners whether or not an Event of Default under the Bond Resolution or this 2022 Variable Rate Series Resolution has occurred or is continuing. The Agency will supervise, or cause to be supervised, each Lender's compliance with the Participation Agreements. In the event the Master Servicing Agreement is cancelled or terminated for any reason, the Agency will proceed with due diligence to procure a successor Master Servicer, subject to the provisions of the Master Servicing Agreement and the requirements of each applicable Federal Mortgage Agency. During the period necessary to obtain that successor, the Trustee will, subject to the approval of the applicable Federal Mortgage Agency, cause to be performed the duties and responsibilities of the Master Servicer, under the Master Servicing Agreement and will be compensated therefor, in addition to the compensation payable to it under the Bond Resolution or any other instrument, in the same manner and amounts as provided under the Master Servicing Agreement.

5.07. Program Expenses. For purposes of the Bond Resolution, "Program Expenses" include the payment of the fees and indemnities owing to the Bank under the Liquidity Facility.

5.08. Information to be Furnished. The Trustee will furnish information concerning the 2022 Series Bonds and the Program to each Rating Agency upon reasonable request thereof.

5.09. Amendments. This Section 5 may be amended subsequent to the issuance of the 2022 Series Bonds to reflect changes in requirements applicable to the 2022 Series Program Securities or the Transferred Program Obligations; provided that the amendment will become effective only if Bond Counsel renders an opinion to the effect that the amendment will not adversely affect the exclusion of interest on the Tax-Exempt Series Bonds from gross income of the owners thereof for federal income tax purposes and if the Agency delivers an Agency Certificate to the Trustee to the effect that the amendment will not impair the Ratings on the 2022 Series Bonds by each Rating Agency.

Section 6. Conditions Precedent to Issuance.

6.01. Documents Furnished to Trustee. Prior to the delivery of each Series of the 2022 Series Bonds an Authorized Officer will cause to be furnished to the Trustee, unless previously furnished, the following items as required by Sections 2.5 and 2.6 of the Bond Resolution:

(a) Certified copies of the Bond Resolution and this 2022 Variable Rate Series Resolution.

(b) An opinion of counsel to the Agency that the Bond Resolution and this 2022 Variable Rate Series Resolution have been duly adopted by the Agency and are valid and binding upon it and enforceable in accordance with their terms, that the Bond Resolution creates the valid pledge that it purports to create, and that the principal amount of the Series Bonds and other obligations heretofore issued by the Agency does not exceed any legal limitation.

(c) The Opinion of Bond Counsel required by Section 2.5(2) of the Bond Resolution.

(d) A Counsel's Opinion that the Series of 2022 Series Bonds are exempt from registration under, or have been registered in accordance with, the Securities Act of 1933 and that this 2022 Variable Rate Series Resolution is qualified under the Trust Indenture Act of 1939 or that qualification is not necessary.

(e) An Agency Certificate (i) requesting the Trustee to authenticate the Series of 2022 Series Bonds, and deliver them to the Underwriters upon payment or the purchase price set forth in the Agency Certificate, (ii) certifying that the Agency is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Bond Resolution, (iii) setting forth the amount of the proceeds of the Series Bonds, including 2022 Series Bonds of that Series, and other funds to be deposited with the Trustee pursuant to Section 4.1 of the Bond Resolution and the Funds and Accounts into which deposits should be made, (iv) certifying that upon the issuance and delivery of that Series of 2022 Series Bonds, the amount on deposit in the Debt Service Reserve Fund will be at least equal to the Debt Service Reserve Requirement and the amount on deposit in the Insurance Reserve Fund will be at least equal to the Insurance Reserve Requirement, (v) stating that the issuance of that Series of the 2022 Series Bonds will have no adverse material effect on the ability of the Agency to pay the Debt Service on the Bonds then Outstanding, (vi) stating whether or not that Series of the Series Bonds is intended to be Tax-Exempt Series Bonds and (vii) setting forth the terms of that Series of the 2022 Series Bonds to be specified as provided pursuant to this 2022 Variable Rate Series Resolution, as well as the application of proceeds of that Series of the 2022 Series Bonds and any Agency funds relating thereto.

(f) An Agency Certificate as required by Section 2.5(6) of the Bond Resolution and any information required to be filed with the Trustee upon deposit of amounts in an Acquisition Account pursuant to Section 4.4 of the Bond Resolution. A

Cash Flow Certificate need not be filed with the Trustee in connection with the issuance of any Series of the 2022 Series Bonds.

(g) Written confirmation from each Rating Agency that issuance of the Series of 2022 Series Bonds will not impair the then existing Rating on the Bonds.

(h) Evidence that the Agency has given irrevocable instructions to the Trustee to give due notice, if required, of the payment or redemption of all the related Refunded Bonds and the payment or redemption dates, if any, upon which any Refunded Bonds are to be paid or redeemed.

(i) Evidence that money or Government Obligations in an amount sufficient to effect payment of the applicable redemption price, or amount payable on maturity, of the Refunded Bonds, if any, have been deposited with the Trustee in accordance with the Bond Resolution, or have been received by the owners of the Refunded Bonds or the trustee for those owners, in accordance with the resolution of the Agency whereby the were issued, as applicable.

(j) If applicable, an Opinion of Bond Counsel to the effect that issuance of the 2022 Series Bonds will not result in interest on the any Refunded Bonds being included in gross income for federal income tax purposes.

6.02. <u>Acceptance and Certification by Trustee</u>. Prior to the delivery of a Series of the 2022 Series Bonds, the Agency will also receive from the Trustee a certificate stating that it has received the documents listed in Subsection (A); and that the amounts to be deposited in the Debt Service Reserve Fund and Insurance Reserve Fund, if any, are sufficient to increase the amount in those Funds to the Debt Service Reserve Requirement and Insurance Reserve Requirement effective after the issuance of that Series of 2022 Series Bonds as computed by the Trustee. The Trustee will administer and observe on behalf of the Agency all applicable requirements of the Code now or hereafter relating to information reporting, withholding and similar requirements with respect to ownership or payment of the Tax-Exempt Series Bonds, including, without limitation, the requirements imposed by Sections 871(h)(2)(B), 1441, 1442, 3406, 6045 and 6049 of the Code.

6.03. <u>Documents Required by the Purchase Contract and Initial Liquidity Facility</u>. Prior to delivery of any Series of the 2022 Series Bonds, an Authorized Officer will also cause to be furnished to the Underwriters each of the certificates, opinions and other documents required by the Purchase Contract and (ii) to the Bank each of the certificates, opinions and other documents required by the Initial Liquidity Facility, if any.

6.04. <u>Certification Under Applicable Federal Tax Law</u>. An Authorized Officer is also authorized and directed on the date of delivery of each Series of the Series Bonds that are intended to be Tax-Exempt Series Bonds, to prepare and execute a certificate on behalf of the Agency, setting forth in brief and summary terms the facts, estimates and circumstances on the basis of which the Agency reasonably expects that the proceeds of those Tax-Exempt Series Bonds will be used in a manner that would not cause those Tax-Exempt Series Bonds to be arbitrage bonds under applicable federal tax law, and on the basis of which those Tax-Exempt

Series Bonds will be "qualified mortgage bonds" under the provisions of applicable federal tax law.

6.05. Delivery. Upon fulfillment of the above conditions an Authorized Officer will direct the Trustee to authenticate and deliver the related Series of 2022 Series Bonds to the Underwriters as provided in the related Purchase Contract upon receipt by the Trustee of the purchase price to be paid by the Underwriters under that Purchase Contract.

Section 7. Deposit of Bond Proceeds and Other Funds; Investment Obligations.

7.01. 2022 Series Accounts. Within the Acquisition Account, the Revenue Fund, the Bond Fund Interest Account, the Bond Fund Principal Account, the Debt Service Reserve Fund, the Insurance Reserve Fund (but only if the Insurance Reserve Requirement with respect to the Series Bonds is greater than zero) and the Bond Redemption Fund, as applicable, the Trustee will establish subaccounts for each Series of the 2022 Series Bonds, provided, however, that the Trustee may maintain combined 2022 Series Account designated for each Series of Series Bonds issued on the same Issue Date for the purpose of recording the proceeds of an issuance of the Series Bonds and other amounts directed by this 2022 Variable Rate Series Resolution and the 2022/2023 Fixed Rate Series Resolution to be deposited therein and the Transferred Program Obligations, other transferred proceeds, the 2022 Series Program Securities and Investment Obligations purchased therefrom or allocated thereto and the prepayments and other receipts from the Transferred Program Obligations, the 2022 Series Program Securities and Investment Obligations, and the Revenues received with respect thereto. In addition, the Trustee will establish a Cost of Issuance Account for any Series of the Series Bonds and a 2022 Series Bond Purchase Account relating to such Series, to be held and administrated as provided in Section 7.04.

7.02. Deposits of Funds. The proceeds of each Series of the 2022 Series Bonds, the Transferred Program Obligations and other transferred proceeds and funds of the Agency, if any, will be deposited by the Trustee into the 2022 Series Acquisition Account, the 2022 Series Account in the Bond Fund Interest Account, the 2022 Series Account in the Debt Service Reserve Fund, the 2022 Series Account in the Insurance Reserve Fund, if any, and the 2022 Series Cost of Issuance Account, all as set forth in the Agency Certificate delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution.

7.03. Investment Agreements. If deemed advantageous, the Commissioner or other Authorized Officer is authorized to negotiate and execute one or more investment agreements for the investment of all or a portion of the proceeds of the Series Bonds, including the 2022 Series Bonds, and other funds of the Agency related thereto.

7.04. Bond Purchase Account.

(a) There will be established and credited to the Bond Purchase Account on the books of the Trustee, as and when received, (i) all proceeds of the remarketing of 2022 Series Bonds, (ii) all amounts received under a Liquidity Facility, and (iii) all payments made directly by the Agency with respect to the purchase of 2022 Series Bonds in accordance with this 2022 Variable Rate Series Resolution.

(b) Except as provided in this paragraph (b) and in paragraph (d) of this Section 7.04, money in the Bond Purchase Account must be used solely for the payment of the Purchase Price of 2022 Series Bonds tendered pursuant to Section 11.09 or 11.10 of this 2022 Variable Rate Series Resolution. On each optional and mandatory tender date, the Trustee must apply from the Bond Purchase Account sufficient money to pay the Purchase Price of all 2022 Series Bonds so tendered. Money in the Bond Purchase Account must be used in the following order of priority: (i) proceeds of the remarketing of 2022 Series Bonds, (ii) amounts received under a Liquidity Facility, and (iii) payments made directly by the Agency with respect to the purchase of 2022 Series Bonds.

(c) All money paid to the Trustee for the account of the Bond Purchase Account must be held (subject to the provisions of paragraph (d) of this Section 7.04) in trust by the Trustee solely for the benefit of the Owners of the 2022 Series Bonds entitled to be paid from the Bond Purchase Account. Notwithstanding any other provision of the Bond Resolution or this 2022 Variable Rate Series Resolution to the contrary, moneys on hand in the Bond Purchase Account must not be commingled with any other funds or accounts held hereunder and must be held uninvested, or, other than moneys derived from the Initial Liquidity Facility, must be invested in obligations issued or guaranteed by the United States (or a money market fund or trust fund investing exclusively in those obligations that is rated in the highest category by each Rating Agency then maintaining a rating on the 2022 Series Bonds) maturing on or before the date on which moneys are needed for the purposes of the Bond Purchase Account.

(d) Any money remaining in the Bond Purchase Account on any optional or mandatory tender date in excess of the amounts necessary to pay the Purchase Price of all 2022 Series Bonds to be purchased on that date (including the Purchase Price of undelivered 2022 Series Bonds) must be immediately paid to the Bank to the extent of any money received under a Liquidity Facility for payment of the Purchase Price. All money held by the Trustee in the Bond Purchase Account that represent the proceeds of the remarketing of 2022 Series Bonds, all amounts received from the Agency for the purchase of 2022 Series Bonds and all amounts received under a Liquidity Facility must be retained by the Trustee exclusively for the benefit of the Owners of 2022 Series Bonds not yet presented for payment of the Purchase Price thereof until paid to those Owners, and that money must not, under any circumstances or at any time whatsoever, be paid to the Agency or to the Bank, or to any Person other than the Owners of 2022 Series Bonds entitled thereto (except as otherwise set forth above), and those Owners may look only to that money for the payment of the Purchase Price of the 2022 Series Bonds; provided, however, that any money remaining in the Bond Purchase Account on any optional or mandatory tender date in excess of the amounts necessary to pay the Purchase Price of all 2022 Series Bonds to be purchased on that date (including the Purchase Price of undelivered 2022 Series Bonds) and after any required payment is made to the Bank as set forth above may be paid to the Agency upon request of the Agency.

(e) Notwithstanding any other provision in the Bond Resolution to the contrary, (i) all money and investments thereof set aside and held in trust in the Bond Purchase Account for the payment of the Purchase Price of 2022 Series Bonds must be applied to and used solely for the payment of the Purchase Price (including reimbursement of the Bank for amounts paid with respect to the Purchase Price under any Liquidity Facility) of 2022 Series Bonds with respect to which the money or investments have been so set aside in trust and (ii) the provisions of Section 8.5 of the Bond Resolution will not apply to any money or investments held in the Bond Purchase Account.

Section 8. Tax Covenant and Restrictions Relating to All 2022 Series Bonds Intended to be Tax-Exempt Series Bonds.

8.01. General Tax Covenant. With respect to the Tax-Exempt Series Bonds, the Agency covenants that it will at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Agency on the Tax-Exempt Series Bonds, will be excludable from gross income for purposes of federal income taxation, and that no part of the proceeds of the Tax-Exempt Series Bonds, will at any time be used directly or indirectly to acquire securities or obligations the acquisition of which, from the funds used for that purpose, if reasonably anticipated on the date of issuance of any Bond, would have caused the Tax-Exempt Series Bonds, to be arbitrage bonds, unless that acquisition is at that time permitted by applicable federal tax law and the Treasury Regulations thereunder, as then in effect. The Agency must at all times do and perform all acts and things permitted by law and the Bond Resolution and necessary or desirable in order to assure that the proceeds of the Tax-Exempt Series Bonds, and the Revenues attributable thereto, will be used in a manner consistent with the provisions of applicable federal tax law so that the interest thereon will be excludable from gross income for federal income tax purposes.

8.02. Qualified Program Loans. The covenants and restrictions set forth in Section 9 of this 2022 Variable Rate Series Resolution will apply to each 2022 Series Program Loan. The Agency retains the right to impose covenants with respect to 2022 Series Program Loans, Homes and Mortgagors more restrictive than those imposed by applicable federal tax law.

8.03. Amendments. Any particular covenant or restriction set forth in Sections 8 and 9 of this 2022 Variable Rate Series Resolution, other than the covenant in Section 8.01, will apply only to the extent that the same is necessary to implement the provisions of applicable federal tax law to assure that the interest to be paid on the Tax-Exempt Series Bonds, will be and remain excluded from gross income for purposes of federal income taxation. If and to the extent that applicable federal tax law is amended or supplemented, and the Agency determines on the advice of counsel that the effect thereof is to add to, delete from or change the restrictions and limitations contained in applicable federal tax law or the Agency's interpretation thereof, any provision of Section 8 and 9 of this 2022 Variable Rate Series Resolution may be amended or supplemented to conform to applicable federal tax law as then in effect, without the consent of the Trustee or Bondowners, as contemplated in Section 9.1(B)(6) of the Bond Resolution.

Section 9. Compliance with Applicable Federal Tax Law.

9.01. Code Provisions. The Agency determines that Section 143 of the Code is applicable to any Tax-Exempt Series Bonds, as a "qualified mortgage issue." Under Section 143(a), a "qualified mortgage bond" is one issued as part of a qualified mortgage issue, all proceeds of which, exclusive of issuance costs and a reasonably required reserve, are to be used to finance owner-occupied residences, and that meets the requirements of subsections (c) through (i), inclusive, and (m)(7), of Section 143.

9.02. Mortgage Eligibility Requirements; Good Faith and Corrective Action. Actions to assure compliance with the requirements of the applicable federal tax law as applicable to the Tax-Exempt Series Bonds are set forth in Sections 9.03 through 9.12 of this 2022 Variable Rate Series Resolution. As to the mortgage eligibility requirements of applicable federal tax law as set forth in subsections (c) through (f), and (i), of Section 143 of the Code, the Agency and its staff have attempted, and will in good faith attempt, to meet, or cause the Master Servicer to meet, all of them before each Mortgage is executed, and to assure that 95 percent or more of the proceeds of the Tax-Exempt Series Bonds devoted, directly or indirectly, to owner-financing are devoted to residences with respect to which, at the time the Mortgages were or are executed, all those requirements were or are met, and that any failure to meet those requirements will be corrected within a reasonable period after the failure is first discovered, if necessary by accelerating or selling the Program Loan or replacing it with a qualifying Program Loan. With respect to the Transferred Program Obligations, certifications and warranties of Mortgagors, Lenders and the Servicers and provisions of the Mortgages and related promissory notes designed for this purpose were set forth in the Agency's Mortgage Program Procedural Manual as in effect at the time the Transferred Program Loans were executed. With respect to the Pooled 2022 Series Program Loans, certifications and warranties of Mortgagors, Lenders and the Master Servicer and provisions of the Mortgages and related promissory notes designed for this purpose are set forth in the Agency's Mortgage Loan Program Procedural Manual: MBS, the Participation Agreements and the Master Servicing Agreement. As to the arbitrage and recapture requirements of Sections 143 and 148 of the Code, the Agency and its staff will in good faith attempt to meet all the requirements and will take all reasonable steps to avoid failure due to inadvertent error.

9.03. Residence. Each Program Loan purchased in whole or in part by the Master Servicer to be pooled in a Program Security to be financed in whole or in part from the proceeds of or allocated to Tax-Exempt Series Bonds will have been made or will be made to finance the cost of construction of a new Home, or to finance the cost of acquisition, with or without rehabilitation or improvement, of an existing Home, or to finance the cost of rehabilitation or improvement of an existing Home owned by the Mortgagor located in Minnesota and containing not more than four dwelling units, that is or can reasonably be expected to become the principal residence of the Mortgagor as established by an affidavit secured by the Lender from the Mortgagor stating his or her intent so to occupy the Home not later than 60 days after final closing and thereafter to maintain it as his or her principal residence, and that no use will be made of the Home (or of the area occupied by the Mortgagor in the case of a two to four family Home) that would cause any Tax-Exempt Series Bond to meet the private business use tests of Section 141(b) of the Code, and that the Home is not to be used as an investment property or a recreational home.

9.04. Three-Year Prior Ownership. No Program Loan will be purchased in whole or in part by the Master Servicer to be pooled in a Program Security, unless the originating Lender secures, or has secured, and retains an affidavit of the Mortgagor stating that he or she has not had a present ownership interest in a principal residence at any time during the three-year period ending on the date when the Mortgage is executed, unless the Program Loan is made for a residence within a "targeted area," as defined in Section 143(h) of the Code and Section 6a.103A-2(b)(3) of the Regulations, or the Program Loan is made to a "veteran" borrower (as defined in 38 U.S.C. Section 101) who has not previously obtained mortgage loans financed by single family mortgage revenue bonds utilizing the veteran exception. In addition, except for Program Loans in targeted areas or to "veteran" borrowers, the Lender must secure, or have secured, from the Mortgagor copies of the Mortgagor's federal tax returns that were filed with the Internal Revenue Service for the preceding three years (if due for these years), in order to ascertain and certify to the Agency whether the Mortgagor has claimed a deduction for taxes on property that was the Mortgagor's principal residence or for interest on a mortgage secured by that property. The Program Loan must not be purchased if either the Lender or the Master Servicer, as applicable has reason to believe the affidavit to be false. Notwithstanding the preceding provisions of this Section 9.04, a Program Loan may be purchased by the Master Servicer to be pooled in a Program Security, financing the rehabilitation of a Home owned by the Mortgagor, or the purchase of a Home rehabilitated by the seller, of which the Mortgagor is the first resident after the rehabilitation work is completed, provided that the Program Loan is or has been provided in connection with a "qualified rehabilitation" as defined in Section 143(k)(5) of the Code.

9.05. Purchase Price. No Program Loan will be purchased in whole or in part by the Master Servicer to be pooled in a Program Security if the acquisition cost of the Home for which it is made exceeds 90 percent, or 110 percent if located in a targeted area as defined in Section 9.04 above, of the average area purchase price applicable to the Home as of the date of purchase or the date of financing commitment by the Lender, whichever is earlier, as established by average area purchase price limitations published by the Treasury Department for the statistical area where the Home is located, or as established by the Agency pursuant to more accurate and comprehensive data available to the Agency. Acquisition cost will be determined in accordance with Section 6a.103A-2(b)(8) of the Regulations, including all cash and non-cash items deemed therein to be included under particular circumstances as a cost of acquiring a residence from the seller as a completed residential unit. The Lender must secure and retain, or file with the Master Servicer, affidavits from both the seller and the Mortgagor, establishing facts showing that the acquisition cost requirement has been met.

9.06. Income Requirements. All Program Loans to be financed in whole or in part from the proceeds of Tax-Exempt Series Bonds, including Program Loans purchased by the Master Servicer to be pooled in a Program Security, must be made, or have been made, to Mortgagors whose family income is 115 percent or less of the applicable median family income, except as otherwise permitted for targeted areas pursuant to Section 143(f)(3) of the Code or high housing cost areas pursuant to Section 143(f)(5) of the Code. The Lender must secure, or have secured, and retain, or file, with the Master Servicer income information from available loan documents, as specified in Rev. Rul. 86-124, and an affidavit of the Mortgagor that the family income restrictions have been met. The family income limits will be adjusted for families of fewer than three individuals in accordance with Section 143(f)(6) of the Code.

9.07. Limitation of Amount. To the extent the 2022 Series Bonds are Tax-Exempt Series Bonds will be, for federal tax purposes, current refunding bonds issued pursuant to either the provisions of Section 1313(a) of the Tax Reform Act of 1986 or Section 146(i) of the Code, as applicable, the Agency will not be required to apply the principal amount of the Tax-Exempt

Series Bonds against the unused volume cap of the Agency for the issuance of qualified mortgage bonds during calendar year 2022, as provided pursuant to Section 146 of the Code and applicable state law.

The unused volume cap of the Agency for the issuance of qualified mortgage bonds during calendar year 2022, including the amount carried forward from calendar years 2020 and 2021, as provided pursuant to Section 146 of the Code and applicable state law, is in excess of the portion of the principal amount of the Tax-Exempt Series Bonds, if any, that will not be, for federal tax purposes, current refunding bonds. The Agency must apply the portion of the principal amount of the Tax-Exempt Series Bonds against the unused volume cap as required for the allocation of volume cap pursuant to Section 146 of the Code as set forth in the Agency Certificate delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution.

9.08. Placement in Targeted Areas. To the extent the Tax-Exempt Series Bonds are, for federal tax purposes, issued to refund bonds with respect to which the requirements of Section 143(h) of the Code have previously been met, the Agency will not be required to make available any amount of the proceeds of those Tax-Exempt Series Bonds for the making of Program Loans in targeted areas (as defined in Section 143(j) of the Code).

With respect to any portion of the Tax-Exempt Series Bonds that are not issued to refund bonds with respect to which the requirements of Section 143(h) of the Code have previously been met, the Agency must make available an amount equal to 20 percent of the proceeds of the Tax-Exempt Series Bonds deposited into the 2022 Series Acquisition Account for that Series for the making of Program Loans in targeted areas (as defined in Section 143(j) of the Code).

9.09. Recapture of Federal Subsidy. The Agency will take all action necessary to comply with the requirements of Section 143(m) applicable to it, including particularly the requirements of Section 143(m)(7) and applicable Regulations, as well as the provisions of Revenue Ruling 91-3 and Revenue Procedure 91-8.

9.10. Arbitrage. The Agency must take all actions as may be prescribed in the future by Regulations or rulings of the Internal Revenue Service to assure that the Tax-Exempt Series Bonds will meet the requirements of Section 143(g) of the Code and Section 148 of the Code relating to arbitrage, to-wit:

(a) The effective rate of interest on the Transferred Program Loans and the 2022 Series Program Loans purchased with, or allocated to, the proceeds of a Series of the Tax-Exempt Series Bonds may not exceed the yield of that Series of the Tax-Exempt Series Bonds, computed in accordance with Section 143(g)(2) of the Code and the Regulations, by more than one and one-eighth percentage points.

(b) The Agency must pay or cause to be paid the rebate amount required by Section 148(f) of the Code and applicable Regulations, as provided in the related Arbitrage Rebate Certificate executed by the Trustee and the Agency in conjunction with the issuance and delivery of each Series of Tax-Exempt Series Bonds.

9.11. Special Requirements Relating to Use of Certain Amounts on Deposit in the 2022 Series Account in the Revenue Fund. The Agency must take all necessary action pursuant to

Section 143(a)(2)(A) of the Code to ensure that scheduled repayments and prepayments of principal of Transferred Program Obligations and 2022 Series Program Securities are used to pay and redeem the related Series of Tax-Exempt Series Bonds in the amounts and within the time periods mandated by that Section 143(a)(2)(A); provided that the provisions of this Section 9.11 will be not generally be applicable if (i) there is a change in the Code or Regulations, or notice or other announcement from the Treasury Department or Internal Revenue Service, that has the effect of removing the requirement for those redemptions of Tax-Exempt Series Bonds or (ii) there is delivered to the Trustee an opinion of nationally recognized bond or tax counsel that failure to make those redemptions will not adversely affect the exclusion from federal gross income of interest on the Tax-Exempt Series Bonds. Notwithstanding any contrary provisions of this Section 9.11, the Agency agrees that, so long as the Tax-Exempt Series Bonds maturing on the date or dates and designated as "Specified Bonds," if any, in the Agency Certificate delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution (the "Specified Bonds") remain Outstanding, the provisions of Section 143(a)(2), as existing on the date of issue of the Tax-Exempt Series Bonds, will be considered as being in full force and effect (notwithstanding any subsequent change in law or regulation) and the Agency, to the full extent permitted by law, must comply with the provisions of the Agency's final Official Statement furnished to the Underwriters pursuant to Section 2.05 of this 2022 Variable Rate Series Resolution relating to the special redemption of Specified Bonds from certain mortgage prepayments and/or regularly scheduled repayments of principal of the Transferred Program Obligations and the portion of the 2022 Series Program Securities allocable to the Tax-Exempt Series Bonds.

9.12. New Mortgage and Assumption Requirements. None of the proceeds of any Tax-Exempt Series Bonds will be used, and none of the proceeds of any of the Refunded Bonds, if any, were used, to acquire or replace an existing mortgage, and all of the lendable proceeds of any Tax-Exempt Series Bonds will be used, and all of the lendable proceeds of any Refunded Bonds were used, to purchase Program Loans or Program Securities backed by Program Loans, made to persons who did not have a mortgage (whether or not paid off) on the Home securing the Program Loan at any time prior to the execution of the Mortgage, except in the cases of (i) a mortgage securing a construction period loan, (ii) a mortgage securing a bridge loan, or similar initial temporary financing having a term of 24 months or less, (iii) an existing mortgage in the case of a Program Loan for a qualified rehabilitation as described in Section 143(k)(5) of the Code and (iv) certain contract for deed arrangements as set forth in Section 143(i)(1) of the Code. The relevant instruments relating to each 2022 Series Program Loan and Mortgage purchased in whole or in part from the proceeds of any Tax-Exempt Series Bonds will contain a clause to the effect that the 2022 Series Program Loan will be due on sale of the Home unless assumption by the purchaser is consented to by the Agency, which consent will be given only if the Agency has determined that the requirements of Sections 9.03, 9.04, 9.05 and 9.06 are met with respect to that assumption for any 2022 Series Program Loan. In the event that those requirements are not met, notwithstanding that determination, the error will be corrected as provided in Section 9.02.

Section 10. Form of 2022 Series Bonds.

10.01. Form of 2022 Series Bonds. Each Bond of a Series of the 2022 Series Bonds will be prepared in substantially the form appearing as Exhibit A hereto (which is hereby incorporated herein and made a part hereof), with any additions, deletions or modifications as are permitted or required by the Bond Resolution or this 2022 Variable Rate Series Resolution, including, but not limited to, modification in the manner as is approved by the Agency for the purpose of reflecting the substitution of an Alternate Liquidity Facility or the elimination of a Liquidity Facility in accordance with the terms of this Resolution. Following a Floating Rate Change Date or a Conversion Date for any Series of the 2022 Series Bonds, the form of the related 2022 Series Bond may be appropriately revised to reflect the change or conversion of the interest rate on the 2022 Series Bonds, to delete the provisions of the form of 2022 Series Bonds set forth in Exhibit A hereto that are then of no further force and effect, to include a description of the FRN Rate and FRNs (if any), the New Floating Rate and Floating Rate Term or the Indexed Rate and Indexed Rate Bonds or the Fixed Rate and the Fixed Rate Bonds, as applicable, to reflect any Subseries designation, to reflect the elimination of a Liquidity Facility, to set forth the terms upon which the 2022 Series Bonds may or are required to be redeemed and any additional security therefor and to make any other changes therein that are necessary or appropriate in the circumstances.

Section 11. Terms of 2022 Series Bonds.

11.01. Issue and Interest Payment Dates; Maturity; Denominations; Manner of Payment; Execution and Delivery; Appointment of Tender Agent. The Issue Date of each Series of the 2022 Series Bonds will be the date of original delivery thereof. Each Series of the 2022 Series Bonds will mature on the date or dates and in the principal amounts, will bear interest at the rate or rates per annum, and will be subject to redemption, all as set forth in the related Agency Certificate delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution or as set forth in the related final Official Statement of the Agency furnished to the Underwriters pursuant to Section 2.05 of this 2022 Variable Rate Series Resolution, as the case may be, subject to the limitations of Section 2.04 of this 2022 Variable Rate Series Resolution. Prior to a Conversion Date, the 2022 Series Bonds will be issued as fully registered Bonds without coupons in Authorized Denominations.

2022 Series Bonds of a Series will be dated and bear interest from the date of delivery thereof. Subject to Section 11.02(a), interest on a Series of the 2022 Series Bonds will be payable on each Interest Payment Date by check to the registered owners at their addresses as they appear as of the close of business on the Record Date on the registration books of the Agency maintained by the Trustee or at another address as is furnished to the Trustee in writing by that Owner not later than the Record Date, provided that payment of interest on any 2022 Series Bonds will be made to any Owner of $1,000,000 or more in aggregate principal amount of 2022 Series Bonds as of the close of business of the Trustee on the Record Date for a particular Interest Payment Date by wire transfer to the Owner on that Interest Payment Date unless the Owner has provided written notice to the Trustee that it desires payment of interest by check. Principal, redemption premium, if any, and interest due at maturity or upon redemption or purchase of the 2022 Series Bonds will be payable at the designated corporate trust office of the Trustee at maturity or earlier redemption or purchase, or in the case of Variable Rate Bonds, at the corporate trust office of the Tender Agent. Notwithstanding the foregoing, payments on Bank Bonds will be made in accordance with the applicable Liquidity Facility.

2022 Series Bonds of a Series will be executed in the manner provided in Article III of the Bond Resolution by the facsimile signatures of the Chair and Commissioner of the Agency.

Each 2022 Series Bond of a Series will be authenticated by the Trustee by the manual signature of its authorized representative on the Trustee's Certificate of Authentication on each such 2022 Series Bond, attesting that it is delivered pursuant to the Bond Resolution and this 2022 Variable Rate Series Resolution, and will be delivered to the Underwriters upon compliance with the conditions set forth in Section 6 of this 2022 Variable Rate Series Resolution.

The Trustee is hereby appointed as Tender Agent for the 2022 Series Bonds; provided, however, that the Agency reserves the right to appoint one or more additional Tender Agents subject to the limitations contained in Section 13.01 of this 2022 Variable Rate Series Resolution.

11.02. Interest Rates and Effective Rates; Mode Period.

(a) Interest Rates and Effective Rates. Each Series of 2022 Series Bonds will initially bear interest at the applicable Weekly Rate, unless otherwise designated in the Agency Certificate delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution. Unless the interest rate is Converted or a Floating Rate Change Date has occurred, such Series of the 2022 Series Bonds or any portion thereof will bear interest at the applicable Effective Rate (based on the then current Mode Period), as determined by the Remarketing Agent with respect to any Mode Period or Calculation Agent, as applicable; provided that the initial Effective Rate for each Series of the 2022 Series Bonds will be specified in the Agency Certificate delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution at the time of the delivery of such 2022 Series Bonds.

Each Series of the 2022 Series Bonds will bear interest from and including their Issue Date until payment of the principal thereof has been made or provided for in accordance with the provisions of this 2022 Variable Rate Series Resolution, whether at maturity, upon redemption or otherwise. Interest accrued on the Variable Rate Bonds and FRNs prior to the Conversion Date and during any Mode Period other than a Quarterly Mode Period or a Semiannual Mode Period will be computed on the basis of a 365-day year or 366-day year, as applicable, for the number of days actually elapsed. Interest accrued on each Series of the 2022 Series Bonds after Conversion to an Indexed Rate will be computed on the basis of a 360-day year for the number of days actually elapsed. Interest accrued on the 2022 Series Bonds during a Quarterly Mode Period or a Semiannual Mode Period and after Conversion to Fixed Interest Rates will be computed upon the basis of a 360-day year, consisting of twelve 30-day months.

If interest on any 2022 Series Bonds is in default, any 2022 Series Bond issued in exchange for or upon the registration of transfer of that 2022 Series Bond will bear interest from the date to which interest has been paid in full on the 2022 Series Bonds or, if no interest has been paid on that 2022 Series Bond, the Issue Date. Each Series of the 2022 Series Bonds will bear interest on overdue principal and, to the extent permitted by law, on overdue premium, if any, and interest at the rates borne by that 2022 Series Bond on the date on which the principal, premium or interest came due and payable. No interest will accrue on Agency Bonds.

(i) *FRN Rate*.

The FRN Rate will be determined by the Calculation Agent on each Rate Determination Date. The FRN Rate will accrue from the Effective Rate Date through and including the day preceding the next Effective Rate Date. The Calculation Agent must give notice of the FRN Rate to the Agency and the Trustee no later than 5:00 p.m., New York City time, on the Rate Determination Date. Failure by the Calculation Agent to give notice as provided herein, or defect in any that notice, will not affect the interest rate borne by the FRNs or the rights of the Holders thereof.

The determination by the Calculation Agent of the FRN Rate to be borne by the FRNs, absent manifest error, will be conclusive and binding on the Holders of the FRNs, the Agency, the Remarketing Agent, the Tender Agent and the Trustee.

During a Delayed Remarketing Period, FRNs will bear interest at the Maximum Rate.

(ii) *Variable Rate*.

Prior to Conversion or a Floating Rate Change Date, the 2022 Series Bonds or any portion thereof will bear interest, commencing on the applicable Effective Rate Date, at the rate determined by the Remarketing Agent based on the current Mode for the new Effective Rate Period (except for Bank Bonds, that will bear interest at the Bank Interest Rate which interest will be calculated and paid in accordance with the Liquidity Facility) as set forth below:

(A) During each Mode Period, the Effective Rate with respect to any of the 2022 Series Bonds will be the rate that (1) in the determination of the Remarketing Agent, would result as nearly as practicable in the market value of those Variable Rate Bonds on the Effective Rate Date being 100 percent of the principal amount thereof and (2) is less than or equal to the Maximum Rate.

(B) In determining the Effective Rate and the Unenhanced Variable Rate Minimum Rate, the Remarketing Agent must take into account, to the extent applicable, (1) market interest rates for comparable securities held by tax-exempt open-end municipal bond funds or other institutional or private investors with substantial portfolios (i) with interest rate adjustment periods and demand purchase options substantially identical to the Variable Rate Bonds, (ii) bearing interest at a variable rate intended to maintain par value, and (iii) rated by a national credit rating agency in the same category as the Variable Rate Bonds; (2) other financial market rates and indices that may have a bearing on the Effective Rate (including but not limited to, rates borne by commercial paper, Treasury Bills, commercial bank prime rates, certificate of deposit rates, federal fund rates, the SOFR Index, the SIFMA Swap Index, indices maintained by *The Bond Buyer* and other publicly available tax-exempt interest rate indices);

(3) general financial market conditions; and (4) factors particular to the Agency and the Variable Rate Bonds.

(C) The determination by the Remarketing Agent in accordance with this Section 11.02(a) of the Effective Rate to be borne by the Variable Rate Bonds (other than Bank Bonds which in accordance with the Initial Liquidity Facility will bear interest at the Bank Interest Rate) will be conclusive and binding on the Owners of the Variable Rate Bonds and the Notice Parties, except as otherwise provided herein. Failure by the Remarketing Agent or the Trustee to give any notice required hereunder, or any defect therein, will not affect the interest rate borne by the Variable Rate Bonds or the rights of the Owners thereof.

(D) If for any reason the position of Remarketing Agent is vacant or the Remarketing Agent fails to act, the Effective Rate on the Variable Rate Bonds will be the interest rate as determined or caused to be determined, at the expense of the Agency, by the Trustee weekly to be (1) for any Tax-Exempt Series Bonds, the lesser of (I) in the case of the Liquidity Facility Bonds, the SIFMA Swap Index plus 0.25 percent, and in the case of the Unenhanced Variable Rate Bonds, the SIFMA Swap Index plus 0.50 percent or (II) the Maximum Rate, and (2) for any 2022 Series Bonds which are not Tax-Exempt Series Bonds, the lesser of (I) in the case of the Liquidity Facility Bonds, the sum of the SOFR Index plus 0.60 percent, and in the case of the Unenhanced Variable Rate Bonds, the sum of the SOFR Index plus 1.60 percent or (II) the Maximum Rate.

(E) In making or causing that determination to be made, the Trustee may engage, at the expense of the Agency, calculation agents or experts as necessary to make the determination and rely on those agents and experts.

(F) With respect to any Unenhanced Variable Rate Bonds, on the Business Day prior to each Rate Determination Date (the "Unenhanced Variable Rate Minimum Rate Determination Date"), the Remarketing Agent will establish a minimum rate with respect to the Unenhanced Variable Rate Bonds for the following Effective Rate Period (the "Unenhanced Variable Rate Minimum Rate") and will post the Unenhanced Variable Rate Minimum Rate electronically via Bloomberg L.P.'s Bloomberg Professional system. Owners of Unenhanced Variable Rate Bonds may also contact the Remarketing Agent after 1:00 p.m. on any Unenhanced Variable Rate Minimum Rate Determination Date for information regarding the Unenhanced Variable Rate Minimum Rate for the following Effective Rate Period.

(G) After Conversion, the 2022 Series Bonds or any portion thereof will bear interest in accordance with Section 11.08.

(b) Interest Rate Changes. From time to time, by notice to the Notice Parties and as required hereunder, the Agency may, at its option, on any Business Day, with respect to Variable Rate Bonds, and with respect to any FRNs, on any FRN Mandatory Tender Date, effect an Interest Rate Change, designate a new Mode Period with respect to all or any portion of the Variable Rate Bonds, cause Unenhanced Variable Rate Bonds to become Liquidity Facility Bonds, or cause Liquidity Facility Bonds to become Unenhanced Variable Rate Bonds. Prior to causing any Unenhanced Variable Rate Bonds to become Liquidity Facility Bonds, the Agency will deliver a Liquidity Facility with respect thereto. During each Mode Period, the Effective Rates with respect to any Unenhanced Variable Rate Bonds and Liquidity Facility Bonds (other than Bank Bonds) will be those rates that, in the determination of the Remarketing Agent, would result as nearly as practicable in the market value of the Unenhanced Variable Rate Bonds and Liquidity Facility Bonds, respectively, on the Effective Rate Date being 100 percent of the principal amount of the Unenhanced Variable Rate Bonds and Liquidity Facility Bonds, respectively, and that may not exceed the Maximum Rate. In no event may the interest rate borne by Unenhanced Variable Rate Bonds in any Effective Rate Period be less than the Unenhanced Variable Rate Minimum Rate for that period.

If (i) a Floating Rate Change is effected, the 2022 Series Bonds subject to that Floating Rate Change will bear interest as provided in Section 11.02(a) hereof, (ii) a Change to Variable Rate is effected, the 2022 Series Bonds subject to that Change to Variable Rate will bear interest as provided in Section 11.02(d) hereof, and (iii) if a Conversion to Fixed Interest Rate Bonds or Index Bonds is effected, the 2022 Series Bonds subject to that Conversion will bear interest as provided in Section 11.08(d) hereof.

(c) Requirements for Interest Rate Changes. If any Series of the 2022 Series Bonds are FRNs or Variable Rate Bonds, the Agency, at its option, upon delivery to the Trustee of an opinion of Bond Counsel to the effect that the Interest Rate Change with respect to the 2022 Series Bonds subject to that Interest Rate Change will not adversely affect the exclusion of interest on the 2022 Series Bonds from gross income for federal income tax purposes (provided that, if the Agency determines to effect an Interest Rate Change with respect to the 2022 Series Bonds to bear interest that is taxable for federal income tax purposes to the owners thereof, no opinion will be required) and a Rating Confirmation, may effect an Interest Rate Change on any Business Day with respect to Variable Rate Bonds, and on any FRN Mandatory Tender Date with respect to FRNs, with respect to any portion or all of the 2022 Series Bonds on an Interest Rate Change Date selected by the Agency upon a written notice to the other Notice Parties that the Agency will cause an Interest Rate Change on the Interest Rate Change Date set forth in that written notice, which Interest Rate Change Date may not occur sooner than 20 days after the date of that notice. The notice will specify whether that Interest Rate Change will be a Floating Rate Change, a Change to Variable Rate, or a Conversion to a Fixed Interest Rate or an Index Rate, and the information required to be contained in the notice of the Trustee required pursuant to the next succeeding paragraph of this subsection.

Prior to the Interest Rate Change Date, the Trustee must deliver a notice to the Holders of the 2022 Series Bonds subject to the Interest Rate Change and to each of the Rating Services, not less than 15 days prior to the Interest Rate Change Date, setting forth the following information:

(i) that the interest rate on the 2022 Series Bonds will be changed to a FRN Rate, a Variable Rate, a Fixed Interest Rate or an Indexed Rate, as applicable;

(ii) the proposed Interest Rate Change Date;

(iii) if the Interest Rate Change is (A) a Floating Rate Change, the proposed index, Early Mandatory Tender Date (if any) and Final Mandatory Tender Date, (B) a Change to Variable Rate, the Mode into which the 2022 Series Bonds will be converted, (C) a Conversion to Index Bonds, the Index Rate Determination Method as provided in Section 11.02(d) hereof;

(iv) that the 2022 Series Bonds will be subject to mandatory tender (subject to Section 11.10(d) hereof) on the Interest Rate Change Date; and

(v) that the Agency may elect to cancel the Interest Rate Change, notice of which must be given to Bondholders at least seven calendar days prior to the proposed Interest Rate Change Date.

If the Agency elects not to proceed with the Interest Rate Change, the Agency will give notice of the cancellation of the Interest Rate Change to the Notice Parties at least nine calendar days prior to the proposed Interest Rate Change Date and, thereafter, the Trustee will give notice to each Holder of the 2022 Series Bonds of that cancellation of the proposed Interest Rate Change at least seven calendar days prior to the proposed Interest Rate Change Date for which the foregoing notice was given.

Upon any Interest Rate Change, the 2022 Series Bonds to be so changed will be subject to mandatory tender in accordance with this Section and Section 11.10 hereof, and the Holders thereof will be notified of the Interest Rate Change as provided herein. No 2022 Series Bonds to be subject to that Interest Rate Change may be remarketed by the Remarketing Agent subsequent to the date of notice of that Interest Rate Change except to purchasers who agree to accept the New Floating Rate, the Variable Rate, the Fixed Interest Rate or the Indexed Rate, to which the interest rate on the 2022 Series Bonds is being changed. The Remarketing Agent will determine (i) the FRN Adjustment Factor in the event of a Floating Rate Change, (ii) the initial Variable Rate in the event of a Change to Variable Rate, (iii) with respect to Fixed Rate Bonds, the Fixed Interest Rates, and (iv) with respect to Index Bonds, the Index Adjustment Factor or Index Percentage, as applicable, which in each case, would result as nearly as practicable in the market value of the 2022 Series Bonds on that Interest Rate Change Date being 100 percent of the principal amount thereof. The determination by the Remarketing Agent of the (i) the FRN Adjustment Factor in the event of a Floating Rate Change, (ii) the initial Variable Rate in the event of a Change to Variable Rate, (iii) with respect to Fixed Rate Bonds, the Fixed Interest Rates, and (iv) with respect to Index Bonds, the Index Adjustment Factor or Index Percentage, as applicable, in accordance with this Section 11.02(c) will be conclusive and binding on the Holders of the 2022 Series Bonds and the other Notice Parties.

Unless and until all conditions for the Interest Rate Change for any 2022 Series Bonds other than FRNs are satisfied, those 2022 Series Bonds will continue to bear interest in the same manner as interest on those 2022 Series Bonds bore interest immediately prior to the applicable Interest Rate Change Date. Unless and until all conditions for an Interest Rate Change for any FRNs are satisfied, those FRNs will be retained by the Owners of such FRNs and will continue to bear interest in the same manner as interest on those FRNs bore interest immediately prior to the proposed Interest Rate Change Date; provided, however, that any failure to satisfy conditions for an Interest Rate Change on any Final Mandatory Tender Date shall be deemed a Failed Remarketing.

The Remarketing Agent will notify by Electronic Means the Notice Parties of the FRN Adjustment Factor, the initial Variable Rate, the Fixed Interest Rates or the Index Adjustment Factor or Index Percentage, as applicable, on or prior to the Interest Rate Change Date. Any 2022 Series Bonds tendered but not subject to an Interest Rate Change will continue to bear interest in the same manner as interest on those 2022 Series Bonds bore interest immediately prior to the applicable Interest Rate Change Date. During a Delayed Remarketing Period, the Agency may designate to the Notice Parties a New Floating Rate, Variable Rate Mode, Fixed Interest Rates or Index Rates, upon 5 days' notice.

If a Series (or any portion thereof) of the 2022 Series Bonds are changed to Liquidity Facility Bonds, on or prior to the Variable Rate Change Date, the Agency must enter into a Liquidity Facility with respect to those Liquidity Facility Bonds meeting the requirements of this 2022 Variable Rate Series Resolution.

Any 2022 Series Bonds that are subject to a Change to Variable Rate will bear interest determined in the Mode in which those 2022 Series Bonds are changed. The Remarketing Agent will determine the interest rates on those 2022 Series Bonds as provided in Section 11.02(d) hereof.

(d) Mode Period. Unless on the issuance date thereof Agency has set forth a different Mode Period or other Indexed Rate for a Series of the 2022 Series Bonds, in an Agency Certificate, delivered pursuant to Section 6.01, the Mode Period from each Issue Date of each Series of the 2022 Series Bonds is as set forth in Section 11.02(a), and thereafter, until further designation by the Agency, is a Weekly Mode Period. While any 2022 Series Bonds bear interest at a Variable Rate, the Agency may designate an alternate Mode Period with respect to those 2022 Series Bonds. The Agency may give written notice of an alternate Mode Period to the other Notice Parties and the Trustee must give written notice of the Mode Change to the Owners and to each Rating Agency then rating the 2022 Series Bonds, each in accordance with the provisions of the Mode Period Chart; provided, however, that each Mode Change Date must be an Effective Rate Date for that alternate Mode Period.

If portions of a Series of the 2022 Series Bonds are simultaneously Outstanding as FRNs and Variable Rate Bonds or in more than one Mode Period, then the Trustee will (i) set up subaccounts in the 2022 Series Bonds Purchase Account relating to the FRNs and Variable Rate Bonds or those respective Mode Periods (those subaccounts in the related 2022 Series Bond Purchase Account are not required when all 2022 Series Bonds of a Series are Outstanding as FRNs or Variable Rate Bonds in the same Mode Period), and (ii) draw only on the Liquidity Facility applicable to the respective Mode Periods and related subaccount(s) in the related 2022 Series Bond Purchase Account.

Promptly upon receipt of the notice from the Agency, in accordance with the provisions of the Mode Period Chart, the Trustee must notify each Owner of the new designated Mode Period and of the applicable Rate Determination Date, Effective Rate Date, Statement of Effective Rate, Irrevocable Notice of Tender by Owners/Tender and Purchase Date (within Mode Period) and Written Mode Change Notice and Notice of Mandatory Tender, each of which will be determined in accordance with the following chart (the "Mode Period Chart"):

MODE CHART FOR VARIABLE RATE BONDS

(All times referenced are New York City time.)

	DAILY MODE	WEEKLY MODE	MONTHLY MODE	QUARTERLY MODE	SEMIANNUAL MODE
Rate Determination Date	Each Business Day by 10:00 a.m.	First Business Day preceding Effective Rate Date by 4:00 p.m.	First Business Day preceding Effective Rate Date by 4:00 p.m.	First Business Day preceding Effective Rate Date by 4:00 p.m.	First Business Day preceding Effective Rate Date by 4:00 p.m.
Effective Rate Date	Daily	For Liquidity Facility Bonds, the Thursday following the Rate Determination Date; For Unenhanced Variable Rate Bonds, each Thursday	First day of each calendar month	January 1, April 1, July 1 and October 1 of each year	January 1 and July 1 of each year
Statement of Effective Rate	Trustee to provide or cause to be provided to Owner monthly statement of Daily Effective Rates for prior month within seven Business Days of end of each calendar month	Trustee to provide or cause to be provided to Owner monthly statement of Weekly Effective Rates for prior month within seven Business Days of end of each calendar month	Trustee to provide or cause to be provided to Owner notice of Effective Rate within seven Business Days following the respective Rate Determination Dates	Trustee to provide or cause to be provided to Owner notice of Effective Rate within seven Business Days following the respective Rate Determination Dates	Trustee to provide or cause to be provided to Owner notice of Effective Rate within seven Business Days following the respective Rate Determination Dates
For Liquidity Facility Bonds: Irrevocable Notice of Tender by Owner to Remarketing Agent and Tender Agent and Tender and Purchase Date (Within Mode Period)	Notice by Owner to Remarketing Agent and Tender Agent not later than 11:00 a.m. on any Business Day, which day will also be the Tender and Purchase Date	Notice by Owner to Remarketing Agent and Tender Agent not later than 5:00 p.m. on any Business Day at least seven calendar days prior to the purchase date, which will be any Business Day and will be set forth in the Tender Notice	Notice by Owner to Remarketing Agent and Tender Agent not later than 5:00 p.m. on the Business Day seven days prior to next Effective Rate Date, which date is the Tender and Purchase Date and will be set forth in the Tender Notice	Notice by Owner to Tender Agent not later than 5:00 p.m. on the Business Day 13 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and will be set forth in the Tender Notice	Notice by Owner to Tender Agent not later than 5:00 p.m. on the Business Day 15 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and will be set forth in the Tender Notice
Unenhanced Variable Rate Bonds: Irrevocable Notice of Tender by Owner to Remarketing Agent and Tender Agent and Tender and Purchase Date (Within Mode Period)	Notice by Owner to Remarketing Agent and Tender Agent not later than 10:00 a.m. on any Business Day, which day will also be the Tender and Purchase Date	Notice by Owner to Remarketing Agent and Tender Agent not later than 4:00 p.m. on the first Business Day preceding the next Effective Rate Date, which date is the Tender and Purchase Date and will be set forth in the Tender Notice	Notice by Owner to Remarketing Agent and Tender Agent not later than 4:00 p.m. on the first Business Day preceding the next Effective Rate Date, which date is the Tender and Purchase Date and will be set forth in the Tender Notice	Notice by Owner to Tender Agent not later than 4:00 p.m. on the first Business Day preceding the next Effective Rate Date, which date is the Tender and Purchase Date and will be set forth in the Tender Notice	Notice by Owner to Tender Agent not later than 4:00 p.m. on the first Business Day preceding the next Effective Rate Date, which date is the Tender and Purchase Date and will be set forth in the Tender Notice
Written Mode Change Notice; Mandatory Tender Notice	Agency to give notice to Notice Parties of Mode Change Date 20 days prior to Mode Change Date; Trustee to give notice to Owners 15 days prior to Mode Change Date	Agency to give notice to Notice Parties of Mode Change Date 20 days prior to Mode Change Date; Trustee to give notice to Owners 15 days prior to Mode Change Date	Agency to give notice to Notice Parties of Mode Change Date 20 days prior to Mode Change Date; Trustee to give notice to Owners 15 days prior to Mode Change Date	Agency to give notice to Notice Parties of Mode Change Date 20 days prior to Mode Change Date; Trustee to give notice to Owners 15 days prior to Mode Change Date	Agency to give notice to Notice Parties of Mode Change Date 20 days prior to Mode Change Date; Trustee to give notice to Owners 15 days prior to Mode Change Date

(e) Subdesignation of 2022 Series Bonds Upon Interest Rate Change. On any Interest Rate Change Date, all Series of 2022 Series Bonds subject to Interest Rate Change on that Interest Rate Change Date will automatically, upon the Interest Rate Change, bear a sub designation. For example, the first Series of the 2022 Series Bonds so Converted will be redesignated "Series D-1" and the second Series of the 2022 Series Bonds so Converted will be redesignated "Series D-2." The redesignations will be consecutively numbered and will continue in like manner until all such related Outstanding Series of 2022 Series Bonds have been Converted to Fixed Rate Bonds or Indexed Rate Bonds. The Trustee, with the cooperation of the Agency, will cause the preparation, execution, issuance, authentication and delivery of replacement Bonds in connection with a Conversion.

11.03. Special Redemption.

(a) Non-Origination. Each Series of the 2022 Series Bonds are subject to special redemption at the option of the Agency at any time, in whole or in part, at a price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium, from unexpended proceeds of the related Series of Series Bonds held in the related 2022 Series Acquisition Account, and from allocable amounts, as reasonably determined by the Agency, held in the related 2022 Series Account in the Debt Service Reserve Fund and Insurance Reserve Fund, transferred to the Bond Redemption Fund for that purpose, to the extent set forth in the Agency Certificate delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution.

(b) Excess Revenues. Each Series of the 2022 Series Bonds are subject to special redemption at the option of the Agency at any time, in whole or in part, and, if in part, pro rata among the Outstanding Series of the 2022 Series Bonds but subject to Section 11.04(d), at a price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium, from Excess Revenues (as hereinafter defined) on deposit in the Revenue Fund, to the extent set forth in any Agency Certificate delivered in connection with a Floating Rate Change Date or on an Interest Rate Change Date. "Excess Revenues," for this purpose, means Revenues, including Prepayments, on deposit in the Revenue Fund received in excess of (i) the Principal Installments and interest from time to time due and payable on Bonds Outstanding under the Bond Resolution, (ii) amounts required by the provisions of series resolutions heretofore or hereafter adopted to be used for the mandatory redemption of certain Outstanding Bonds as specified in those series resolutions, (iii) amounts required to maintain the required balance in the Debt Service Reserve Fund and Insurance Reserve Fund, (iv) amounts payable to a Swap Counterparty, and (v) amounts required to pay fees and other costs of the Agency in connection with the Program.

11.04. Optional Redemption.

(a) The 2022 Series Bonds of each Series bearing interest at a FRN Rate are subject to redemption prior to their stated maturity at the option of the Agency, from any source of funds, in whole or in part (and if in part in an Authorized Denomination) on (i) any date set forth for optional redemption of the FRNs in an Agency Certificate delivered pursuant to (A) Section 6.01 hereof or (B) in connection with an Interest Rate Change pursuant to Section 11.02(c), (ii) any Business Day which is a FRN Mandatory Tender Date and (iii) on any Business Day during any Delayed Remarketing Period at a redemption price equal to the principal amount to be redeemed, plus accrued interest to the redemption date.

(b) The 2022 Series Bonds of each Series bearing interest at a Variable Rate will be subject to redemption prior to maturity at the option of the Agency, in whole or in part (and if in part in an Authorized Denomination) on any date, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the redemption date, without premium.

(c) Any 2022 Series Bonds of each Series bearing interest at a Fixed Interest Rate will be subject to redemption prior to maturity at the option of the Agency, from any source of funds, in whole or in part (and if in part in an Authorized Denomination) on any date that is on or after the January 1 nearest to the end of the No-Call Period described below, at the following redemption prices (expressed as percentages of the principal amount of such 2022 Series Bond called for redemption) plus accrued interest to the date fixed for redemption:

Term to Maturity	No-Call Period	Redemption Price
15 years or more	9 years from the Conversion Date	100 percent
More than five years but less than 15 years	50 percent of the term from the Conversion Date to maturity plus two years	100 percent
Five years or less	Term to maturity	Not subject to optional redemption

At or prior to the Conversion of any 2022 Series Bonds to a Fixed Interest Rate, the Agency may deliver to the Trustee an alternative redemption schedule to the schedule shown above if the Agency delivers to the Trustee an Opinion of Bond Counsel to the effect that the alternative schedule of redemption will not adversely affect the validity and enforceability of the 2022 Series Bonds in accordance with their terms and will not have an adverse effect on any exemption from federal income taxation to which the interest on the 2022 Series Bonds would otherwise be entitled.

(d) Indexed Rate Bonds are subject to redemption, at the option of the Agency, from any source of funds, in whole or in part, on any date at a redemption price of 100 percent of the principal amount thereof, together with interest accrued to the date of redemption.

(e) To the extent the Agency determines to redeem the 2022 Series Bonds pursuant to Section 11.03 and this Section 11.04, the Agency must redeem all outstanding Bank Bonds prior to redeeming any other 2022 Series Bonds.

11.05. Mandatory Sinking Fund Redemption. The 2022 Series Bonds will be subject to mandatory redemption by application of Sinking Fund Installments, if any, as set forth in the final Official Statement of the Agency furnished to the Underwriters pursuant to Section 2.05 of this 2022 Variable Rate Series Resolution or in the Agency Certificate to be delivered pursuant to Section 6.01 of this 2022 Variable Rate Series Resolution, as the case may be; provided, however, that all outstanding Bank Bonds must be redeemed before any other 2022 Series Bonds are redeemed pursuant to this Section 11.05.

11.06. Special Redemption of Bank Bonds. Notwithstanding any provisions of the Bond Resolution or this 2022 Variable Rate Series Resolution to the contrary, Bank Bonds must be redeemed on the dates and in the amounts required by the Liquidity Facility.

11.07. Manner of Redemption. If less than all of any FRNs are called for redemption, the FRNs will be selected by an Authorized Officer, specifying FRNs of a particular FRN Rate, amount and maturity (if applicable) to be redeemed. In selecting FRNs for redemption, the Trustee will treat each FRN to be redeemed as representing that number of FRNs that is obtained by dividing the principal amount of the FRN by the minimum Authorized Denomination. In the event that less than all of the FRNs of a particular maturity (if applicable) and FRN rate are to be redeemed, the particular FRNs of that maturity (if applicable) and FRN Rate will be selected at random. If the Agency makes no direction with respect to particular maturities (if applicable) and FRN Rates to be redeemed, then those FRNs will be redeemed proportionately among all of the maturities (if applicable) and FRN Rates in the manner as the Trustee deems fair.

Upon redemption of any of the 2022 Series Bonds (other than through mandatory sinking fund installments or redemption of Bank Bonds), subject to the above paragraph, the principal amounts of the 2022 Series Bonds to be redeemed will be selected by an Authorized Officer and certified to the Trustee on behalf of the Agency in accordance with the provisions of Article V of the Bond Resolution and this 2022 Variable Rate Series Resolution, including a certification that the purchase or redemption of those 2022 Series Bonds will have no material adverse effect on the Agency's ability to pay when due the Principal Installments of and interest on the Bonds Outstanding under the Bond Resolution after that purchase or redemption. Upon redemption of any of the 2022 Series Bonds that are Term Bonds (other than through sinking fund installments) an Authorized Officer must also determine and certify to the Trustee the years in which and the amounts by which the sinking fund installments referred to in Section 11.05 are to be reduced, in a manner that the aggregate reduction equals the aggregate principal amount of the 2022 Series Bonds so redeemed.

11.08. Conversion to Fixed Interest Rate or Indexed Rate.

(a) The Agency may at its option, upon delivery to the Trustee of an opinion of Bond Counsel to the effect that the Conversion of a Series (or portion thereof) of the 2022 Series Bonds will not adversely affect the exclusion of interest on the Tax-Exempt Series Bonds from gross income for federal income tax purposes, Convert the interest rates on all or a portion of the related 2022 Series Bonds (other than Bonds previously Converted) on any Effective Rate Date to Fixed Interest Rates or an Indexed Rate as described herein upon a written notice to the other Notice Parties that the Agency will cause a Conversion of the related 2022 Series Bonds (or the portion thereof) on the

Conversion Date set forth in that written notice, which Conversion Date may not occur sooner than 30 days after the date of that notice and, with respect to any Conversion of 2022 Series Bonds to Indexed Rate Bonds, which notice must specify the Indexed Rate Determination Method with respect to those Bonds.

(b) Prior to the Conversion of any Series (or portion thereof) of the 2022 Series Bonds, the Trustee must deliver a notice to the Owners of the 2022 Series Bonds to be Converted and to each Rating Agency currently rating the 2022 Series Bonds, not less than 30 days prior to the Conversion Date, setting forth the following information:

(i) that the interest rate on those 2022 Series Bonds will be converted to a Fixed Interest Rate or an Indexed Rate, as applicable;

(ii) the proposed Conversion Date;

(iii) that those 2022 Series Bonds will be remarketed by the Remarketing Agent or purchased by the Tender Agent on the Conversion Date; and

(iv) that the Agency may elect to cancel the Conversion, notice of which must be given to Bondowners at least one week prior to the proposed Conversion Date.

If the Agency elects not to proceed with the Conversion, the Agency must give notice of the cancellation of the Conversion to the Notice Parties and, thereafter, the Trustee must give notice to each Owner of the related 2022 Series Bonds of that cancellation of the proposed Conversion at least one week prior to the proposed Conversion Date for which the foregoing notice was given.

(c) Upon any Conversion, the 2022 Series Bonds to be Converted will be subject to mandatory tender in accordance with this Section 11.08 and Section 11.10, and the Owners thereof will be notified of the Conversion as provided herein. No 2022 Series Bonds to be Converted may be remarketed by the Remarketing Agent subsequent to the date of notice of the Conversion except to purchasers who agree to accept the Fixed Interest Rate or the Indexed Rate, as applicable.

(d) Any 2022 Series Bonds that are Converted will bear interest at the Fixed Interest Rate determined upon that Conversion or the Indexed Rate with respect thereto determined from time to time in accordance with the provisions hereof, as applicable, until the maturity or prior redemption thereof. The Remarketing Agent must determine (i) in the case of a Conversion of any 2022 Series Bonds to Fixed Rate Bonds, the Fixed Interest Rates as those rates that, in the determination of the Remarketing Agent, would result as nearly as practicable in the market value of the Converted 2022 Series Bonds on the Conversion Date being 100 percent of the principal amount thereof and (ii) in the case of a Conversion of any 2022 Series Bonds to Indexed Rate Bonds, the Index Adjustment Factor or Index Percentage, as applicable, with respect to those Bonds as the Index Adjustment Factor or Index Percentage, as applicable, that, in the determination of the Remarketing Agent, would result as nearly as practicable in the market value of the

Converted 2022 Series Bonds on the Conversion Date being 100 percent of the principal amount thereof. The Remarketing Agent must notify the Notice Parties of the Fixed Interest Rates or the Index Adjustment Factor or Index Percentage, as applicable, as soon as practicable following the Conversion Date. The determination by the Remarketing Agent of the Fixed Interest Rates to be borne by or the Index Adjustment Factor or Index Percentage with respect to a Series of (or portion thereof) of the 2022 Series Bonds in accordance with this Section 11.08 is conclusive and binding on the Owners of those 2022 Series Bonds and the other Notice Parties, except as otherwise provided herein. The 2022 Series Bonds tendered but not Converted will bear interest in the Mode as determined by the Agency in accordance with Section 11.08(b).

(e) Unless and until all conditions for the Conversion of any 2022 Series Bonds other than FRNs are satisfied, those 2022 Series Bonds will continue to bear interest in the same manner as interest on those 2022 Series Bonds bore interest immediately prior to the applicable Conversion Date. Unless and until all conditions for the Conversion of any FRNs are satisfied, those FRNs will be retained by the Owners of such FRNs and will continue to bear interest in the same manner as interest on those FRNs bore interest immediately prior to the proposed Conversion Date; provided, however, that any failure to satisfy conditions for a Conversion on any Final Mandatory Tender Date shall be deemed a Failed Remarketing.

(f) On any Conversion Date, all 2022 Series Bonds subject to Conversion on that Conversion Date will automatically, upon the Conversion, bear a sub designation, as set forth in Section 11.02(e). The Trustee, with the cooperation of the Agency, will cause the preparation, execution, issuance, authentication and delivery of replacement Bonds in connection with a Conversion.

(g) Upon making an election to Convert any Series (or portion thereof) of the 2022 Series Bonds to Indexed Rate Bonds, the Agency must, for those Bonds, select the method for determining the Indexed Rate on each Index Determination Date from among the options described in paragraphs (i), (ii), (iii) or (iv) below, and must specify the method in its notice to the Trustee in connection with the Conversion. Upon Conversion of any 2022 Series Bond to an Indexed Rate, the Indexed Rate Determination Method so selected for those 2022 Series Bonds will be irrevocable. Nothing herein limits the Agency from Converting different groups or Series of 2022 Series Bonds to Indexed Rates at different times or from choosing different Indexed Rate Determination Methods for different groups or Series (or portions thereof) of 2022 Series Bonds.

(i) Index Bonds may bear interest during each Index Accrual Period (a) for any Tax-Exempt Series Bonds, at the SIFMA Swap Index multiplied by the Index Percentage determined for those bonds and (b) for any 2022 Series Bonds which are not Tax-Exempt Series Bonds, at the SOFR Index multiplied by the Index Percentage determined for those bonds; or

(ii) Index Bonds may bear interest during each Index Accrual Period (a) for any Tax-Exempt Series Bonds, at the SIFMA Swap Index plus or minus the Index Adjustment Factor for those bonds and (b) for any 2022 Series Bonds which are not Tax-Exempt Series Bonds, at the SOFR Index plus or minus the Index Adjustment Factor for those bonds; or

(iii) Index Bonds may bear interest during each Index Accrual Period at the SOFR Index multiplied by the Index Percentage determined for those bonds; or

(iv) Index Bonds may bear interest during each Index Accrual Period at the SOFR Index plus or minus the Index Adjustment Factor for those bonds.

11.09. Owners' Election to Tender.

(a) Prior to any Conversion, Owners of Liquidity Facility Bonds (other than Bank Bonds and 2022 Series Bonds owned by or on behalf of the Agency) may elect to tender their 2022 Series Bonds, which, if so tendered upon proper notice to the Remarketing Agent and/or Tender Agent, as applicable, in the manner set forth in the Mode Period Chart, will be purchased on the next Effective Rate Date (or, in the case of Liquidity Facility Bonds in a Weekly Mode, on the purchase date specified in the Tender Notice) at the Purchase Price. The notice of tender for purchase of 2022 Series Bonds by the Owners thereof must be in writing and will be irrevocable once the notice is given to the Remarketing Agent and/or the Tender Agent, as directed in the Mode Period Chart.

(b) Prior to Conversion, holders of Unenhanced Variable Rate Bonds may elect to tender their Unenhanced Variable Rate Bonds, which, if so tendered upon proper notice to the Remarketing Agent and/or the Tender Agent, as applicable, at the times and in the manner set forth in the "Mode Chart for Variable Rate Bonds," will be purchased on the next Effective Rate Date at a price equal to 100 percent of the principal amount thereof plus accrued interest. Upon receipt of a notice of optional tender for purchase of Unenhanced Variable Rate Bonds by the Owners thereof, the Remarketing Agent must promptly notify the Tender Agent of receipt of the notice. The notice of tender for purchase of Unenhanced Variable Rate Bonds by the Owners thereof must be in writing and will be irrevocable once the notice is given to the Remarketing Agent or the Tender Agent as directed in the Mode Period Chart.

11.10. Mandatory Tender of 2022 Series Bonds.

(a) (i) Subject to Section 11.10(d) hereof, any FRNs are subject to mandatory tender for purchase (with no right to retain) (i) on each Final Mandatory Tender Date, (ii) on any Early Mandatory Tender Date specified by the Agency, and (iii) on each Interest Rate Change Date, at the Purchase Price, subject to the conditions described herein.

(ii) The Agency may establish one or more Early Mandatory Tender Dates on which all or a portion of any FRNs, unless earlier redeemed, are subject to mandatory tender for purchase (with no right to retain) at a price equal to the Purchase Price.

(iii) If only a portion of such FRNs will be subject to mandatory tender on such Early Mandatory Tender Date, the FRNs that will and will not be subject to mandatory tender on such date will be selected by lot; provided that so long as the book-entry system remains in effect for the FRNs, the particular 2022 Series Bond of such subseries to be purchased by lot or such other manner as DTC shall determine.

(iv) Holders of FRNs that will be subject to mandatory tender for purchase on an Early Mandatory Tender Date will receive notice of the mandatory tender as described in subsection 11.10(c).

(v) Subseries of FRNs may be created on an FRN Mandatory Tender Date; 2022 Series Bonds will be revised pursuant to Section 10.01 of this 2022 Variable Rate Series Resolution to reflect any such Subseries.

(vi) Any FRN that is subject to mandatory tender on an FRN Mandatory Tender Date may be redeemed without notice on such date.

(b) The Variable Rate Bonds (other than Bank Bonds and 2022 Series Bonds owned by or on behalf of the Agency) or any portion thereof, as applicable, are subject to mandatory tender for purchase (with no right to retain) (i) on each Mode Change Date, each Unenhanced Variable Rate Change Date, and each FRN Change Date (ii) with respect to a Liquidity Expiration Event, not less than five days prior to the scheduled expiration or earlier termination of the Liquidity Facility, (iii) on the effective date of an Alternate Liquidity Facility, a Non-Conforming Liquidity Facility or Self Liquidity, if that Mandatory Tender has not already occurred pursuant subsection (ii) above, (iv) on any Conversion Date, and (v) upon receipt of a “Notice of Termination Date” (as defined in the Liquidity Facility) by the Trustee, not less than five days prior to the termination date set forth therein (each a “Mandatory Tender Date”), at the Purchase Price, subject to the conditions described herein.

(c) In connection with any mandatory tender of Variable Rate Bonds or FRNs upon a Mandatory Tender Date, the Trustee must deliver a notice of mandatory tender stating the reason for the mandatory tender to Owners at least 15 days prior to the Mandatory Tender Date, and, subject to the provisions of Section 11.10(d) with respect to all FRNs, that all Owners subject to the mandatory tender will be deemed to have tendered their Variable Rate Bonds upon that date. So long as all of the 2022 Series Bonds are registered in the name of Cede & Co., as nominee for DTC, the notice will be delivered to DTC or its nominee as registered owner of the 2022 Series Bonds. DTC is responsible for notifying DTC Participants, and DTC Participants and Indirect Participants are responsible for notifying beneficial owners of the 2022 Series Bonds. Neither the Trustee nor the Agency is responsible for sending notices to beneficial owners. The Agency must give notice of any Mandatory Tender Date to each Rating Agency then rating the 2022 Series Bonds at least 15 days prior to that date.

(d) On each FRN Mandatory Tender Date, the Remarketing Agent will use its best efforts as described herein to sell those FRNs at the Purchase Price subject to the terms of a Remarketing Agreement. On or before 3:00 p.m., New York City time, on each FRN Mandatory Tender Date, if moneys sufficient to pay the purchase price of all FRNs subject to mandatory tender on that date will be held by the Tender Agent, the Tender Agent will purchase all those FRNs from the Holders at the Purchase Price. In the event that remarketing proceeds and any funds made available by the Agency, in its sole discretion, as provided in Section 11.10(l) hereof, for those purposes are insufficient to pay the Purchase Price of all FRNs subject to mandatory tender on that FRN Mandatory Tender Date (a "Failed Remarketing"), no FRNs will be purchased, the Holders do not have the right to have those FRNs purchased upon tender, any tendered FRNs will be returned to the Holders thereof, the Tender Agent will return remarketing proceeds to the Remarketing Agent for return to the persons providing those moneys, and those FRNs will remain in the applicable Floating Rate Term and will bear interest at the Maximum Rate during the Delayed Remarketing Period. On each Business Day during a Delayed Remarketing Period, the Remarketing Agent will continue to use its best efforts to remarket the FRNs at the New Floating Rate, a Variable Rate, Fixed Interest Rates or an Index Rate as designated by the Agency as provided herein. Once the Remarketing Agent has advised the Trustee that it has a good faith belief that it is able to remarket all the FRNs on a particular date, the Trustee, at the direction of the Agency, will give notice to the registered owners of those FRNs not later than five Business Days prior to that date, stating (i) that those FRNs will be subject to mandatory tender for purchase on that date, (ii) the procedures for mandatory tender, (iii) the Purchase Price, and (iv) the consequences of a Failed Remarketing.

(e) On each date on which Liquidity Facility Bonds are required to be tendered and purchased, the Remarketing Agent must use its best efforts as described herein to sell those Liquidity Facility Bonds. In the event the Remarketing Agent is unable to remarket the Liquidity Facility Bonds so tendered, the Bank must, pursuant to Section 12.01, purchase those Bonds (hereinafter called "Bank Bonds") in accordance with the Liquidity Facility. In the event the Remarketing Agent is unable to remarket any Unenhanced Variable Rate Bonds so tendered, those Unenhanced Variable Rate Bonds will bear interest at the Unenhanced Variable Rate Non-Remarketed Rate.

(f) Any Variable Rate Bond not tendered and delivered to the Tender Agent on or prior to its Mandatory Tender Date ("Untendered Bonds"), for which there have been irrevocably deposited in trust with the Trustee the purchase price equal to the principal amount of those Variable Rate Bonds plus accrued interest will be deemed to have been tendered and purchased on that Mandatory Tender Date. Owners of Untendered Bonds will not be entitled to any payment (including any interest to accrue on or after the Mandatory Tender Date) other than the principal amount of those Untendered Bonds, plus accrued interest to the day preceding the Mandatory Tender Date, and those Owners will no longer be entitled to the benefits of the Resolution, except for the purpose of payment of the purchase price. Bond certificates will be issued in place of Untendered Bonds and, after the issuance of the replacement Variable Rate Bond certificates, the Untendered Bonds will be deemed purchased, canceled, and no longer Outstanding under the Resolution.

(g) Any FRNs not tendered and, if the Book-Entry System is not in effect, delivered, with all necessary endorsements for transfer and signature guarantees, to the Tender Agent at or prior to its 2:30 p.m., New York City time, on its FRN Mandatory Tender Date for which there have been irrevocably deposited in trust with the Trustee the Purchase Price are "deemed tendered" for purposes of this 2022 Variable Rate Series Resolution and will cease to accrue interest on that FRN Mandatory Tender Date; that Untendered Bond will cease to be Outstanding under the General Bond Resolution; and the Owner of that Untendered Bond will no longer be entitled to any payment or other benefits under the General Bond Resolution and this 2022 Variable Rate Series Resolution, except payment of the Purchase Price therefor from money and only from that money, held by the Tender Agent for that purpose upon presentation to the Tender Agent (with appropriate instrument of transfer) at its principal office at or prior to 3:00 p.m., New York City time, on any Business Day after the Mandatory Tender Date. If the Book-Entry System is not then in effect, Bond certificates will be issued in place of Untendered Bonds and, after the issuance of the replacement Bond certificates, those Untendered Bonds will be deemed purchased, canceled, and no longer Outstanding under the Bond Resolution and this 2022 Variable Rate Series Resolution.

(h) UNENHANCED VARIABLE RATE BONDS WILL NOT BE SUPPORTED BY A LETTER OF CREDIT, LINE OF CREDIT, STANDBY BOND PURCHASE AGREEMENT OR ANY OTHER LIQUIDITY FACILITY. If the Remarketing Agent cannot successfully remarket any Unenhanced Variable Rate Bonds subject to optional or mandatory tender for purchase, the holders thereof do not have the right to have the Unenhanced Variable Rate Bonds purchased upon tender. Any Unenhanced Variable Rate Bond that is subject to optional or mandatory tender for purchase that the Remarketing Agent, after using its best efforts, is unable to remarket in accordance with this 2022 Variable Rate Series Resolution, at a price equal to 100 percent of the principal amount thereof, plus accrued interest, by 11:05 a.m., on the date scheduled for that purchase, whether that inability is because of market conditions or otherwise, will bear interest at the Unenhanced Variable Rate Non-Remarketed Rate and be subject to tender for purchase as described in Sections 11.09 and 11.10.

(i) The Remarketing Agent will continue to use its best efforts each Business Day to remarket that Unenhanced Variable Rate Bond in accordance with this 2022 Variable Rate Series Resolution at a price equal to 100 percent of the principal amount thereof, plus accrued interest. In connection therewith, the Remarketing Agent will consider each day to be a Rate Determination Date for that Unenhanced Variable Rate Bond.

(j) During the period of time from and including the initial date that any Unenhanced Variable Rate Bond was to be purchased to (but not including) the date that the Unenhanced Variable Rate Bond is successfully remarketed (the "Non-Remarketing Period"), that Unenhanced Variable Rate Bond will bear interest at a rate per annum equal to the Unenhanced Variable Rate Non-Remarketed Rate determined from time to time as described in Section 11.02.

(k) Notwithstanding the foregoing provisions, if a failure to pay principal, interest or premium on any Unenhanced Variable Rate Bond when due has occurred, that Unenhanced Variable Rate Bonds will bear interest during each Mode Period for any portion thereof at a rate per annum equal to the Unenhanced Variable Rate Default Rate for the period from the time from and including the initial date of the failure to (but not including) the date on which the failure has ceased to be continuing.

(l) The Agency may, but shall not be obligated to, transfer immediately available funds of the Agency to the Tender Agent for the payment of the Purchase Price of 2022 Series Bonds required to be tendered on a Mandatory Tender Date.

11.11. Limitation Upon Defeasance FRNs and Variable Rate Bonds. Notwithstanding the provisions of the Bond Resolution relating to the defeasance of Bonds, the defeasance of 2022 Series Bonds that are FRNs or Variable Rate Bonds will be conditioned upon receipt by the Trustee of written evidence from each Rating Agency currently rating the 2022 Series Bonds that its rating then in effect on the 2022 Series Bonds will not be reduced or withdrawn due to the defeasance. Additionally, in the event of any partial defeasance of any of the FRNs or Variable Rate Bonds, separate accounts will be established by the Trustee for the defeased FRNs or Variable Rate Bonds and the non-defeased Variable Rate Bonds, respectively.

11.12. Agency Not Responsible to Bondowners for Bank's Failure to Purchase 2022 Series Bonds. Except as provided in the following sentences of this Section 11.12, the Agency is not responsible to Bondowners for any failure by the Bank to purchase Liquidity Facility Bonds tendered at the option of the Owner or subject to mandatory tender for purchase pursuant to this 2022 Variable Rate Series Resolution, nor upon the occurrence of a Termination Event or a Suspension Event (as each are defined in the Liquidity Facility). If the Agency is the Bank, the Agency will be responsible for the foregoing to the extent provided by and in accordance with the related Self Liquidity. In addition, the Agency will be required to pay the Purchase Price of any Liquidity Facility Bonds tendered on or after the occurrence of a Termination Event under the Liquidity Facility, so long as no Liquidity Facility is then in effect with respect to those Liquidity Facility Bonds, but only if that Termination Event arises solely from the long-term credit rating of the Liquidity Facility Bonds being withdrawn or suspended or reduced below "Baa3" or "BBB-" by Moody's or S&P, respectively (a "Downgrade Event"). In the event that the Bank fails for any reason to purchase Liquidity Facility Bonds tendered or deemed tendered for purchase by the Owners thereof, the Liquidity Facility Bonds will bear interest at an interest rate determined on a weekly basis to be the lesser of (a) for any Tax-Exempt Series Bonds, (i) the SIFMA Swap Index plus 1.25 percent or (ii) the Maximum Rate, and (b) for any 2022 Series Bonds which are not Tax-Exempt Series Bonds, (i) the sum of the SOFR Index plus 1.60 percent or (ii) the Maximum Rate; in each case, except for a failure following a Termination Event due to a Downgrade Event, the Owners of those Liquidity Facility Bonds will not have the right to tender their Bonds during the period that the interest rate is so determined.

11.13. General Provisions Regarding Optional and Extraordinary Optional Redemptions.

(a) Any redemption of less than all of the 2022 Series Bonds outstanding must be made in a manner that all 2022 Series Bonds of that Series outstanding after the redemption are in Authorized Denominations.

(b) Notwithstanding any contrary provisions of the Bond Resolution, 2022 Series Bonds may be called for redemption by the Trustee pursuant to Sections 11.03 and 11.04 (except with respect to Bank Bonds) hereof upon receipt by the Trustee at least 25 days prior to the redemption date of an Agency Certificate requesting the redemption. In addition to the information required by Section 5.2 of the Bond Resolution, the Agency Certificate must also specify the principal amount of the related 2022 Series Bonds of each Mode (and if the related 2022 Series Bonds within a Mode bear interest at differing rates, the principal amount of 2022 Series Bonds of each rate) to be called for redemption.

(c) Bank Bonds may be called for redemption by the Trustee pursuant to Section 11.04(a) upon receipt by the Trustee at least one Business Day prior to the redemption date of an Officer's Certificate of the Agency requesting the redemption. The Trustee must give notice to the Bank in accordance with the Liquidity Facility one Business Day prior to any redemption of Bank Bonds pursuant to Section 11.04(a) or 11.06.

In lieu of redeeming 2022 Series Bonds pursuant to this Section 11.13, the Trustee may, at the request of the Agency, use the funds available hereunder for redemption of 2022 Series Bonds to purchase 2022 Series Bonds in the open market at a price not exceeding the redemption price then applicable hereunder. Any 2022 Series Bond so purchased in lieu of redemption must be delivered to the Trustee for cancellation.

11.14. Notice of Redemption.

(a) Except as herein provided, a copy of the notice of the call for any redemption identifying the 2022 Series Bonds to be redeemed must be given by Immediate Notice, with respect to 2022 Series Bonds bearing interest at a Daily or Weekly Rate, not less than 20 days prior to the date fixed for redemption and must be given by first class mail, postage prepaid to the Owners of 2022 Series Bonds to be redeemed at their addresses as shown on the Bond Register. The notice must specify the redemption date, the redemption price, the place and manner of payment and that from the redemption date interest will cease to accrue on the 2022 Series Bonds that are the subject of the notice and will include other information as the Trustee deems appropriate or necessary at the time the notice is given to comply with any applicable law, regulation or industry standard. A copy of the notice of any redemption must also be given to the Remarketing Agent (if a Remarketing Agreement is in force) and to the Bank (if a Liquidity Facility is in force) promptly following the giving of notice to the Bondowners as aforesaid.

(b) Notwithstanding the foregoing, (i) any FRNs may be redeemed on any Final Mandatory Tender Date without notice and (ii) for any FRNs to be redeemed during a Delayed Remarketing Period pursuant to Section 11.10(d), the Trustee must give notice to the registered owners of those FRNs not later than five Business Days prior to the date of redemption; any notice of redemption given pursuant to Section 11.10(d) must state (A) that those FRNs will be subject to mandatory tender for purchase and redemption on that date, (B) the procedures for mandatory tender, and (C) the Purchase Price.

(c) Notwithstanding the foregoing, if Bank Bonds are to be redeemed pursuant to Section 11.04(a) or 11.06, the Trustee must give Immediate Notice of a redemption of Bank Bonds to the Bank at least one Business Day prior to the date fixed for redemption, upon receipt of the Officer's Certificate of the Agency.

(d) Failure to give notice in the manner prescribed hereunder with respect to any 2022 Series Bonds, or any defect in the notice, will not affect the validity of the proceedings for redemption for any 2022 Series Bond with respect to which notice was properly given. Upon the happening of the above conditions and if sufficient moneys are on deposit with the Trustee on the applicable redemption date to redeem the 2022 Series Bonds to be redeemed and to pay interest due thereon and premium, if any, the 2022 Series Bonds thus called will not after the applicable redemption date bear interest, be protected by the Bond Resolution or this 2022 Variable Rate Series Resolution or be deemed to be outstanding under the provisions of the Bond Resolution or this 2022 Variable Rate Series Resolution.

(e) If any 2022 Series Bond is transferred or exchanged on the Bond Register by the Trustee after notice has been given calling that 2022 Series Bond for redemption, the Trustee will attach a copy of the notice to the 2022 Series Bond issued in connection with the transfer or exchange.

(f) To the extent the provisions of this Section 11.14 conflict with the provisions of the Bond Resolution relating to the method and timing of giving notice of redemption, the provisions of this Section 11.14, as to the 2022 Series Bonds, will control.

11.15. Selection of 2022 Series Bonds to Be Redeemed. If less than all of a Series of the FRNs are called for redemption, the FRNs of that Series will be selected by an Authorized Officer, specifying FRNs of a particular FRN Rate, amount and maturity (if applicable) to be redeemed. In selecting FRNs for redemption, the Trustee will treat each FRN to be redeemed as representing that number of FRNs that is obtained by dividing the principal amount of the FRN by the minimum Authorized Denomination. In the event that less than all of the FRNs of a particular maturity (if applicable) and FRN rate are to be redeemed, the particular FRNs of that maturity (if applicable) and FRN Rate will be selected at random. If the Agency makes no direction with respect to particular maturities (if applicable) and FRN Rates of a Series to be redeemed, then those FRNs will be redeemed proportionately among all of the maturities (if applicable) of that Series and FRN Rates in the manner as the Trustee deems fair.

If less than all the 2022 Series Bonds (other than FRNs) of a Series are called for redemption under any provision of this 2022 Variable Rate Series Resolution permitting a partial redemption, those 2022 Series Bonds will be selected in accordance with an Officer's Certificate specifying that Series of 2022 Series Bonds of a particular Mode and interest rate to be redeemed, and otherwise the redemption must be by lot in a manner as the Trustee may determine among the Series of 2022 Series Bonds of the same Series Mode and interest rate. In selecting 2022 Series Bonds (other than FRNs) for redemption, the Trustee will treat each 2022 Series Bond as representing that number of 2022 Series Bonds that is obtained by dividing the principal amount of that 2022 Series Bond by the minimum Authorized Denomination. If it is determined that one or more, but not all, of the integral multiples of the Authorized Denomination of principal amount represented by any 2022 Series Bonds (other than FRNs) is to be called for redemption, then, upon notice of intention to redeem that integral multiple of an Authorized Denomination, the Owner of that 2022 Series Bond must forthwith surrender that 2022 Series Bond to the Trustee for (a) payment to the Owner of the redemption price of the integral multiple of the Authorized Denomination of principal amount called for redemption and (b) delivery to the Owner of a new 2022 Series Bond or 2022 Series Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of the 2022 Series Bond. New 2022 Series Bonds representing the unredeemed balance of the principal amount of that 2022 Series Bond will be issued to the Owner thereof without charge.

Notwithstanding the foregoing provisions of this Section 11.15 or Section 5.5 of the Bond Resolution to the contrary, any redemption of less than all of a Series the 2022 Series Bonds outstanding must be made first from Bank Bonds relating to such Series.

11.16. Notices to Rating Agencies. To the extent notice is not otherwise provided pursuant to the terms of this 2022 Variable Rate Series Resolution or the Bond Resolution, the Trustee must provide Immediate Notice to each of the Rating Agencies then rating the 2022 Series Bonds of any of the following occurrences: (i) the expiration, termination, extension or amendment of the Liquidity Facility, (ii) the provision of an Alternate Liquidity Facility, (iii) any Unenhanced Variable Rate Change Date, (iv) the redemption in whole of the 2022 Series Bonds, (v) the acceleration of the 2022 Series Bonds, (vi) any amendments to the provisions of this 2022 Variable Rate Series Resolution, and (vii) the resignation or removal of the Trustee. Any notices sent to S&P pursuant to the terms of this 2022 Variable Rate Series Resolution should be sent by email to pubfin_structured@spglobal.com; any notices sent to Moody's pursuant to this 2022 Variable Rate Series Resolution should be sent by email to david.parsons@moodys.com.

Section 12. Payment of Tendered 2022 Series Bonds.

12.01. Payment of Tendered FRNs and Variable Rate Bonds. FRNs and Variable Rate Bonds that are tendered or deemed tendered under the terms of this 2022 Variable Rate Series Resolution must be purchased by the Tender Agent, as appropriate, upon surrender of those Variable Rate Bonds, but only from the sources listed below, from the Owners thereof by 4:30 p.m., New York City time, on the date those Bonds are required to be purchased at the Purchase Price.

Funds for the payment of the Purchase Price of FRNs must be derived from the proceeds of the remarketing of those 2022 Series Bonds on an Early Mandatory Tender Date, a Final Mandatory Tender Date or any Business Day during a Delayed Remarketing Period, and, in the event remarketing proceeds are insufficient for the payment of that Purchase Price, payments made directly by the Agency at its option pursuant to Section 11.10(e) with respect to the purchase or redemption of the 2022 Series Bonds.

Funds for the payment of the Purchase Price of Variable Rate Bonds must be derived from the following sources in the order of priority indicated:

(a) the proceeds of the sale of Variable Rate Bonds furnished to the Remarketing Agent by the purchasers thereof pursuant to Section 13.06 of this 2022 Variable Rate Series Resolution;

(b) moneys furnished to the Tender Agent pursuant to Section 13.03 of this 2022 Variable Rate Series Resolution, representing the proceeds of a draw under the applicable Liquidity Facility; and

(c) payments made directly by the Agency with respect to the purchase of 2022 Series Bonds.

12.02. Liquidity Facility.

(a) The Agency covenants to deliver the related Initial Liquidity Facility simultaneously with the authentication and delivery of a Series of the 2022 Series Bonds bearing interest at a Variable Rate, and to provide an Alternate Liquidity Facility, a Non-Conforming Liquidity Facility or Self Liquidity upon the expiration or termination of a Liquidity Facility or the replacement of the Bank so long as any 2022 Series Bonds are Liquidity Facility Bonds. The Tender Agent will be authorized and directed to execute each Liquidity Facility. Each Liquidity Facility must provide for the Bank to provide funds for the purchase of related Liquidity Facility Bonds that have been tendered and not remarketed subject to certain conditions as described therein or herein. If the Bank is replaced by multiple liquidity providers, the obligations of those providers to provide funds may be several and need not be joint obligations. The Agency hereby covenants that it will pay the principal of and interest on the Bank Bonds in accordance with each Liquidity Facility. The Agency covenants and agrees with the Owners of the related 2022 Series Bonds that it will pay any obligation, fee or charge necessary to maintain each Liquidity Facility.

(b) The Agency must not enter into any Liquidity Facility unless the Liquidity Facility provides that any expiration or termination thereof (as set forth in subsection (i) below, but not including a termination resulting from a Termination Event) that gives rise to a mandatory tender of the related 2022 Series Bonds will occur not less than 30 days following the date of notice by the Bank to the Trustee of termination. The Mandatory Tender Date will be not less than five days prior to the date that the related Liquidity Facility expires or terminates. Any mandatory tender of the related 2022 Series Bonds pursuant to this Section 12.02(b) will be done in accordance with the terms of Section 11.10, provided, however, that the notice requirements for that mandatory tender will be pursuant to this Section 12.02(b).

(i) Promptly upon receipt by the Trustee and the Agency of a written notice of termination of the Liquidity Facility by the Bank, which termination will not occur less than 30 days following receipt by the Trustee of the written notice, the Trustee must give notice to the Owners of the related 2022 Series Bonds that are Liquidity Facility Bonds that those 2022 Series Bonds will be subject to mandatory tender for purchase, with no right to retain, at the Purchase Price (payable by the Bank if remarketing proceeds are insufficient therefor) on the date set forth for purchase in the notice.

(ii) Unless the Trustee has received (A) written notice from the Bank not less than 45 days prior to the stated expiration date of the related Liquidity Facility that it elects to extend or renew that Liquidity Facility or (B) written notice from the Agency not less than 45 days prior to the stated expiration date of the related Liquidity Facility that it has determined to provide or cause to be provided an Alternate Liquidity Facility (in which case the related 2022 Series Bonds that are Liquidity Facility Bonds will be subject to mandatory tender as described in Section 12.03(a)), the Trustee must give notice to the Owners of the related 2022 Series Bonds that those 2022 Series Bonds will be subject to mandatory tender for purchase, with no right to retain, not less than 30 days from the date of the notice to those Bondowners, at the Purchase Price (payable by the Bank) on the date set forth for purchase in the notice.

(iii) The Trustee must give notice to the Owners of 2022 Series Bonds that are Liquidity Facility Bonds of the occurrence of a Termination Event (as defined in the related Liquidity Facility) promptly upon obtaining actual knowledge thereof.

(iv) The Agency must provide prior written notice to each Rating Agency then rating the 2022 Series Bonds with respect to the delivery of any Alternate Liquidity Facility, Non-Conforming Liquidity Facility or Self Liquidity or any extension or renewal of a Liquidity Facility.

12.03. Requirements for Delivery of an Alternate Liquidity Facility.

(a) So long as any Series (or portion thereof) of the 2022 Series Bonds will be Liquidity Facility Bonds, at least 45 days prior to the date of expiration of a related Liquidity Facility (as the same may be extended in accordance therewith) or at least 45 days prior to any date upon which the Agency intends to deliver an Alternate Liquidity Facility to the Trustee, the Agency must notify the Notice Parties of its intent to deliver an Alternate Liquidity Facility as permitted by this Section 12.03. The Agency must deliver that Alternate Liquidity Facility to the Trustee on or before the date that the Trustee provides in the notice to the Notice Parties. In the event that the Agency gives the notice as provided above, the notice must specify the name of the entity providing the Alternate Liquidity Facility and advise that the then-existing Liquidity Facility will terminate on the date stated in the notice, and that the affected 2022 Series Bonds will be subject to mandatory tender (with no right to retain) not less than five days prior to the termination of the existing Liquidity Facility at a purchase price equal to 100 percent of the principal amount thereof, plus accrued interest to the date of purchase (payable by the Bank in accordance with the Liquidity Facility to the extent remarketing proceeds are insufficient) on that date; notice of that mandatory tender of the affected 2022 Series Bonds will be given to Owners of the affected 2022 Series Bonds pursuant to Section 11.10 of this 2022 Variable Rate Series Resolution.

(b) On the effective date of an Alternate Liquidity Facility, the Agency must furnish or cause to be furnished to the Trustee (i) an opinion of counsel satisfactory to the Agency stating that the delivery of the Alternate Liquidity Facility to the Trustee is authorized hereunder and complies with the terms hereof and (ii) an opinion of Bond Counsel to the effect that delivery of the Alternate Liquidity Facility will not affect the exclusion of interest on the related Tax-Exempt Series Bonds from gross income for federal income tax purposes. In addition, no Alternate Liquidity Facility delivered to the Trustee will be effective for any purpose hereunder unless accompanied by the following documents:

(i) opinions of counsel reasonably satisfactory to the Agency to the effect that, as applicable, (A) the Bank providing the Alternate Liquidity Facility is duly organized and existing under the laws of the jurisdiction of its organization and, if applicable, is duly qualified to do business in the United States of America; (B) the Alternate Liquidity Facility is a legal, valid and binding obligation of the Bank thereunder enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to, or affecting generally the enforcement of, creditors' rights and remedies, and by the availability of equitable remedies, including specific performance and injunctive relief; and (C) no registration under the Securities Act of 1933, as amended, or qualification of an indenture under the Trust Indenture Act of 1939, as amended, will be required in connection with the issuance and delivery of the Alternate Liquidity Facility or the remarketing of the related 2022 Series Bonds with the benefits thereof;

(ii) letters from each Rating Agency then rating the 2022 Series Bond evidencing that the replacement of the Liquidity Facility with the Alternate Liquidity Facility will result in the short-term ratings of the related 2022 Series Bonds to be not less than the highest short-rating of each Rating Agency; provided, however, that if in an Agency Certificate, the Agency certifies to the Trustee to the effect that it is not practical to obtain an Alternate Liquidity Facility that would permit the related 2022 Series Bonds to be so rated, the letters from each Rating Agency then rating the 2022 Series Bonds evidencing that the replacement of the Liquidity Facility with the Alternate Liquidity Facility will not cause the then existing short-term rating of the related 2022 Series Bonds from that Rating Agency to be reduced or withdrawn;

(iii) copies of any other documents, agreements or arrangements entered into directly or indirectly between the Agency and the entity issuing the Alternate Liquidity Facility with respect to the transactions contemplated by the Alternate Liquidity Facility, which documents, agreements or arrangements must evidence, among other things, the agreement of the provider of the Alternate Liquidity Facility to purchase Bank Bonds then held by the Bank on the Mandatory Tender Date;

(iv) any disclosure document as the Remarketing Agent may reasonably request in connection with remarketing the related 2022 Series Bonds with an Alternate Liquidity Facility; and

(v) any other documents and opinions as the Agency may reasonably request, including evidence that all amounts due and payable to the Bank providing the then existing Liquidity Facility have been paid.

12.04. Self Liquidity; Non-Conforming Liquidity Facility.

(a) Notwithstanding any other provision of this 2022 Variable Rate Series Resolution, the Agency may elect to provide liquidity support for purchases of any Variable Rate Bonds of any Series (or portion thereof) of the 2022 Series Bonds from its own funds ("Self Liquidity") or through a facility that does not satisfy the requirements of Section 12.03 (a "Non-Conforming Liquidity Facility"), provided that the following provisions of this Section 12.04 are satisfied.

(b) At least 45 days prior to any date upon which the Agency intends to deliver Self Liquidity or a Non-Conforming Liquidity Facility to the Trustee, the Agency must notify the Notice Parties and each Rating Agency then rating the 2022 Series Bonds of its intent to deliver that Self-Liquidity or Non-Conforming Liquidity Facility as permitted by this Section. The Agency must deliver that Self Liquidity or Non-Conforming Liquidity Facility to the Trustee on or before the date specified therefor in the notice described in the preceding sentence. In the event that the Agency gives the notice as provided above, the notice must specify the name of the entity providing the Non-Conforming Liquidity Facility, if any, the effective date thereof or of Self Liquidity and must advise that the then-existing related Liquidity Facility (or applicable portion thereof) will terminate on that effective date, and that the affected 2022 Series Bonds will be subject to mandatory tender (with no right to retain) and the date of the mandatory tender (which will be not later than the fifth day prior to the last date on which the existing Liquidity Facility will remain in effect) at a purchase price equal to 100 percent of the principal amount thereof, plus accrued interest to the date of purchase (payable by the Bank in accordance with the Liquidity Facility to the extent remarketing proceeds are insufficient) on that date; notice of that mandatory tender of the affected 2022 Series Bonds will be given to Owners of the related 2022 Series Bonds pursuant to Section 11.10 of this 2022 Variable Rate Series Resolution.

(c) On the effective date of Self Liquidity or a Non-Conforming Liquidity Facility, the Agency must furnish or cause to be furnished to the Trustee an opinion of counsel satisfactory to the Agency stating that the delivery of the Liquidity Facility to the Trustee is authorized hereunder and complies with the terms hereof. In addition, no Liquidity Facility delivered to the Trustee will be effective for any purpose hereunder unless accompanied by the following documents:

(i) opinions of counsel reasonably satisfactory to the Agency to the effect that, as applicable, (A) the provider of the Liquidity Facility is duly organized and existing under the laws of the jurisdiction of its organization and, if applicable, is duly qualified to do business in the United States of America; (B) the Liquidity Facility is a legal, valid and binding obligation of the provider enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to, or affecting generally the enforcement of, creditors' rights and remedies, and by the availability of equitable remedies, including specific performance and injunctive relief; and (C) no registration under the Securities Act of 1933, as amended, or qualification of an indenture under the Trust Indenture Act of 1939, as amended, will be required in connection with the issuance and delivery of the Liquidity Facility or the remarketing of the related 2022 Series Bonds with the benefits thereof;

(ii) copies of any documents, agreements or arrangements related to or entered into directly or indirectly between the Agency and the entity issuing the related Liquidity Facility with respect to the transactions contemplated by that Liquidity Facility, which documents, agreements or arrangements must evidence, among other things, the agreement of the provider of the Non-Conforming Liquidity Facility or Self Liquidity to purchase Bank Bonds then held by the Bank on the Mandatory Tender Date;

(iii) letters from each Rating Agency then rating the 2022 Series Bonds evidencing that the replacement of the Liquidity Facility with the proposed Non-Conforming Liquidity Facility or Self Liquidity will result in the reconfirmation of the then existing rating;

(iv) any other documents and opinions as the Agency may reasonably request, including evidence that all amounts due and payable to the Bank providing the then existing related Liquidity Facility have been paid;

(v) any disclosure document as the Remarketing Agent may reasonably request in connection with remarketing the affected 2022 Series Bonds with a Non-Conforming Liquidity Facility or Self Liquidity;

(vi) if the related Liquidity Facility will provide liquidity support for less than all of a Series of the Outstanding 2022 Series Bonds, the prior written consent of the Bank; and

(vii) if required to make the terms of this 2022 Variable Rate Series Resolution consistent with the terms of the Liquidity Facility, a Series Resolution amending this 2022 Variable Rate Series Resolution.

Section 13. The Tender Agent; The Remarketing Agent; The Calculation Agent.

13.01. <u>Acceptance and Successors</u>.

(a) One or more additional Tender Agents may be appointed by the Agency to the extent necessary to effectuate the rights of the Owners to tender 2022 Series Bonds for purchase as provided herein. The Tender Agent will be entitled to compensation from the Agency for its services provided hereunder in accordance with the schedule of fees provided to, and agreed upon by, the Agency.

(b) The Tender Agent may at any time resign and be discharged of the duties and obligations created by this 2022 Variable Rate Series Resolution by giving at least 60 days' written notice to the other Notice Parties, except that the resignation will not take effect until the appointment of, and acceptance by, a successor Tender Agent hereunder. The Tender Agent may be removed at any time by the Agency by a written instrument filed with the other Notice Parties and the appointment of, and acceptance by, a successor Tender Agent. Upon the resignation or removal of the Tender Agent, the Tender Agent must pay over, deliver and assign any moneys and 2022 Series Bonds held by it in that capacity to its successor.

(c) If the position of Tender Agent becomes vacant for any reason, or if any bankruptcy, insolvency or similar proceeding is commenced by or against the Tender Agent, the Agency must appoint a successor Tender Agent to fill the vacancy and provide notice of the appointment to the Notice Parties. A written acceptance of office must be filed by the successor Tender Agent in the manner set forth in subsection (a) above. Any successor Tender Agent must be a corporation duly organized under the laws of the United States of America or any state or territory thereof, having a combined capital stock, surplus and undivided profits of at least $30,000,000 (or, alternatively, maintains a line of credit with a commercial bank of at least $30,000,000) and authorized by law to perform all of the duties imposed on it by this 2022 Variable Rate Series Resolution.

13.02. General Responsibilities of Tender Agent.

(a) Prior to the Conversion of any Series (or portion thereof) of the 2022 Series Bonds, the Tender Agent must perform the duties and obligations set forth in this 2022 Variable Rate Series Resolution, and in particular:

(i) On each Purchase Date on which Liquidity Facility Bonds are to be purchased pursuant to the Liquidity Facility, the Tender Agent must direct the Bank thereunder pursuant to Section 13.03 to provide immediately available funds to be used for the purpose of purchasing tendered Liquidity Facility Bonds that have not been remarketed on that Purchase Date. The Tender Agent must remit immediately to the related Bank funds that are not so used to purchase tendered Bonds. The Tender Agent must hold Bank Bonds in escrow for the benefit of the related Bank pending receipt of delivery instructions from the Bank; the Tender Agent may not release Bank Bonds to the Agency or the Remarketing Agent without the written confirmation from the related Bank that the Bank has received the full purchase price (including accrued interest) of the Bank Bonds.

(ii) The Tender Agent must hold all moneys delivered to it pursuant to each Liquidity Facility, as agent and bailee of, and in escrow for the benefit of the related Bondowners, in the related 2022 Series Bond Purchase Account until moneys (A) if purchasing unremarketed Liquidity Facility Bonds pursuant to that Liquidity Facility, have been delivered to or for the account of the tendering Bondowners, or (B) if remitting to the Bank, funds that are not so used to purchase tendered Liquidity Facility Bonds, have been so remitted to or for the account of the related Bank. The moneys held by the Tender Agent under this subsection (ii) must be held uninvested and segregated from other funds.

(iii) While any 2022 Series Bonds (or portions thereof) are FRNs, the Tender Agent shall perform the duties and obligations set forth in this 2022 Variable Rate Series Resolution with respect to FRNs, and in particular, the Tender Agent shall hold all moneys delivered to it pursuant to a remarketing of FRNs and remit such funds to the account of the tendering Holders (or in the event of a Failed Remarketing, to the persons from whom the funds were received for purchase of FRNs). Such moneys held by the Tender Agent under this subsection (iii) shall be held segregated from other.

(b) In performing its duties and obligations hereunder, the Tender Agent must perform only the duties specifically set forth in this 2022 Variable Rate Series Resolution and will be entitled to the protections limitations from liability and indemnities afforded to the Trustee hereunder. The Tender Agent will not be liable in connection with the performance of its duties hereunder except for its own willful misconduct or negligence, and the Tender Agent may not require additional indemnification prior to directing the Bank to provide funds necessary to purchase any Liquidity Facility Bonds pursuant to Sections 13.03(b) and 13.03(c) of the 2022 Variable Rate Series Resolution.

(c) The Tender Agent may deal in 2022 Series Bonds and with the Agency to the same extent and with the same effect as provided with respect to the Trustee and any Paying Agent.

(d) The Notice Parties will each cooperate to cause the necessary arrangements to be made and to be thereafter continued whereby funds from the sources specified herein and in the Liquidity Facility will be made available for the purchase of Bonds presented at the designated office of the Tender Agent, and to otherwise enable the Tender Agent to carry out its duties hereunder.

(e) The Tender Agent and the Remarketing Agent will cooperate to the extent necessary to permit the preparation, execution, issuance, authentication and delivery by the Tender Agent of replacement Bonds in connection with the tender and remarketing of Bonds hereunder.

(f) The Tender Agent hereby waives any rights to, or liens on, any funds or obligations held by or owing to it.

13.03. Sources of Funds for the Purchase of Tendered Bonds.

(a) The Tender Agent may only make the payments called for under this 2022 Variable Rate Series Resolution from funds transferred to it or directed by it for payment pursuant to this 2022 Variable Rate Series Resolution and the related Liquidity Facility, which funds are immediately available to the Tender Agent for purposes of making those payments. Under no circumstances will the Tender Agent be obligated to expend any of its own funds in connection with this 2022 Variable Rate Series Resolution or the performance of its duties hereunder. The Tender Agent will have no liability for interest on any moneys received or held by it.

(b) On the Business Day immediately preceding each Purchase Date, the Tender Agent must, by no later than 4:00 p.m., New York City time (or, in the case of Liquidity Facility Bonds bearing interest at the Daily Rate, on the Purchase Date, by no later than 11:30 a.m. New York City time), give each Bank electronic notice or telecopy notice with receipt confirmed telephonically of the aggregate Purchase Price of the related tendered Liquidity Facility Bonds and the amount of principal and interest, respectively, comprising that Purchase Price. On each Purchase Date, in the event that any Liquidity Facility Bonds tendered for purchase on that date are unable to be remarketed, the Tender Agent must, by no later than 11:30 a.m., New York City time, give the related Bank electronic notice or telecopy notice with receipt confirmed telephonically of the aggregate Purchase Price of the related tendered Liquidity Facility Bonds required to be purchased by the Tender Agent pursuant to the related Liquidity Facility, and the amount of principal and interest, respectively, comprising the Purchase Price. As soon as the Bank makes funds available to the Tender Agent for purchase of the related Liquidity Facility Bonds, but in any event funds must be made available not later than 2:00 p.m., New York City time, the Tender Agent is required to purchase therewith, for the account of the related Bank, that portion of the related tendered Liquidity Facility Bonds for which immediately available funds are not otherwise then available for those purchases under this 2022 Variable Rate Series Resolution.

(c) The Remarketing Agent must deliver notice by not later than 4:00 p.m., New York City time on the day prior to each Purchase Date, or 11:00 a.m., New York City time on each Purchase Date in the case of Liquidity Facility Bonds bearing interest at the Daily Rate, of the aggregate principal amount of tendered Liquidity Facility Bonds that it has remarketed on that date. If the Remarketing Agent fails for any reason to deliver notice of the remarketing of the Liquidity Facility Bonds, then the Tender Agent must direct the related Bank to make available, in immediately available funds, an amount equal to 100 percent of the aggregate principal amount of all related Liquidity Facility Bonds tendered on that Purchase Date, plus accrued interest to that date. If the Remarketing Agent fails to deliver notice by not later than 11:00 a.m., New York City time on the Purchase Date that it has received immediately available funds in the amount of the Purchase Price of all related Liquidity Facility Bonds tendered on that Purchase Date, then the Tender Agent must direct the related Bank to make available, in immediately available funds, an amount equal to 100 percent of the aggregate principal amount of all those Liquidity Facility Bonds, plus accrued interest to that date, less the amount of immediately available funds that the Remarketing Agent has given notice that it has received. Those moneys must be held, used for purchase and remitted as necessary in accordance with Section 13.03(b).

(d) Any Liquidity Facility Bonds that are purchased by a Bank will bear interest at the Bank Interest Rate, will be payable at the times and in the amounts and will be subject to the terms and provisions set forth in the related Liquidity Facility. Unless a Bank otherwise directs, any Liquidity Facility Bonds purchased by that Bank will be immediately registered in the name of that Bank as Owner (unless held through a securities depository, in which case the Liquidity Facility Bonds must be transferred in accordance with the procedures established by the securities depository) and that Bank will have all rights of an Owner of 2022 Series Bonds except that the 2022 Series Bonds purchased by the Bank will bear interest at the related Bank Interest Rate and may not be tendered while those 2022 Series Bonds remain Bank Bonds.

13.04. Appointment of Remarketing Agent; Acceptance and Successors.

(a) The Agency hereby appoints RBC Capital Markets, LLC, as Remarketing Agent with respect to the 2022 Series Bonds. The Remarketing Agent will signify its acceptance of the duties and obligations imposed on it hereunder by duly executing and delivering a Remarketing Agreement.

(b) The Remarketing Agent for a Series of 2022 Series Bonds may at any time resign and be discharged of the duties and obligations created by this 2022 Variable Rate Series Resolution by giving at least 30 days' written notice to the Notice Parties, except that the resignation will not take effect until the appointment of, and acceptance by, a successor Remarketing Agent hereunder; provided, however, if a successor Remarketing Agent has not been appointed by the Agency and accepted the appointment within 60 days of the Remarketing Agent's notice of resignation, the resignation will become effective. The Remarketing Agent may be removed at any time by the Agency by at least 30 days' written notice filed with those parties, except that the Agency must not remove the Remarketing Agent until the appointment of, and acceptance by, a successor Remarketing Agent hereunder. Upon the resignation or removal of the Remarketing Agent, the Remarketing Agent must pay over, deliver and assign any monies and 2022 Series Bonds held by it in that capacity to its successor.

(c) If the position of Remarketing Agent becomes vacant for any reason, or if any bankruptcy, insolvency or similar proceeding is commenced by or against the Remarketing Agent, the Agency must appoint a successor Remarketing Agent to fill the vacancy and provide notice of that appointment to the Notice Parties. A written acceptance of office must be filed by the successor Remarketing Agent in the manner set forth in subsection (a) of this Section. Any successor Remarketing Agent must be a commercial bank, national banking association or trust company or member of the Financial Industry Regulatory Authority, having a capitalization of at least $15,000,000 (or, alternatively, maintaining a line of credit from a commercial bank of at least $15,000,000) and authorized by law to perform all of the duties imposed on it under this 2022 Variable Rate Series Resolution.

13.05. General Responsibilities of Remarketing Agent.

(a) The Remarketing Agent must perform the duties and obligations set forth in the Remarketing Agreement and this 2022 Variable Rate Series Resolution, and in particular must:

(i) solicit purchases of 2022 Series Bonds or FRNs from investors able to purchase municipal bonds, effectuate and process those purchases, bill and receive payment for 2022 Series Bonds purchased, and perform related functions in connection with the remarketing of 2022 Series Bonds hereunder;

(ii) provide notice to the Tender Agent that the Remarketing Agent has received notices of tender pursuant to Section 11.09 of this 2022 Variable Rate Series Resolution, the date of the tenders and the principal amount of Variable Rate Bonds to be tendered;

(iii) keep books and records as are consistent with prudent industry practice and that will document its action taken hereunder, and make the books and records available for inspection by the Notice Parties;

(iv) comply at all times with all applicable state and federal securities laws and other statutes, rules and regulations applicable to the offering and sale of the Bonds; and

(v) will not sell Variable Rate Bonds to the Agency unless the Agency delivers to the Trustee and the related Remarketing Agent (A) an opinion of Bond Counsel to the effect that that sale will not adversely affect the exclusion of interest on the Tax-Exempt Series Bonds, including the Variable Rate Bonds, from gross income of the owners thereof for federal income tax purposes and (B) an opinion of a nationally recognized bankruptcy counsel to the effect that a sale of those Variable Rate Bonds by the Remarketing Agent directly to the Agency would not constitute a preferential transfer or be subject to recapture in a bankruptcy of the Agency.

(b) In performing its duties and obligations hereunder, the Remarketing Agent must use the same degree of care and skill as a prudent person would exercise under the same circumstances in the conduct of his own affairs. The Remarketing Agent will not be liable in connection with the performance of its duties hereunder except for its own willful misconduct or negligence.

(c) The Remarketing Agent may deal in 2022 Series Bonds and with the Agency to the same extent and with the same effect as provided with respect to the Trustee and any Paying Agent.

(d) The Notice Parties will each cooperate to cause the necessary arrangements to be made and thereafter continued whereby 2022 Series Bonds prepared, executed, authenticated and issued hereunder will be made available to the Remarketing Agent to the extent necessary for delivery pursuant to Section 11.10(g) upon any Conversion.

(e) The Remarketing Agent hereby waives any right to, or lien on, any remarketing proceeds held by it and any funds held under the Resolutions with respect to any amounts owing to it.

13.06. Remarketing and Sale of Tendered Bonds.

(a) On any FRN Mandatory Tender Date or during any Delayed Remarketing Period, the Remarketing Agent will use its best efforts to sell all those FRNs to be tendered as set forth in Section 11.10(d) hereof.

(b) On any Purchase Date, the Remarketing Agent must offer for sale and use its best efforts to sell all related 2022 Series Bonds tendered or deemed tendered at a price equal to the principal amount thereof plus accrued interest. The 2022 Series Bonds so sold will bear interest from the date of sale at the Effective Rate. The Remarketing Agent must, at the time specified in Section 13.03(c), provide notice to the Tender Agent of the aggregate principal amount of the related 2022 Series Bonds that have been sold; of the aggregate principal amount of related 2022 Series Bonds that will be tendered but have not been sold; of the amount of immediately available funds it has received in respect of the remarketing of the related 2022 Series Bonds; and that the Remarketing Agent commits to deliver to the Tender Agent the amount specified in the notice as having been sold, by 2:30 p.m., New York City time, on the Purchase Date, as described in Section 13.07.

(c) The Remarketing Agent must suspend its remarketing efforts with respect to a Series (or portion thereof) of Variable Rate Bonds or FRNs upon the occurrence and continuation of (i) any Event of Default as provided herein, (ii) any Termination Event under the related Liquidity Facility and the related Bank's termination of its commitment to purchase related 2022 Series Bonds tendered hereunder and (iii) if the Bank breaches its obligation to purchase related 2022 Series Bonds tendered not remarketed. The Remarketing Agent may also suspend its remarketing efforts in certain circumstances as described in the Remarketing Agreement.

(d) Unless the Bank has notified the Remarketing Agent and the Agency that it has elected to hold 2022 Series Bonds at the related Effective Rate and those 2022 Series Bonds will not be considered Bank Bonds notwithstanding that they were purchased with funds of the Bank pursuant to a Liquidity Facility, the Remarketing Agent must offer for sale and use its best efforts to sell all 2022 Series Bonds that are held by the Bank pursuant to the related Liquidity Facility at a price equal to the principal amount thereof. The 2022 Series Bonds so sold will bear interest from the date of sale at the Effective Rate. The Remarketing Agent will notify the related Bank when it has located a purchaser for some or all of the Bank Bonds then held by the Bank and the proposed Purchase Date for those Bank Bonds.

13.07. Application of Proceeds From Sale of Tendered Bonds. The proceeds of sale of any 2022 Series Bond sold by the Remarketing Agent pursuant to this Section 13 must be transferred, by no later than 2:30 p.m., New York City time, on the Purchase Date of those Bonds, by or at the direction of the Remarketing Agent by wire transfer in immediately available funds to DTC for distribution to the accounts established thereunder for Beneficial Owners of those 2022 Series Bonds; provided, however, if the Remarketing Agent has given notice of resignation pursuant to Section 13.04(b) of this 2022 Variable Rate Series Resolution and a successor Remarketing Agent has not yet been appointed by the Agency, then the Remarketing

Agent must deliver any proceeds of sale of any 2022 Series Bonds to the Tender Agent by 11:00 a.m., New York City time, on the Purchase Date of those 2022 Series Bonds. Transfers of ownership interests in the 2022 Series Bonds, while the Bonds are Book-Entry Bonds, are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners of the 2022 Series Bonds.

13.08. Determination and Notice of Interest Rate. The Remarketing Agent must give immediately notice of the Effective Rate for Variable Rate Bonds or the Fixed Interest Rate or the Index Adjustment Factor by telephone to the Trustee, and must promptly thereafter confirm the same in writing to the Notice Parties.

13.09. Appointment of Calculation Agent; Acceptances and Successors.

(a) The Agency hereby appoints Computershare Trust Company, National Association as Calculation Agent with respect to the 2022 Series Bonds.

(b) The Calculation Agent may at any time resign and be discharged of the duties and obligations created by this 2022 Variable Rate Series Resolution by giving at least 60 days' written notice to the other Notice Parties, except that that resignation will not take effect until the appointment of a successor Calculation Agent hereunder. The Calculation Agent may be removed at any time by the Agency by a written instrument filed with the other Notice Parties, except that that removal will not take effect until the appointment of a successor Calculation Agent hereunder.

(c) If the position of Calculation Agent becomes vacant for any reason, or if any bankruptcy, insolvency or similar proceeding is commenced by or against the Calculation Agent, the Agency must appoint a successor Calculation Agent to fill the vacancy and provide notice of that appointment to the Notice Parties. A written acceptance of office must be filed by the successor Calculation Agent.

13.10. General Responsibilities of Calculation Agent. The Calculation Agent will determine the Adjusted Rate on each Rate Determination Date for related Series (or portion thereof) of FRNs in accordance with this 2022 Variable Rate Series Resolution.

Section 14. Discretion of Authorized Officer.

14.01. Discretion of Authorized Officer. An Authorized Officer shall determine the number and aggregate principal amount of each Series of the 2022 Series Bonds, subject to the limitations in Section 2.01 of this 2022 Variable Rate Series Resolution. Notwithstanding anything contained in the foregoing sections of this 2022 Variable Rate Series Resolution, if an Authorized Officer, upon consultation with the Chair and upon the advice of Bond Counsel or counsel to the Agency, determines that it is not in the best interests of the Agency to issue and sell a Series of the 2022 Series Bonds (subject to any applicable provisions of any bond purchase agreement theretofore executed or the terms and conditions of the public sale of a Series of the 2022 Series Bonds following the award thereof), then such Series of the 2022 Series Bonds will not be issued or sold in accordance with this 2022 Variable Rate Series Resolution.

Adopted by the Minnesota Housing Finance Agency this 24th day of February, 2022.

By: ___________________________
Chair

Attest: ________________________
Commissioner

[Resolution No. MHFA 22-017]

EXHIBIT A

[Form of 2022 Series Bonds]

No. _____ $_________

UNITED STATES OF AMERICA - STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

RESIDENTIAL HOUSING FINANCE BOND, 2022 SERIES [D][__] [(TAXABLE)]

Rate	Maturity Date	Date of Original Issue	CUSIP

The Minnesota Housing Finance Agency, a public body corporate and politic organized and existing under the provisions of Minnesota Statutes, Chapter 462A, for value received promises to pay to

CEDE & CO.

or registered assigns, the principal sum of

____ DOLLARS

on the maturity date specified above, with interest thereon from the Date of Original Issue set forth above and to pay interest on the principal amount in like manner at the rates per annum and on the dates determined and described herein and in the Series Resolution (as defined herein), payable on each January 1 and July 1, commencing __________ 1, 20___, to the order of the registered owner hereof as shown on the Bond Register maintained by the Trustee (as hereinafter defined), with respect to Variable Rate Bonds, on the business day immediately prior to that interest payment date and, in all other cases, on the fifteenth (15^{th} day (whether or not a business day) of the immediately preceding month, subject to the provisions referred to herein with respect to the redemption of principal before maturity, mandatory tender or conversion (the "Conversion") of the interest rate to a fixed interest rate or to an indexed rate. Prior to Conversion, the 2022 Series___ Bond will bear interest at a variable rate (the "Effective Rate") based on a Daily Mode Period, Weekly Mode Period, Monthly Mode Period, Quarterly Mode Period or Semiannual Mode Period (each a "Mode Period") subject to and in accordance with the 2022 Variable Rate Series Resolution (hereinafter defined). The 2022 Series___ Bond will initially bear interest at the Effective Rate based on a Weekly Mode Period. After Conversion, the 2022 Series __ Bond will bear interest at the fixed interest rate (the "Fixed Interest Rate") or an indexed rate (the "Indexed Rate"), as applicable, subject to and in accordance with the 2022 Variable Rate Series Resolution described herein until the Agency's obligation with respect to the payment of that principal amount is discharged, provided that, in any event, Bank Bonds (as defined herein) will bear interest in accordance with the Liquidity Facility. Thereafter, interest will be payable as provided in the 2022 Variable Rate Series Resolution. The interest hereon and, upon presentation and surrender hereof, the principal and any redemption premium with respect to the 2022 Series __ Bonds are payable in lawful money of the United States by check or draft, or other agreed means of payment, by Computershare Trust Company, National Association, in Minneapolis, Minnesota, successor Trustee under the Bond Resolution referred to below, or its successor (the "Trustee"). The purchase price hereof is payable, solely from the sources set forth in the 2022 Variable Rate Series Resolution, upon surrender hereof to Computershare Trust Company, National Association, in Minneapolis, Minnesota, and its successors and assigns, as tender agent (the "Tender Agent"), under the conditions set forth in the Series Resolution. For the prompt and full payment thereof when due the full faith and credit of the Agency are irrevocably pledged. This 2022 Series __ Bond is a general obligation of the Agency, payable out of any of its moneys, assets or revenues, subject to the provisions of resolutions or indentures now or hereafter pledging particular moneys, assets or revenues to particular notes or bonds, or state or federal laws appropriating particular funds for a specified purpose. The Agency has no taxing power. The State of Minnesota is not liable hereon, and this 2022 Series ____ Bond is not a debt of the State. *Capitalized terms used herein and not otherwise defined herein have the meanings assigned to those terms in the 2022 Variable Rate Series Resolution hereinafter described.*

This 2022 Series __ Bond is one of a duly authorized Series of Residential Housing Finance Bonds, 2022 Series [D][__] [(Taxable)], in the original principal amount of $__________ (the "2022 Series __ Bonds"), issued to provide funds needed for the Agency's Program of making or purchasing Program Securities to facilitate the purchase, development or rehabilitation of a sufficient supply of residential housing in Minnesota at prices that persons and families of low and moderate income can afford. The 2022 Series __ Bonds are issued under and pursuant to the Agency's Amended and Restated Residential Housing Finance Bond Resolution, adopted August 24, 1995, as amended and supplemented (the "Bond Resolution"), and the Agency's Series Resolution, adopted February 24, 2022 (the "2022 Variable Rate Series Resolution"), to which resolutions, including all supplemental resolutions that may be adopted pursuant to the provisions thereof, reference is made for a description of the revenues, moneys, securities, funds and accounts pledged to the Trustee for the security of the Owners of the 2022 Series ___ Bonds, the respective rights thereunder of the Agency, the Trustee and other Fiduciaries and the Owners of the 2022 Series __ Bonds, and the terms upon which the 2022 Series __ Bonds are issued, delivered and secured. [The 2022 Series ___ Bonds are issued contemporaneously with the Agency's Residential Housing Finance Bonds, 2022 Series __, 2022 Series___ and 2022 Series __.]

Prior to a Conversion Date, the 2022 Series __ Bonds will be issued as fully registered Bonds without coupons in the denominations of (i) during a Daily Mode Period, a Weekly Mode Period, a Monthly Mode Period or a Quarterly Mode Period with respect to Liquidity Facility Bonds, $100,000 or integral multiples of $5,000 in excess of $100,000, (ii) while the Variable Rate Bonds are Unenhanced Variable Rate Bonds, $25,000 or integral multiples thereof, and (iii) during a Semiannual Mode Period, $5,000 or integral multiples thereof. From and after a Conversion Date, the 2022 Series __ Bonds will be issuable as fully registered bonds in denominations of $5,000 or any integral multiple thereof.

Prior to a Conversion, the 2022 Series __ Bonds are subject to optional redemption prior to maturity at the option of the Agency from any source of funds, in whole or in part (and if in part in an Authorized Denomination) on any Business Day, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the redemption date.

All 2022 Series __ Bonds are subject to: (i) special redemption at any time, at a price of par plus accrued interest, without premium, from unexpended proceeds of the 2022 Series __ Bonds not used to purchase Program Securities or refund the related Refunded Bonds, if any, and from allocable amounts, if any, held in the 2022 Series Accounts in the Debt Service Reserve Fund and Insurance Reserve Fund and (ii) special redemption at any time at a price of par plus accrued interest, without premium, from Excess Revenues (as hereinafter defined) on deposit in the Revenue Fund. "Excess Revenues," for this purpose, means Revenues, including Prepayments, on deposit in the Revenue Fund received in excess of (i) the Principal Installments and interest from time to time due and payable on Bonds Outstanding under the Bond Resolution, (ii) amounts required by the provisions of series resolutions heretofore or hereafter adopted to be used for the mandatory redemption of certain Outstanding Bonds as specified in the series resolutions, (iii) amounts required to maintain the required balance in the Debt Service Reserve Fund and Insurance Reserve Fund, (iv) amounts payable to a Swap Counterparty, and (v) amounts required to pay fees and other costs of the Agency in connection with the Program.

Upon redemption of any of the 2022 Series __ Bonds, other than through the application of sinking fund installments, the maturities and amounts of the 2022 Series __ Bonds to be redeemed, and the amounts by which particular sinking fund installments shall be reduced in consequence of the redemption of 2022 Series __ Bonds, will be selected by the Agency in a manner determined to have no material adverse effect on its ability to pay when due the Principal Installments of and interest on all Bonds Outstanding under the Bond Resolution after such redemption.

Notice of any redemption of 2022 Series __ Bonds will be given be immediate notice and mailed, by first class mail, postage prepaid, to the last address on the registry books of the registered owner of any 2022 Series __ Bonds, not less than 20 days before the redemption date. Notice having been given, the 2022 Series __ Bonds or portions of 2022 Series __ Bonds specified will be due and payable at the specified redemption date and price, with accrued interest, and funds for that payment being held by or on behalf of the Trustee so as to be available therefor, interest thereon will cease to accrue, and those 2022 Series __ Bonds or portions thereof will no longer be considered Outstanding under the Bond Resolution. Any failure to give that mailed notice, or defect therein, will not impair the validity of redemption of any 2022 Series __ Bonds not affected by that defect or failure.

Bank Bonds will be redeemed on the dates and in the amounts required by the Liquidity Facility.

Prior to any Conversion of the 2022 Series __ Bonds, the Owners of Liquidity Facility Bonds may elect to tender their 2022 Series __ Bonds, which, if so tendered, upon proper notice to the Remarketing Agent or Tender Agent, as applicable, at the times and in the manner set forth in the Mode Period Chart for variable rate bonds included in the 2022 Variable Rate Series Resolution, will be purchased on the next Effective Rate Date (or, in the case of Liquidity Facility Bonds in a Weekly Mode, on the purchase date specified in the Tender Notice) at the Purchase Price. Notice of tender for purchase of 2022 Series __ Bonds by the Owners hereof must be in writing and will be irrevocable once the notice is given by the Owner hereof to the Remarketing Agent or the Tender Agent, as directed in the Mode Period Chart.

Prior to Conversion, Owners of Unenhanced Variable Rate Bonds may elect to tender their Unenhanced Variable Rate Bonds, which, if so tendered upon proper notice to the Remarketing Agent or the Tender Agent, as applicable, at the times and in the manner set forth in the Mode Period Chart, will be purchased on the next Effective Rate Date at a price equal to 100 percent of the principal amount thereof plus accrued interest. The notice of optional tender for purchase of Unenhanced Variable Rate Bonds by the registered owners hereof will be irrevocable once the notice is given to the Remarketing Agent. Upon receipt of a notice of optional tender for purchase of Unenhanced Variable Rate Bonds by the registered owners hereof, the Remarketing Agent must promptly notify the Tender Agent of receipt of the notice. The notice of tender for purchase of Unenhanced Variable Rate Bonds by the Owners thereof will be in writing and will be irrevocable once the notice is given to the Remarketing Agent or the Tender Agent as directed in the Mode Period Chart.

The 2022 Series __ Bonds or any portion thereof, as applicable, are subject to mandatory tender for purchase (with no right to retain) (i) on each Mode Change Date and each Unenhanced Variable Rate Bonds Change Date, (ii) with respect to a Liquidity Expiration Event, not less than five days prior to the scheduled expiration or earlier termination of the Liquidity Facility, (iii) on the effective date of an Alternate Liquidity Facility, if such Mandatory Tender has not already occurred pursuant to subsection (ii) above, (iv) on any Conversion Date, and (v) upon receipt of a Notice of Termination of Commitment to Purchase (as described in the Liquidity Facility) by the Trustee, not less than five days prior to the termination date set forth therein (each a "Mandatory Tender Date"), at the Purchase Price, subject to the conditions described in the 2022 Variable Rate Series Resolution. In connection with any mandatory tender of 2022 Series __ Bonds upon a Mandatory Tender Date, the Trustee will deliver a notice of mandatory tender stating the reason for the mandatory tender to Owners at least 15 days prior to the Mandatory Tender Date, and that all Owners subject to that mandatory tender will be deemed to have tendered their 2022 Series __ Bonds upon that date.

On each date on which Liquidity Facility Bonds are required to be tendered and purchased, the Remarketing Agent must use its best efforts as described in the 2022 Variable Rate Series Resolution to sell those Liquidity Facility Bonds. In the event the Remarketing Agent is unable to remarket the Liquidity Facility Bonds so tendered, the Bank must, pursuant to the Series Resolution, purchase those Bonds (the "Bank Bonds") in accordance with the Liquidity Facility. In the event the Remarketing Agent is unable to remarket any Unenhanced Variable Rate Bonds so tendered, those Unenhanced Variable Rate Bonds will bear interest at the Unenhanced Variable Rate Bonds Non-Remarketed Rate.

Any 2022 Series __ Bonds not tendered and delivered to the Tender Agent on or prior to its Mandatory Tender Date ("Untendered Bonds"), for which there have been irrevocably deposited in trust with the Trustee the purchase price equal to the principal amount of those 2022 Series ___ Bonds plus accrued interest will be deemed to have been tendered and purchased on that Mandatory Tender Date. Owners of Untendered Bonds will not be entitled to any payment (including any interest to accrue on or after the Mandatory Tender Date) other than the principal amount of those Untendered Bonds, plus accrued interest to the day preceding the Mandatory

Tender Date, and those Owners will no longer be entitled to the benefits of the Series Resolution, except for the purpose of payment of the purchase price. Bond certificates will be issued in place of Untendered Bonds and, after the issuance of the replacement Variable Rate Bond certificates, those Untendered Bonds will be deemed purchased, canceled, and no longer Outstanding under the Bond Resolution.

UNENHANCED VARIABLE RATE BONDS WILL NOT BE SUPPORTED BY A LETTER OF CREDIT, LINE OF CREDIT, STANDBY BOND PURCHASE AGREEMENT OR ANY OTHER LIQUIDITY FACILITY. If the Remarketing Agent cannot successfully remarket any Unenhanced Variable Rate Bonds subject to optional or mandatory tender for purchase, the Owners thereof do not have the right to have those Unenhanced Variable Rate Bonds purchased upon tender. Any Unenhanced Variable Rate Bond that is subject to optional or mandatory tender for purchase that the Remarketing Agent, after using its best efforts, is unable to remarket in accordance with the Series Resolution, at a price equal to 100 percent of the principal amount thereof, plus accrued interest, by 11:05 a.m., on the date scheduled for that purchase, whether the inability is because of market conditions or otherwise, will bear interest at the Unenhanced Variable Rate Non-Remarketed Rate and be subject to tender for purchase as described in the 2022 Variable Rate Series Resolution.

The Remarketing Agent will continue to use its best efforts each Business Day to remarket that Unenhanced Variable Rate Bond in accordance with the Series Resolution at a price equal to 100 percent of the principal amount thereof, plus accrued interest. In connection therewith, the Remarketing Agent will consider each day to be a Rate Determination Date for that Unenhanced Variable Rate Bond. During the period of time from and including the initial date that any Unenhanced Variable Rate Bond was to be purchased to (but not including) the date that the Unenhanced Variable Rate Bond is successfully remarketed (the "Non-Remarketing Period"), that Unenhanced Variable Rate Bond will bear interest at a rate per annum equal to the Unenhanced Variable Rate Bonds Non-Remarketed Rate determined from time to time as described in the Series Resolution. Notwithstanding the provisions of the 2022 Variable Rate Series Resolution, if a failure to pay principal, interest or premium on any Unenhanced Variable Rate Bond when due has occurred, that Unenhanced Variable Rate Bonds will bear interest during each Mode Period for any portion thereof at a rate per annum equal to the Unenhanced Variable Rate Bonds Default Rate for the period from the time from and including the initial date of the failure to (but not including) the date on which the failure has ceased to be continuing.

The Agency has issued other Series of Bonds and the Bond Resolution authorizes additional Series of Bonds to be issued (collectively, with the 2022 Series __ Bonds, the "Bonds"), all of which are secured by the pledge made and security interest granted therein, regardless of the times of issue or maturity, are of equal rank without preference, priority or distinction of any Bond of any Series over any other except as expressly provided or permitted in the Bond Resolution; subject to conditions specified in the Bond Resolution, including conditions that upon the issuance of each Series of Bonds (a) the amount held by the Trustee in the Debt Service Reserve Fund and Insurance Reserve Fund will be increased to an amount not less than their respective requirements effective after the issuance of the Bonds, and (b) each Rating Agency will confirm that issuance of the Bonds will not impair the then existing rating on the Outstanding Bonds.

The Bond Resolution permits, with certain exceptions, the modification or amendment thereof and of the rights and obligations of the Agency and of the Owners of the Bonds thereunder, by a supplemental bond resolution adopted with the written consent, filed with the Trustee, of the Owners of at least a majority in principal amount of the Bonds Outstanding or affected by the amendment at the time the consent is given. Any resolution will be binding upon the Agency and all Fiduciaries and Owners of Bonds at the expiration of thirty days after filing with the Trustee of proof of the mailing of notice that the required consent has been given. Supplemental resolutions may also be adopted, effective immediately, for the purpose of adding restrictions on or covenants by or surrendering privileges of the Agency, authorizing additional Bonds, or making provisions affecting only Bonds not yet issued or reasonably necessary to assure that interest on an applicable Series of Bonds will be, or remains, excludable from gross income under the Code; and may also be adopted, effective upon consent of the Trustee, for the purpose of curing or correcting an ambiguity, omission, defect or inconsistency, or inserting provisions not inconsistent with the Bond Resolution, clarifying matters or questions arising under it, or for any other purpose as will not be, in the opinion of the Trustee, materially adverse to the security or other interests of the Bondowners. Every Owner hereof is deemed by its purchase and retention of this 2022 Series __ Bonds to consent to be bound by every supplemental resolution and every modification and amendment adopted in accordance with the provisions of the Bond Resolution, whether or not noted or endorsed hereon or incorporated herein.

No Owner of any 2022 Series __ Bond may institute any suit, action or proceeding in equity or at law for the enforcement of any provision of the Bond Resolution or for the execution of any trust thereunder or for any other remedy thereunder except upon the conditions therein provided, but nothing therein affects or impairs the right of any Owner to enforce the payment of the principal of and interest on any 2022 Series __ Bonds held by that Owner, or the obligation of the Agency to pay the same at the time and place expressed in the 2022 Series __ Bonds.

IT IS CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to exist, to happen and to be performed precedent to and in the issuance of this 2022 Series __ Bonds in order to make it a valid and binding general obligation of the Agency in accordance with its terms do exist, have happened and have been performed in due form, time and manner as so required; that the issuance of this 2022 Series __ Bonds does not cause the indebtedness of the Agency to exceed any constitutional or statutory limitation; and that the opinion attached hereto is a full and correct copy of the legal opinion given by Bond Counsel with reference to the 2022 Series __ Bonds, dated the date of original issuance and delivery of the 2022 Series __ Bonds.

As provided in the Bond Resolution and subject to certain limitations set forth therein, this 2022 Series __ Bond is transferable upon the books of the Agency at the designated corporate trust office of the Trustee, by the registered owner hereof in person or by the owner's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or the owner's duly authorized attorney and may also be surrendered in exchange for 2022 Series __ Bonds of other authorized denominations. Upon the transfer or exchange the Agency will cause to be issued in the name of the transferee or owner a new 2022 Series __ Bond of the same aggregate principal amount, maturity, interest rate and terms as the surrendered 2022 Series __ Bond, subject to reimbursement for any tax, fee or governmental charge required to be paid by the Agency or the Trustee with respect to the transfer.

Notwithstanding any other provisions of this 2022 Series __ Bond, so long as this 2022 Series __ Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Trustee will pay all principal of, premium, if any, and interest on this 2022 Series __ Bond, and will give all notices with respect to this 2022 Series __ Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the Agency.

The Agency and the Trustee may deem and treat the person in whose name this 2022 Series __ Bond is registered upon the books of the Agency as the absolute owner hereof, whether this 2022 Series __ Bond is overdue or not, for the purpose of receiving payment of or on account of the principal, redemption price or interest and for all other purposes, and all payments so made to the registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon this 2022 Series __ Bond to the extent of the sum or sums so paid, and neither the Agency nor the Trustee will be affected by any notice to the contrary.

Unless the Trustee's Certificate hereon has been manually executed on behalf of the Trustee, this 2022 Series __ Bond will not be entitled to any benefit under the Bond and Series Resolutions or be valid or obligatory for any purpose.

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IN WITNESS WHEREOF, the Agency has caused this 2022 Series __ Bond to be executed by the facsimile signatures of its Chairperson and Commissioner, the Agency having no corporate seal.

Date of Authentication: _________, 2022

Trustee's Certificate

This is one of the 2022 Series ____ Bonds delivered pursuant to the Bond Resolution and 2022 Variable Rate Series Resolution mentioned within.

COMPUTERSHARE TRUST COMPANY, NATIONAL ASSOCIATION,
as successor Trustee

By___________________________
Authorized Representative

MINNESOTA HOUSING FINANCE AGENCY

____
By: (Facsimile Signature)
Chairperson

____
Attest: (Facsimile signature)
Commissioner

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

____
(please print or type name and address of transferee)

the within 2022 Series __ Bond and all rights thereunder and does hereby irrevocably constitute and appoint ______________________________ attorney to transfer the within 2022 Series __ Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:________________________________

____
NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Series Bond in every particular, without alteration or enlargement or any change whatsoever

Signature Guaranteed:

____
Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Trustee in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Please insert social security or other identifying number of assignee:

____

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MINNESOTA HOUSING

Board Agenda Item: 7.E
Date: 2/24/2022

Item: Adoption, Resolution Authorizing the issuance and Sale of Rental Housing Bonds, 2022 Series A (Spring Creek)

Staff Contact(s):
Kevin Carpenter, 651.297.4009, kevin.carpenter@state.mn.us
Debbi Larson, 651.296.8183, debbi.larson@state.mn.us
Paula Rindels, 651.296.2293, paula.rindels@state.mn.us

Request Type:

☒ Approval	☐ No Action Needed
☒ Motion	☐ Discussion
☒ Resolution	☐ Information

Summary of Request:
Staff is requesting authorization to issue short-term fixed rate tax-exempt bonds under the existing Rental Housing bond indenture. The bonds will be issued in an amount not to exceed $7,190,000 and will be used for the acquisition and construction of a 32-unit housing development located in Northfield, Minnesota. The Agency currently anticipates pricing and issuing these Rental Housing bonds in April; the attached Preliminary Official Statement describes the entire transaction.

Fiscal Impact:
The Agency will earn an interest rate spread while these bonds are outstanding and will also receive certain fee income as part of the closing of the bridge loan.

Meeting Agency Priorities:
- ☐ Improve the Housing System
- ☒ Preserve and Create Housing Opportunities
- ☐ Make Homeownership More Accessible
- ☒ Support People Needing Services
- ☐ Strengthen Communities

Attachment(s):
- Preliminary Official Statement
- Resolution

RESOLUTION NO. MHFA 22-018

RESOLUTION RELATING TO RENTAL HOUSING BONDS; AUTHORIZING THE ISSUANCE AND SALE THEREOF FOR A MULTIFAMILY HOUSING DEVELOPMENT IN NORTHFIELD, MINNESOTA

BE IT RESOLVED BY THE MINNESOTA HOUSING FINANCE AGENCY:

Section 1. Background and Recitals. By Resolution No. MHFA 88-12, adopted February 25, 1988, as heretofore amended and supplemented (as so amended and supplemented and as from time to time hereafter amended or supplemented in accordance with its terms, the "Bond Resolution"), the Agency has provided the terms and conditions for the issuance and the covenants and agreements for the security of its Rental Housing Bonds to be issued for the purposes of its Program of making or purchasing Mortgage Loans to finance the acquisition, construction, rehabilitation and betterment of rental housing intended for occupancy primarily by persons of low and moderate income. It is now determined to be necessary and desirable to provide for the issuance of a series of Bonds pursuant to the Bond Resolution and Minnesota Statutes, Chapter 462A, as amended, to be used to finance one Mortgage Loan (the "Mortgage Loan") to a Mortgagor (the "Mortgagor") for the purposes of financing the acquisition and construction of the multifamily housing development (the "Development") described in Exhibit A hereto (which is hereby incorporated herein and made a part hereof). All terms defined in the Bond Resolution are used with like meaning in this resolution. This resolution is referred to herein as the "Series Resolution." The Mortgage Loan to the Mortgagor shall be evidenced by a Mortgage Note to be executed by the Mortgagor to the Agency and a Mortgage to be entered into between the Mortgagor and the Agency and certain other documents referred to in the Mortgage (collectively, the "Loan Documents").

Section 2. Authorization of Series Bonds.

(a) *Purpose*. To provide sufficient funds to be used and expended for the purposes set forth in Section 1, it is now determined to be necessary to issue one series of Bonds pursuant to the Bond Resolution, which is designated as "Rental Housing Bonds, 2022 Series," in the principal amount to be determined pursuant to Section 2(E) (the "Series Bonds"). The "2022" in the designation of the Bonds may be changed to "2023" and "Series" followed by an uppercase letter, each as an Authorized Officer of the Agency (as hereinafter defined) shall so designate. Proceeds of the Series Bonds are to be used:

(i) For the financing of the Mortgage Loan to the Mortgagor; and

(ii) Incident to this purpose, for the funding of the deposit of amounts determined by and pursuant to Section 303 of the Bond Resolution to be paid into the Funds and Accounts referred to in Sections 302 and 402 thereof.

(b) *Single Issue*. Pursuant to the provisions of Section 1.150-1(c)(1) of the Income Tax Regulations (the "Regulations"), the Agency may treat the Series Bonds, together with any other Bonds issued or to be issued pursuant to the Bond Resolution which may be sold by the Agency less than fifteen days apart from the date of sale of the Series Bonds, as a single issue of bonds. The Series Bonds and such other Bonds are herein collectively referred to as the "Issue."

(c) *Pledge*. The pledge made and security interests granted in the Bond Resolution and all covenants and agreements made by the Agency therein, are made and granted for the equal benefit, protection and security of the Holders of all of the Series Bonds and other Outstanding Bonds issued and to be issued thereunder, without preference, priority or distinction of one Bond over any other of any Series, except as otherwise expressly provided for therein.

(d) *Debt Service Reserve Requirements*. Upon issuance of the Series Bonds, the Debt Service Reserve Requirement for the Series Bonds shall be as established in the Officer's Certificate delivered by an Authorized Officer to the Trustee pursuant to Sections 5 and 6 of this Series Resolution.

(e) *Sale and Offering Documents*. The Agency hereby authorizes the issuance and sale of the Series Bonds for the purposes described in Section 2(a). It is acknowledged that the final terms of the Series Bonds have not been determined as of this date.

The Series Bonds may be offered for sale by negotiating for the sale of the Series Bonds to RBC Capital Markets, LLC, as underwriter (the "Underwriter") pursuant to a preliminary official statement and a bond purchase agreement.

The Agency has received and examined a draft of the form of a Preliminary Official Statement (the "Preliminary Official Statement"), containing information relating to the Agency, the Bond Resolution, the Series Resolution, the Development, and the Series Bonds. Any of the Chair, the Commissioner, the Chief Financial Officer, or the Finance Director (each an "Authorized Officer") is hereby authorized to finalize the Preliminary Official Statement and establish the date of sale of the Series Bonds.

Any Authorized Officer is hereby authorized to approve the final terms of the Series Bonds as follows, subject to the following parameters:

(i) the principal amount of the Series Bonds; provided that the principal amount of the Series Bonds is not in excess of $7,190,000;

(ii) the maturity date of the Series Bonds; provided that the Series Bonds mature at any time in such amount not later than 3 years from the Issue Date thereof;

(iii) the interest rate borne by the Series Bonds; provided that the interest rate on the Series Bonds shall not exceed 3.50%; and

(iv) the commission payable to the Underwriter of the Series Bonds; provided that the commission shall not exceed three percent of the principal amount of the Series Bonds.

Such approval shall be conclusively evidenced by the execution of a bond purchase agreement with the Underwriter (the “Purchaser”) by such Authorized Officer. The terms of the Series Bonds, including the purchase price, shall be set forth in the Officer’s Certificate delivered by an Authorized Officer pursuant to Section 5(c) hereof.

Following a negotiated sale of the Series Bonds to the Underwriter, preparation and distribution of an Official Statement, substantially in the form of the Preliminary Official Statement, except for revisions required or approved by counsel for the Agency, and insertion of the final terms of such Series Bonds, is approved and the final Official Statement is authorized to be signed by the Chair or the Commissioner, and furnished to the Underwriter in a reasonable quantity for distribution to investors.

The Agency has received and examined a draft of the form of the bond purchase agreement (the “Bond Purchase Agreement”). An Authorized Officer is authorized to execute and deliver in the name and on behalf of the Agency the Bond Purchase Agreement with the Purchaser reflecting the terms of sale authorized pursuant to this Section 2(e).

(f) *Approval of Continuing Disclosure Undertaking*. The Agency has also examined the form of a Continuing Disclosure Undertaking relating to the Series Bonds, wherein the Agency will covenant for the benefit of the beneficial owners of the Series Bonds to provide annually certain financial information and operating data relating to the Agency and to provide notices of the occurrence of certain enumerated events. The Continuing Disclosure Undertaking is approved substantially in the form submitted and is authorized to be signed on behalf of the Agency by an Authorized Officer.

Section 3. Forms.

(a) *Generally*. The Series Bonds shall be issuable only in the form of fully registered Bonds, subject to transfer, re-registration and exchange as provided in Article VI of the Bond Resolution. The Series Bonds shall be numbered serially and no Series Bonds, whether issued initially or upon re-registration, transfer or exchange, shall bear the same number as any other Series Bond of the same series which is contemporaneously outstanding.

(b) *Form of Series Bonds*. The Series Bonds shall be in substantially the form of Exhibit B hereto (which is hereby incorporated herein and made a part hereof), with such additions, deletions or modifications as are permitted or required by the Bond Resolution or this Series Resolution, including but not limited to changes required as a result of the sale of the Series Bonds in accordance with Section 2(e) and the spacing and rearrangement of the text to facilitate machine entry of data upon registration, transfer and exchange.

Section 4. Terms of Series Bonds.

(a) *Issue Date, Denominations, and Interest Payment Dates*. The Issue Date of the Series Bonds shall be the date of original delivery of the Series Bonds or such other date as shall be approved by an Authorized Officer and as set forth in the Officer's Certificate delivered by an Authorized Officer pursuant to Section 5(c) hereof. The Series Bonds shall be issued in denominations of $5,000 principal amount or any integral multiple thereof, not exceeding the principal amount maturing on any maturity date. Interest on the Series Bonds shall be payable each February 1 and August 1, commencing August 1, 2022, or a subsequent February 1 or August 1 as set forth in the Official Statement of the Agency furnished to the Underwriter pursuant to Section 2(e) of this Series Resolution or the Officer's Certificate delivered by an Authorized Officer pursuant to Section 5(c) hereof, as the case may be.

(b) *Maturities, Interest Rates and Redemption*. The Series Bonds shall mature on the date or dates and in the principal amounts, shall bear interest at the rate or rates per annum, and shall be subject to redemption as set forth in the Official Statement of the Agency furnished to the Underwriter pursuant to Section 2(e) of this Series Resolution or in the Officer's Certificate delivered by an Authorized Officer pursuant to Section 5(c) hereof, as the case may be, all subject to the limitations in Section 2(e).

(c) *Procedure for Redemption*. All actions taken by the Agency and the Trustee in the redemption of Series Bonds shall conform to the provisions of Article VII of the Bond Resolution, save and except as otherwise expressly provided in this paragraph. Upon selection of a Series Bond or Bonds or portions thereof to be redeemed, the Trustee shall give notice, in the name of the Agency, of the redemption of such Bonds, which notice shall contain the information required by Section 702 of the Bond Resolution. The Trustee shall mail such notice, postage prepaid, not less than thirty (30) days before the redemption date, to the registered Holder of any Series Bond all or a portion of which is to be redeemed, at the Holder's last address appearing on the registry books as of the Record Date. Notice having been so mailed, the Series Bond or Bonds or portion thereof therein specified shall be due and payable at the specified redemption date and price, with accrued interest, and funds for such payment being held by or on behalf of the Trustee so as to be available therefor, interest thereon shall cease to accrue, and such Series Bonds or portions thereof shall no longer be considered Outstanding under the Bond Resolution.

(d) *Trustee*. The principal amount of and interest and any redemption premium on the Series Bonds shall be payable in lawful money of the United States by check drawn to the order of the registered owner, or other agreed means of payment, by Computershare Trust Company, National Association, in Minneapolis, Minnesota, the successor Trustee and Paying Agent under the Bond Resolution, or its successor, and shall be payable to the registered owner as shown on the registry books as of the Record Date. The principal amount of and any redemption premium on a Series Bond shall be payable only upon surrender of the Series Bond at the Principal Office of the Trustee (subject to the provisions of Section 607 of the Bond Resolution in the case of Bonds which are mutilated, destroyed, stolen, or lost), except as otherwise provided in Section 5(b) herein.

(e) *Record Date*. For purposes of this Series Resolution, where the Trustee is required to establish a Record Date hereunder, said Record Date for (i) payment of principal of and interest on the Series Bonds shall be the fifteenth (15th) day (whether or not a business day) of the month immediately preceding the payment date and (ii) for purposes of giving notice of redemption or other notice pursuant to the provisions of the Bond Resolution or Series Resolution, the last business day of the month preceding the month in which such notice is mailed.

Section 5. Issuance and Delivery.

(a) *Preparation and Execution*. The Series Bonds shall be prepared in substantially the form incorporated herein, in denominations requested by the Purchaser, and shall be executed in the manner provided in Article VI of the Bond Resolution, by the facsimile signatures of the Chairman and Commissioner of the Agency and shall be authenticated by the Trustee by manual signature of an authorized representative and shall be delivered to the Purchaser after compliance with the conditions set forth in this Section and upon deposit of the proceeds with the Trustee.

(b) *Securities Depository*.

(i) For purposes of this section the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Series Bond, the person in whose name such Series Bond is recorded as the beneficial owner of such Series Bond by a Participant on the records of such Participant, or such person's subrogee.

"Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series Bonds.

"Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds Series Bonds as securities depository.

(ii) The Series Bonds shall be initially issued as separately authenticated fully registered bonds, and one Series Bond shall be issued in the principal amount of each stated maturity of the Series Bonds. Upon initial issuance, the ownership of the Series Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Trustee and the Agency may treat DTC (or its nominee) as the sole and exclusive owner of the Series Bonds registered in its name for the purposes of payment of the principal of, premium, if any, and interest on the Series Bonds, selecting the Series Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Series Bonds under the Bond Resolution or this Series Resolution, registering the transfer of Series Bonds, and for all other purposes whatsoever, and neither the Trustee nor the Agency shall be affected by any notice to the contrary. Neither the Trustee nor the Agency shall have any responsibility or obligation to any Participant, any person or entity claiming a beneficial ownership interest in the Series Bonds under or through DTC or any Participant, or any other person or entity which is not shown on the bond register as being a registered owner of any Series Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of, premium, if any, and interest on the Series Bonds, with respect to any notice which is permitted or required to be given to owners of Series Bonds under the Bond Resolution or this Series Resolution, with respect to the selection by DTC or any Participant of any person or entity to receive payment in the event of a partial redemption of the Series Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Series Bonds. So long as any Series Bond is registered in the name of Cede & Co., as nominee of DTC, the Trustee shall pay all principal of, premium, if any, and interest on such Series Bond, and shall give all notices with respect to such Series Bond, only to Cede & Co. in accordance with DTC's Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the Agency's obligations with respect to the principal of, premium, if any, and interest on the Series Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Series Bonds will be transferable to such new nominee in accordance with subsection (4) hereof.

(iii) In the event the Agency determines to discontinue the book-entry-only system through DTC with respect to the Series Bonds, the Agency may notify DTC and the Trustee, whereupon DTC shall notify the Participants of the availability through DTC of Series Bonds in the form of certificates. In such event, the Series Bonds will be transferable in accordance with subsection (iv) hereof. DTC may determine to discontinue providing its services with respect to the Series Bonds at any time by giving notice to the Agency and the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Series Bonds will be transferable in accordance with subsection (iv) hereof.

(iv) In the event that any transfer or exchange of Series Bonds is permitted under subsection (ii) or (iii) hereof, such transfer or exchange shall be accomplished upon receipt by the Trustee of the Series Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of the Bond Resolution and this Series Resolution. In the event Series Bonds in the form of certificates are issued to registered owners other than Cede & Co., its successor as nominee for DTC as registered owner of all the Series Bonds, or another securities depository as registered owner of all the Series Bonds, the provisions of the Bond Resolution and this Series Resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Series Bonds in the form of bond certificates and the method of payment of principal of, redemption premium, if any, and interest on such Series Bonds.

(c) *Opinion and Officer's Certification*. The Trustee has been furnished a copy of the Bond Resolution. Before delivery of the Series Bonds, the Agency shall furnish to the Trustee a certified copy of this Series Resolution, together with an Opinion of Counsel to the Agency and an Officer's Certificate executed by an Authorized Officer, in form and substance as required in Section 203 of the Bond Resolution and Sections 2(e), 4(a), 4(b) and 6 of this Series Resolution, and shall obtain from the Trustee the certification required in Section 203(C) of the Bond Resolution.

Section 6. Application of Proceeds; Funds and Accounts. Proceeds of the Series Bonds, and funds of the Agency, if required, shall be deposited to accounts in the Bond Fund relating to such Series Bonds, and to the Cost of Issuance Account and Project Account relating to such Series Bonds, or used to reimburse the Agency for funds it advances pursuant to Section 11, all as set forth in the Officer's Certificate delivered by an Authorized Officer pursuant to Section 5(c) of this Series Resolution.

Section 7. General Tax Covenant. The Agency will not take, or permit or cause to be taken, any action that would adversely affect the exclusion from federal gross income of the interest on any Series Bonds, nor otherwise omit to take or cause to be taken any action necessary to maintain such exclusion from gross income and, if it should take or permit, or omit to take or cause to be taken, as appropriate, any such action, the Agency shall take all lawful actions necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof.

Section 8. Specific Tax Covenants relating to the Development. In fulfillment of the general covenant set forth in Section 7, the Agency represents as follows:

(a) The Development financed will be acquired and constructed for the purpose of providing multifamily residential rental property and will constitute a "qualified residential rental project," as such phrase is used in Sections 142(a)(7) and 142(d) of the Code.

(b) At least forty percent (40%) of the completed units in the Development shall be occupied (or treated as occupied) by Qualifying Tenants. "Qualifying Tenants" shall mean those persons and families (treating all occupants of a unit as a single family) who shall be determined from time to time by the Mortgagor to be eligible as "individuals whose income is sixty percent (60%) or less of area median gross income" within the meaning of Section 142(d)(2)(B) of the Code. The term of the foregoing restrictions shall commence on the date of issuance of the Series Bonds and shall end on the latest of the following: (i) the date which is 15 years after the date on which at least 50% of the units in the Development were first occupied; or (ii) the first day on which none of the Series Bonds are Outstanding; or (iii) the termination date of any Housing Assistance Payments Contract relating to the Development under Section 8 of the United States Housing Act of 1937, including the initial term and any renewal thereof.

(c) Each unit in the Development will be rented or available for rental to members of the general public on a continuous basis for the longer of (i) the period during which any of the Series Bonds remain Outstanding or (ii) the term of the restrictions set forth in subsection (a) of this Section 8.

(d) At no time will either the Mortgagor or any related party be permitted to occupy a unit in the Development other than units occupied or to be occupied by agents, employees or representatives of the Mortgagor and reasonably required for the proper maintenance or management of the Development. In the event a unit within the Development is occupied by the Mortgagor, the Development will include no fewer than four units not occupied by the Mortgagor.

(e) The Development consists of a single "development" and, for this purpose, proximate buildings or structures are part of the same development only if owned for federal income tax purposes by the same person or entity and if the buildings are financed pursuant to a common plan; buildings or structures are proximate if they are all located on a single parcel of land or several parcels of land which are contiguous except for the interposition of a road, street, stream or similar property.

(f) None of the units in the Development will at any time be utilized on a transient basis, or used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium or rest home.

(g) The Mortgagor shall not restrict Qualifying Tenants (as defined in the Loan Documents) from the enjoyment of unrestricted access to all common facilities and common areas of the Development.

(h) The Mortgagor shall not discriminate on the basis of race, creed, color, sex, or national origin in the lease, use or occupancy of the Development or in connection with the employment or application for employment of persons for the operation and management of the Development.

(i) No portion of the Development is presently used for purposes other than residential rental purposes and the Agency will not permit any other use unless it first obtains an opinion of bond counsel that such use will not impair the exclusion from federal gross income for interest payable on the Series Bonds.

Section 9. Additional Federal Tax Covenants Relating to the Development Financed and the Series Bonds. In furtherance of the general tax covenant made in Section 7 above, the Agency further represents as follows:

(a) All proceeds of the Series Bonds lent to the Mortgagor will be used to finance costs properly chargeable to the capital account of the Development within the meaning of Section 142(d) and functionally related and subordinate property thereto.

(b) No portion of the proceeds of the Series Bonds lent to the Mortgagor will be used to provide any airplane, skybox, or other private luxury box, health club facility, facility primarily used for gambling or liquor store.

(c) No portion of the proceeds of the Series Bonds lent to the Mortgagor will be used to acquire (i) property to be leased to the government of the United States of America or to any department, agency or instrumentality of the government of the United States of America, (ii) any property not part of the Development, or (iii) any private or commercial golf course, country club, massage parlor, tennis club, skating facility (including roller skating, skateboard and ice-skating), racquet sports facility (including any handball or racquetball court), hot tub facility, suntan facility or racetrack.

(d) No portion of the proceeds of the Series Bonds lent to the Mortgagor shall be used for the acquisition of land (or an interest therein) to be used for farming purposes, and less than twenty-five percent (25%) of the proceeds of the Series Bonds lent to the Mortgagor shall be used for the acquisition of land to be used for purposes other than farming purposes.

(e) [Reserved].

(f) The average reasonably expected economic life of the Development within the meaning of Section 147(b) of the Code is not less than 25 years.

(g) In order to qualify the Mortgage Note and Mortgage received from the Mortgagor as “program investments” within the meaning of Section 1.148-1(b) of the Treasury Regulations, the Agency will not permit the Mortgagor (or any “related person” thereto within the meaning of Section 147(a) of the Code) to take any action the effect of which would be to disqualify the Mortgage Note and Mortgage as part of a “program” under said Section 1.148-1(b), including, but not limited to, entering into any arrangement, formal or informal, with the Mortgagor or any related party to purchase bonds or notes of the Agency in an amount related to the amount of the Mortgage Note and Mortgage.

(h) In accordance with the requirements of Section 147(f) of the Code, the Agency has held a public hearing on the issuance of the Series Bonds after published notice as required by the Regulations and will obtain the approval of the Governor of the State for the issuance of the Series Bonds.

(i) Not more than 2% of the proceeds of the Series Bonds will be applied to the payment of Costs of Issuance, and all Costs of Issuance in excess of that amount, if any, will be paid by the Agency from funds other than proceeds of the Series Bonds.

(j) No obligations the interest on which is excludable from gross income for federal income tax purposes have been or will be issued which were sold at substantially the same time as the Issue, sold pursuant to the same plan of financing as the Issue and which are reasonably expected to be paid from substantially the same source of funds as the Issue.

(k) The Series Bonds will not be hedge bonds since the Agency reasonably expects to use at least 85% of the spendable proceeds of the Issue to make or purchase Mortgage Loan within three years after the date of issue of the Issue and not more than

50% of the proceeds of the Issue will be invested in nonpurpose investments having a substantially guaranteed yield for four years or more.

(l) The Series Bonds shall be counted against the unused volume cap of the Agency under the provisions of Section 146 of the Code and applicable state law for calendar year 2022. The Agency has unused volume cap in excess of the amount of the Series Bonds and shall take all necessary action to allocate the required portion of its unused volume cap to the Series Bonds.

(m) None of the proceeds of the Series Bonds will be used by the Agency to reimburse itself or a Mortgagor for any expenditure with respect to the Development which the Agency or the Mortgagor paid or will have paid more than 60 days prior to the issuance of the Series Bonds unless, with respect to such prior expenditures, the Agency shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations; provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, with respect to the Development meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to "preliminary expenditures" for the Development as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the "issue price" of the Series Bonds.

Section 10. Arbitrage. The Agency covenants that it will not use the proceeds of the Series Bonds in such a manner as to cause the Series Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable Treasury Regulations. The Agency will take all actions as may be prescribed in the future by regulations or rulings of the Internal Revenue Service to assure that the Series Bonds will meet the requirements of Section 148 of the Code relating to arbitrage, to-wit:

(a) The effective rate of interest on the Mortgage Loan purchased in whole or in part from the proceeds of the Series Bonds may not exceed the yield on the Issue, computed in accordance with Section 148 of the Code, by more than one and one-half percentage points.

(b) The Agency acknowledges that the Series Bonds are subject to the rebate requirements of Section 148(f) of the Code and applicable Regulations. The Agency agrees that it will retain such records, make such determinations, file such reports and documents and pay such amounts at such times as required under Section 148(f) of the Code and applicable Regulations to preserve the exclusion of interest on the Series Bonds from gross income for federal income tax purposes.

Section 11. Advance of Agency Funds. If the Mortgage Loan must be made before proceeds of the Series Bonds are available therefor, Agency funds legally available therefor shall be advanced by the Agency to fund the Mortgage Loan in anticipation of the issuance of the Series Bonds, and proceeds of the Series Bonds shall be used, to the extent required, to reimburse the Agency funds or accounts from which such advance was made.

Section 12. Discretion of Authorized Officer. Notwithstanding anything contained in the foregoing sections of this Series Resolution, if an Authorized Officer, upon consultation with the Chair and upon the advice of bond counsel or counsel to the Agency, determines that it is not in the best interests of the Agency to issue and sell the Series Bonds or any portion thereof (subject to any applicable provisions of any bond purchase agreement theretofore executed or the terms and conditions of the public sale of the Series Bonds following the award thereof), then such Series Bonds shall not be issued or sold in accordance with this Series Resolution.

[Remainder of page intentionally left blank]

Adopted by the Minnesota Housing Finance
Agency this 24th day of February, 2022.

By: ________________________________
Chairman

Attest: ________________________________
Commissioner

[Signature page to Resolution No. MHFA 22-018]

EXHIBIT A

DESCRIPTION OF MORTGAGOR AND DEVELOPMENT

Mortgagor	Name	Location	Number of Units
Spring Creek II Townhomes LP	Spring Creek II	Northfield, MN	32

EXHIBIT B

FORM OF SERIES BONDS

No.____ $______

UNITED STATES OF AMERICA - STATE OF MINNESOTA

MINNESOTA HOUSING FINANCE AGENCY

RENTAL HOUSING BOND
[2022] SERIES __

Interest Rate	**Maturity**	**Date of Original Issue**	**CUSIP**

The Minnesota Housing Finance Agency, a public body corporate and politic organized and existing under the provisions of Minnesota Statutes, Chapter 462A, as amended, for value received promises to pay to

CEDE & CO.

or registered assigns, the principal sum of __________________________________ DOLLARS

on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above (computed on the basis of a 360-day year composed of twelve 30-day months), payable on February 1 and August 1 in each year, commencing ____________, until said principal amount is paid, subject to the provisions referred to herein with respect to the redemption of principal before maturity. The interest hereon and, upon presentation and surrender hereof, the principal and any redemption premium with respect to this Series Bond are payable in lawful money of the United States of America by check or draft, or other agreed means of payment, to the order of the registered owner hereof as shown on the registry books of the Trustee as of the Record Date by Computershare Trust Company, National Association, in Minneapolis, Minnesota, successor Trustee under the Bond Resolution referred to below, or its successor. For the prompt and full payment thereof when due the full faith and credit of the Agency are irrevocably pledged. This Series Bond is a general obligation of the Agency, payable out of any of its moneys, assets or revenues, subject to the provisions of resolutions or indentures now or hereafter pledging particular moneys, assets or revenues to particular notes or bonds, and state laws heretofore or hereafter enacted appropriating particular funds for a specified purpose. The Agency has no taxing power. The State of Minnesota is not liable hereon, and this Series Bond is not a debt of the State.

This Series Bond is one of a duly authorized series of Rental Housing Bonds, [2022] Series __, issued in the original aggregate principal amount of $__________ (the “Series Bonds”), to provide funds needed to finance the acquisition and construction of a multifamily housing development in Northfield, Minnesota (the "Development"). The Series Bonds are issued under and pursuant to the Agency's Bond Resolution, No. MHFA 88-12, dated February 25, 1988, as amended and supplemented, and its Series Resolution, No. MHFA 22-018, adopted February 24, 2022, to which resolutions, including all supplemental resolutions adopted pursuant to the provisions thereof, reference is made for a description of the revenues, money, securities, funds and accounts pledged to the Trustee for the security of the Holders of the Bonds, including the Series Bonds, the respective rights thereunder of the Agency, the Trustee and other fiduciaries and the Holders of the Bonds, including the Series Bonds, and the terms upon which the Bonds, including the Series Bonds, are issued, delivered and secured.

The Series Bonds are issuable only in fully registered form and comprise current interest bonds of a single stated maturity. The Series Bonds are issued in denominations of $5,000 principal amount or integral multiples thereof not exceeding the principal amount maturing in any year.

The Series Bonds are subject to special redemption at the option of the Agency, in whole or in part, on any date, at a price equal to the principal amount thereof, plus accrued interest to the date of redemption, without premium, (i) from unexpended proceeds of the Series Bonds not used to finance the Development, together with allocable amounts on deposit in the Debt Service Reserve Fund, if any; or (ii) from Recovery Payments (as defined in Section 103 of the Bond Resolution) relating to the Development allocable to the Series Bonds. If said Recovery Payments allocable to the Series Bonds are not sufficient to redeem all Outstanding Series Bonds, the Agency may apply other funds to the special redemption of the Series Bonds in addition to the allocable amount of Recovery Payments.

The Series Bonds are subject to redemption at the option of the Agency, in whole or in part, on any date on or after _______, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium.

Upon any redemption of the Series Bonds or portions thereof, the Trustee will select them in a manner specified by the Agency. Upon partial redemption of the Series Bonds, a new Series Bond will be delivered to the Holder without charge, representing the remaining principal amount outstanding.

Notice of any redemption of Series Bonds will be mailed to the registered Holders of the Series Bonds (or portions thereof) to be redeemed, at their last addresses on the registry books as of the Record Date, not less than thirty (30) days before the redemption date, stating (i) the principal amount to be redeemed, (ii) the maturities of the Series Bonds to be redeemed, (iii) that on the redemption date the redemption price of the Series Bonds or portions thereof to be redeemed will be payable, with accrued interest, and (iv) that thereafter interest will cease to accrue or be payable thereon. No failure to give such notice or defect in the notice shall affect the validity of the proceedings for the redemption of Series Bonds not affected by such failure or defect. Notice having been so mailed, the Series Bonds or portions of Series Bonds therein specified shall be due and payable at the specified redemption date and price, with accrued interest, and funds for such payment being held by or on behalf of the Trustee so as to be available therefor, interest thereon shall cease to accrue, and such Series Bonds or portions thereof shall no longer be considered Outstanding under the Bond Resolution.

The Agency has issued Bonds and the Bond Resolution also authorizes additional Series of Bonds to be issued and secured by the pledge made and security interest granted therein, all of which, regardless of the times of issue or maturity, will be of equal rank with Outstanding Bonds without preference, priority or distinction of any Bond of any series over any other except as expressly provided or permitted in the Bond Resolution, subject to conditions specified in the Bond Resolution, including conditions (a) that after each such issuance there will be scheduled payments of principal and interest on Mortgage Loans then held by the Agency or to be made or purchased by the Agency from the proceeds of such Series of Bonds (or from the proceeds of notes paid or to be paid from the proceeds of the Bonds) which, with any other legally enforceable payments with respect to such Mortgage Loans, and with interest or other income estimated by the Agency to be derived from the investment or deposit of money available therefor in all funds and accounts created by the Bond Resolution, will be sufficient to pay the principal installments of and interest on the Bonds then Outstanding and the additional Series of Bonds; and (b) that the balance in the Debt Service Reserve Fund immediately prior to the issuance of such Bonds is not less than the Debt Service Reserve Requirement computed with reference to the Outstanding Bonds (except Outstanding Bonds which are to be refunded by such additional Bonds) and shall be increased, if necessary, by the deposit of Bond proceeds or other funds to the Debt Service Reserve Requirement effective after the issuance of the Bonds, as computed by the Trustee.

The Bond Resolution permits, with certain exceptions, the modification or amendment thereof and of the rights and obligations of the Agency and of the Holders of the Bonds thereunder, by a supplemental bond resolution adopted with the written consent, filed with the Trustee, of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time the consent is given. Any such resolution shall be binding upon the Agency and all fiduciaries and Holders of Bonds at the expiration of thirty days after filing with the Trustee of proof of mailing of notice that the required consent has been given. Supplemental resolutions may also be adopted, effective immediately, for the purpose of adding restrictions on or covenants by or surrendering privileges of the Agency, authorizing additional Bonds, or making provisions affecting only Bonds not yet issued, and may also be adopted, effective upon consent of the Trustee, for the purpose of curing or correcting an ambiguity, omission, defect or inconsistency, or inserting provisions not inconsistent with the Bond Resolution, clarifying matters or questions arising under it. Every Holder hereof is deemed by purchase and retention of this Series Bond to consent to be bound by every supplemental resolution and every modification and amendment adopted in accordance with the provisions of the Bond Resolution, whether or not noted or endorsed hereon or incorporated herein.

No Holder of any Bond may institute any suit, action or proceeding in equity or at law for the enforcement of any provision of the Bond Resolution or for the execution of any trust thereunder or for any other remedy thereunder except upon the conditions therein provided, but nothing therein shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on each Bond, or the obligation of the Agency to pay the same at the time and place expressed in the Bond.

IT IS CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to exist, to happen and to be performed precedent to and in the issuance of this Series Bond in order to make it a valid and binding general obligation of the Agency in accordance with its terms do exist, have happened and have been performed in due form, time and manner as so required; and that the issuance of this Series Bond does not cause the indebtedness of the Agency to exceed any constitutional or statutory limitation.

As provided in the Bond Resolution and subject to certain limitations set forth therein, this Series Bond is transferable upon the books of the Minnesota Housing Finance Agency at the designated corporate trust office of Computershare Trust Company, National Association, in Minneapolis, Minnesota, the successor Trustee thereunder, by the registered owner hereof in person or by the owner's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or the owner's duly authorized attorney. Upon such transfer the Agency will issue in the name of the transferee a new Series Bond or Bonds of the same aggregate principal amount, Series, interest rate and maturity as the surrendered Series Bond, subject to reimbursement for any tax, fee or governmental charge required to be paid by the Agency or the Trustee with respect to such transfer.

The Agency and the Trustee under the Bond Resolution may deem and treat the person in whose name this Series Bond is registered upon the books of the Agency as the absolute owner hereof, whether this Series Bond is overdue or not, for the purpose of receiving payment of or on account of the principal, redemption price or interest and for all other purposes, and all such payments so made to the registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability upon this Series Bond to the extent of the sum or sums so paid, and neither the Agency nor the Trustee shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Series Bond, so long as this Series Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Trustee shall pay all principal of, premium, if any, and interest on this Series Bond, and shall give all notices with respect to this Series Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the Agency.

[Remainder of page intentionally left blank]

Unless the Trustee's Certificate hereon has been manually executed by or on behalf of the Trustee, this Series Bond shall not be entitled to any benefit under the Bond and Series Resolutions or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Agency has caused this Series Bond to be executed by the facsimile signatures of its Chairman and Commissioner, the Agency having no corporate seal, and has caused this Series Bond to be dated as of the date set forth below.

Date of Authentication: ________________

Trustee's Certificate

This is one of the Series Bonds delivered pursuant to the Bond and Series Resolution mentioned within.

COMPUTERSHARE TRUST COMPANY, NATIONAL ASSOCIATION, Minneapolis, Minnesota, as successor trustee

By:________________________________
Authorized Representative

MINNESOTA HOUSING FINANCE AGENCY

By: ______________________________
Chairman (Facsimile Signature)

Attest: ______________________________
Commissioner (Facsimile Signature)

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

____
(please print or type name and address of transferee)

the within Bond and all rights thereunder and does hereby irrevocably constitute and appoint ____________________________ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:______________________________ _____________________________________

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever

Signature Guaranteed:______________________________________
Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Trustee in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Please insert social security or other identifying number of assignee:

____

PRELIMINARY OFFICIAL STATEMENT DATED _______________, 2022

NEW ISSUE

Ratings: Moody's: "___"
S&P: "___"

Minnesota Housing Finance Agency has prepared this Official Statement to provide information about the Series Bonds. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Series Bonds, a prospective investor should read all of this Official Statement. Capitalized terms used on this cover page have the meanings given in this Official Statement.

MINNESOTA HOUSING

$7,190,000*
MINNESOTA HOUSING FINANCE AGENCY
Rental Housing Bonds, 2022 Series A (Non-AMT)

Dated: Date of Delivery **Due: as shown on inside front cover**

Tax Exemption	Interest on the Series Bonds is not includable in gross income for federal income tax purposes or taxable net income of individuals, trusts and estates for Minnesota income tax purposes. (For additional information, including further information on the application of federal and state alternative minimum tax provisions to the Series Bonds, see "Tax Exemption and Related Considerations" herein.)
Redemption	The Agency may redeem all or a portion of the Series Bonds by optional or special redemption as described under "The Series Bonds" herein.
Security	Payment of principal and interest on the Series Bonds is secured, on an equal basis with payment of principal and interest on all Outstanding Bonds that the Agency has issued, and may subsequently issue, under the Bond Resolution, by a pledge of Bond proceeds, Mortgage Loans, Investments, Revenues and other assets held under the Bond Resolution. The Series Bonds are also general obligations of the Agency, payable out of any of its generally available moneys, assets or revenues. THE AGENCY HAS NO TAXING POWER. THE STATE OF MINNESOTA IS NOT LIABLE FOR THE PAYMENT OF THE SERIES BONDS AND THE SERIES BONDS ARE NOT A DEBT OF THE STATE. (See "Security for the Bonds.")
Interest Payment Dates	February 1 and August 1, commencing [August] 1, 2022.*
Denominations	$5,000 or any integral multiple thereof.
Closing/Settlement	On or about ______________, 2022* through the facilities of DTC in New York, New York.
Bond Counsel	Kutak Rock LLP.
Underwriter's Counsel	Dorsey & Whitney LLP.
Trustee	Computershare Trust Company, National Association, in Minneapolis, Minnesota.
Book-Entry-Only System	The Depository Trust Company. (See Appendix E herein.)

The Series Bonds are offered, when, as and if issued, subject to withdrawal or modification of the offer without notice and to the opinion of Kutak Rock LLP, Bond Counsel, as to the validity of, and tax exemption of interest on, the Series Bonds.

RBC Capital Markets

The date of this Official Statement is

__________, 2022.

*Preliminary; subject to change.

MATURITY, PRINCIPAL AMOUNT, INTEREST RATE AND PRICE*

$7,190,000* 2022 Series A Bonds

Maturity Date	Principal Amount	Interest Rate	Price	CUSIP**
August 1, 2024*	$7,190,000*	____%	100%	

*Preliminary, subject to change.

**CUSIP number has been assigned by an organization not affiliated with the Agency and is included for the convenience of the owners of the Series Bonds. The Agency is not responsible for the selection or uses of this CUSIP number, nor is any representation made as to its correctness on the Series Bonds or as indicated above. A CUSIP number for a specific maturity may be changed after the issuance date. CUSIP® is a registered trademark of the American Bankers Association.

Neither Minnesota Housing Finance Agency nor the Underwriter has authorized any dealer, broker, salesman or other person to give any information or representations, other than those contained in this Official Statement. Prospective investors must not rely on any other information or representations as being an offer to buy. No person may offer or sell Series Bonds in any jurisdiction in which it is unlawful for that person to make that offer, solicitation or sale. The information and expressions of opinion in this Official Statement may change without notice. Neither the delivery of the Official Statement nor any sale of the Series Bonds will, under any circumstances, imply that there has been no change in the affairs of the Agency since the date of this Official Statement.

This Official Statement contains statements that, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "intend," "expect," and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the Agency, the Program and the Series Bonds could cause actual results to differ materially from those contemplated in the forward-looking statements.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of the information.

In connection with this offering, the Underwriter may over-allot or effect transactions that stabilize or maintain the market price of the Series Bonds at a level above that which might otherwise prevail in the open market. This stabilizing, if commenced, may be discontinued.

NO FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS RECOMMENDED THESE SECURITIES. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

relating to
$7,190,000*
MINNESOTA HOUSING FINANCE AGENCY
Rental Housing Bonds, 2022 Series A (Non-AMT)

This Official Statement (which includes the Appendices) provides certain information concerning the issuance and sale by Minnesota Housing Finance Agency (the "Agency") of its Rental Housing Bonds, 2022 Series A (the "Series Bonds"). The Agency is issuing the Series Bonds pursuant to Minnesota Statutes, Chapter 462A, as amended (the "Act"), a resolution of the Agency adopted February 25, 1988 (as amended and supplemented in accordance with its terms, the "Bond Resolution"), and a series resolution of the Agency adopted February 24, 2022 (the "Series Resolution"). (The Bond Resolution and the Series Resolution are herein sometimes referred to as the "Resolutions.")

The Rental Housing Bonds Outstanding in the aggregate principal amount of $41,235,000 as of January 31, 2022, the Series Bonds and any additional Rental Housing Bonds issued pursuant to the Bond Resolution (collectively referred to as the "Bonds"), are and will be equally and ratably secured under the Bond Resolution.

The Resolutions should be referred to for the definitions of capitalized terms used herein, some of which are reproduced in this Official Statement. The summaries and references herein to the Act, the Resolutions and other documents are only brief outlines of certain provisions and do not purport to summarize or describe all the provisions thereof. All references herein to the Act, the Bond Resolution and the Series Resolution are qualified in their entirety by reference to the Act and the Resolutions, copies of which are available from the Agency, and all references to the Series Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Resolutions.

INTRODUCTION

The Agency is a public body corporate and politic, constituting an agency of the State of Minnesota. The Act authorizes the Agency to issue bonds for the purpose, among other purposes, of making mortgage loans to sponsors of residential housing for occupancy by persons and families of low and moderate income if the Agency determines that those loans are not otherwise available from private lenders with equivalent terms and conditions.

Since its creation in 1971, the Agency has issued bonds to purchase single family mortgage loans, to purchase home improvement loans and to finance multifamily developments. In addition to financing loans through the issuance of debt, the Agency finances grants and loans through State and federal appropriations and its Alternative Loan Fund in the Residential Housing Finance Bond Fund. Please refer to the information in the notes to the financial statements included in Appendix B-1 to this Official Statement at pages 64 and 65 under the heading "Net Position — Restricted by Covenant."

The global outbreak of the coronavirus COVID-19 ("COVID-19") and measures taken by federal, state and local governments in response thereto are impacting individuals and businesses in a manner that to an unknown extent will have negative effects on economic activity across the country and the State, including mortgage loan repayments. For descriptions of certain of these measures, their impacts on the Agency and the Agency's responses, see "The Agency—COVID-19 Economic Disruption" herein.

The Agency uses proceeds of Bonds it issues pursuant to the Bond Resolution to finance a portion of the activities undertaken pursuant to the Rental Housing Program (the "Program"). The multifamily division of the

*Preliminary, subject to change.

Agency administers the Program. The purpose of the Program is to increase the supply of, and to maintain and improve, the rental housing stock in Minnesota that is affordable to low and moderate income households. The Program has also provided financing for nonprofit group homes for the developmentally disabled. Through the use of bond financing and other funding sources, the Agency intends that the Program will provide both short-term and long-term, fixed rate, first lien (or second lien if the Agency also holds the first lien) mortgage loans ("Mortgage Loans"), and, under certain circumstances, subordinate mortgage loans ("Subordinate Mortgage Loans"), to finance the construction, acquisition, rehabilitation or refinancing of multifamily rental housing and group home developments (the "Developments"). The Bond Resolution authorizes, upon conditions set forth therein, the issuance of additional series of Bonds on a parity with the Outstanding Bonds, including the Series Bonds.

In recognition of certain risks inherent in mortgage lending, the Agency has adopted policies and review procedures for detailed evaluation of the Developments that it finances prior to making Mortgage Loan commitments. To assure completion of rehabilitation, construction and proper maintenance, the Agency has established reserve and escrow requirements and procedures for regulating and monitoring operations with respect to the Developments. The procedures the Agency presently uses to reduce those risks are described more fully herein under the heading "The Rental Housing Program."

The Agency intends to use the proceeds of the Series Bonds to fund a short-term first lien mortgage loan, to a private owner, that will finance a portion of the costs of acquisition, construction and equipping of a multifamily housing development in Northfield, Minnesota. (See "The Development.") The Series Bonds are general obligations of the Agency payable from any of its moneys, assets or revenues, subject to the provisions of other resolutions and indentures now or hereafter pledging particular moneys, assets or revenues, to particular notes or bonds, and federal or State laws heretofore or hereafter enacted appropriating funds to the Agency for a specified purpose. The net position of the General Reserve and the Alternative Loan Fund are legally available if needed to pay debt service on any obligations of the Agency, including the Series Bonds. (For purposes of the Resolutions, the General Reserve is designated as the General Reserve Account.) (See "The Agency — Net Position Restricted By Covenant and Operations to Date – General Reserve; Alternative Loan Fund.")

The Agency has further pledged as security for the payment of the Series Bonds (on an equal basis with the Outstanding Bonds issued and that may be issued under the Bond Resolution) amounts on deposit and investments in certain accounts and funds established pursuant to the Resolutions, including the Debt Service Reserve Fund established pursuant to the Bond Resolution in accordance with the Act. Under the Act, upon certification by the Agency, the State Legislature may, but is not required to, appropriate amounts that may be necessary to restore the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Requirement. (See "Security for the Bonds.")

Although the State has appropriated amounts to the Agency for various specific purposes (see "The Agency — State Appropriations"), the Agency generally pays its general and administrative expenses from certain interest earnings and fees charged in connection with its bond-funded programs. For programs funded through State appropriations, the Agency recovers the costs of administering the programs only to the extent of interest earnings on the appropriations. The appropriations are not available to pay debt service on the Bonds.

The Agency has no taxing power. Neither the State of Minnesota nor any political subdivision thereof is or will be obligated to pay the principal or redemption price of, or interest on, the Series Bonds and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to that payment.

THE AGENCY

Purpose

The Agency was created in 1971 by the Act as a public body corporate and politic, constituting an agency of the State of Minnesota, in response to legislative findings that there existed in Minnesota a serious shortage of decent, safe, and sanitary housing at prices or rentals within the means of persons and families of low and moderate income, and that the then present patterns of providing housing in the State limited the ability of the private building industry and the investment industry to produce that housing without assistance and resulted in a failure to provide sufficient long-term mortgage financing for that housing.

Structure

Under the Act, the membership of the Agency consists of the State Auditor and six public members appointed by the Governor with the advice and consent of the Senate for terms of four years. Pursuant to the Act, each member continues to serve until a successor has been appointed and qualified. The Chair of the Agency is designated by the Governor from among the appointed public members. Pursuant to state law, the State Auditor may delegate duties and has delegated her duties as a member of the Agency in the event that the Auditor is unable to attend a meeting of the Agency.

The present members of the Agency, who serve without compensation (except for per diem allowance and expenses for members not otherwise compensated as public officers), are listed below.

John DeCramer, Chair — Term expires January 2024, Marshall, Minnesota – Magnetics Engineer

The Honorable *Julie Blaha — Ex officio*, St. Paul, Minnesota – State Auditor

Melanie Benjamin, Member — Term expires January 2025, Onamia, Minnesota – Consultant

Craig Klausing, Member — Term expires January 2023, Roseville, Minnesota – Attorney

Stephanie Klinzing, Member — Term expires January 2023, Elk River, Minnesota – Writer and Publisher

Stephen Spears, Member — Term expired January 2022,[*] Plymouth, Minnesota – Banker

Terri Thao, Vice Chair — Term expires January 2024, St. Paul, Minnesota – Program Director

[*]Continues to serve until a successor is appointed and qualified.

Staff

The staff of the Agency presently consists of approximately 265 persons, including professional staff members and contractors who have responsibilities in the fields of finance, law, mortgage underwriting, architecture, construction inspection and housing management. The Attorney General of the State of Minnesota provides certain legal services to the Agency.

The Commissioner is appointed by the Governor. The Act authorizes the Commissioner of the Agency to appoint the permanent and temporary employees as the Commissioner deems necessary subject to the approval of the Commissioner of Management and Budget.

The principal officers and staff related to the Program are as follows:

Jennifer Ho — Commissioner-Designee, appointed effective January 2019. When Governor Tim Walz took office on January 7, 2019, Ms. Ho was appointed Commissioner and has all of the powers and will perform all of the duties of the office. The appointment of Ms. Ho as Commissioner may be confirmed or rejected by the advice and consent of the state of Minnesota Senate. Prior to her appointment, Ms. Ho was the Senior Policy Advisor for Housing and Services at the U.S. Department of Housing and Urban Development during the Obama Administration. Prior to that, she served as deputy director at the United States Interagency Council on Homelessness (USICH), shepherding the creation of Opening Doors, the nation's first-ever comprehensive federal plan to prevent and end homelessness. Ms. Ho worked with former First Lady Michelle Obama to launch the Mayors Challenge to End Veteran Homelessness that resulted in reducing the number of veterans experiencing homelessness on any night by nearly half. In 1999, as Executive Director of Hearth Connection, a Minnesota non-profit, she began her work to end homelessness by managing a nationally-recognized demonstration project on supportive housing and long-term homelessness for single adults, youth and families in Ramsey and Blue Earth counties. Ms. Ho oversaw the replication of that project in 34 additional counties in partnership with the Fond du

Lac, Bois Fort and Grand Portage Tribal Bands. She has served on the Boards of Directors for West Side Community Health Services in St. Paul, and nationally for the Corporation for Supportive Housing and the Melville Charitable Trust. Ms. Ho received a Bachelor of Arts Degree in philosophy from Bryn Mawr College.

Rachel Robinson — Deputy Commissioner, appointed effective March 2019. Prior to this position, Ms. Robinson was Fund Manager for the NOAH Impact Fund, a subsidiary of the Greater Minnesota Housing Fund, a certified Community Development Financial Institution, from 2016 to 2019, responsible for securing investment commitments, structuring transactions, developing investor and partner relations, and ensuring that social impact goals and compliance requirements were met. She has worked in affordable housing development and finance for over 15 years, including with CommonBond Communities from 2011 to 2015, where as Vice President she developed and led enterprise asset management systems, and as Senior Housing Development Manager from 2008 to 2011. Ms. Robinson was also Director of Property Development at Artspace Projects, Inc. from 2015 to 2016. She holds a Master's degree in Urban and Regional Planning from the University of Minnesota Humphrey School of Public Affairs and a Bachelor of Arts degree in Urban Studies from Macalester College, St. Paul, Minnesota.

Kevin Carpenter — Chief Financial Officer, appointed effective March 2016. In this position, Mr. Carpenter leads the finance and accounting teams of the Agency and provides strategic direction regarding the organization's financial resources. Prior to this position, Mr. Carpenter was the Chief Financial Officer at the City of Minneapolis from May 2011 to November 2015, and also had significant tenure in various senior financial and operating positions at RBC Capital Markets, LLC. He previously was an investment banker at RBC Capital Markets, LLC and at Lehman Brothers. Mr. Carpenter earned a Master's Degree in Business Administration from Harvard University Business School and a Bachelor of Arts degree in Government from Dartmouth College.

Debbi Larson — Director of Finance appointed effective December 2019. Ms. Larson was Controller and Director of Financial Operations for the Agency from August 2015 to December 2019. Prior to that position, she was Director of Finance and Information Technology for a subsidiary of Taylor Corporation and responsible for domestic and international locations and, prior to that, was the Chief Financial Officer for a division of the Minnesota Department of Corrections. Ms. Larson previously held various accounting positions of increasing responsibility. Ms. Larson holds a Bachelor of Science degree with a concentration in Accounting from the University of Phoenix, and an MMBA (accelerated MBA program) Executive Leadership certification from the University of St. Thomas.

Anne Smetak — General Counsel, appointed effective June 2020. Ms. Smetak has been a member of the Agency's legal team since April 2016 and served as Deputy General Counsel for the Agency from July 2019 to June 2020. Her experience prior to joining the Agency includes corporate litigation, affordable housing preservation as a legal services attorney, and clinical teaching roles at the Washington College of Law and The George Washington University School of Law. Ms. Smetak earned a law degree and a Master of Laws degree from The George Washington University School of Law and holds a Bachelor of Arts degree in Political Science from Kenyon College.

James Lehnhoff — Assistant Commissioner, Multifamily, appointed effective March 2019. Mr. Lehnhoff was most recently the Director of Portfolio Strategy at CommonBond Communities. He has more than 16 years of local government, municipal finance, and real estate development experience, including extensive work in affordable housing development, Pro Forma analysis, land use planning, economic development, community engagement, and project management. Mr. Lehnhoff has successfully implemented complex and nationally recognized affordable housing development projects to advance community goals. Prior to joining CommonBond, he was a municipal advisor at Ehlers & Associates from October 2016 to September 2018, served as the Vice President of Real Estate at Aeon from August 2010 to October 2016, and was the Community Development Director for the City of Arden Hills from January 2006 to August 2010. Mr. Lehnhoff earned a Master's degree in Urban and Regional Planning from the University of Minnesota Hubert H. Humphrey School of Public Affairs and a Bachelor of Arts degree in Geography from the University of Minnesota Duluth.

The Agency's offices are located at 400 Wabasha Street North, St. Paul, Minnesota 55102, and its general telephone number is (651) 296-7608. The Agency's Investor Relations Representative may be reached at the Agency's general telephone number. The Agency's website address is http://www.mnhousing.gov. No portion of the Agency's website is incorporated into this Official Statement.

Independent Auditors

The financial statements of the Agency as of and for the year ended June 30, 2021, included in this Official Statement as Appendix B-1, have been audited by RSM US LLP, independent auditors, as stated in their report appearing herein. RSM US LLP has not been engaged to perform, and has not performed, any procedures on the financial statements after June 30, 2021. RSM US LLP also has not performed any procedures relating to this Official Statement.

Financial Statements of the Agency

The Agency financial statements included in this Official Statement as Appendix B-1 as of and for the fiscal year ended June 30, 2021 are presented in combined "Agency-wide" form followed by "fund" financial statements presented for its major funds in order to comply with the requirements of Statement No. 34 of the Governmental Accounting Standards Board ("GASB") .

Information regarding the Minnesota State Retirement System ("MSRS"), to which the Agency contributes, is included in Appendix B-1 in the Notes to Financial Statements at pages 66 through 68 under the heading "Defined Benefit Pension Plan." The Agency's allocable portion of net pension liability reported at June 30, 2021 with respect to MSRS is $8.396 million. The Agency's total net pension liability and post-employment benefits liability is $10.189 million.

In Appendix B-2 to this Official Statement, the Agency has included certain unaudited financial statements of the Agency (excluding State Appropriated and Federal Appropriated Funds) as of and for the six months ended December 31, 2021. The Agency has prepared the information in Appendix B-2 and, in the opinion of the Agency, that information reflects all normal recurring adjustments and information necessary for a fair statement of the financial position and results of operations of the Agency (excluding State and Federal Appropriated Funds) for the period, subject to year-end adjustments. The information in Appendix B-2 is not accompanied by a statement from the independent auditors.

Disclosure Information

The Agency will covenant in a Continuing Disclosure Undertaking for the benefit of the Owners and Beneficial Owners (as defined in Appendix C hereto) of the Series Bonds to provide annually certain financial information and operating data relating to the Agency (the "Agency Annual Report") and to provide notices of the occurrence of certain enumerated events. (There is no other obligated person under the Continuing Disclosure Undertaking.) The Agency must file the Agency Annual Report no later than 120 days after the close of each fiscal year, commencing with the fiscal year ending June 30, 2022, with the Municipal Securities Rulemaking Board, at its EMMA internet repository. The Agency also must file notices of the occurrence of the enumerated events, if any, with EMMA. (See "Appendix C — Summary of Continuing Disclosure Undertaking.")

During the prior five years, one disclosure report timely filed with EMMA was not timely linked to all outstanding CUSIPs for the associated Bonds of the Agency. The Agency timely filed the Agency Annual Report for its fiscal year ended June 30, 2019 with EMMA; however, that Agency Annual Report was not specifically linked to two CUSIPs for the Agency's Residential Housing Finance Bonds, 2014 Series C, and three CUSIPs for the Agency's Residential Housing Finance Bonds, 2014 Series E. The Agency posted that Annual Report to CUSIP 60416SHP8, the only one of the five omitted CUSIPs with respect to bonds still outstanding, on February 1, 2021.

The specific nature of the information to be contained in the Agency Annual Report or the notices of events, and the manner in which these materials are to be filed, are summarized in "Appendix C — Summary of Continuing Disclosure Undertaking." The Agency has made these covenants to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the "Rule").

In addition to the information required by the Continuing Disclosure Undertaking, the Agency also uses its best efforts to prepare a semiannual disclosure report for the Bond Resolution and a quarterly disclosure report for its single family bond resolutions. Recent reports are available at the Agency's website at http://www.mnhousing.gov (click on tab "Investors"), but no information on the Agency's website is incorporated into this Official Statement. The Agency is also committed to providing appropriate credit information as requested by any rating agency rating the Bonds at the Agency's request.

Net Position Restricted By Covenant and Operations to Date—General Reserve; Alternative Loan Fund

In addition to its bond funds pledged to the payment of particular bonds by bond resolutions of the Agency, the Agency has also established certain other funds that it has restricted by covenant. Currently, the restricted funds are the General Reserve and the Alternative Loan Fund. The General Reserve contains the Housing Endowment Fund (also referred to as "Pool 1") and the Agency's net investment in capital assets. The Alternative Loan Fund, which is held under the Residential Housing Finance Bond Resolution but is not pledged to pay bonds issued thereunder, comprises the Housing Investment Fund (also referred to as "Pool 2") and the Housing Affordability Fund (also referred to as "Pool 3"). The net position of the General Reserve and the Alternative Loan Fund is not pledged to the payment of the Bonds or any other debt obligations of the Agency but, to the extent funds are available therein, are generally available to pay any debt obligations of the Agency, including the Bonds.

Subject to the restrictions in the Bond Resolution and its other bond resolutions, the Agency may withdraw excess assets from bond funds held thereunder. To the extent the Agency withdraws excess assets from bond funds, the Agency has pledged to deposit those excess assets in the General Reserve or the Alternative Loan Fund, except for any amounts as may be necessary to reimburse the State for money appropriated to restore a deficiency in any debt service reserve fund.

The Agency has further covenanted that it will use the money in the General Reserve and the Alternative Loan Fund only to administer and finance programs in accordance with the policy and purpose of the Act. This includes creating reserves for the payment of bonds and for loans made from the proceeds thereof, and accumulating and maintaining a balance of funds and investments as will be sufficient for that purpose. To ensure that assets available in the General Reserve and the Alternative Loan Fund provide security for the Agency's bondowners as covenanted in the bond resolutions, the Agency has established investment guidelines for Pools 1 and 2. The investment guidelines are subject to change by the Agency from time to time in its discretion.

Under the net position requirements and investment guidelines effective January 23, 2014, the required size of Pool 1 (which is intended to be a liquidity reserve) is 1 percent of gross loans receivable (excluding mortgage-backed securities, appropriated loans and loans credited to Pool 3) and the required size of Pool 2 is an amount that would cause the combined net position (exclusive of unrealized gains and losses resulting from marking to market investment securities, including mortgage-backed securities, and swaps entered into by the Agency for which the unrealized loss or gain will not be realized if the security or swap is held to maturity or its optional termination date; and realized gains and losses resulting from the purchase and sale of investment securities between Agency funds) in the General Reserve, in Pool 2, and in the funds pledged under bond resolutions to be at least equal to the combined net position of the same funds as of the immediately preceding fiscal year end. Currently, this amount is $868.730 million, representing the combined net position of these funds so calculated as of June 30, 2021. Pool 2 is intended to comprise amortizing interest-bearing housing loans or investment grade securities. Pool 1 and Pool 2 represent, with assets pledged to pay bonds of the Agency, the sustainable lending operations of the Agency. Pool 3 represents the more mission-intensive operations of the Agency and is intended to comprise deferred, zero percent and low interest-rate loans and grants and, for unapplied funds, investment grade securities. Pool 3 is not subject to the investment guidelines. Loan activity related to loans financed by funds in Pool 2 and Pool 3 is recorded as part of the Alternative Loan Fund. The Agency approves all interfund transfers. A further discussion of Pools 1, 2 and 3 and the amounts credited thereto as of June 30, 2021 appears in the Notes to Financial Statements of the Agency included in Appendix B-1 to this Official Statement at pages 64 and 65 under the heading "Net Position — Restricted by Covenant."

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The following summary indicates the revenues earned, the expenses paid, and funds transferred to and from the General Reserve (which contains Pool 1 and net investment in capital assets), for the two most recent audited fiscal years of the Agency and for the six-month period ended December 31, 2021 (unaudited) (in thousands):

	Six months Ended December 31, 2021 (unaudited)	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020
Revenues			
Fees earned and other income[1]	$ 5,514	$12,676	$12,971
Interest earned on investments	55	212	590
Unrealized gain (loss) on investments	--	--	--
Administrative reimbursement[2], [3]	15,529	33,144	31,336
Total revenues	21,098	46,032	44,897
Expenses			
Salaries and benefits	16,267	32,501	30,283
Other general operating expenses	1,676	7,424	6,900
Total expenses	17,943	39,925	37,183
Revenues over expenses	3,155	6,107	7,714
Non-operating transfer of assets between funds[4]	(3,801)	(8,363)	(9,876)
Change in net position	(646)	(2,256)	(2,162)
Net position beginning of period	10,051	12,307	14,469
Net position end of period	$9,405	$10,051	$12,307

(1) Fees earned consist primarily of fees collected in conjunction with the administration of the low income housing tax credit program and HUD contract administration of certain non-Agency financed Section 8 developments.

(2) The Agency transfers bond funds to the General Reserve for administrative reimbursement in accordance with the Agency's Affordable Housing Plan based on the adjusted assets of the bond funds. Adjusted assets are defined generally as total assets (excluding the reserve for loan loss), unrealized gains or losses on investments (including mortgage-backed securities and interest rate swap agreements), deferred loss on interest rate swap agreements and assets relating to escrowed debt.

(3) Reimbursement from appropriated accounts consists of the portion of direct and indirect costs of administering the programs funded by the appropriations. The Agency recovers costs associated with administering state appropriations only to the extent of interest earnings on the appropriations. Costs associated with administering federal appropriations generally are recovered from the appropriations.

(4) The Agency may transfer excess assets from bond funds to the General Reserve to the extent permitted by the resolution or indenture securing bonds of the Agency. In addition, the Agency may transfer funds in excess of the requirement for Pool 1 from the General Reserve to the Alternative Loan Fund. See the comments under the headings "Interfund Transfers" and "Net Position Restricted by Covenant" in the Notes to Financial Statements of the Agency in Appendix B-1 to this Official Statement for additional information.

State Appropriations

Over the years, the State Legislature has appropriated funds to the Agency to be used for low interest loans, grants, programs for low and moderate income persons and families and other housing related program costs. The Agency generally does not pay its general or administrative expenses from appropriated funds, although it can recover its allocable costs of administering State appropriations from investment earnings thereon. The State

Legislature has appropriated funds to the Agency for its programs in every biennium since 1975. The Agency has expended or committed most of the appropriations.

Over the biennial periods ended June 30, 2015, 2017, 2019 and 2021, the total appropriations to the Agency aggregated approximately $436.5 million. For the biennium ending June 30, 2023, the Legislature has appropriated approximately $125.6 million to the Agency.

The appropriations are not available to pay debt service on the Bonds.

Agency Indebtedness

The principal amount of bonds and notes of the Agency that are outstanding at any time (excluding the principal amount of any refunded bonds and notes) is limited to $5,000,000,000 by State statute. The following table lists the principal amounts of general obligation indebtedness of the Agency outstanding as of January 31, 2022:

	Number of Series*	Final Maturity	Original Principal Amount* (in thousands)	Principal Amount Outstanding (in thousands)
Rental Housing Bonds	8	2049	$ 42,290	$ 41,235
Residential Housing Finance Bonds	58	2052	3,255,165	1,856,220
Homeownership Finance Bonds	58	2051	2,624,572	1,191,873
Multifamily Housing Bonds (Treasury HFA Initiative)	1	2051	15,000	12,860
Totals	125		$5,937,027	$3,102,188

*Does not include series of bonds or the original principal amount of any bonds that had been, as of January 31, 2022, defeased or paid in full, whether at maturity or earlier redemption.

The payment of principal of and interest on general obligations of the Agency as shown above may be made, if necessary, from the General Reserve or the Alternative Loan Fund. (See "Net Position Restricted By Covenant and Operations to Date—General Reserve; Alternative Loan Fund" above.)

The Agency has entered into liquidity facilities and interest rate swap agreements in respect of its outstanding Residential Housing Finance Bonds that bear interest at a variable rate or floating rate and may be subject to optional and mandatory tender. Certain information related to those variable rate demand bonds, floating rate term bonds, liquidity facilities and swap agreements is included in the Notes to Financial Statements contained in Appendix B-1 to this Official Statement and in the unaudited financial statements contained in Appendix B-2 to this Official Statement. The Agency does not make any representation as to the creditworthiness of any provider or counterparty on facilities and agreements relating to its variable rate bonds.

Certain of the swap agreements obligate the Agency to make periodic fixed rate payments and entitle the Agency to receive periodic payments based on the United States dollar-denominated London Interbank Offered Rate ("USD LIBOR"). In 2017, the Financial Conduct Authority, a United Kingdom regulatory body which supervises USD LIBOR's administrator, stated that it would not attempt to persuade or compel panel banks that currently submit interest rate information used in the setting of USD LIBOR rates to continue to do so after December 31, 2021. The Federal Reserve System and the Federal Reserve Bank of New York (the "NY Fed") convened its Alternative Reference Rate Committee ("ARRC") in 2014, consisting of public and private United States capital market participants, to identify alternative reference rates as an alternative to USD LIBOR, identify best practices for contract robustness in the interest rate market, and create an implementation plan to support an orderly adoption of new references rates. In 2017, the ARRC identified the secured overnight financing rate ("SOFR"), which the NY Fed publishes, as the rate that represents best practice for use in certain new U.S. dollar derivatives and other financial contracts. Likewise, the International Swaps and Derivatives Association's ("ISDA") working group chose SOFR as its replacement for USD LIBOR, and ISDA has released its IBOR Fallbacks Supplement which amends the 2006 ISDA Definitions (applicable to trades occurring on and after January 25, 2021), as well as its IBOR Fallbacks Protocol, which allows contract participants to amend existing contracts to include the new fallback provision. Each of the NY Fed and ISDA has made certain information concerning their respective activities relating to USD LIBOR and alternative reference rates on their respective websites. The Financial Conduct Authority has confirmed that USD LIBOR will continue to be available through June 30, 2023, at which time these amendments are expected to become effective and SOFR will replace USD LIBOR. There can be no assurance as to the timing or outcome of these and other USD LIBOR-related regulatory developments, or as to the effects of market reaction to such developments. Further regulatory developments, such as the March 2021 announcement of the official cessation of publication of one week and two month USD LIBOR, may affect the determination of certain scheduled and, if applicable, termination payment obligations upon those derivatives agreements. The Agency continues to monitor the USD LIBOR-related developments and anticipates it will adhere to the IBOR Fallbacks Protocol or enter into substantially similar agreements directly with its swap providers. In addition, the Agency may seek additional amendments to its other agreements which still use USD LIBOR.

In 2009, the Agency issued $13,270,000 in aggregate principal amount of its Nonprofit Housing Bonds (State Appropriation), Series 2009, to finance permanent supportive housing in two different multifamily housing developments. In 2011, the Agency issued $21,750,000 in aggregate principal amount of its Nonprofit Housing Bonds (State Appropriation), Series 2011, to finance permanent supportive housing in five additional multifamily housing developments. Both series of bonds were issued under a separate indenture of trust, are not general obligations of the Agency and are not payable from any funds or assets of the Agency other than the appropriations the Agency expects to receive from the State General Fund pursuant to a standing appropriation made by the Legislature in 2008.

From time to time, beginning in 2012, the Legislature has authorized the Agency to issue housing infrastructure bonds (the “Housing Infrastructure Bonds”) for various purposes payable, like the Nonprofit Housing Bonds, solely from a standing appropriation from the State General Fund and not from any other funds or assets of the Agency. The aggregate principal amount of Housing Infrastructure Bonds that the Agency may issue is $515,000,000. The Agency has issued 27 series of its State Appropriation Bonds (Housing Infrastructure) in 2013 through 2021 in an aggregate principal amount of $367,300,000 under a separate indenture of trust.

On December 23, 2021, the Agency issued its Third Amended and Restated Bank Note (the “Amended Bank Note”) to Royal Bank of Canada (the “Bank”), pursuant to a Revolving Credit Agreement dated as of June 1, 2018, as amended by a First Amendment to Revolving Credit Agreement dated as of October 28, 2019, a Second Amendment to Revolving Credit Agreement dated as of November 22, 2019, a Third Amendment to Revolving Credit Agreement dated as of November 12, 2020, a Fourth Amendment to Revolving Credit Agreement dated as of February 25, 2021, and a Fifth Amendment to Revolving Credit Agreement dated as of December 23, 2021 (the “Amended Revolving Credit Agreement”), and as further amended from time to time, for the purpose of preserving current private activity bond volume cap by refunding the maturing principal or redemption price, as the case may be, of portions of Homeownership Finance Bonds and Residential Housing Finance Bonds previously issued by the Agency (collectively, the “Single Family Housing Bonds”). Upon the refunding of Single Family Housing Bonds with amounts advanced to the Agency pursuant to the Amended Revolving Credit Agreement as evidenced by the Amended Bank Note, funds representing prepayments and repayments of mortgage loans financed with Single Family Housing Bonds, and other amounts available under the applicable bond resolution for the payment of those Single Family Housing Bonds, will be deposited into a cash collateral fund established under a separate amended and restated indenture of trust, as amended (the “2018 Revolving Credit Indenture”), between the Agency and Computershare Trust Company, National Association, as successor trustee, as security for the repayment of the principal amount of the Amended Bank Note that has been advanced to the Agency. The Bank agrees to make advances until December 31, 2022, a later date if extended by the Bank or an earlier date upon an event of default or a termination pursuant to the terms of the Amended Revolving Credit Agreement or if the Agency elects an earlier termination. The amount of the advances outstanding and not repaid with respect to the Amended Bank Note bear interest at a variable interest rate equal to the forward looking Term SOFR Reference Rate for the following one month interest period plus a spread (currently 0.35%) and may not exceed $150,000,000 at any time, and the cumulative amount of the advances made may not exceed $1,700,000,000. The obligation of the Agency to pay the interest on, but not the principal of, the Amended Bank Note is a general obligation of the Agency. The Agency has requested advances in the aggregate principal amount of $943,718,081, $[649,303] of which is outstanding.

Agency Continuity of Operations Plan

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

Cybersecurity

The Agency relies on a complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, the Agency faces multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware, phishing, business email compromise, and other attacks on computers and other sensitive digital networks, systems, and assets. Housing finance agencies and other public finance entities have been targeted by outside third parties, including technologically 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 the Agency, could also be a source of security risk in the event of a failure of their own security systems and infrastructure.

The Agency uses a layered approach that employs sound operational strategies and security technology solutions to secure against, detect, and mitigate the effects of cyber threats on its infrastructure and information assets. The Agency conducts regular information security and privacy awareness training that is mandatory for all Agency staff. The Agency's Business Technology Support group has management responsibility for all information technology and leads the efforts of the Agency to keep its cyber assets secure. The Agency's Business Technology Support group and contracted services from the Office of MN.IT Services, an agency of the executive branch of the State, regularly conduct risk assessments, audits and tests of the Agency's cybersecurity systems and infrastructure.

Despite its efforts, no assurances can be given that the Agency's security and operational control measures will be successful in guarding against any and each cyber threat and attack, especially because the techniques used by perpetrators are increasingly sophisticated, change frequently, are complex, and are often not recognized until launched. To date, cyber attacks have not had a material impact on the Agency's financial condition, results or business; however, the Agency is not able to predict future attacks or their severity. The results of any attack on the Agency's computer and information technology systems could impact its operations for an unknown period of time, damage the Agency's digital networks and systems, and damage the Agency's reputation, financial performance, and customer or vendor relationships. Such an attack also could 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 the Agency's reputation and relationships could adversely affect the Agency's ability to conduct its programs and operations in the future.

COVID-19 Economic Disruption

The global outbreak of COVID-19, a respiratory disease declared to be a pandemic (the "Pandemic") by the World Health Organization in March 2020, was declared an emergency by federal and state governments. Since the start of the Pandemic, Presidential administrations, Congress, the Federal Reserve, HUD/FHA (including GNMA), the Federal Housing Finance Agency (including Fannie Mae and Freddie Mac), USDA Rural Development, the VA, the Centers for Disease Control, and the Consumer Financial Protection Bureau, along with the State, have enacted legislation and/or issued orders or directives (collectively, "Governmental Actions") to alleviate the effects of the Pandemic on homeowners, renters, landlords, servicers and lenders. Governmental Actions have included loan forbearance directives, moratoriums on foreclosures and/or evictions, loan modification directives, loan servicing assistance, rental assistance, and homeownership loan assistance. Some legislation and/or orders have been extended and/or modified, while others have expired or been enjoined. While it is generally expected that new legislation may be enacted, new orders may be issued, and existing and new orders may be extended, modified, contested, or allowed to expire, no guarantee can be made with regards to the duration and/or effectiveness of any such legislation or orders.

The Agency has not entered into any forbearance agreements relating to multifamily housing mortgage loans. The Agency also has provided loans that secure outstanding bonds of the Agency under its single family housing program, many of which loans are covered by the relief provisions of the Governmental Actions, and has granted forbearance approvals when required. The Agency's loans provided under its home improvement program and its monthly payment loan program, as well as some loans for single family housing that are not pledged as security for any debt of the Agency, are not affected by the relief provisions of the Governmental Actions. However, the Agency has granted and may choose to grant forbearance approvals for certain of these loans during the Pandemic. (See "Other Programs")

On March 13, 2020, the Governor of the State declared a peacetime emergency with respect to the Pandemic. Through various executive orders, which have the force and effect of law during a peacetime emergency, the Governor directed various protective measures in response to the Pandemic, including the suspension of evictions and lease terminations. The peacetime emergency ended on July 1, 2021 and all executive orders made pursuant to the peacetime emergency have expired. However, legislation was enacted effective June 30, 2021 gradually phasing out eviction protections during the period that ended October 12, 2021. While those protections have expired, certain tenants who are eligible for, have applied for, but have not yet received, federal emergency rental assistance payments will have eviction protection through June 1, 2022.

During the peacetime emergency, an executive order of the Governor designated the operation of the Agency as a critical service and Agency personnel, though almost exclusively teleworking, continued all operations in order to provide the Agency's programs (see "Agency Continuity of Operations Plan" above). The Agency plans to re-open its offices with a portion of its personnel returning to the workplace in 2022. At this time the Agency cannot predict (i) the duration or extent of the Pandemic; (ii) the duration or expansion of any foreclosure or eviction moratorium affecting the Agency's ability to foreclose and collect on delinquent mortgage loans; (iii) the number of mortgage loans that will be in forbearance or default as a result of the Pandemic and subsequent federal, state and local responses thereto, including the Government Actions; (iv) whether and to what extent the Pandemic may disrupt the local or global economy, real estate markets, manufacturing, or supply chain, or whether any of those types of disruption may adversely impact the Agency or its operations; (v) whether or to what extent the Agency or other government agencies may provide additional deferrals, forbearances, adjustments, or other changes to payments on mortgage loans; or (vi) the effect of the Pandemic on the State budget, or whether any such effect may adversely impact the Agency or its programs. The Agency continues to monitor and assess the impact of the Pandemic on its programs, operations and financial position, including its ability to continue to finance the purchase of Mortgage Loans. However, the continuation of the Pandemic and the resulting containment and mitigation efforts could have a material adverse effect on the Agency's programs, operations and finances.

THE DEVELOPMENT

The Development

The Agency intends to use the proceeds of the Series Bonds to make a short-term first lien bridge Mortgage Loan that will finance a portion of the costs of the acquisition and construction of a multifamily housing development. The Development, to be known as Spring Creek II, will be the acquisition and construction of five two-story townhome buildings, located in Northfield, Minnesota. The Development will have 32 residential units. The total development cost is estimated to be approximately $14.644 million. The Development is expected to be completed by April 1, 2023. The Development will be acquired and constructed by Spring Creek II Townhomes LP a Minnesota limited partnership.

The Agency expects to use the proceeds of the Series Bonds to be deposited in the Mortgage Loan Account to make the bridge Mortgage Loan with respect to the Development on the date of issuance of the Series Bonds. The bridge Mortgage Loan, in the principal amount of $7.190 million,* will mature in full on July 1, 2024* The bridge

*Preliminary, subject to change.

Mortgage Loan will not be insured by FHA or secured by any other third-party credit enhancement, but the Agency expects it to be repaid from a long-term end loan from the Agency in the principal amount of $2.568 million, two deferred payment loans from the Agency in the aggregate principal amount of $1.014 million and a portion of the equity contributions from the tax credit investor, which is purchasing the low income housing tax credits described below. The bridge Mortgage Loan will be secured in part by a guaranty from Three Rivers Community Action, Inc., a Minnesota nonprofit corporation.

As a result of the issuance of the Series Bonds, all of the dwelling units in the Development will be eligible for low income housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended. Occupancy in all of those dwelling units will be limited to households with incomes at initial occupancy at or below 60 percent of the area median income, adjusted for household size, for a period of 40 years.

Sixteen of the dwelling units will benefit from project-based Section 8 vouchers through the Rice County HRA and eight of the units from Housing Support provided by Rice County.

Estimated Sources and Uses of Series Bond Proceeds and Agency Funds

The estimated sources and uses of proceeds of the Series Bonds and funds to be provided by or through the Agency are as follows:

Sources:	
Principal Amount of Series Bonds	$7,190,000*
Funds Available to the Agency	
Total Sources of Funds	$.
Uses:	
Series A Mortgage Loan Account	$7,190,000*
Revenue Fund	
Costs of Issuance	
Total Uses of Funds	$.

THE SERIES BONDS

The Series Bonds will be fully registered bonds initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") which will act as securities depository for the Series Bonds. Computershare Trust Company, National Association, Minneapolis, Minnesota, serves as successor Trustee under the Bond Resolution.

The Series Bonds will be issued in the denominations of $5,000 or any integral multiple thereof. The Series Bonds mature, subject to redemption as herein described, on the date and in the amount set forth on the inside front cover hereof.

The Series Bonds bear interest from their dated date, payable semiannually on February 1 and August 1 of each year, commencing August 1, 2022,* at the rate set forth on the inside front cover hereof until payment of the principal or redemption price of the Series Bonds. As long as the Series Bonds are in book-entry form, interest on the Series Bonds will be paid by moneys wired by the Trustee to DTC, or its nominee, as registered owner of the Series Bonds, and DTC will redistribute that interest. (See Appendix E – "Book-Entry-Only System.")

For every exchange or transfer of Series Bonds, whether temporary or definitive, the Agency or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to that exchange or transfer.

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*Preliminary, subject to change.

Special Redemption at Par

The Agency may redeem the Series Bonds, at its option, in whole or in part on any date, at a redemption price equal to the principal amount thereof plus accrued interest, without premium, (i) from unexpended proceeds of the Series Bonds not used to finance the Development; or (ii) in the event the Agency receives or recovers Recovery Payments (as defined in Appendix D) relating to the Development. The Agency will apply any unexpended proceeds or Recovery Payments to the redemption of Series Bonds, as determined by the Agency. If Recovery Payments are not sufficient to redeem all Outstanding Series Bonds, the Agency may apply other funds to redeem the Series Bonds in addition to the Recovery Payments.

Optional Redemption

The Agency may redeem the Series Bonds at its option, in whole or in part, on any date on or after February 1, 2024,* in amounts as the Agency may designate, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium.

General Redemption Provisions

Any Series Bonds to be redeemed will be redeemed only upon receipt by the Trustee of a certificate signed by an authorized officer of the Agency stating the principal amount of the Series Bonds to be redeemed. If less than all Series Bonds are to be redeemed, the Series Bonds to be redeemed are to be selected in $5,000 principal amounts at random by the Trustee. The Agency will not at any time cause Series Bonds to be optionally redeemed if this would have any material adverse effect on its ability to pay when due the principal of and interest on the Bonds Outstanding after the redemption.

The Trustee is required to mail a copy of the notice of redemption to the registered owner of any Series Bond called for redemption at least 30 days prior to the redemption date. Any defect in or failure to give the required mailed notice of redemption will not affect the validity of any proceedings for the redemption of Series Bonds not affected by that defect or failure.

SECURITY FOR THE BONDS

Outstanding Bonds, including the Series Bonds, are secured as provided in the Bond Resolution by a pledge and a grant of a security interest in (a) all proceeds of the sale of Bonds (other than proceeds deposited in trust for the retirement of outstanding bonds and notes), (b) all Mortgage Loans and Investments made or purchased from the proceeds, (c) all Revenues as defined in the Bond Resolution, and (d) money, Investments, and other assets and income held in and receivables of Funds established by or pursuant to the Bond Resolution. The Bonds, including the Series Bonds, are also general obligations of the Agency, payable out of any of its moneys, assets or revenues, subject only to the provisions of other resolutions or indentures now or hereafter pledging and appropriating particular moneys, assets or revenues to particular notes or Bonds, and federal or State laws heretofore or hereafter enacted pledging particular funds for a specified purpose. The pledge and security interests granted by the Bond Resolution are for the equal benefit, protection and security of Holders of all Bonds, including the Series Bonds.

The Agency has no taxing power. The State of Minnesota is not liable for the payment of the Bonds, including the Series Bonds, and the Series Bonds are not a debt of the State.

Mortgage Loans

The Bond Resolution requires, except in certain circumstances hereinafter described, that each Mortgage Loan be secured by a first mortgage lien (subject to permitted encumbrances) on the real property, or leasehold

*Preliminary, subject to change.

interest of the Mortgagor in the real property under a lease with a term at least twice the length of the term of the Bonds, that is the site of the Development financed by that Mortgage Loan, and all improvements thereon. At the initial closing for each Development, the Agency receives a recorded Mortgage and a mortgagee's title insurance policy in the amount of the Mortgage Loan. The Agency may also participate with other parties in the making of a Mortgage Loan if the Agency's mortgage lien, in proportion to its participation, is on a parity with or superior to that of all other parties, but the interest rate and time and rate of amortization of that part of the Mortgage Loan made by the Agency and that made by others need not be equal. The Bond Resolution also permits the Agency, if it holds a Mortgage that constitutes a first mortgage lien on a Development, to make an additional Mortgage Loan for the Development and secure the additional Mortgage Loan by a Mortgage on a parity with or junior and subordinate to the first lien Mortgage held by the Agency. In addition, the Bond Resolution allows the Agency to make Subordinate Mortgage Loans with respect to a Development upon the terms and conditions as the Agency may deem appropriate, but solely from amounts that would otherwise be available to be removed by the Agency from the lien of the Bond Resolution.

Under the Bond Resolution, there will at all times be scheduled payments of principal and interest on Mortgage Loans pledged under the Bond Resolution that, when added to any other legally enforceable payments on Mortgage Loans or with respect to the Bond Resolution (including Counterparty Hedge Payments), and interest and other income estimated by the Agency to be derived from the investment or deposit of money available therefor in any Fund or Account created by the Bond Resolution, will be sufficient to pay the Principal Installments of and interest on all Outstanding Bonds (excluding from the calculations all amounts scheduled to be received pursuant to the provisions of Subordinate Mortgage Loans). In making a determination as of any date that this covenant is met, the Agency may make assumptions as to future events (including, as applicable, assumptions as to the amounts of Agency Hedge Payments and Counterparty Hedge Payments and the amount of interest payable on Variable Rate Bonds), which assumptions must be based upon the Agency's reasonable expectations as of the date of the determination. The Agency may forgive a portion of the interest on any Mortgage Loan provided that, after giving effect to the reduction and all similar reductions then in effect, the Agency continues to comply with the covenant.

The scheduled payments of the Principal Installments of and interest on the Bonds are generally based on the receipt of scheduled payments by the Agency on the Mortgage Loans and any Subordinate Mortgage Loans, together with capitalized interest and estimated investment income of certain Funds and Accounts established by the Bond Resolution, to the extent provided therein. The ability of the Mortgagors to make scheduled payments to the Agency depends, among other things, on the Developments achieving and sustaining occupancy and rental levels necessary to generate rental income that, together with any applicable subsidies, the Agency expects will be sufficient to meet the required loan payments, to fund required reserves and escrows and to meet operating expenses. Under the Bond Resolution, the Agency (unless otherwise required by any agency of the United States guaranteeing, insuring or otherwise assisting in the payment of the Mortgage Loan or Subordinate Mortgage Loan) may give its consent to Prepayment of a Mortgage Loan or Subordinate Mortgage Loan only if certain conditions as described under the caption "Summary of Certain Provisions of the Bond Resolution — Mortgage Provisions and Conditions — Prepayments" in Appendix D hereto have been met. If any Mortgage Loan or Subordinate Mortgage Loan goes into default or investment income differs from the amounts estimated to be received, the amount of money available for the payment of Principal Installments of and interest on the Bonds may be adversely affected; however, as is described elsewhere in this Official Statement, moneys may be available from other sources, including the Debt Service Reserve Fund.

Appendix A to this Official Statement contains a brief description of the Mortgage Loans outstanding as of December 31, 2021 that have been financed by Bonds or that have been pledged as additional security under the Bond Resolution for the payment of Outstanding Bonds.

Debt Service Reserve Fund

No funds will be credited to the Debt Service Reserve Fund with respect to the Series Bonds (and the Debt Service Reserve Requirement in respect of the Series Bonds will be $0.00), since, in addition to the other security provided pursuant to the Bond Resolution, payment of principal with respect to the bridge loan funded by the Series Bonds will be secured as described under "The Development."

Upon issuance of the Series Bonds, the aggregate Debt Service Reserve Requirement for the Bond Resolution will be approximately $616,006 and the value of the investments in the Debt Service Reserve Fund as calculated under the Bond Resolution will not be less than the aggregate Debt Service Reserve Requirement. The

Debt Service Reserve Fund secures all Bonds issued under the Bond Resolution, including the Series Bonds, on an equal basis.

The Act provides that the Agency may create and establish one or more debt service reserve funds for the security of its bonds. The Agency will use moneys held in or credited to a debt service reserve fund solely for the payment of principal of bonds of the Agency as the same mature, the purchase of those bonds, the payment of interest thereon or the payment of any premium required when the bonds are redeemed before maturity, provided that the moneys in that fund must not be withdrawn therefrom at any time in an amount as would reduce the amount reasonably necessary for the purposes of the fund, except for the purpose of paying principal and interest due on the bonds secured by the fund for the payment of which other moneys of the Agency are not available. The Agency may not issue any additional bonds or notes that are secured by a debt service reserve fund if the amount in that debt service reserve fund or any other debt service reserve fund at the time of that issuance does not equal or exceed the minimum amount required by the resolution creating that fund unless the Agency deposits in each fund at the time of the issuance from the proceeds of the bonds or otherwise an amount that, together with the amount then in the fund, will be no less than the minimum amount so required. The Act further provides that:

> In order to assure the payment of principal and interest on bonds and notes of the agency and the continued maintenance of all debt service reserve funds created and established therefor, the agency shall annually determine and certify to the governor, on or before December 1, (a) the amount, if any, then needed to restore each debt service reserve fund to the minimum amount required by the resolution or indenture establishing the fund, not exceeding the maximum amount of principal and interest to become due and payable in any subsequent year on all bonds or notes which are then outstanding and secured by such fund; and (b) the amount, if any, determined by the agency to be needed in the then immediately ensuing fiscal year, with other funds pledged and estimated to be received during that year, for the payment of the principal and interest due and payable in that year on all then outstanding bonds and notes secured by a debt service reserve fund the amount of which is then less than the minimum amount agreed. The governor shall include and submit to the legislature, in the budget for the following fiscal year, or in a supplemental budget if the regular budget for that year has previously been approved, the amounts certified by the agency . . . .

In the opinion of Bond Counsel and counsel to the Agency, the Legislature is legally authorized, *but not legally obligated,* to appropriate those amounts to the Debt Service Reserve Fund.

Additional Bonds

The Bond Resolution permits the issuance of additional Bonds, upon the adoption of a series resolution, to provide funds for the purpose of financing Mortgage Loans for Developments under the Agency's programs of making Mortgage Loans and, in addition, to refund outstanding Bonds or other obligations issued to finance Mortgage Loans, upon certain conditions contained therein (see Appendix D – "Summary of Certain Provisions of the Bond Resolution—Additional Bonds"), without limitation as to amount except as may from time to time be provided by law. Any additional Bonds issued under the Bond Resolution will be secured on an equal basis with the Series Bonds and the Outstanding Bonds and entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Bond Resolution.

Nothing in the Bond Resolution prohibits the financing of other multifamily housing developments under other bond resolutions.

State Pledge Against Impairment of Contracts

The State in the Act has pledged to and agreed with the Bondholders that it will not limit or alter the rights vested in the Agency to fulfill the terms of any agreements made with them or in any way impair the rights and remedies of the Bondholders until the Bonds, together with the interest thereon and on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of those Holders, are fully met and discharged.

THE RENTAL HOUSING PROGRAM

The Bond Resolution is currently the primary source of funds borrowed by the Agency to fund its multifamily housing programs. The proceeds of Bonds issued under the Bond Resolution are lent by the Agency to for-profit, nonprofit and limited profit sponsors that agree to construct or rehabilitate the Developments and lease the dwelling units therein principally to persons and families with low and moderate incomes.

The precise nature of the multifamily housing programs financed under the Bond Resolution has varied over the years and is expected to continue to vary based on the housing needs of the State of Minnesota and resources available to address those needs. There follows a description of the housing programs for which there are loans outstanding that were either funded from Bond proceeds under the Bond Resolution or are pledged as additional security under the Bond Resolution. All of the Developments financed under the Bond Resolution in recent years have been processed under the Low and Moderate Income Rental Program, either as long-term loans or as bridge loans. Recently originated loans have included the acquisition and construction of rental properties that will be eligible for federal low-income housing tax credits and loans for the preservation of existing federal subsidies under the Section 8 program.

The existing Developments financed by Outstanding Bonds have been originated under the following programs:

—Low and Moderate Income Rental Program (including HUD Risk-Sharing Program)

—Section 8 Housing Assistance Payment New Construction/Substantial Rehabilitation Program (Uninsured Developments)/Asset Management Program

In addition to the programs listed above, loans contributed as additional security under the Bond Resolution have been financed under the following program:

—Market Rate Mortgage Loan Program

The following table provides summary data regarding the outstanding loans financed or pledged as a portion of the security for the Rental Housing Bond Resolution as of December 31, 2021 for the programs as listed above:

Rental Housing Program Mortgage Loan Program Summary as of December 31, 2021

Program	Number of Loans	Number of Units	Outstanding Loan Amount	Percentage of Total Amount
Section 8 Housing Assistance Payments/Asset Management Program*	11	696	$18,468,232	12.11%
Low and Moderate Income Rental Program**	49	4,081	132,672,570	87.00
Market Rate Mortgage Loan Program ...	2	163	1,357,446	0.89
	77	4,940	$152,498,248	100.00%

*Includes six HUD Risk-Sharing loans for Developments, originally financed with loans originated under this program, with 538 aggregate units and an aggregate outstanding loan amount of $17,001,238.

**Includes 35 HUD Risk-Sharing loans for Developments with 2,673 aggregate units and an aggregate outstanding loan amount of $72,282,353 and five bridge mortgage loans for Developments with 281 units and an aggregate outstanding loan amount of $32,365,000.

Low and Moderate Income Rental Program

The Low and Moderate Income Rental Program (the "LMIR Program") is the program under which the Agency is currently making loans funded from the proceeds of Bonds issued under the Bond Resolution. Some of the loans involve the preservation of existing federal housing subsidies. The federal housing subsidies preserved in connection with loans under the LMIR Program have included Section 8 project-based assistance; this subsidy program is described below. Most recent developments financed under this program have also benefited from the receipt of federal low-income housing tax credits.

In the LMIR Program, which is administered by the Multifamily Division of the Agency, the Agency uses the proceeds of Bonds issued under the Bond Resolution to provide permanent and construction loan financing for the acquisition/rehabilitation or construction of multifamily housing Developments. The Agency, under the LMIR Program, may also use other available funds to provide permanent and construction loan financing for the acquisition/rehabilitation, refinance/rehabilitation or construction of multifamily housing Developments. The proceeds of the Bonds or other available funds are lent by the Agency to nonprofit or limited profit entities that agree to construct or rehabilitate the Developments and lease the dwelling units therein principally to persons and families of low and moderate income. Several of the loans made under the LMIR Program have been insured under the FHA Section 223(a)(7) and 241 insurance programs. Generally, loans to Developments financed under the LMIR Program also receive one or more low- or non-interest bearing, non-amortizing subordinate loans that facilitate keeping rents below market rate levels and reduce the amount of amortizing debt.

In the Agency's administration of its LMIR Program, the Agency has made Mortgage Loans of up to 100 percent of total development costs. Mortgage Loans for Developments are generally made for terms of 30 to 40 years or are made as short-term loans payable when construction or rehabilitation is completed.

HUD Risk-Sharing Program

As part of the LMIR Program under the Bond Resolution, the Agency has made and expects to make Mortgage Loans under the Department of Housing and Urban Development Housing Finance Agency Risk-Sharing Program for Insured Affordable Multifamily Project Loans ("HUD Risk-Sharing Program"). Section 542(c) of the Housing and Community Development Act of 1992, as amended (the "Risk-Sharing Act") authorized the Secretary of the Department of Housing and Urban Development ("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 the Federal Housing Administration ("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 Risk-Sharing Act. The HUD 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, and provides for 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 HUD Risk-Sharing Program requires that an interested HFA first be approved as a qualified housing finance agency. Upon notification of approval as a qualified HFA, the 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 HUD 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.

The Agency has been designated by HUD as a "qualified HFA" under the Risk-Sharing Act. The Agency has entered into a risk-sharing agreement with HUD dated as of May 3, 1994 (the "Risk-Sharing Agreement") which sets out the terms for the Agency's participation in the HUD Risk-Sharing Program. The Agency has a "Level I" and "Level II" approval under the regulations, which means the Agency agrees to reimburse HUD for 50 percent, or from 10 percent to 50 percent, of any losses incurred as a result of a default under a HUD Risk-Sharing Program loan. "Level I" approval permits the Agency to use its own underwriting standards and loan terms and conditions (as disclosed and submitted with its application) to underwrite and approve loans with review and approval by the local HUD office. Most of the Developments committed to be financed to date under the HUD Risk-Sharing Program have been insured based upon a 50/50 split of any losses.

Prior to funding of a Mortgage Loan by the Agency, HUD issues a Risk-Sharing Firm Approval Letter under which it agrees to endorse the Mortgage Note either at closing (in which case all advances are insured) or upon completion of construction and satisfaction of various conditions relating to the Mortgage Loan, including funding of all anticipated sources of funds. If the Mortgage Note is not endorsed until completion of construction, HUD is not obligated to reimburse the Agency for any losses that occur as a result of a default under the loan documents prior to completion of construction and endorsement of the Mortgage Note for insurance by HUD.

A mortgagee under an FHA-insured mortgage is entitled to receive the benefits of insurance after the mortgagor has defaulted and that default continues for a period of 30 days. If the default continues to exist at the end of the 30-day grace period, the mortgagee is required to give HUD written notice of the default within 10 days after that grace period and monthly thereafter, unless waived by HUD, until the default has been cured or the Agency has filed an application for an initial claim payment. Unless a written extension is granted by HUD, the Agency must file an application for initial claim payment (or, if appropriate, for partial claim payment) within 75 days from the date of default unless extended at the request of the HFA. 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. HUD must make all claim payments in cash. The initial claim payment is equal to the initial claim amount, less any delinquent mortgage insurance premiums, late charges and interest assessment under the Regulations. Within 30 days of the initial claim payment, the HFA must use the proceeds of the initial claim payment to retire any bonds or any other financing mechanisms and must also issue to HUD a debenture, payable in five years unless extended, in an amount equal to the amount of the initial claim payment, representing the HFA's reimbursement obligation to HUD under its Risk-Sharing Agreement.

The Regulations provide that not later than 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 the Risk-Sharing Agreement.

The Agency Regulatory Agreement

The uninsured Section 8-assisted Developments and Developments financed under the LMIR and HUD Risk-Sharing Programs are all subject to regulatory agreements with the Agency regulating their rents, distributions, occupancy, management and operation. The regulatory agreements are in effect during the entire term of the Mortgage Loan. Under the regulatory agreements, a limited-profit or nonprofit owner may not make distributions to its partners or members in any one year in excess of a percentage of its initial equity in a Development. The allowable percentage of equity ranges from 6 percent to 15 percent, depending on the program under which the Mortgage Loan was financed.

Section 8 Program

General Description

Under the Section 8 Program, HUD provides for the payment of a subsidy for the benefit of low income families, which are defined generally as those families whose incomes do not exceed 80 percent of the median income for the area, as determined by HUD. Until recent years, almost all of the Developments with Section 8 subsidies financed by the Agency were financed from a set-aside from HUD under which the Developments were underwritten and financed by the Agency. The Agency entered into Traditional Contract Administration ("TCA") Annual Contributions Contracts ("ACC"s) with HUD and Section 8 Housing Assistance Payments Contracts ("HAP Contracts") with owners under which the subsidy payments were made on behalf of tenants in the Developments. Pursuant to the ACC for each Development, HUD committed funding through the entire term of the HAP Contract. The Agency receives monthly subsidy payments with respect to each assisted dwelling unit, and then in turn disburses or credits monthly housing assistance payments to the owner of the Development under the HAP Contract. In addition, several of these Developments also received an Agency first mortgage loan, some of which were insured under an FHA insurance program. After the initial contract expiration, many of these HAP Contracts have been renewed for a period of 20 years. The owner has the option to renew for a shorter term. It is anticipated, but not assured, that HUD will continue to provide the opportunity for owners to renew expiring HAP Contracts under the provisions of Section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997, as amended. In recent years, the Agency has provided new financing (deferred or amortizing) to Developments with HAP Contracts, many in conjunction with a Declaration of Covenants, Conditions and Restrictions pursuant to which the owner has agreed to continuously renew the HAP Contract through the maturity date of the Agency's Mortgage Loan. It is anticipated, but not assured, that the federal government will continue to provide these owners with the option to renew their HAP Contracts upon expiration. Renewals of HAP Contracts beyond the expiration of the initial contract term are subject to annual appropriations and spending authority in the federal budget. Contracts to convert tenant-based HUD vouchers or certificates into project-based assistance (as described below) are also subject to annual appropriation and spending authorization in the federal budget.

HAP Contract Term for State Agency Set-Aside Program

Under HUD regulations, the initial terms of the HAP Contracts for uninsured Developments financed under the state agency set-aside program were for either 30 or 40 years, with provisions for renewal for five-year periods within the 30- or 40-year term. The term of the initial ACC is the same as the initial HAP Contract term. Nonrenewal of the Section 8 HAP Contract under federal law and Minnesota state statutes requires proper notification to the residents, the applicable city, the Metropolitan Council Housing and Redevelopment Authority, the Agency and HUD. This nonrenewal (opt-out) of the HAP Contract is independent of the Development's existing first mortgage financing. (See "Certain Information Regarding Housing Assistance Payment Contracts – Certain Recent Developments.") Although the Section 8 housing assistance payments are made to the owner and in effect represent rental income, the HAP Contract may, with HUD's consent, be assigned as security by the owner to the first mortgage lender for the Development. All of the Developments with HAP Contracts within the Agency's first mortgage loan portfolio are assigned to the Agency as security for the Mortgage Loan. HAP Contracts may not be terminated by HUD if the Mortgage Loan on the Development goes into default, so long as the owner has not breached any of the owner's obligations under the HAP Contract. In the event of a breach of the HAP Contract by the owner, HUD may abate subsidy payments or terminate the HAP Contract after giving the owner reasonable opportunity to comply with the requirements of the HAP Contract. Under HUD regulations, the HAP Contract may be assigned to a new owner of the Development. HUD may also determine that the HAP Contract may be terminated or may reassign the Section 8 housing assistance payments subsidy to another development. If the Section 8 subsidy is assigned to another development, the HAP Contract and the ACC will continue in effect and housing assistance payments will continue in accordance with the terms of the HAP Contract. (See "Certain Information Regarding Housing Assistance Payment Contracts – Certain Recent Developments.")

Certain Information Regarding Housing Assistance Payment Contracts

General

The following discussion provides certain information with regard to the Section 8 program and HAP Contract requirements that may affect payments made by HUD pursuant to the HAP Contracts. That information is not comprehensive or definitive and, as appropriate, is qualified in its entirety by reference to the United States Housing Act of 1937, as amended (the "Housing Act"), and HUD Section 8 Program Guidebooks, Handbooks, Notices, and Memoranda.

Adjustments in Contract Rents

The HAP Contract defines the type of contract rent adjustment that the Development can request. For HAP Contracts in the Agency's Traditional Contract Administration portfolio that are in their original term, owners can request an Annual Adjustment Factor Rent Adjustment based on the annual adjustment factor published by HUD. Interim revisions may be made where market conditions warrant. The annual adjustment factor is applied on the anniversary date of each HAP Contract to contract rents, resulting in upward adjustment. Pursuant to federal legislation enacted in 1997, if the contract rents for a Development exceed the applicable HUD fair market rents, then contract rents may not be increased beyond comparable market rents (plus the initial differential between the initial contract rents and the comparable rents). The comparable rents are determined by independent appraisals of Developments in the form of a Rent Comparability Study submitted by the owner. In addition, special additional adjustments may be granted to reflect increases in the actual and necessary expenses of owning and maintaining a Development resulting from substantial "and general increase in real property taxes, assessments, utility rates and hazard insurance increases, where the increased cost is not sufficiently covered by the annual AAF adjustment." HUD Notice H 2002-10. Adjustments may not result in material differences between rents charged for assisted units and unassisted units of similar quality and age in the same market area, except to the extent of the initial difference at the time of contract execution. Under current law, "[t]he Secretary may not reduce the contract rents in effect on or after April 15, 1987, for newly constructed, substantially rehabilitated, or moderately rehabilitated projects assisted under this section, unless the project has been refinanced in a manner that reduces the periodic payments of the owner." 42 U.S.C. § 1437f(c)(1)(C). There can be no assurance that increases in contract rents will result in revenues sufficient to compensate for increased operating expenses of the Developments. There can be no assurance that there will not be a decrease in contract rents. A rent decrease may affect the ability of the owners of the Developments to pay principal and interest on the Mortgage Loans, which in turn could adversely affect the ability of the Agency to make timely payments of interest and principal on the Bonds with amounts pledged under the Bond Resolution. (See "Certain Recent Developments.")

Limitations on Increases in Housing Assistance Payments

An increase in contract rents, because of the application of an annual adjustment factor or a special additional adjustment, will normally result in an increase in Housing Assistance Payments payable to the owner under the HAP Contract. The annual maximum housing assistance payments are initially limited to the initial contract rents. A project account is required to be established and maintained by HUD, in an amount determined by HUD, and the account must be established and maintained consistent with its responsibilities under the Housing Act. Whenever the estimated annual housing assistance payment exceeds the annual maximum housing assistance commitment and would cause the amount in the project account to be less than 40 percent of that maximum commitment, HUD is required to take additional steps authorized by Section 8(c)(6) of the Housing Act to assure that housing assistance payments will be increased on a timely basis. Section 8(c)(6) of the Housing Act authorizes "the reservation of annual contributions authority for the purpose of amending housing assistance contracts, or the allocation of a portion of new authorizations for the purpose of amending housing assistance contracts." Based on this guidance, HUD does not increase annual contributions contract authority until the project account has been exhausted.

Certain Recent Developments

In July 2002, HUD announced an interpretation of its Office of General Counsel with respect to the form of HAP Contract in use prior to 1979 (the "Old Regulation HAP Contract"). This interpretation provides that the HAP Contract terminates upon any prepayment of the original permanent financing of the related development, including any refinancing that included prepayment of the first Mortgage Loan. HUD also stated that it would agree to amend any HAP Contract to eliminate that termination. All of the first mortgage loans with this form of HAP Contract in the Agency's TCA portfolio were provided by the Agency. There are many Developments with Agency mortgage loans that have been prepaid where HUD has continued to make payments under the HAP Contracts during the years since the Agency loans were prepaid. It is the Agency's understanding that current HUD practice is to approve the continuation of HAP Contracts upon payment of the original financing when the owner has elected to remain in the Section 8 program. In 2015, HUD issued the final version of the Section 8 Renewal Policy Guide Book. Chapter 16 of the Guide Book reiterates the Office of General Counsel interpretation of the Old Regulation HAP Contract and gives prepaying owners the option to amend the HAP Contract to extend the term to the originally scheduled maturity date, renew the HAP contract under the Multifamily Assisted Housing Reform and Affordability Act ("MAHRA"), or opt out of the Section 8 program. Contracts that are subject to Chapter 16 will be renewed and amended as outlined in the newly revised chapter. At this time, the Agency cannot predict the potential risk for opt-outs under the provisions of Chapter 16; however, the Agency handles potential opt-outs proactively to support the Agency's priority for preservation of federally assisted housing.

In recent years, there have been numerous pronouncements from HUD officials and various elected officials as to the future of HUD and the Section 8 program. The scope of these pronouncements has ranged from a total elimination of HUD and the Section 8 program to a restructuring of HUD and the reduction in funding of the Section 8 program. In addition, the consolidation and alignment of HUD's programs and the transfer of certain administrative responsibilities for HUD programs to contract administrators, state and local governments and other entities continue to be proposed. (Note that HUD has contracted project-based Section 8 program administration services to state and local governments and other entities since 1999.) Furthermore, Congress continues to propose reductions in all federal spending, including funding for HUD and its programs.

HUD officials have from time to time proposed to Congress that it repeal the provision of the Housing Act prohibiting the Secretary of HUD from reducing contract rents below the current contract rents in effect as of April 15, 1987. (See "Adjustments in Contract Rents.") It is not clear whether such a repeal would withstand a constitutional challenge. The effect of repealing those provisions would be to permit HUD to reduce the contract rents for Section 8 Developments to "market rents," but not lower than the initial contract rents, plus the initial difference, approved by HUD for the Development. Reductions in current contract rents have occurred and continue to occur due to HUD's changes to its Section 8 Renewal Policy Guide Book and its 4350.1 Handbook (Chapter 7).

At this time, the Agency cannot predict the terms of the legislation, if any, that may be enacted with respect to HUD. Legislation could significantly change HUD's structure, its administration and its programs (including the Section 8 program), and the funding of HUD and its programs. The Agency also cannot predict whether any legislation, if enacted, would adversely affect the ability of the Agency to make timely payments of interest and principal on the Bonds (including the Series Bonds) with amounts pledged under the Resolutions.

Over the years, there have been several court decisions with respect to the Section 8 program and HAP Contracts. The United States Supreme Court, in its 1993 decision, *Cisneros v. Alpine Ridge Group*, held that HAP Contracts between private landlords and HUD did not prohibit the use of comparability studies with private market rents to impose an independent cap on formula-based rent adjustments. In a January 1997 decision, *National Leased Housing Association v. United States*, the United States Court of Appeals for the Federal Circuit upheld a decision of the Court of Claims that the "overall limitation" provision contained in the rent adjustment section in HAP Contracts (which states, in effect, that notwithstanding any other provision of the HAP Contract, adjustments provided for in that section of the HAP Contract must not result in material differences between the rents charged for assisted and comparable unassisted units except to the extent that differences existed with respect to the contract rents set at contract execution or cost certification, as applicable) permits HUD to use comparability studies to decrease contract rents to eliminate material differences between rents charged for assisted and comparable unassisted units that are greater than the initial difference. In addition, the Court of Appeals affirmed the decision of the Court of Claims that HAP Contracts permit HUD to reduce rents below a previous year's rent levels through the use of comparability studies, and that the "initial difference" referred to in the HAP Contract is determined by the initial dollar amount and not by a percentage of the initial rents. Based on guidance in HUD's Section 8 Renewal Policy Guidebook, issued in 2000, as amended, HAP Contracts that are renewed under MAHRA may have their contract rents reduced to "market rents." This Guidebook also provides the opportunity for debt restructuring by HUD's Office of Affordable Housing Preservation in conjunction with the reduction in contract rents if a property is eligible.

At this time, the Agency is unable to predict what additional actions, if any, HUD or Congress will take in the future with respect to rent adjustments. Future policy changes for rent adjustments may be impacted by federal budget constraints. Beginning in federal fiscal year 2012, HUD implemented three primary cost cutting measures that affect all New Regulation (i.e., post-1979) HAP Contracts. These cost cutting measures, which have been continued for federal fiscal year 2015, include using residual receipts in lieu of rent increases, using residual receipts in lieu of subsidy payments, using the lesser of budget-based or Operating Cost Adjustment Factor ("OCAF") rent adjustments, offering automatic OCAF rent adjustments that are limited to market rents including option 4 multi-year annual renewals, and short funding HAP Contracts. Old Regulation HAP Contracts that have not initially renewed under MAHRA have not been affected by the cost cutting measure of using residual receipts in lieu of subsidy payments. As noted above under "Adjustments in Contract Rents," Congress has passed legislation and HUD has implemented procedures to restrict Annual Adjustment Factor rent increases above fair market rents for the 1997 and subsequent federal fiscal years for contracts that are in their original 20-, 30- or 40-year term. Upon initial renewal of the HAP Contract, the Development generally is not eligible for Annual Adjustment Factor rent adjustments under MAHRA, but is eligible for budget based, Operating Cost Adjustment Factor, mark-up-to-market, and mark-to-market (mark down to market) rent adjustments. HUD's Section 8 Renewal Policy Guide Book, as amended, and its Handbook 4350.1, Chapter 7 do not allow for the use of initial differences, Financing Adjustments, or Financing Adjustment Factors when determining these rent adjustments; they are excluded from rent adjustment calculations. Also, HUD has proposed additional changes to the Section 8 HAP Contracts that include provisions around combining HAP Contracts and risk-based monitoring. Currently, guidance for combining HAP Contracts has been issued through a HUD memorandum. The Agency has not seen this tool leveraged by owners; however, the potential does exist. This measure would reduce the number of on-site inspections and the number of financial statements that owners must submit, as well as allow properties to share income and operating expenses. The 2014 cost cutting measures remain in effect. Actions by HUD that limit options for contract renewals and restrict the definition of market rents in many cases result in a decrease in contract rents, which could negatively impact the ability of owners to pay principal and interest on the Mortgage Loans, which in turn could adversely affect the ability of the Agency to make timely payments of interest and principal on the Bonds from the amounts pledged under the Bond Resolution.

Project-Based Vouchers

Recently, the Agency has been working with local housing and redevelopment authorities and public housing authorities to provide for project-based Section 8 Housing Choice Vouchers for a portion of the units in a Development financed under the LMIR Program. Under this program, approximately 20 percent of the units in a Development receive year-to-year project-based Housing Choice Vouchers with the rents set at the Section 8 Existing Housing Fair Market Rent ("FMR") or payment standard. The Agency has found that the HUD-published FMR or payment standard is typically less than the market rent that could be charged without the subsidy; therefore, staff considers there to be minimal risk in the event of nonrenewal of the year-to-year ACC.

Section 8 Contract Administration

In 2000, the Agency was awarded an Annual Contributions Contract ("ACC") with HUD as a Performance-Based Contract Administrator ("PBCA") for the contract administration of a portion of HUD's project-based Section 8 portfolio. Under the ACC, HUD partners with qualified entities for the administration of Section 8 HAP Contracts made directly between HUD and owners of the affected developments. In 2011, HUD held a national competitive rebid to qualified entities for the work performed under the ACC. The Agency was one of 11 states that had only one bid and were awarded a contract uncontested. As a result, the Agency was awarded a new two-year PBCA contract for the State of Minnesota, which was originally set to expire on September 30, 2013. The Agency has been granted extensions of its ACC since September 30, 2013. The most recent extension is in effect through January 31, 2023. The 2011 national rebid process resulted in a number of bid protests. As a result of those protests and the resultant litigation, the U.S. Court of Appeals for the Federal Circuit ruled that the PBCA ACCs should be awarded through the federal procurement process rather than the Notice of Funding Availability and cooperative agreements that HUD used in making its 2011 contract awards. The Supreme Court declined to review the ruling.

HUD issued two draft Request for Funding Proposals ("RFPs") that encapsulated the work conducted under the PBCA program in late 2017. The draft RFPs contemplated significant program changes, including dividing the work between a national contract and multiple regional contractors. In March of 2018, HUD cancelled the RFPs in light of the extensive comments that were submitted regarding the drafts. The cancellation notices indicate that HUD plans to undertake additional due diligence and expects to issue new RFPs at some point in the future. It is unclear when HUD may issue any more RFPs related to the work conducted under the PBCA program. Depending on the form and content of any RFPs, there may be bid protests and litigation with respect to the RFPs and any new awards of the PBCA contracts that result from the RFPs. The Agency intends to seek to retain the PBCA work in the State of Minnesota. There is, however, significant uncertainty in this area as it is unknown when HUD will release any subsequent RFPs, what the terms of those RFPs will be, and what impact any bid protests or litigation may have on the process. HUD reserved the right to terminate the ACC with 120 days' notice if HUD completes or anticipates completing the RFP solicitation process before the end of the extension term.

Market Rate Mortgage Loan Program

In its Market Rate Mortgage Loan Program, which is administered by the Multifamily Division of the Agency, the Agency issues Bonds under the Bond Resolution to provide permanent and construction loan financing for the acquisition/rehabilitation or construction of multifamily housing Developments. The proceeds of the Bonds are lent by the Agency to nonprofit or limited profit sponsors that agree to construct the Developments and lease the dwelling units therein principally to persons and families of low and moderate income. The Agency is not presently making any new Mortgage Loans pursuant to this Program.

Monitoring of Developments

In an attempt to minimize the risk inherent in long-term Mortgage Loans, the Agency has established the following guidelines for the monitoring of Developments:

- The Agency's Accounting Division is responsible for monthly billing of principal and interest and escrows, and for paying insurance, property taxes and other expenses in a timely manner.
- The Agency's Multifamily Asset Management Section is responsible for the supervision of all Developments, beginning with the feasibility processing. Prior to loan closing the Asset Management Section works with the sponsors and their marketing and management agents to review marketing and management plans. The management plan of a Development includes information on the management agent's proposed method of operating the Development. That information relates to the organizational structure and on-site duties and staffing of the management agent, initial and on-going marketing plans, contents of an orientation handbook for residents and requirements for reporting operating expenses, budget and energy conservation information. Upon completion of construction or rehabilitation, the Asset Management Section begins to monitor the implementation of the management plan, rent up and ongoing occupancy and reviews periodic submissions of income and expense data.

The Asset Management Section generally monitors the operations of Developments on an ongoing basis in generally the following ways:

- *On-Site Inspections*. After initial marketing has been completed, on-site inspections are periodically made to check on management performance. Reports summarizing findings of inspections are submitted to the owner and management agent along with a timetable for correcting deficiencies, if necessary.
- *Reporting Requirements*. Management agents for each Development are required to submit regular accounting and occupancy reports to the Agency's Asset Management Section. Smaller, non-subsidized Developments have proven to be erratic in meeting the Agency's reporting requirements. The reports are reviewed by the Housing Management Officer assigned to each Development in order to identify significant deviations from the operating budget or change in occupancy.

  The Agency generally receives the following financial information related to each Development:

  (i) Monthly Operating Report—due the 15th day of the following month;

  (ii) Analysis of Accounts Payable and Receivable—due the 15th day of the month following the end of each quarter;

  (iii) Analysis of Reserve Accounts—prepared monthly by Asset Management staff;

  (iv) Annual Budget—due 60 days prior to the beginning of the fiscal year to which the budget relates; and

  (v) Annual Audited Financial Statements—due not more than 90 days (60 days for HUD Risk Share) following the end of each fiscal year.

  For seasoned, well-maintained, financially sound Developments, the Agency may only require annual operating reports in the future.
- *Training Sessions*. The Agency provides technical assistance when needed for new management agents and the on-site resident manager to acquaint them with Agency and HUD procedures and requirements. Technical assistance is provided, as needed, throughout the life of the Mortgage Loan.

Applicable Federal Law Requirements

Applicable federal tax law imposes significant limitations on the financing of Mortgage Loans for Developments with the proceeds of qualified residential rental property bonds, such as the Series Bonds. (See "Tax Exemption and Related Considerations.")

OTHER PROGRAMS

In addition to the Program funded from the proceeds of the Bonds, the Agency finances other housing programs that provide loans for the purchase or improvement of single family housing and the acquisition, construction or rehabilitation of multifamily rental housing in the State of Minnesota. The assets devoted to these programs are briefly described in the notes to the Financial Statements in Appendix B-1.

TAX EXEMPTION AND RELATED CONSIDERATIONS

General

The applicable federal tax law establishes certain requirements that must be met subsequent to the issuance and delivery of the Series Bonds in order that interest on the Series Bonds be and remain excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). These requirements are generally described below. Noncompliance with these requirements may cause interest on the Series Bonds to become includable in gross income for purposes of federal and State of Minnesota income taxation retroactive to their date of original issue, irrespective in some cases of the date on which that noncompliance is ascertained or occurs.

The Bond and Series Resolutions, and loan documentation pertaining to the Development financed by the Series Bonds, contain provisions (the "Tax Covenants"), including covenants of the Agency and the owner, pursuant to which, in the opinion of Bond Counsel, the current requirements of the Code can be satisfied.

Opinion of Bond Counsel

In the opinion of Kutak Rock LLP, Bond Counsel, to be delivered, with respect to the Series Bonds, on the date of issuance of the Series Bonds, assuming the accuracy of certain representations and continuing compliance by the Agency with the Tax Covenants, under existing laws, regulations, rulings and judicial decisions, interest payable on the Series Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code, provided interest on any Series Bond, is not excluded from gross income for federal income tax purposes of any holder of the Series Bonds who is a "substantial user" of a development financed by the Series Bonds or a "related person" thereto, as such terms are defined in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that interest on the Series Bonds is not a specific preference item for purposes of the federal alternative minimum tax under the Code.

In addition, in the opinion of Bond Counsel, interest on the Series Bonds is not includable in the taxable net income of individuals, trusts and estates for Minnesota income tax purposes. Interest on the Series Bonds is includable in the income of corporations and financial institutions for purposes of the Minnesota franchise tax. Interest on the Series Bonds is not includable in the Minnesota alternative minimum taxable income of individuals, estates and trusts.

Bond Counsel expresses no opinion regarding any other Federal or state tax consequences with respect to the Series Bonds, and renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Series Bonds, or under state and local tax law.

A form of the Bond Counsel opinion with respect to the Series Bonds is attached hereto as Appendix F.

Prospective owners of the Series Bonds should be aware that the ownership of obligations such as the Series Bonds may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S Corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security 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 excluded from gross income for Federal income tax purposes. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction, and Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series Bonds should consult their tax advisors as to the tax consequences of purchasing or owning the Series Bonds. Interest on the Series Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

The foregoing is a brief discussion of certain collateral Federal income tax matters with respect to the Series Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Series Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Series Bonds.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series Bonds in order that interest on the Series Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal Government. Noncompliance with those requirements may cause interest on the Series Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which that noncompliance occurs or is discovered. The Agency will covenant that it will do and perform all acts necessary or desirable to assure the exclusion of interest on the Series Bonds from gross income under Section 103 of the Code. The Agency will deliver a certificate with respect to ongoing Federal tax requirements with the issuance of the Series Bonds that will contain provisions relating to compliance with the requirements of the Code. The Agency also has required or will require owners to make certain covenants in the Mortgage Loan documents relating to compliance with the requirements of the Code. No assurance can be given, however, that in the event of a breach of any covenant, the remedies available to the Agency or the owners of the Series Bonds can be enforced judicially in a manner to assure compliance with the Code and therefore to prevent the loss of the exclusion from gross income of the interest on the Series Bonds for Federal income tax purposes.

Low Income Set-Aside Requirements under the Code

Each series of bonds issued under the Bond Resolution with the intention that the interest paid thereon will be excludable from gross income for Federal income tax purposes ("Tax-Exempt Bonds"), including the Series Bonds, must satisfy the applicable requirements of the Code. In general, Tax-Exempt Bonds originally issued for new money purposes after the general effective date of the Code of August 16, 1986, are fully subject to the applicable requirements of the Code, including the more restrictive low income set-aside requirements under the Code. The Series Bonds are fully subject to the low income set-aside requirements of the Code. This section includes brief summaries of certain low income set-aside requirements and other requirements for qualified residential rental projects under the Code.

The Code requires that at least 95 percent of the net proceeds of exempt facility bonds under Section 142(a)(7) (after reduction for amounts applied to fund a reasonably required reserve fund) be used to provide "qualified residential rental projects." The Code defines a residential rental project as a project containing units with separate and complete facilities for living, sleeping, eating, cooking, and sanitation that are available to the general public and are to be used on other than a transient basis. Section 142(d) of the Code requires that either (i) at least 20 percent of the completed units in a project to be financed with the proceeds of the Series Bonds be continuously occupied during the "qualified project period" by individuals and families whose annual adjusted income does not exceed 50 percent of the area median income (with adjustments for family size), or (ii) at least 40 percent of the completed units in a project to be financed with the proceeds of the Series Bonds be continuously occupied during the qualified project period by individuals and families whose annual adjusted income does not exceed 60 percent of the area median income (with adjustments for family size). The Agency will make elections on the applicable low income set-aside requirements with respect to the Development expected to be financed with the proceeds of the Series Bonds prior to the issuance date of the Series Bonds. In addition, all of the units in the Development must be rented or available for rental on a continuous basis throughout the applicable qualified project period. The Code defines the "qualified project period" as the period beginning on the first day upon which 10 percent of the units in a project are occupied and ending on the latest of (i) the date that is 15 years after the date upon which 50 percent of the residential units in the project are occupied, (ii) the first day on which no tax-exempt private activity bond issued with respect to the project is outstanding, or (iii) the date upon which any assistance provided with respect to the project under Section 8 of the United States Housing Act of 1937, as amended, terminates. A Development generally will meet the continuing low income set aside requirement so long as a tenant's income does not increase to more than 140 percent of the applicable income limitation. Generally, upon an increase of a tenant's income over 140 percent of the applicable income limitation, the next available unit of comparable or smaller size in the applicable Development must be rented to a tenant whose income does not exceed the applicable income limitation; provided however, that if tax credits under Section 42 of the Code are allowed with respect to the applicable Development, the next available unit of a comparable or smaller size in the same building as the tenant whose income has increased over 140 percent of the applicable income limitation must be rented to a tenant whose income does not exceed the applicable income limitation. The Code requires annual certifications to be made to the Secretary of the Treasury regarding compliance with the applicable income limitations.

Certain State Tax Legislation

Minnesota, like many other states, generally taxes interest on obligations of governmental issuers in other states. In 1995, Minnesota enacted a statement of intent, codified at Minn. Stat. § 289A.50, subd. 10, that interest on obligations of Minnesota governmental units and Indian tribes be included in the net income of individuals, estates and trusts for Minnesota income tax purposes if a court determines that Minnesota's exemption of that interest and its taxation of interest on obligations of governmental issuers in other states unlawfully discriminates against interstate commerce. This provision applies to taxable years that begin during or after the calendar year in which any court decision becomes final, irrespective of the date upon which the obligations were issued.

On May 19, 2008 the U.S. Supreme Court held in *Department of Revenue of Kentucky v. Davis* that Kentucky's taxation of interest on bonds issued by other states and their political subdivisions, while exempting from taxation interest on bonds issued by the Commonwealth of Kentucky or its political subdivision, does not impermissibly discriminate against interstate commerce under the Commerce Clause of the U.S. Constitution. In a footnote, however, the Court stated that it had not addressed whether differential treatment of "so-called 'private-activity,' 'industrial-revenue,' or 'conduit' bonds . . . used to finance projects by private entities" violate the Commerce Clause, adding that "we cannot tell with certainty what the consequences would be of holding that Kentucky violates the Commerce Clause by exempting such bonds; we must assume that it could disrupt important projects that the States have deemed to have public purposes. Accordingly, it is best to set this argument aside and leave for another day any claim that differential treatment of interest on private-activity bonds should be evaluated differently from the treatment of municipal bond interest generally."

Since the Series Bonds are "private activity bonds" and the Supreme Court's opinion left open the possibility of a challenge to Minnesota's differential treatment of the interest on private activity bonds issued in other states, the Agency cannot predict the outcome of any challenge. If Minnesota's treatment of the bonds were held to unlawfully discriminate against interstate commerce, the court making such a finding would have to decide upon a remedy for the tax years at issue in the case. Even if the remedy applied to those years preceding the decision were to exempt other states' bond interest rather than to tax Minnesota bond interest, application of the 1995 statute to subsequent years could cause interest on the Series Bonds to become taxable by Minnesota and the market value of the Series Bonds to decline.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above, prevent owners of the Series Bonds from realizing the full current benefit of the tax treatment of the Series Bonds or adversely affect the market value of the Series Bonds. It cannot be predicted whether or in what form any proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced that, if implemented or concluded in a particular manner, could adversely affect the market value of the Series Bonds. It cannot be predicted whether any regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series Bonds or the market value thereof would be impacted thereby. Purchasers of the Series Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

LITIGATION

There is not now pending or, to the best knowledge of the officers of the Agency, overtly threatened any litigation against the Agency seeking to restrain or enjoin the sale, issuance, execution or delivery of the Series Bonds or in any manner questioning or affecting the validity of the Series Bonds or the proceedings or authority pursuant to which they are to be issued and sold.

The Agency is a party to various litigation arising in the ordinary course of business. While the ultimate effect of those actions cannot be predicted with certainty, the Agency expects that the outcome of these matters will not result in a material adverse effect on the financial position or results of operations of the Agency.

LEGAL MATTERS

The validity of the Series Bonds and the tax exemption of interest thereon are subject to the legal opinion of Kutak Rock LLP, Bond Counsel. A copy of the opinion of said firm, substantially in the form set forth in Appendix F hereto, will be available at the time of delivery of the Series Bonds. Certain legal matters will be passed upon for the Underwriter by its counsel, Dorsey & Whitney LLP.

FINANCIAL ADVISOR

CSG Advisors Incorporated (the “Financial Advisor”) is serving as financial advisor to the Agency with respect to the planning, structuring and sale of the Series Bonds. The Financial Advisor does not underwrite or trade bonds and will not engage in any underwriting activities with regard to the issuance and sale of the Series Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification, or to assume responsibility for the accuracy, completeness or fairness, of the information contained in this Official Statement and is not obligated to review or ensure compliance with continuing disclosure undertakings.

RATINGS

The Series Bonds are rated “____” by Moody’s Investors Service, Inc., and “___” by S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC. The ratings reflect only the views of the applicable rating agency, and an explanation of the significance of that rating may be obtained only from the rating agency and its published materials. The ratings described above are not a recommendation to buy, sell or hold the Series Bonds. The Agency cannot give any assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. Therefore, after the date of this Official Statement, investors should not assume that the ratings are still in effect. A downward revision or withdrawal of either rating is likely to have an adverse effect on the market price and marketability of the Series Bonds. The Agency has not assumed any responsibility either to notify the owners of the Series Bonds of any proposed change in or withdrawal of any rating subsequent to the date of this Official Statement, except in connection with the reporting of events as provided in the Continuing Disclosure Undertaking (see Appendix C to this Official Statement), or to contest any revision or withdrawal.

TRUSTEE

Computershare Trust Company, National Association (the "Trustee"), a national banking association, serves as successor Trustee under the Bond Resolution to Wells Fargo Bank, National Association ("WFBNA"). The Trustee also serves as bond trustee for other outstanding bonds of the Agency. As part of the sale of WFBNA's corporate trust services to the Trustee, virtually all corporate trust services employees of WFBNA along with most existing corporate trust services systems, technology and offices, transferred to the Trustee, together with all duties, obligations and rights of WFBNA under the Bond Resolution.

Pursuant to the Bond Resolution, any successor Trustee, including a successor by sale or transfer of the corporate trust business, must be a bank or trust company or national banking association having trust powers and combined capital and surplus aggregating at least $75,000,000.

UNDERWRITING

RBC Capital Markets, LLC (the "Underwriter") will purchase the Series Bonds. The Underwriter is to be paid a fee of $_______________ with respect to its purchase of the Series Bonds. The Underwriter may offer and sell the Series Bonds to certain dealers and certain dealer banks at prices lower than the public offering prices stated on the inside front cover hereof.

The Underwriter is a full service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter may have, from time to time, performed and may in the future perform, various investment banking services for the Agency, for which it may have received or will receive customary fees and expenses. In the ordinary course of its various business activities, the Underwriter may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for its own account and for the accounts of its customers and may at any time hold long and short positions in those securities and instruments. Those investment and securities activities may involve securities and instruments of the Agency.

MISCELLANEOUS

This Official Statement is submitted in connection with the offering of the Series Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. Any statement made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Agency and the purchasers or holders of any of the Series Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Agency.

MINNESOTA HOUSING FINANCE AGENCY

By ____
Commissioner

______________, 2022.

APPENDIX A

DESCRIPTION OF OUTSTANDING MORTGAGE LOANS AND DEVELOPMENTS PREVIOUSLY FINANCED BY RENTAL HOUSING BONDS, AND MORTGAGE LOANS AND DEVELOPMENTS PLEDGED AS ADDITIONAL SECURITY UNDER THE RENTAL HOUSING BOND RESOLUTION, INCLUDING THOSE INTENDED TO BE FINANCED WITH PROCEEDS OF THE SERIES BONDS

DESCRIPTION OF OUTSTANDING MORTGAGE LOANS AND DEVELOPMENTS PREVIOUSLY FINANCED BY RENTAL HOUSING BONDS AND PLEDGED AS ADDITIONAL SECURITY UNDER THE RENTAL HOUSING BOND RESOLUTION

AS OF DECEMBER 31, 2021

MORTGAGE LOANS AND DEVELOPMENTS PREVIOUSLY FINANCED BY RENTAL HOUSING BONDS

Development Name	Location	Mortgage Loan Interest Rate	Outstanding Mortgage Loan Balance (1)	Undisbursed Mortgage Amount	Development Reserves (2)	Mortgage Note Maturity	Program Type	Subsidy Expiration	No. of Subsidized Units	Total No. of Units
BOSSEN PARK APTS	Minneapolis	6.68 %	$ 1,360,514	$ -	$ 117,273	02/01/30	LMIR/HRS	N/A	0	110
CASCADE	Fergus Falls	0.00	105,590	-	(4)	04/01/22	HAP/AMP	05/31/38	36	36
CONCORDIA ARMS	Maplewood	5.75	3,401,141	-	827,375	07/01/49	LMIR/HRS/HAP	12/31/32	125	125
ELEMENT	Plymouth	1.30	8,765,000	5,350,857	-	01/01/23	LMIR/BRIDGE	(3)	12	61
GENEVA VILLAGE	Oakdale	7.21	1,803,981	-	240,031	01/01/28	LMIR	N/A	0	175
HILLSIDE TERRACE	Long Lake	6.72	1,287,339	-	305,286	08/01/34	LMIR/HRS	01/15/31	44	44
HILLTOP COTTAGES	Pine City	1.35	4,610,000	-	-	07/01/22	LMIR/BRIDGE	(3)	8	35
JACKSON PLACE	Elk River	5.63	808,350	-	79,957	04/01/38	LMIR	N/A	0	32
KENTUCKY LANE	Crystal	5.00	1,574,271	-	84,851	12/01/31	LMIR/HRS	N/A	0	67
LARSON COMMONS	Cloquet	6.52	1,972,459	-	861,187	06/01/37	HAP/HRS	03/31/40	85	85
LE SUEUR MEADOWS II	Le Sueur	1.35	5,665,000	-	-	01/01/23	LMIR/BRIDGE	(3)	9	39
MANITOU RIDGE	White Bear Lake	6.63	2,199,711	-	44,347	03/01/33	LMIR/HRS	N/A	0	118
MARSHALL SQUARE APTS	Marshall	6.45	1,141,330	-	132,469	02/01/36	LMIR/HRS/HAP	08/24/25	90	90
NORTH MOORHEAD	Moorhead	1.40	5,485,000	919,023	-	07/01/23	LMIR /BRIDGE	(3)	10	46
RIVERTOWN COMMONS	Stillwater	6.15	2,231,001	-	236,264	03/01/38	LMIR/HRS	04/30/40	96	96
SNELLING YARDS	Minneapolis	1.30	7,840,000	7,840,000	-	01/01/24	LMIR/BRIDGE	(3)	11	100
SUNRISE ESTATES	Jackson	0.00	130,000	-	114,109	01/01/22	HAP/AMP	01/01/22	40	40
THE CROSSROADS fka SOUTH PARK MANOR	Dodge Center	0.00	27,404	-	140,282	05/01/22	HAP	10/31/37	37	37
THE CROSSROADS fka SOUTH PARK MANOR	Dodge Center	0.00	260,000	-	See above	05/01/22	HAP/AMP	See above	See above	See above
THE SQUARE ON 31ST fka ROCHESTER SQUARE	Rochester	5.75	1,802,406	-	323,204	07/01/44	LMIR/HRS/HAP	02/17/34	95	104
WHITTIER COOP	Minneapolis	0.00	944,000	-	536,620	06/01/22	HAP/AMP	09/14/30	45	45
YORKDALE	Edina	5.00	3,709,108	-	407,796	06/01/48	HAP/HRS	06/30/39	90	90
Subtotal			$ 57,123,604	$ 14,109,880	$ 4,451,051				833	1575

Footnotes and Program Type legend appear on the last page of this Appendix A.

DESCRIPTION OF OUTSTANDING MORTGAGE LOANS AND DEVELOPMENTS PREVIOUSLY FINANCED BY RENTAL HOUSING BONDS AND PLEDGED AS ADDITIONAL SECURITY UNDER THE RENTAL HOUSING BOND RESOLUTION

AS OF DECEMBER 31, 2021

MORTGAGE LOANS AND DEVELOPMENTS PLEDGED AS ADDITIONAL SECURITY UNDER THE RENTAL HOUSING BOND RESOLUTION

Development Name	Location	Mortgage Loan Interest Rate	Outstanding Mortgage Loan Balance (1)	Undisbursed Mortgage Amount	Development Reserves (2)	Mortgage Note Maturity	Program Type	Subsidy Expiration	No. of Subsidized Units	Total No. of Units
ANDREWS POINT	Burnsville	5.00 %	$ 1,819,256	$ -	$ 110,793	05/01/42	LMIR/HRS	N/A	0	57
BLOOMING GLEN	Bloomington	6.17	2,508,681	-	177,626	10/01/38	LMIR/HRS	12/30/31	50	50
BLUFF HEIGHTS	Prior Lake	6.50	994,884	-	176,992	05/01/34	LMIR	N/A	0	35
CAPITOL CITY	St. Paul	5.15	932,835	-	59,414	11/01/37	LMIR	N/A	0	69
CATHEDRAL HILL HOMES	St. Paul	5.25	1,898,279	-	400,609	12/01/46	LMIR/HRS	05/31/35	60	60
CEDARDALE PLACE	Owatonna	4.49	4,843,993	-	465,698	06/01/54	LMIR/HRS	11/30/38	98	98
CENTRAL SQUARE APTS	St. Peter	5.81	1,785,734	-	308,459	08/01/36	LMIR/HRS	N/A	0	55
CENTRAL TOWERS	Rochester	5.00	3,955,430	-	980,900	08/01/43	LMIR/HRS	12/31/31	105	105
CHARTER OAKS TH	Stillwater	5.00	2,961,944	-	221,227	04/01/43	LMIR/HRS	12/31/27	60	60
CHERRY RIDGE APTS	Mankato	6.39	1,053,667	-	106,331	02/01/39	LMIR/HRS	N/A	0	83
CITY FLATS	Shakopee	5.86	360,332	-	159,621	06/01/37	LMIR	N/A	0	27
CITY PLACE LOFTS	Minneapolis	4.75	2,866,045	-	221,168	10/01/44	LMIR/HRS	N/A	0	55
COMPASS POINTE TH	New Hope	5.25	2,383,762	-	111,696	02/01/46	LMIR/HRS	N/A	0	68
CORNERSTONE VILLAGE	St. Michael	5.63	1,729,158	-	104,246	10/01/28	LMIR	N/A	0	42
CRYSTAL LAKE TH	Grand Rapids	5.50	1,360,134	-	284,662	11/01/41	LMIR/HRS	08/31/23	48	48
EASTEN TH	Moorhead	5.74	541,861	-	366,096	09/01/37	LMIR/HRS	N/A	0	38
EVERGREEN APTS	Hutchinson	5.50	1,947,939	-	366,552	12/01/41	LMIR/HRS	12/27/31	62	62
FIRST AVENUE FLATS	Rochester	4.50	4,733,899	-	93,128	10/01/34	LMIR	N/A	0	68
GATEWAY PLACE	Chanhassen	5.15	1,463,259	-	16,380	08/01/37	LMIR	N/A	0	48
HIGHLAND APTS	Willmar	5.25	1,664,177	-	303,333	04/01/46	LMIR/HRS	05/31/39	79	79
HOFFMAN PLACE	White Bear Lake	5.50	1,838,894	-	353,471	10/01/27	LMIR	N/A	0	59
JEFFERSON SQUARE	Northfield	5.75	1,301,740	-	196,616	10/01/41	LMIR/HRS	12/31/30	50	50
LAKES RUN APTS	New Brighton	5.74	1,117,470	-	3,967	11/01/36	LMIR	N/A	0	52
LAKEVILLE COURT	Lakeville	5.00	2,582,437	-	31,741	08/01/42	LMIR/HRS	N/A	0	52
LIBERTY PLAZA	St. Paul	6.50	3,380,284	-	1,028,922	02/01/34	LMIR/HRS	09/30/24	78	173
MANY RIVERS	Minneapolis	3.94	2,313,365	-	108,572	10/01/54	LMIR/HRS	08/04/23	7	53
MAPLE RIDGE TH	Maple Grove	5.74	1,196,415	-	259,844	01/01/38	LMIR	N/A	0	45
MEADOWS WEST	Austin	5.00	1,987,734	-	213,115	10/01/43	LMIR/HRS	12/31/31	60	60
NORTHGATE WOODS	Blaine	5.50	2,764,599	-	263,189	10/01/52	HAP/HRS	06/30/40	75	75
PARK MANOR ESTATES	Detroit Lakes	4.75	3,766,869	-	338,711	05/01/44	HAP/HRS	09/30/39	97	97
PARK PLAZA	Minneapolis	5.00	1,652,017	-	240,053	09/01/33	LMIR/HRS	N/A	0	134
PARKVIEW VILLA	Columbia Heights	5.25	2,053,246	-	458,957	04/01/47	LMIR/HRS	N/A	0	142
PINE RIDGE APTS	Grand Rapids	5.25	2,405,587	-	195,306	07/01/46	HAP/HRS	02/28/38	60	100
RED PINE ESTATES	Bemidji	6.49	1,266,289	-	816,744	03/01/37	LMIR	12/29/30	86	86
RIVER BEND TH	Shakopee	5.75	483,968	-	104,605	10/01/33	LMIR	N/A	0	20
RIVERSIDE TERRACE	Thief River Falls	4.75	2,146,816	-	319,141	07/01/43	LMIR/HRS	05/01/30	66	66
RIVERTOWN COMMONS	St. Paul	5.18	2,643,871	-	471,900	11/01/25	LMIR	04/30/39	28	139
RUSSELL ARMS/BENTON HEIGHTS	Sauk Rapids	5.15	2,382,617	-	463,828	09/01/37	HAP/HRS	05/31/22	71	91
SLATER SQUARE	Minneapolis	5.00	523,983	-	221,415	11/01/36	MR	N/A	0	163
SLATER SQUARE	Minneapolis	5.00	833,464	-	See above	11/01/36	MR	See above	See above	See above
SUNWOOD VILLAGE	Ramsey	5.25	1,273,150	-	94,200	03/01/47	LMIR/HRS	N/A	0	47
THE RIDGE APTS	Minnetonka	4.75	2,378,541	-	1,112,791	12/01/44	LMIR/HRS	N/A	0	64
TOWER TERRACE TOWNHOMES	Cambridge	3.49	1,599,060	-	257,344	05/01/55	LMIR/HRS	N/A	0	32
VICKSBURG COMMONS	Plymouth	6.40	823,035	-	88,663	03/01/38	LMIR	N/A	0	50
VILLAGE COMMONS	Savage	5.00	1,795,125	-	67,826	11/01/43	LMIR/HRS	N/A	0	66
VILLAGE ON THIRD	Rochester	6.14	1,471,454	-	87,037	05/01/25	LMIR	N/A	0	66
WASHINGTON CROSSING	Winona	5.75	1,230,220	-	159,197	01/01/36	LMIR/HRS	N/A	0	62
WEST VIEW ESTATES	Plymouth	5.00	3,157,290	-	320,153	09/01/42	LMIR	N/A	0	67
WILLOW RIDGE	St. Paul	6.39	1,199,833	-	88,497	04/01/38	LMIR	N/A	0	47
			$ 95,374,644	$ -	$ 13,400,734				1,240	3,365
			$ 57,123,604	$ 14,109,880	$ 4,451,051				833	1,575
Total			$ 152,498,248	$ 14,109,880	$ 17,851,785				2,073	4,940

Footnotes and Program Type legend appear on the last page of this Appendix A.

DESCRIPTION OF MORTGAGE LOANS INTENDED TO BE FINANCED WITH PROCEEDS FROM RENTAL HOUSING BONDS 2022 SERIES A

Development Name	Location	Estimated Mortgage Loan Rate	Estimated Mortgage Loan Amount	Estimated Development Reserves	Mortgage Note Maturity	Program Type	Subsidy Expiration	No. of Subsidized Units	Total No. of Units
Spring Creek II	Northfield	2.150%	$7,190,000		7/1/2024	LMIR/ Bridge Loan	Determined after completion	24	32

Notes:

(1) All loans can be prepaid subject to Agency approval.

(2) Amounts listed under the heading "reserves" are pledged by the project owner under the project regulatory agreement. The reserve can be applied for project purposes under the regulatory agreement, and are paid to the owner when the mortgage loan is paid or prepaid in full. The reserves are not pledged as security under the Bond Resolution. The real estate tax and insurance reserves are excluded.

(3) Subsidy expiration date will not be determined until development is placed in service.

(4) $133,316 in development reserves are pledged in connection with an Agency loan that is not security under the Bond Resolution.

***Program Type Legend**

AMP = Asset Management Program
HAP = Section 8 Housing Assistance Payment Program (Uninsured Developments)
HRS = FHA Risk Share Insurance
LMIR = Low And Moderate Income Rental Program
MR = Market Rate Loan Program

APPENDIX B-1

AUDITED FINANCIAL STATEMENTS OF THE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

APPENDIX B-2

FINANCIAL STATEMENTS OF CERTAIN FUNDS OF THE AGENCY (EXCLUDING STATE APPROPRIATED AND FEDERAL APPROPRIATED FUNDS) AS OF DECEMBER 31, 2021 AND FOR THE SIX MONTHS THEN ENDED (UNAUDITED)

APPENDIX C

SUMMARY OF CONTINUING DISCLOSURE UNDERTAKING

The following statements are extracted provisions of the Continuing Disclosure Undertaking to be executed by the Agency in connection with the issuance of the Series Bonds.

Purpose

This Disclosure Undertaking is executed and delivered by the Agency for the benefit of the holders and owners (the "Bondholders") and the Beneficial Owners of the Series Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule. There is no obligated person other than the Agency that is a party to the Disclosure Undertaking.

Definitions

In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Undertaking, the following capitalized terms shall have the following meanings:

"*Annual Financial Information*" means the following financial information and operating data (in addition to Audited Financial Statements): information about the Mortgage Loans and Developments of a type substantially similar to that in Appendix A in the Official Statement.

"*Annual Financial Information Disclosure*" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as described under the caption "Annual Financial Information Disclosure" herein.

"*Audited Financial Statements*" means the audited financial statements of the Agency, prepared pursuant to the standards and as described under the caption "Annual Financial Information Disclosure."

"*Beneficial Owners*" means (1) in respect of a Series Bond subject to a book-entry-only registration system, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Series Bond (including persons or entities holding Series Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Series Bond for federal income tax purposes, and such person or entity provides to the Trustee evidence of such beneficial ownership in form and substance reasonably satisfactory to the Trustee; or (2) in respect of a Series Bond not subject to a book-entry-only registration system, the registered owner or owners thereof appearing in the bond register maintained by the Trustee, as Registrar.

"*Commission*" means the Securities and Exchange Commission.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Financial Obligation*" 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 or planned debt obligation, or, (iii) guarantee of either (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

"*Listed Event*" means the occurrence of any of the events with respect to the Series Bonds set forth below:

1. Principal and interest payment delinquencies;

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

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Agency (within the meaning of the Rule);

13. The consummation of a merger, consolidation or acquisition involving the Agency or the sale of all or substantially all of the assets of the Agency, 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 the Agency, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Agency, any of which affect security holders, 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 the Agency, any of which reflect financial difficulties.

"*Listed Events Disclosure*" means dissemination of a notice of a Listed Event as described under the heading "Listed Events Disclosure" in this Appendix C.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Participating Underwriter*" means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series Bonds.

"*Prescribed Form*" means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Listed Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

"*Rule*" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"*Undertaking*" means the obligations of the Agency described under the headings "Annual Financial Information Disclosure" and "Listed Events Disclosure" in this Appendix C.

Annual Financial Information Disclosure

The Agency shall disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below) for each fiscal year of the Agency, commencing with the fiscal year ending June 30, 2022, by one of the following methods: (i) the Agency may deliver such Annual Financial Information and the Audited Financial Statements to the MSRB within 120 days of the completion of the Agency's fiscal year or (ii) delivery of an Official Statement of the Agency to the MSRB within 120 days of the completion of the Agency's fiscal year, but only to the extent such Official Statement includes such Annual Financial Information and Audited Financial Statements.

The Agency is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Agency will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Disclosure Undertaking, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

All or a portion of the Annual Financial Information and the Audited Financial Statements may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission. The Agency shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 120 days after the last day of the Agency's fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 business days after availability to the Agency.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by the Disclosure Undertaking, including for this purpose a change made to the fiscal year-end of the Agency, the Agency will disseminate a notice to the MSRB of such change in Prescribed Form.

Listed Events Disclosure

The Agency hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Listed Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series Bonds or defeasance of any Series Bonds need not be given under this Disclosure Undertaking any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series Bonds pursuant to the Resolution.

Consequences of Failure of the Agency To Provide Information

The Agency shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Agency to comply with any provision of this Disclosure Undertaking, the Bondholder or Beneficial Owner of any Series Bond may seek specific performance by court order to cause the Agency to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Resolution or any other agreement, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Agency to comply with this Disclosure Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of this Disclosure Undertaking, the Agency may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Agency or type of business conducted;

(ii) This Disclosure Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Bondholders of the Series Bonds, as determined either by parties unaffiliated with the Agency (such as the Trustee) or by an approving vote of the Bondholders of the Series Bonds holding a majority of the aggregate principal amount of the Series Bonds (excluding Series Bonds held by or on behalf of the Agency or its affiliates) pursuant to the terms of the Resolution at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Termination of Undertaking

The Undertaking of the Agency shall be terminated when the Agency shall no longer have any legal liability for any obligation on or relating to the repayment of the Series Bonds. The Agency shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Additional Information

Nothing in this Disclosure Undertaking shall be deemed to prevent the Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the Agency chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the Agency shall not have any obligation under this Disclosure Undertaking to update such information or include it in any future disclosure or notice of the occurrence of a Listed Event.

Beneficiaries

This Disclosure Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Disclosure Undertaking shall inure solely to the benefit of the Agency, the Bondholders and Beneficial Owners of the Series Bonds, and shall create no rights in any other person or entity.

Recordkeeping

The Agency shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The Bond Resolution contains various covenants and security provisions, certain of which are summarized below. The summary does not purport to be comprehensive or definitive and is subject to all of the terms and provisions of the Bond Resolution, to which reference is hereby made, copies of which are available from the Agency or the Trustee.

Resolution Constitutes Contract with Trustee and Bondholders

Upon acceptance by the Trustee of the trusts created in the Bond Resolution and upon the purchase of Bonds by a Holder thereof, the Bond Resolution and applicable Series Resolution shall constitute a contract of the Agency with the Trustee and the Bondholders. The pledge made and security interests granted in the Bond Resolution are for the equal benefit, protection and security of all such Bondholders; all Bonds shall be of equal rank without preference, priority or distinction except as expressly provided or permitted in the Bond Resolution. The Agency covenants that it will cause to be deposited with the Trustee all proceeds of Bonds, all Mortgages, Mortgage Loans, and other securities purchased from Bond Proceeds and all income thereon. The pledge of the Agency is valid and binding from the time when made and all Mortgages, Mortgage Loans, securities and income thereon pledged and received by the Agency shall be subject to the lien thereof. The Agency pledges its full faith and credit for payment of principal, interest, and premium, if any, on the Bonds; the Bonds are a general obligation of the Agency. The State has pledged to and agreed with the Bondholders that it will not limit or alter the rights vested in the Agency nor impair the rights or remedies of the Bondholders until the Bonds, together with interest due, are fully paid.

Definitions

The following are definitions of certain terms used in the Bond Resolution and in this Official Statement (but not otherwise defined herein).

Accreted Value: for any Capital Accumulator Bond or Bonds, as of any date, the value (which may be rounded to the nearest dollar) resulting from the compounding of interest on the original principal amount and accretion thereof to principal on each prior Interest Payment Date at the approximate yield expressed in the Bond and provided in the applicable Series Resolution.

Agency Hedge Payment: a payment due to a Hedge Counterparty from the Agency pursuant to the applicable Hedge Agreement (excluding, however, payments in respect of any early termination of such Hedge Agreement).

Bond Requirement: as of any particular date of calculation, the sum of (i) that amount of the interest to become due on each Series of Outstanding Bonds at its next Interest Payment Date the deposit of which, once each month between that and the last such Interest Payment Date (or if none, since the Issue Date), would produce a sum sufficient to pay such interest, (ii) that amount of the Principal Installment due on each Series of Outstanding Bonds at its next Principal Installment Date, the deposit of which, once each month between that and the last such Principal Installment Date (or if none, once each month for a period of twelve months prior to the next Principal Installment Date), would produce a sum sufficient to pay such Principal Installment; (iii) any amount referred to in clause (i) and (ii) which has not been deposited in the Bond Fund in any month preceding the date of calculation; (iv) any Principal Installment and interest due and unpaid before the date of calculation; and (v) interest accrued on any such Principal Installment and (to the extent lawful) on any such interest, at the same rate as that borne by the Principal Installment before its maturity; provided that if, as of the date of calculation, the interest rate on any Variable Rate Bonds cannot be determined for any period before the next Interest Payment Date therefor, the interest rate for such period shall be assumed to be the Maximum Rate for such Variable Rate Bonds.

Capital Accumulator Bond: any Bond the interest on which is not currently payable on Interest Payment Dates during each year of its term (or portion of its term) but accrues and is accreted to principal on each Interest Payment Date and is payable as part of the Accreted Value of the Bond at maturity, or at a prior date on which the Bond is duly called for redemption, as provided in the applicable Series Resolution.

Current Interest Bond: any Bond the interest on which is payable on Interest Payment Dates during each year of its term (or portion of its term), or to a prior date on which the Bond is duly called for redemption, as provided in the applicable Series Resolution.

Debt Service Reserve Requirement: as of any particular date of computation, an amount of money (or cash equivalent available under a letter of credit, insurance policy, surety bond or similar security instrument issued by an institution whose debt obligations at the time of such issuance are rated as high as or higher than the Bonds by a nationally recognized bond rating agency) equal to the sum of amounts computed for each Series of Outstanding Bonds, each in accordance with the applicable Series Resolution.

Development: a specific improvement or structure constituting residential housing as defined in the Act, containing units for possession pursuant to a leasehold estate or cooperative ownership, and financed in whole or in part by the issuance of Bonds or Notes.

Escrow Payment: any payment made in order to obtain or maintain mortgage insurance and fire and other hazard insurance, including payments for any Federal, state, local or private program intended to assist in providing Mortgages, 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, and payments or charges constituting construction or operating contingency, performance or completion or replacement reserves required pursuant to the applicable Mortgage Loan or any Subordinate Mortgage Loan.

Expense Requirement: such amount of money as may from time to time by Series Resolution or Supplemental Bond Resolution of the Agency be determined to be necessary for the payment of costs and expenses of the Agency pursuant to the Program (other than costs and expenses properly payable from a Cost of Issuance Account), and including any Agency Hedge Payments owing from time to time to a Hedge Counterparty pursuant to a Hedge Agreement and any fees or expenses owing from time to time to a person or entity providing credit or liquidity support or remarketing services in respect of any Bonds.

Hedge Agreement: a payment exchange agreement, swap agreement, forward agreement or any other hedge agreement between the Agency and a Hedge Counterparty, as amended or supplemented, providing for payments between the parties based on levels of, or changes in, interest rates or other indices, including, without limitation, interest rate exchange agreements, floors or caps, which allows the Agency to manage or hedge payment, rate, spread or similar risk with respect to any Bonds outstanding or proposed to be issued and which is entered into in accordance with the requirements described under the subheading "Hedge Agreements."

Hedge Counterparty: any person or entity with whom the Agency shall from time to time enter into a Hedge Agreement, as specified in a Series Resolution or other resolution of the Agency.

Hedge Counterparty Guarantee: a guarantee in favor of the Agency given in connection with the execution and delivery of a Hedge Agreement, as specified in a Series Resolution or other resolution of the Agency.

Interest Payment Date: each date on which interest on any Series of Bonds is required to be paid under the applicable Series Resolution.

Investment Obligation: any of the following, including puts and call options in future contracts traded on a contract market designated and regulated by a federal agency, which at the time are legal investments for Fiduciaries under the laws of the State for moneys held hereunder which are then proposed to be invested therein: (i) direct general obligations of the United States of America; (ii) obligations the payment of the principal of and interest on which, in the opinion of the Attorney General of the United States, is unconditionally guaranteed by the United States; (iii) bonds, debentures, participation certificates, notes or other debt issued by any of the following: Bank for Cooperatives, Federal Financing Bank, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal National Mortgage Association, Export Import Bank of the United States, Farmer's Home

Administration, Federal Home Loan Mortgage Corporation or Government National Mortgage Association, or any other agency or corporation which has been or may hereafter be created by or pursuant to an Act of the Congress of the United States as an agency or instrumentality thereof or sponsored thereby; (iv) direct and general obligations of any state within the United States or of any political subdivision of the State of Minnesota, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by each Rating Agency providing a Rating on Outstanding Bonds; (v) interest bearing deposit accounts in savings and loan associations or in state, national or foreign banks (including the Trustee and any Paying Agent), provided that either said deposits are insured by the Federal Deposit Insurance Corporation, are secured by obligations described in clauses (i) through (iii) above, or at the time the purchase is made the debt obligations of the depository are rated as high or higher than the Bonds by each Rating Agency providing a Rating on Outstanding Bonds; (vi) bankers' acceptances drawn on and accepted by commercial banks whose debt obligations at the time the purchase is made are rated as high or higher than the Bonds by each Rating Agency providing a Rating on Outstanding Bonds; (vii) commercial paper issued by United States corporations or their Canadian subsidiaries rated at the time the purchase is made in the highest rating category for commercial paper by each Rating Agency providing a Rating on Outstanding Bonds and maturing in 270 days or less; (viii) repurchase agreements and reverse repurchase agreements with banks which (1) are members of the Federal Deposit Insurance Corporation and (2) are rated in either of the two highest rating categories by each Rating Agency providing a Rating on Outstanding Bonds, or with government bond dealers reporting to and trading with the Federal Reserve Bank of New York, which agreements are secured by obligations described in the preceding clauses (i) through (iii) of this sentence; (ix) guaranteed investment contracts or similar deposit agreements with insurance companies with a claims paying rating from each Rating Agency providing a Rating on Outstanding Bonds at the time the contract or agreement is made at least equal to the respective Rating of the Bonds by the related Rating Agency, or with other financial institutions or corporations provided, at the time the contract or agreement is made, the debt obligations of any such financial institution or corporation are rated as high or higher than the Bonds by each Rating Agency providing a Rating on Outstanding Bonds or such contracts or agreements are secured by obligations described in clauses (i), (ii), (iii) and (viii) above; (x) shares in an investment company registered under the Federal Investment Company Act of 1940 whose shares are registered under the Federal Securities Act of 1933, or shares of a common trust fund established by a national banking association or a bank or trust company organized under the laws of any state with combined capital and surplus of at least $50,000,000, under the supervision and regulation of the Comptroller of the Currency pursuant to 12 C.F.R. 9, or any successor regulation, and whose only investments are qualified investments described in clauses (i), (ii), (iii) and (viii) above; (xi) notes, bonds, debentures or other debt issued or guaranteed by domestic corporations, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by each Rating Agency providing a Rating on Outstanding Bonds; (xii) notes, bonds, debentures or other debt issued by the World Bank or the Inter-American Development Bank, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by each Rating Agency providing a Rating on Outstanding Bonds; and (xiii) any other investment that as of the date made does not impair the Rating of any Outstanding Bonds.

Maximum Rate: in respect of any Variable Rate Bonds, the maximum interest rate that such Bonds may bear as specified in the Series Resolution authorizing the issuance of the Variable Rate Bonds.

Mortgage: a mortgage deed, deed of trust, or other instrument, which, except as otherwise provided in the Bond Resolution, shall constitute a first lien in the State on improvements and real property in fee simple, or on a leasehold under a lease having a remaining term which, at the time the Mortgage is acquired, does not expire for at least that number of years beyond the maturity date of the Mortgage Loan or Subordinate Mortgage Loan secured by such Mortgage which is equal to the number of years remaining until the maturity date of the Mortgage Loan or Subordinate Mortgage Loan.

Mortgage Loan: a loan by the Agency to a Mortgagor for the financing and/or refinancing of a Development for the purposes set forth in Section 101 of the Bond Resolution, secured by a Mortgage on the Development.

Mortgagor: a natural person, a public or private corporation, a partnership, a joint venture or other organization or entity, to the extent permitted by the Act and the rules of the Agency thereunder (including the Agency or any corporation, agency or instrumentality created or controlled by the Agency).

Outstanding: a reference as of any particular time to all Bonds theretofore delivered except (i) any Bond canceled by the Trustee, or proven to the satisfaction of the Trustee to have been canceled by the Agency or by any other Fiduciary, at or before that time, and (ii) any Bond for the payment or redemption of which either (a) money equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, or (b) Investment Obligations or money in the amounts, or the maturities and otherwise as described and required under the provisions of paragraph (B) or (D) of Section 1201 of the Bond Resolution, has been deposited with one or more Fiduciaries in trust (whether upon or prior to the maturity or redemption date of the Bond) and except in the case of a Bond to be paid at maturity, of which notice of redemption has been given or provided for in accordance with Article VII therein, and (iii) any Bond in lieu of or in substitution for which another Bond has been delivered pursuant to Section 605, 607 or 906 of the Bond Resolution.

Prepayment: any money received from a payment of principal on a Mortgage Loan or Subordinate Mortgage Loan in excess of the scheduled payments of principal then due, or from the sale of a Mortgage Loan or Subordinate Mortgage Loan pursuant to Section 313 of the Bond Resolution, other than money constituting a Recovery Payment.

Principal Installment: as of any particular date of calculation, an amount equal to the sum of (i) the principal amount of Outstanding Current Interest Bonds which mature on a single future date, reduced by the aggregate amount of any Sinking Fund Installments payable before that date toward the retirement of such Outstanding Current Interest Bonds, plus (ii) the amount of any Sinking Fund Installment payable on said future date toward the retirement of such Outstanding Current Interest Bonds, plus (iii) the Accreted Value, as of the same future date, of Capital Accumulator Bonds which mature or are required to be redeemed as a Sinking Fund Installment on such date.

Program: the Agency's program of making Mortgage Loans, including the payment when due of principal of and redemption premium, if any, and interest on Notes, for the purposes specified in Section 101 of the Bond Resolution.

Rating: with respect to any Bonds and as of any date, the rating issued by a Rating Agency then in force and prior to a proposed action to be taken by the Agency. An action does not "impair" the Rating with respect to any Bonds if the action will not cause the Rating Agency to lower or withdraw the rating it has assigned to such Bonds.

Record Date: for (i) payment of principal of and interest on the Bonds shall be the 15th day (whether or not a business day) of the month immediately preceding the payment date and (ii) for purposes of giving notice of redemption or other notice pursuant to the provisions of the Bond Resolution or Series Resolution, the last business day of the month preceding the month in which such notice is mailed.

Recovery Payment: any money received or recovered by the Agency, in excess of the expenses necessarily incurred by the Agency in collection thereof, from (i) the sale or other disposition of a Development acquired by the Agency, or (ii) condemnation of a Development or part thereof, or (iii) other proceedings taken in the event of default by the Mortgagor, or (iv) the sale or other disposition of a Mortgage in default for the purpose of realizing on the Agency's interest therein, or (v) mortgage insurance or guaranty or hazard insurance.

Redemption Price: when used with respect to a Bond or portion thereof, the principal amount of a Current Interest Bond or the Accreted Value of a Capital Accumulator Bond or any portion thereof plus the applicable premium, if any, payable upon redemption thereof in accordance with its terms.

Revenues: all payments, proceeds, rents, charges and other income derived by or for the account of the Agency from or related to the Program, including without limitation the scheduled amortization payments of principal of and interest on Mortgages (whether paid by or on behalf of the Mortgagor or occupants of the Development subject to the Mortgage) and any Counterparty Hedge Payments payable by or received from or on behalf of any Hedge Counterparty pursuant to a Hedge Agreement or a Hedge Counterparty Guarantee, but not including Prepayments, Recovery Payments or Escrow Payments, and not including inspection, financing, application, commitment or similar fees or charges of the Agency which are included in the original principal amount of a Mortgage.

Sinking Fund Installment: any amount of money required by or pursuant to a Series Resolution as referred to in Section 202 of the Bond Resolution to be paid on a specified date by the Agency toward the retirement of any particular Term Bonds before their maturity.

Sinking Fund Installment Date: the date on which a Sinking Fund Installment is payable.

Subordinate Mortgage Loan: a Mortgage Loan, which may be junior and subordinate to other mortgage liens on a Development, made by the Agency pursuant to the authorization contained in Section 308 of the Bond Resolution.

Variable Rate Bonds: any Bonds the interest rate on which varies periodically such that the interest rate at a future date cannot be determined as of the date of calculation.

Authorization of Bonds

In order to provide sufficient funds for the Program, Bonds of the Agency designated as Rental Housing Bonds are authorized by the Bond Resolution to be issued from time to time without limitation as to amount except as provided in the Bond Resolution or as may be limited by law, and shall be issued subject to the terms, conditions and limitations established in the Bond Resolution. The full faith and credit of the Agency is pledged for the security of the Bonds, including interest and redemption premiums thereon, and the Bonds are general obligations of the Agency, payable out of any of its moneys, assets or revenues, subject to the provisions of any other resolutions, indentures or state laws now or hereafter pledging and appropriating particular moneys, assets or revenues to particular notes or Bonds.

Other Obligations

(A) Except as provided in Article II of the Bond Resolution, the Agency covenants that it will not create or permit the creation of or issue any obligations or create any additional indebtedness which will be secured by a charge or lien on the Revenues or will be payable from any of the Funds or Accounts established and created by or pursuant to the Bond Resolution, including the Debt Service Reserve Fund. The foregoing provision shall not be construed as prohibiting the Agency from entering into hedging transactions, such as interest rate swaps, in connection with the issuance of any Series of Bonds, or in connection with the payment of any Series of Outstanding Bonds.

(B) The Agency expressly reserves the right to adopt one or more additional bond or note resolutions and reserves the right to issue other obligations so long as they are not a charge or lien prohibited by paragraph (A) of this Section of the Bond Resolution.

Pledge of the Resolution

The Agency in the Bond Resolution covenants that it will cause to be paid to and deposited with the Trustee, or to its credit with Depositories designated by the Agency, and pledges and grants to the Trustee a security interest in, all proceeds of Bonds, all Mortgages and Mortgage Loans and other securities made and purchased from such proceeds (or from the proceeds of Notes paid from the proceeds of Bonds), and all income and receipt therefrom. This pledge is intended to be valid and binding from the time when made, and the Bond proceeds, Mortgages, Mortgage Loans, other securities, income and receipts pledge and hereafter received by the Agency are immediately to be subject to the lien thereof without any physical delivery or further act, and the lien of such pledge is intended to be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Agency, whether or not such parties have notice thereof.

Custody and Application of Bond Proceeds

Each Series Resolution authorizing the issuance of a Series of Bonds is required to specify the purposes for which the proceeds of such Series of Bonds may be used and to provide for the disposition of the proceeds thereof. Purposes for which Bonds may be issued are (a) the making of Mortgage Loans, (b) the financing of Mortgage Loans previously made from the proceeds of Notes, (c) the refunding of Outstanding Bonds, and (d) incident to these purposes, the deposit of amounts determined by or pursuant to the Bond Resolution to be credited and paid into the Funds and Accounts referred to in the Bond Resolution.

Note Accounts. Money in any Note Account shall be held by the Trustee and applied as directed by the applicable Series Resolution to the payment of Notes upon receipt of an Officer's Certificate identifying them by title, date of issuance and maturity or redemption, interest rate and the person to whom payment is to be made and the amount thereof. All interest and other income received from the deposit and investment of money in the Note Account pending application to the payment of Notes, unless otherwise directed by the applicable Series Resolution, shall be transferred as received to the Revenue Fund. Upon receipt of evidence satisfactory to the Trustee that such Notes have been paid and canceled, the Trustee shall transfer any balance remaining in the Note Account to the appropriate Project Account.

Project Account and Mortgage Loan Accounts. Money in each Project Account and Mortgage Loan Account shall be held by the Trustee or a Depository as directed by an Officer's Certificate. The Trustee shall create specific Mortgage Loan Accounts within the Project Account to finance specific Developments and the Trustee shall from time to time pay out or permit the designated Depository to pay out money in any Mortgage Loan Account held for the purpose of making a Mortgage Loan, upon receipt by the Trustee (or by the Depository with a copy to the Trustee) of an Officer's Certificate as to each payment or withdrawal, stating:

(i) the name of the Mortgagor to, and Development for, which the payment is to be made;

(ii) the amount to be paid; and

(iii) that this amount, together with all prior withdrawals from said Mortgage Loan Account and all prior advances made by the Agency to the Mortgagor on account of the Mortgage Loan, will not exceed in the aggregate the authorized amount of the Mortgage Loan.

All interest and other income from time to time received from the deposit and investment of money in the Project Account or any Mortgage Loan Accounts shall be transferred as received to the Trustee for deposit in the Revenue Fund.

Promptly upon the fulfilling of its commitment to make a Mortgage Loan to a Mortgagor, or upon revocation of the commitment before any substantial disbursement of funds thereunder, the Agency will deliver to the Depository and the Trustee an Officer's Certificate stating such fact and the amount of money, if any, remaining in the applicable Mortgage Loan Account, and directing this amount to be transferred by the Depository to the Trustee and deposited by the Trustee in a designated Project Account or in one or more designated Mortgage Loan Accounts or the Redemption Fund.

Mortgage Provisions and Conditions

Each Mortgage Loan financed from the proceeds of Bonds or of Notes paid from the proceeds of Bonds or from amounts made available from the Redemption Fund, and the Mortgage securing it, shall conform to the following terms, conditions, provisions and limitations as well as those stated in "Program Covenants" herein, except to the extent, if any, that a variance therefrom is required by an agency or instrumentality of the United States guaranteeing, insuring, or otherwise assisting in the payment of the Mortgage Loans. In addition, the Agency may, solely from Excess Revenues under the Bond Resolution which could otherwise be withdrawn therefrom pursuant to Section 404(5) thereof, make Subordinate Mortgage Loans with respect to a Development upon such terms and conditions as the Agency may deem appropriate, and without regard to the following provisions.

Lien. With respect to each Mortgage Loan, the Mortgage and complementary financing statements and other necessary documents shall be executed, recorded and filed in accordance with the requirements of existing laws, so as to create and constitute a valid first mortgage lien on the real property or leasehold interest in real property of the Mortgagor which is the site of the Development and improvements thereon for which the Mortgage Loan is made, and a valid security interest in all personal property acquired with proceeds of the Mortgage Loan and attached to or used in the operation of the Development.

Title. Before the disbursement of Bond proceeds to make the Mortgage Loan or to pay Notes the proceeds of which were used to make it, the Mortgagor shall have acquired marketable title in fee simple to the site of the Development, or a leasehold interest therein sufficient as the subject of a Mortgage as defined in Section 103 of the Bond Resolution, subject only to liens and encumbrances which in the reasonable judgment of the Agency do not materially affect its value or usefulness for the intended use; and there shall be deposited with the Trustee, or with an agent (which may be the Agency) authorized by the Trustee to receive on its behalf and transmit to the Trustee, (i) the Mortgage; (ii) the note evidencing the Mortgage Loan; (iii) an acceptable title opinion or title insurance policy; and (iv) originals or photocopies of all other agreements and certificates of the Mortgagor relating to the Development.

Participation. The Agency may participate with another party or parties in the making of a Mortgage Loan for various purposes as set forth in the Resolution, if its mortgage lien and security interests, in proportion to its participation, is on a parity with or superior to that of all other parties, but the interest rate and time and rate of amortization of that part of the Mortgage Loan made by the Agency and that made by others need not be equal. The Agency may make an additional Mortgage Loan in certain circumstances on a parity of lien with the Mortgage then held by the Agency or subordinate thereto (but not junior or subordinate to a mortgage held by any other party unless permitted by the Resolution).

Prepayments. With respect to each Mortgage Loan, the Mortgage shall not permit a Prepayment of the Mortgage Loan without the consent of an Authorized Officer of the Agency, unless required by an agency of the United States as contemplated in this section; but the Agency may undertake in the Mortgage to give its consent if the following conditions with respect to Prepayment exist:

(a) the amount to be paid prior to satisfaction of the Mortgage equals, as of the date of the Prepayment:

(i) the unpaid principal balance of the Mortgage Loan: plus

(ii) accrued interest to the date of the Prepayment; plus

(iii) unless waived or modified by the Agency, a prepayment penalty calculated in accordance with the terms of the Mortgage; and

(b) an Authorized Officer determines that after such Prepayment (whether total or partial), the Agency will remain in compliance with its Revenue Covenant.

The Agency may consent to the Prepayment of any Subordinate Mortgage Loan upon such terms as it, in its sole discretion, deems appropriate.

Insurance and Escrow. With respect to each Mortgage Loan, the Mortgage or an accompanying document shall require the Mortgagor:

(a) to procure and maintain fire and extended coverage insurance on the Development in amount as determined by the Agency, payable to the Agency as its interest may appear;

(b) to pay all taxes, special assessments and other lawful governmental charges with respect to the Development before they become delinquent, and all claims for work done and materials furnished with respect thereto before they are filed as liens on the Development, except during any period for which payment of part or all thereof may be deferred, with the written consent of and upon such terms as are specified by an Authorized Officer, for the purpose of contesting the same; and

(c) to make monthly Escrow Payments to the Agency or a Servicer or a Depository sufficient to accumulate funds for taxes and other governmental charges and insurance premiums.

Disbursements. Before the disbursements of a Mortgage Loan from Bond proceeds the Mortgagor shall have completed the Development and paid all costs thereof in a manner approved by an Authorized Officer, or shall have:

(a) obtained all governmental approvals required by law for the acquisition and construction of the Development;

(b) obtained written approval by an Authorized Officer of final plans and specifications for the Development and provided, if required, assurance and documentation of a nature and in an amount sufficient in the opinion of an Authorized Officer, securing performance of the work in accordance therewith, provided that no disbursement of construction costs shall be made until such approval is given and such assurance furnished;

(c) deposited with the Trustee or a Depository cash or an irrevocable letter of credit or other valuable consideration satisfactory to an Authorized Officer, in any amount by which the cost of the Development as estimated by the Agency exceeds the authorized amount of the Mortgage Loan.

The Agency may impose additional disbursement requirements, or modify the foregoing requirements, to the extent required to comply with the rules, regulations or procedures of any agency or instrumentality of the United States guaranteeing, insuring or otherwise participating in the making of a Mortgage Loan or the repayment thereof.

Alienation. Except as provided below, with respect to each Mortgage Loan, the Mortgage shall not permit the sale, lease or encumbrance of the Development without the written consent of the Agency, by its Authorized Officer, which consent may be given (but need not be given) only in the cases of:

(a) receipt of full Prepayment conforming to the requirements stated below;

(b) grant of easements, licenses or rights-of-way over, under or upon the site of the Development which, in the opinion of the Officer, do not destroy or diminish its usefulness for the purpose intended;

(c) lease of the Development or a part thereof to a third party for the purpose of operation, provided that such lease is permitted by law and is subject to all of the terms, provisions and limitations of the Mortgage;

(d) sale or exchange of any improved or unimproved land which in the opinion of an Authorized Officer is not needed for the efficient operation of the Development, provided that an appraisal acceptable to the Agency is received showing that the Development, subsequent to such release, has an appraised value not less than 110% of the outstanding principal balance of the Mortgage;

(e) sale to another eligible Mortgagor approved by resolution of the Agency, who assumes all obligations of the original Mortgagor under the Mortgage and accompanying documents; in which case the Agency may release the original Mortgagor unless otherwise provided in the Mortgage;

(f) grant of a parity mortgage lien on the Development or a portion thereof if such parity mortgage lien is given to secure financing for the expansion, improvement or renovation of the Development or portion thereof; or

(g) grant of a subordinate mortgage lien on the Development or a portion thereof.

Enforcement. The Agency shall diligently enforce, and take all reasonable steps, actions and proceeding necessary for the enforcement, of all terms, covenants and conditions of Mortgages securing Mortgage Loans made by the Agency, including the prompt collection of Mortgage repayments and fees and charges and other Revenues.

Whenever it shall be necessary in order to protect and enforce the rights of the Agency under a Mortgage securing a Mortgage Loan and to protect and enforce the rights and interests of Bondholders under the Bond Resolution, the Agency shall commence foreclosure proceedings against each Mortgagor in default under the provisions of a Mortgage, shall bid for and purchase the Development covered by such Mortgage at the foreclosure or other sale thereof and shall acquire and take possession of such Development.

Upon foreclosure of a Mortgage securing a Mortgage Loan, or upon acquisition of the Development in lieu of foreclosure of a Mortgage in default, and so long as the Agency shall have title to or be in possession of the Development, the Agency shall, as the case may be, construct, operate and administer such Development in the place and stead of the Mortgagor in such manner as the Agency reasonably determines is in the best interests of the Bondholders. In so doing, the Agency, to the extent it may have money available for such purpose, including any money on deposit in the Mortgage Loan Account relating to the Development, may complete the construction and development thereof if not already completed in such manner as the Agency reasonably determines is in the best interests of the Bondholders. From money provided by the Agency from the ownership and operation of the Development, to the extent such money is sufficient for the following purposes, the Agency shall first pay or make provision for payment of the costs and expenses of taxes, insurance, foreclosure fees, including appraisal and legal fees and similar expenses required to preserve or acquire unencumbered title to the Development, and after providing currently for these expenses shall pay the cost and expenses of operating the Development, including the repayments which the Mortgagor was obligated to pay pursuant to the terms and provisions of the Mortgage. The Trustee or other Depository of the Mortgage Loan Account established with respect to any Development foreclosed or otherwise acquired by the Agency prior to its completion shall be authorized to pay to the Agency upon its requisition any amount on deposit in the Mortgage Loan Account, upon receipt of an Officer's Certificate that such amount is required to pay an item that would have been included in the cost of the Development had the Agency not acquired the same. If the Agency determines that completion of the Development is not in the best interests of the Bondholders, the remaining funds in any such Mortgage Loan Account shall be disposed of in the same manner as set forth in the Bond Resolution for funds remaining in a Mortgage Loan Account upon completion of a Development or cancellation of a commitment to make a Mortgage Loan for a Development.

Upon or after foreclosure of a Development under a Mortgage securing a Mortgage Loan, or acquisition thereof from the Mortgagor in lieu of foreclosure:

(a) the Agency may resell the Development to an eligible Mortgagor and make a Mortgage Loan with respect thereto as if such eligible Mortgagor were the original Mortgagor, subject to all of the terms, provisions, conditions and limitations contained in this section and "Program Covenants" below; or the Agency may sell the Development to a party other than an eligible Mortgagor;

(b) the Agency shall not resell the Development for a price less than its fair market value as reasonably determined by the Agency through a solicitation of bids for the purchase of the Development or by an appraiser or other real estate consultant selected by the Agency and acceptable to the Trustee;

(c) subsequent to such sale the Agency must remain in compliance with its Revenue Covenant under the Bond Resolution; and

(d) all proceeds from the sale of any Development shall be considered a Recovery Payment and shall be deposited in the Suspense Account in the Redemption Fund.

The foregoing provisions regarding foreclosure of mortgages shall not apply to Mortgages securing Subordinate Mortgage Loans, and the Agency may proceed to protect and enforce the rights of the Agency under a Mortgage securing a Subordinate Mortgage Loan in such manner as the Agency, in its sole discretion, deems appropriate.

Modification. Except as otherwise permitted by the terms of the Bond Resolution, the Agency shall not consent to the modification of the security for or any terms or provisions of any Mortgage Loan or the Mortgage securing the same in a manner materially detrimental to Bondholders. No reduction in the interest rate or schedule of payments will be made which would result in a failure by the Agency to comply with its Revenue Covenant. Notwithstanding the foregoing, the Agency may consent to the modification of the terms of any Subordinate Mortgage Loan or Mortgage securing such loan in any manner and to any extent the Agency, in its sole discretion, deems appropriate.

Sale. The Agency may sell any Mortgage or other obligation securing a Mortgage Loan provided that after such sale an Authorized Officer determines the Agency will remain in compliance with its Revenue Covenant. The Agency may sell any Mortgage or other obligation securing a Subordinate Mortgage Loan upon such terms and conditions as the Agency, in its sole discretion, deems appropriate.

Program Covenants—Revenue Covenant

The Agency shall from time to time, with all practical dispatch and in a sound economical manner consistent in all respects with the Act as then amended and in effect and with the provisions of the Bond Resolution, use and apply the proceeds of the Bonds, to the extent not required by the Bond Resolution for other Program purposes, to make Mortgage Loans pursuant to the Act and the Bond Resolution, and shall do all such acts and things as are necessary to receive and collect Revenues, Prepayments, Recovery Payments and Escrow Payments, consistent with sound practices and principles, and shall diligently enforce and take all steps, actions and proceedings reasonably necessary in the judgment of the Agency for the enforcement of all terms, covenants and conditions of the Mortgage Loans. The Agency shall also take all steps, actions and proceedings reasonably necessary in the judgment of the Agency for the enforcement of all terms, covenants and conditions of Subordinate Mortgage Loans.

There shall at all times be scheduled payments of principal and interest on Mortgage Loans pledged under the Bond Resolution which, when added to any other legally enforceable payments on Mortgage Loans or with respect to the Bond Resolution (including Counterparty Hedge Payments), and interest and other income estimated by the Agency to be derived from the investment or deposit of money available therefor in any Fund or Account created by the Bond Resolution, will be sufficient to pay the Principal Installments of and interest on all Outstanding Bonds (excluding from such calculations all amounts scheduled to be received pursuant to the provisions of Subordinate Mortgage Loans). In making a determination as of any date that the Agency is in compliance with this covenant, the Agency may make assumptions as to future events (including, as applicable, assumptions as to the amounts of Agency Hedge Payments and Counterparty Hedge Payments and the amount of interest payable on Variable Rate Bonds), which assumptions shall be based upon the Agency's reasonable expectations as of the date of such determination.

The Agency reserves the right:

(a) at the time of issuance of any Series of Bonds for the purpose of repaying notes or Bonds the proceeds of which were used to make a Mortgage Loan, to consent to a reduction of the interest on that Mortgage Loan, provided that the Agency will then be in compliance with the preceding paragraph;

(b) at any time, to forgive a portion of the interest on a Mortgage Loan by consenting to the establishment of scheduled payments of principal and interest lower than those required to amortize the Mortgage Loan during its then remaining term at the agreed interest rate, provided that (i) the scheduled payments of principal and interest on all Mortgage Loans, giving effect to that and all similar reductions then in effect, will in the aggregate be sufficient to comply with the preceding paragraph, and (ii) if it is subsequently determined by an Authorized Officer that such aggregate scheduled principal and interest payments will or may be insufficient for such compliance, such forgiveness may be terminated in whole or in part with respect to subsequent payments on that Mortgage Loan; and

(c) to consent to any modifications to a Subordinate Mortgage Loan, including forgiving all or a portion of principal thereof or interest thereon, as the Agency may determine in its sole discretion. The Agency reserves the right to withdraw any amount from its General Reserve Account and deposit it in the Bond Fund in payment and satisfaction of a corresponding amount of the scheduled principal or interest payments on any Mortgage Loan. The Agency shall be entitled to recover from the Mortgagor any amounts so advanced, together with interest thereon at the rate payable on the Mortgage Loan, or to enforce its right to such recovery under the Mortgage, but only after all other defaults thereunder have been cured.

Deposit of Revenues and Other Money

The Agency will collect and deposit or will require a Servicer to collect and deposit with the Trustee or a Depository, on the date of receipt so far as practicable, all Revenues, Prepayments, Recovery Payments and Escrow Payments receivable from Mortgagors, and will forward or require the Depository to forward promptly to the Trustee statements of each amount deposited except Escrow Payments. The Trustee shall be accountable only for moneys actually so deposited, other than Escrow Payments. All moneys so deposited shall be apportioned by the Agency or Servicer and paid into and credited on the books of the Depository and the Trustee as follows:

(a) Revenues to the Revenue Fund:

(b) Prepayments and Recovery Payments to the Redemption Fund; and

(c) Each Escrow Payment to an Escrow Account separately held by the Depository or the Agency.

Revenue Fund

As of the first and on or before the tenth day of each month after the first delivery of Bonds, on any Interest Payment Date or on any date as further provided in clause (d) below, from any moneys in the Revenue Fund then held by the Trustee and Depositories, the Trustee shall withdraw and pay into each of the following Funds the amount indicated in the following tabulation, or so much thereof as remains after first crediting to each Fund preceding it in the tabulation the full amount indicated for that Fund:

(a) to the Bond Fund (and such separate Accounts therein as may be designated by one or more Series Resolutions), the amount needed to increase the aggregate balance therein to the Bond Requirement;

(b) to the Debt Service Reserve Fund (and such separate Accounts therein as may be designated by one or more Series Resolutions), the amount needed to increase the aggregate balance therein to the Debt Service Reserve Requirement;

(c) to an Account in the Revenue Fund held by the Trustee at its Principal Office, the additional amount needed to make each of the payments which will be required under the foregoing clauses (a) and (b) to be made as of the first day of the following month:

(d) if payment of interest and Principal Installments, if any, then or theretofore due on all Outstanding Bonds has been made in full and the amounts on deposit in all Funds and Accounts referred to in clauses (a) to (c) equal or exceed the Requirements applicable thereto, to the Expense Fund, the amount then required to increase the balance therein to the Expense Requirement (provided that the Agency may elect to receive the Expense Requirement from time to time by payment directly from the Revenue Fund upon providing the Trustee with an Officer's Certificate as provided in the Bond Resolution); and

(e) when authorized by an Officer's Certificate, the Trustee may credit Revenues to the Bond Fund (and such separate Accounts therein as may be designated by one or more Series Resolutions) upon receipt, up to the amount of the current Bond Requirement, and in excess of that requirement if the current Debt Service Reserve and Expense Requirements, if any, have been met.

In the event that on any Interest Payment Date, after payment of all interest and Principal Installments then due, the amounts in all Funds and Accounts referred to in clauses (a) to (d) equal or exceed the Requirements applicable thereto, any amount then on hand in the Revenue Fund and any Revenues thereafter received in excess of the current requirements of all of said Funds and Accounts may be transferred to the Agency's General Reserve Account, and shall be so transferred upon request in writing by an Authorized Officer; provided that no such transfer shall be made unless, after giving effect to such transfer, total assets of the Bond Resolution shall exceed total liabilities, determined in accordance with generally accepted accounting principles and evidenced by an Officer's Certificate.

The Agency reserves the right, in its sole and absolute discretion, to deliver to the Trustee from time to time funds not constituting Revenues or otherwise subject to the pledge of the Bond Resolution and an Officer's Certificate directing the Trustee to credit such funds to one or more Funds or Accounts hereunder, and the Trustee is authorized to credit such funds in accordance with the directions of the Officer's Certificate and such funds shall thereupon become subject to the lien and provisions of the Bond Resolution, as applicable.

Bond Fund

(a) The Trustee shall withdraw from the Bond Fund, prior to each Interest Payment Date an amount equal to the unpaid interest due on the Outstanding Bonds on or before that date, and shall cause it to be applied to the payment of said interest when due, or shall transmit it to one or more Paying Agents who shall apply it to such payment as provided in Series Resolutions.

(b) If the withdrawals required under (a) above on the same and every prior date have been made, the Trustee shall withdraw from the Bond Fund, prior to each Principal Installment Date and Sinking Fund Installment Date, an amount equal to the principal amount or Accreted Value of the outstanding Bonds, if any, maturing or subject to mandatory redemption on or before that date and shall cause it to be applied to the payment of the principal or Accreted Value of said Bonds when due or transmit it to Paying Agents who shall apply it to such payment.

(c) Each withdrawal from the Bond Fund under (a) and (b) above shall be made not earlier than five (5) days prior to the Interest Payment or Principal Installment Date or Sinking Fund Installment Date to which it relates, and the amount so withdrawn shall be deemed to be part of the Bond Fund until the Interest Payment Date or Principal Installment Date or Sinking Fund Installment Date.

(d) The Trustee shall apply money in the Bond Fund to the purchase or the redemption of Outstanding Term Bonds subject to mandatory redemption in the manner provided in this paragraph and Section 702 of the Bond Resolution, provided that no such Bond shall be purchased during the period of thirty (30) days next preceding the Date of a Sinking Fund Installment established for such Bonds. The price paid by the Trustee (excluding accrued interest but including any brokerage and other charges) for any Bond purchased pursuant to this paragraph shall not exceed the Redemption Price applicable on the next date on which such Bond could be redeemed in accordance with its terms as part of a Sinking Fund Installment. Subject to the limitations set forth and referred to in this paragraph, the Trustee shall purchase Bonds at such times, for such prices, in such amounts and in such manner (whether after advertisement for tenders or otherwise) as the Agency may determine in an Officer’s Certificate furnished to the Trustee.

(e) As soon as practicable after the forty-fifth and before the thirtieth day prior to the Date of each Sinking Fund Installment, unless a different notice period is required by the applicable Series Resolution, the Trustee shall call for redemption on that date the principal amount or Accreted Value of the remaining Bonds entitled to said Installment, and on that date the Trustee shall apply the money in the Bond Fund to the payment of the Redemption Price of the Bonds so called for redemption.

(f) If, on any Interest Payment Date for Bonds that are subject to a Hedge Agreement, payment of interest and Principal Installments, if any, then or theretofore due on all Outstanding Bonds has been made in full and the amounts on deposit in all Funds and Accounts referred to in clauses (a) to (c) under the heading “Revenue Fund” equal or exceed the Requirements applicable thereto, then any amounts on hand in the Bond Fund in excess of the Bond Requirement on such date shall be transferred to the Expense Fund upon the written request of an Authorized Officer if required to increase the balance therein to the Expense Requirement in respect of Agency Hedge Payments and credit or liquidity support or remarketing fees then owing.

(g) No amount is to be withdrawn or transferred from or paid out of the Bond Fund except as described in this Section.

Debt Service Reserve Fund

(a) If at any time there is not a sufficient amount in the Bond Fund to provide for the payment when due of Principal Installments of and interest on the Outstanding Bonds, the Trustee shall withdraw from the Debt Service Reserve Fund and pay into the Bond Fund the amount of the deficiency then remaining. The Trustee shall notify the Agency in writing ten (10) days prior to any such withdrawal from the Debt Service Reserve Fund.

(b) In addition to the payments made into the Debt Service Reserve Fund pursuant to Section 404 of the Bond Resolution or otherwise, the Agency shall deposit in the Debt Service Reserve Fund any money appropriated and paid to the Agency by the State pursuant to the Act for the purpose of restoring the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

(c) If as of the first day of any month the amount in the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement, the Trustee within ten (10) days thereafter shall withdraw any amount therein in excess of the Debt Service Reserve Requirement, and pay the same into the Revenue Fund.

(d) The Agency shall at all times maintain the Debt Service Reserve Fund and will do and perform or cause to be done and performed each and every act and thing with respect to the Debt Service Reserve Fund provided to be done or performed by or on behalf of the Agency or the Trustee under the terms and provisions of Article IV of the Bond Resolution and of the Act.

(e) In order to better secure the Bonds and to make them more marketable and to maintain in the Debt Service Reserve Fund an amount equal to the Debt Service Reserve Requirement, and in accordance with the provisions of Section 22, Subdivision 8 of the Act, the Agency shall cause the Chairperson, annually, on or before December 1 of each year, to make and deliver to the Governor of the State a certificate stating (a) the amount, if any, that is necessary to restore the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Requirement (but not exceeding the maximum amount of principal and interest to become due and payable in any subsequent year on all Bonds and Notes which are then Outstanding and secured by the Debt Service Reserve Fund) and (b) the amount, if any, determined by the Agency to be needed in the then immediately ensuing fiscal year, with other funds pledged and estimated to be received into the Revenue Fund during that year, for the payment of the principal and interest due and payable in that year on all then Outstanding Bonds and Notes secured by the Debt Service Reserve Fund. All moneys received by the Agency from the State in accordance with the provisions of Section 22, Subdivision 8 of the Act pursuant to any such certification shall be paid to the Trustee for deposit in and credit to the Debt Service Reserve Fund or Revenue Fund, as provided in the Bond Resolution.

(f) No amount is to be withdrawn from or paid out of the Debt Service Reserve Fund except as described in this Section.

Expense Fund

(a) Money deposited in the Expense Fund, if any, shall be disbursed for the payment of continuing expenses of the Program (including operating and maintenance expenses of Developments in the possession of the Agency), any Agency Hedge Payments owing from time to time to a Hedge Counterparty pursuant to a Hedge Agreement and any fees or expenses owing from time to time to a person or entity providing credit or liquidity support or remarketing services in respect of any Bonds upon receipt of an Officer’s Certificate stating the name of the party to be paid, the amount to be paid and the purpose of the payment.

(b) Income received or other money held in the Expense Fund in excess of the Expense Requirement shall be credited by the Trustee to the Revenue Fund.

(c) No amount is to be withdrawn, transferred or paid out of the Expense Fund except as described in this Section.

Redemption Fund

(a) The Trustee shall establish a Suspense Account in the Redemption Fund, to which it shall credit all Prepayments and Recovery Payments, and all surplus amounts transferred from Mortgage Loan Accounts under Section 307(G) of the Bond Resolution; each of which shall be used and applied as directed by an Officer’s Certificate, either (i) to provide additional funds to a Mortgage Loan Account for an increase in the amount of a Mortgage Loan authorized by the Agency, or (ii) for the establishment of one or more Mortgage Loan Accounts for new Mortgage Loans made by the Agency, or (iii) for the purchase or redemption of Outstanding Bonds, or (iv) if no Bonds of a Series are Outstanding and Prepayments have been received from one or more Mortgage Loans financed by Bonds of the Series, any such remaining Prepayments, for the payment of any Agency Hedge Payments under, or any amounts payable by the Agency upon early termination of, a Hedge Agreement relating to such Series of Bonds; provided that as of the first day of each month while any Prepayment or Recovery Payment is held in the Suspense Account, the Trustee shall transfer from that Account to the Bond Fund the scheduled monthly payment of principal of the Mortgage Loan with respect to which the Prepayment or Recovery Payment was received, less the amount of any payment of principal actually received with respect to such Mortgage Loan, if such transfer is required in order to meet the Bond Requirement.

(b) By Officer's Certificate the Agency may authorize the increase of any Mortgage Loan or the making of a new Mortgage Loan as contemplated above, and for that purpose may appropriate any money at the time available in or transferred to the Redemption Fund in accordance with the provisions of Article IV of the Bond Resolution to one or more designated Mortgage Loan Accounts for disbursement pursuant to Section 307 of the Bond Resolution. Upon the filing with the Trustee of the Officer's Certificate, the Trustee shall withdraw from the Redemption Fund and deposit the amount authorized in each Mortgage Loan Account designated in the Certificate.

(c) Upon receipt of the Officer's Certificate referred to in Section 702 of the Bond Resolution, the Trustee shall apply money in the Redemption Fund not otherwise applied in accordance with paragraphs (a) and (b) above to the purchase of Bonds designated in the Certificate at the most advantageous price obtainable with due diligence. Bonds not so purchased may be redeemed at a Redemption Price determined by Series Resolution at the time and in the manner provided in Article VII of the Bond Resolution. Bonds shall not be purchased pursuant to this paragraph during the period of forty-five (45) days next preceding a redemption date from money to be applied to the redemption of Bonds on such date.

(d) Notwithstanding the foregoing, any Prepayment or Recovery Payment received with respect to a Subordinate Mortgage Loan may be used and applied, as directed by an Officer's Certificate, in such manner as the Agency, in its sole discretion, may determine.

(e) Income from the investment of the Redemption Fund shall be credited as received to the Revenue Fund.

(f) No amount is to be withdrawn or transferred from or paid out of the Redemption Fund except as described above.

Escrow Accounts

Escrow Payments received by the Agency or a Servicer, whether separately or as part of some other payment, shall be deposited in an Escrow Account and shall be promptly applied by the Agency or Servicer to the purpose for which such payments were received, and any such payments received by the Trustee or a Depository, whether separately or as part of some other payment, shall immediately be paid to the Agency and applied by the Agency to the purpose for which they were received.

General Reserve Account

All amounts authorized in Article IV of the Bond Resolution to be withdrawn from the Revenue Fund and deposited in the General Reserve Account of the Agency shall be free and clear of any lien or pledge created by the Bond Resolution and may be used for any purpose authorized by the Act, subject to the provisions of Section 102, clauses (6) and (7) of the Bond Resolution.

Investment and Deposit of Funds

(a) Subject to instructions from time to time received from an Authorized Officer (which need not be in writing), and with the objective of assuring the maximum yield reasonably possible on money held in each Fund, each Fiduciary shall keep all money held by it invested and reinvested, as continuously as reasonably possible, in Investment Obligations defined in Section 103 of the Bond Resolution (including interest-bearing time deposits and certificates of deposit). All Investment Obligations shall mature or be redeemable (at the option of the holder) and bear interest payable at the times and in the amounts estimated to be necessary to provide funds for Mortgage Loan disbursements and for the payment of the principal and Accreted Value of and interest and premium, if any, on Bonds when due or when scheduled for redemption pursuant to applicable Series Resolutions. The maturity date of a security purchased under a repurchase agreement shall be deemed to be the agreed repurchase date. The maturity date of a time deposit or certificate of deposit shall be deemed to be any date on which, with such notice as may be required, the deposit may be withdrawn without loss of interest.

(b) Money in separate Funds may be commingled for the purpose of investment or deposit, subject to instructions from an Authorized Officer, to the extent possible in conformity with the provisions of paragraph (a) of this Section. Moneys in separate funds or series accounts may be invested in common trust funds or pools of which such money forms a part pursuant to the terms of which each Fund or series account is allocated a share of a pooled security proportionate to the amount contributed to the purchase price of the pooled security, subject to the provisions of paragraph (a) of this Section and to the restrictions on Investment Obligations imposed by each Series Resolution. Investments shall be sold at the best price obtainable, and amounts held in certificates of deposit or time deposits shall be withdrawn, whenever necessary in order to make any disbursement or repurchase of Mortgage Loans, payment of expenses of debt service. Investment Obligations need not be disposed of to make required transfers from one Fund or Account to another, but one or more Investment Obligations or portions thereof may be transferred in lieu of cash.

(c) Subject to approval by an Authorized Officer, the Trustee or another Fiduciary may apply money pertaining to any Fund or Account created by or pursuant to the Bond Resolution to the purchase of Investment Obligations owned by it or its individual capacity, and may sell to itself in its individual capacity Investment Obligations held by it in any such Fund or Account as such Fiduciary.

Additional Bonds

The Bond Resolution provides that after authorization by a Series Resolution and compliance with such requirements as are set forth therein, Bonds of any Series may be delivered upon the following, among other, conditions:

The Agency shall furnish to the Trustee:

(a) copies of the Bond Resolution and the applicable Series Resolution, certified by an Authorized Officer;

(b) a Counsel's Opinion that:

(i) the Bond Resolution and the applicable Series Resolution have been duly adopted by the Agency and are valid and binding upon it and enforceable in accordance with their terms;

(ii) the Bond Resolution creates the valid pledge which it purports to create; and

(iii) the principal amount of the Bonds to be issued and other obligations theretofore issued by the Agency does not exceed any legal limitation;

(c) an Officer's Certificate stating:

(i) the amounts to be deposited in all Funds and Accounts;

(ii) that the issuance of the Bonds will have no material adverse effect on the ability of the Agency to pay the Principal Installments of and interest on all Bonds (including the Outstanding Bonds and the Bonds then to be issued);

(iii) that after such issuance there will be scheduled payments of principal and interest on Mortgage Loans then held by the Agency or to be made or purchased by the Agency from the proceeds of such Series of Bonds (or from the proceeds of Notes paid or to be paid from the proceeds of the Bonds) which, with any other legally enforceable payments with respect to such Mortgage Loans or with respect to the Bond Resolution (including Counterparty Hedge Payments), and with interest or other income estimated by the Agency to be derived from the investment or deposit of money available therefor in all Funds and Accounts created by the Bond Resolution, will be sufficient to pay the Principal Installments of and interest on the Bonds then Outstanding and the additional Series of Bonds on their Principal Installment and Interest Payment Dates (excluding from such calculations the amounts to be received by the Agency pursuant to any Subordinate Mortgage Loans); provided that, in making such statement the Authorized Officer may set forth the assumptions upon which the statement is based (including, without limitation, assumptions as to the amounts of Agency Hedge Payments and Counterparty Hedge Payments and the amount of interest payable on Variable Rate Bonds), which assumptions shall be based upon the Agency's reasonable expectations as of the date of such Officer's Certificate; and

(iv) that the balance in the Debt Service Reserve Fund immediately prior to the issuance of such Bonds is not less than the Debt Service Reserve Requirement computed with reference to the Outstanding Bonds (except Outstanding Bonds which are to be refunded by the additional Bonds); and

(d) if the Bonds to be issued are Variable Rate Bonds or are the subject of a Hedge Agreement, written confirmation from each Rating Agency that the issuance of such Bonds will not impair the Rating on any Bonds then Outstanding.

The Trustee shall determine and certify:

(a) that it is has received the documents listed above; and

(b) that the amount of Bond proceeds or other funds of the Agency to be deposited in the Debt Service Reserve Fund is sufficient to increase the amount in the Fund to the Debt Service Reserve Requirement effective after the issuance of the Bonds, as computed by the Trustee.

Hedge Agreements

The Agency may from time to time enter into one or more Hedge Agreements with respect to any Series of Bonds outstanding or proposed to be issued on the terms and conditions and subject to the limitations set forth in this section and elsewhere in the Bond Resolution. The Agency shall not enter into a Hedge Agreement unless (1) as of the date the Agency enters into the Hedge Agreement, either the Hedge Counterparty or the person or entity executing a Hedge Counterparty Guarantee relating thereto has outstanding unsecured long-term debt obligations rated by, or other applicable rating given by, as high as or higher than the Rating on the Outstanding Bonds; and (2) if the Hedge Agreement relates to Outstanding Bonds, the Trustee receives written confirmation from each Rating Agency that the execution and delivery of the Hedge Agreement by the Agency will not impair the Rating on any Bonds then Outstanding. To secure its obligation to make Agency Hedge Payments to a Hedge Counterparty pursuant to a Hedge Agreement, the Agency may grant to the Hedge Counterparty a subordinate and junior pledge and security interest (subordinate and junior to the pledge and security interest granted to the Bondholders) in all or any of the Revenues, Prepayments, Recovery Payments or any other moneys, securities, Funds or Accounts hereunder; provided, however, that the payment of Agency Hedge Payments shall not be secured by the Debt Service Reserve Fund. Nothing in this Section 205 is intended to prohibit the Agency from securing any payments it is obligated to make in respect of the early termination of a Hedge Agreement by the full faith and credit of the Agency, by amounts to be transferred to the General Reserve Account pursuant to the last sentence of the first paragraph under the heading "Revenue Fund" or by other moneys, assets or revenues of the Agency not pledged to the payment of Outstanding Bonds under the Bond Resolution.

Amendments of the Bond Resolution

Amendments of or supplements to the Bond Resolution may be made by a Supplemental Bond Resolution (a "Supplemental Resolution").

Supplemental Resolutions may become effective upon filing with the Trustee if they add restrictions on the Agency, add covenants by the Agency, surrender privileges of the Agency, authorize additional Bonds and fix the terms thereof or affect only Bonds not yet issued.

Supplemental Resolutions become effective upon consent of the Trustee if they concern only curing or clarifying an ambiguity, omission, defect or inconsistency, or make any other change which, in the judgment of the Trustee, is not prejudicial to the Trustee and which does not adversely affect the interests of Bondholders. Other Supplemental Resolutions become effective only with consent of the Holders of at least a majority in principal amount and Accreted Value of the Outstanding Bonds affected thereby.

However, no amendment shall permit a change in the terms of redemption or maturity of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or Accreted Value thereof or the Redemption Price thereof or the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentage of the Holders the consent of which is required to effect any such amendment, without unanimous consent of the Bondholders.

Any amendment may be made with unanimous consent of the Bondholders, except that no amendment shall change any of the rights or obligations of any Fiduciary without the consent of the Fiduciary.

Defeasance

If the Agency shall pay or cause to be paid to the Holders of the Bonds, the principal, Accreted Value and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Bond Resolution, then, unless there shall be an Officer's Certificate delivered to the Trustee to the contrary, the pledge of the Revenues, Prepayments, Recovery Payments and other moneys, securities and funds pledged by the Bond Resolution and the covenants, agreements and other obligations of the Agency to the Bondholders thereunder shall be discharged and satisfied.

Bonds and interest thereon for the payment or redemption of which moneys shall have been deposited with the Trustee shall be deemed to have been paid, provided that, if any of such Bonds are to be redeemed prior to the maturity thereof, provision satisfactory to the Trustee shall have been made for the giving of notice of redemption thereof. Moneys so held by the Trustee shall be invested by the Trustee, as directed by the Agency, in Investment Obligations which are direct obligations of the United States or guaranteed by the United States. If the maturing principal of such Investment Obligations and the interest to fall due thereon at least equal the amount of money required for the payment on any future date of the interest on and principal of or Redemption Price on such Bonds, the Bonds shall be deemed to have been paid.

Events of Default

Each of the following shall constitute an event of default under the Bond Resolution: (a) interest on any of the Bonds is not paid on any date when due, or the principal, Accreted Value or Redemption Price of any of the Bonds is not paid at maturity or at a Redemption Date at which the Bonds have been called for redemption; (b) Bonds subject to redemption by operation of Sinking Fund Installments shall not have been redeemed and paid in the amount required in the applicable Series Resolution on any date; (c) a default shall be made in the observance or performance of any covenant, contract or other provision in the Bonds, the Bond Resolution, or applicable Series Resolution contained and such default shall continue for a period of ninety (90) days after written notice to the Agency from a Bondholder or from the Trustee specifying such default and requiring the same to be remedied; or (d) certain acts of bankruptcy, insolvency or reorganization by the Agency.

Remedies

Upon the happening and continuance of an event of default, the Trustee may, and shall upon the request of the Holders of twenty-five percent (25%) in principal amount and Accreted Value of the Bonds then Outstanding affected by an event of default described in clause (a) or (b) of "Events of Default" above, or twenty-five percent (25%) in principal amount and Accreted Value of all Bonds then Outstanding if the event of default is one described in clauses (c) or (d) of "Events of Default" above, proceed to protect and enforce the rights of the Bondholders under the laws of the State of Minnesota or under the Bond Resolution. No Bondholder shall have the right to institute any proceedings for any remedy under the Bond Resolution unless the Trustee, after being so requested to institute such proceedings and offered satisfactory indemnity, shall have refused or neglected to comply with such request within a reasonable time and unless the proceeding is brought for the ratable benefit of all Holders of all Bonds. However, nothing in the Bond Resolution contained is intended to affect or impair the right of any Bondholder to enforce the payment of the principal or Accreted Value of and interest on his Bonds at the time and place expressed in the Bonds.

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

General

The Depository Trust Company, New York, New York ("DTC"), is to act as securities depository for the Series Bonds. The ownership of one fully registered Series Bond for each maturity of the Series Bonds in the aggregate principal amount of that maturity will be registered in the name of Cede & Co., DTC's partnership nominee. *So long as Cede & Co. or another nominee designated by DTC is the registered owner of the Series Bonds, references herein to the Bondholders, Holders or registered owners of Series Bonds will mean Cede & Co. or the other nominee and will not mean the Beneficial Owners (as hereinafter defined) of the Series Bonds.*

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, 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"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of beneficial ownership interests in the Series Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series Bonds on DTC's records. The ownership interest of each actual purchaser of each Series Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 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 Series Bonds, except in the event that use of the Book-Entry System for the Series Bonds is discontinued as described below.

To facilitate subsequent transfers, all Series Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or anther name as may be requested by an authorized representative of DTC. The deposit of Series Bonds with DTC and their registration in the name of Cede & Co. or other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Series 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. For every transfer and exchange of beneficial ownership in the Series Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

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

Neither DTC nor Cede & Co. (nor other DTC nominee) will consent or vote with respect to any Series Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the bond issuer 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 Series Bonds are credited on the Record Date.

Payment of the principal, redemption price, and interest on the Series Bonds will be made to Cede & Co., or another nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the bond issuer or 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 the Participant and not of DTC, the Trustee or the Agency, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal, redemption price, and interest to Cede & Co. (or other nominee as may be requested by an authorized representative of DTC), is the responsibility of the Trustee, disbursement of payments to Direct Participants will be the responsibility of DTC, and disbursement of payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Under the Resolutions, payments made by or on behalf of the Agency to DTC or its nominee satisfy the Agency's obligations to the extent of the payments so made.

The above information contained in this section "Book-Entry-Only System" is based solely on information provided by DTC. No representation is made by the Agency or the Underwriter as to the completeness or the accuracy of that information or as to the absence of material adverse changes in that information subsequent to the date hereof.

The Agency, the Underwriter and the Trustee cannot and do not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series Bonds (i) payments of principal of or interest and premium, if any, on the Series Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in Series Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities Exchange Commission, and the current "Procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

Neither the Agency, the Underwriter nor the Trustee will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (1) the Series Bonds; (2) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (3) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price of or interest on the Series Bonds; (4) the delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Resolutions to be given to Holders of Series Bonds; (5) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of Series Bonds; or (6) any consent given or other action taken by DTC as a Bondholder.

Discontinuation of Book-Entry System

DTC may discontinue its book-entry services with respect to the Series Bonds at any time by giving notice to the Agency and discharging its responsibilities with respect thereto under applicable law. Under those circumstances, the Series Bonds are required to be delivered as described in the Resolutions. The Beneficial Owner, upon registration of Series Bonds held in the Beneficial Owner's name, will become the Bondholder.

The Agency may determine to discontinue the system of book entry transfers through DTC (or a successor securities depository) for the Series Bonds. In that event, the Series Bonds are to be delivered as described in the Resolutions.

APPENDIX F

FORM OF OPINION OF BOND COUNSEL

___________, 2022

Minnesota Housing Finance Agency
St. Paul, Minnesota 55102

Minnesota Housing Finance Agency
Rental Housing Bonds
2022 Series A

Ladies and Gentlemen:

We have acted as bond counsel to the Minnesota Housing Finance Agency (the "Agency") in connection with the authorization, issuance and delivery by the Agency of its Rental Housing Bonds, 2022 Series A, in the aggregate principal amount of $_______ (the "2022 Series A Bonds"), which are issuable only as fully registered bonds of single maturities in denominations of $5,000 or any integral multiple thereof.

The 2022 Series A Bonds are dated, mature on the date, bear interest at the rate and are payable as provided in the Series Resolution referenced below. The 2022 Series A Bonds are subject to optional and special redemption prior to maturity, including special redemption at par, as provided in the Series Resolution referenced below.

As bond counsel, we have examined certified copies of resolutions and proceedings of the Agency and other documents we considered necessary as the basis for this opinion, including the Agency's Bond Resolution adopted February 25, 1988, as amended and supplemented (the "Bond Resolution"), and the Series Resolution relating to the 2022 Series A Bonds adopted February 24, 2022 (the "Series Resolution"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

From such examination, and assuming continuing compliance by the Agency and the owner of the Development financed by the 2022 Series A Bonds with the covenants contained in the Bond Resolution, the Series Resolution and the loan documentation relating to the Development, it is our opinion that, under existing law as of the date hereof: (1) the Agency is a public body corporate and politic, having no taxing power, duly organized and existing under Minnesota Statutes, Chapter 462A, as amended; (2) the Bond Resolution and Series Resolution have been duly and validly adopted by the Agency and are valid and binding upon it in accordance with their terms, and create the valid pledge and security interest they purport to create with respect to the Mortgage Loans, Revenues, moneys, securities and other Funds held and to be set aside under the Bond Resolution and Series Resolution; (3) the 2022 Series A Bonds are duly and lawfully authorized to be issued and are valid and binding general obligations of the Agency in accordance with their terms, entitled to the benefits granted by and secured by the covenants contained in the Bond Resolution and Series Resolution, and are payable out of any of its moneys, assets or revenues, subject to the provisions of other resolutions or indentures now or hereafter pledging and appropriating particular moneys, assets, or revenues to other bonds or notes, and federal or state laws heretofore enacted appropriating particular funds for a specified purpose, but the State of Minnesota is not liable thereon and the 2022 Series A Bonds are not a debt of the State; (4) in the Bond Resolution the Agency has created a Debt Service Reserve Fund for the security of the 2022 Series A Bonds and other bonds issued or to be issued under the Bond Resolution, to be maintained in an amount specified therein, and has agreed to certify annually to the Governor the sum, if any, necessary to restore the Fund to this amount for inclusion in the next budget submitted to the

Minnesota Housing Finance Agency
_________, 2022
Page 2

Legislature, and the Legislature is legally authorized, but is not legally obligated, to appropriate such amount to such Debt Service Reserve Fund; and (5) the interest payable on the 2022 Series A Bonds is not includable in gross income of owners thereof for federal income tax purposes or in taxable net income of individuals, trusts and estates for State of Minnesota income tax purposes, but such interest is includable in the income of corporations and financial institutions for purposes of the Minnesota franchise tax; provided, however, interest on any 2022 Series A Bond is not excluded from gross income for federal income tax purposes of any holder of such bonds who is a "substantial user" of a development financed by such 2022 Series A Bond or a "related person" thereto, as such terms are defined in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code").

Interest on the 2022 Series A Bonds will not be treated as an item of tax preference in calculating the alternative minimum tax imposed under the Code with respect to individuals. Interest on the 2022 Series A Bonds will not be treated as an item of tax preference for purposes of calculating the Minnesota alternative minimum tax imposed on individuals, trusts and estates. We express no opinion regarding other federal, state or local tax consequences arising from the ownership or disposition of the 2022 Series A Bonds. All owners of 2022 Series A Bonds (including, but not limited to, insurance companies, financial institutions, Subchapter S corporations, United States branches of foreign corporations and recipients of social security and railroad retirement benefits) should consult their tax advisors concerning other possible indirect tax consequences of owning and disposing of the 2022 Series A Bonds.

Noncompliance by the Agency or the owner of the Development financed by the 2022 Series A Bonds with their covenants in the Bond Resolution, Series Resolution or applicable loan documentation relating to the Development may result in inclusion of interest in federal gross income and Minnesota taxable net income retroactive to the date of issuance of the 2022 Series A Bonds.

The opinions expressed above are qualified only to the extent that the enforceability of the 2022 Series A Bonds, the Bond Resolution and the Series Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully yours,

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MINNESOTA HOUSING

Board Agenda Item: 7.F
Date: 2/24/2022

Item: Selection of Firm to Provide Audit Services for Years 2022 - 2025

Staff Contact(s):

Kevin Carpenter, 651.297.4009, kevin.carpenter@state.mn.us
Debbi Larson, 651.296.8183, debbi.larson@state.mn.us
Kayla Vang, 651.296.3598, kayla.vang@state.mn.us

Request Type:

☒ Approval
- ☒ Motion
- ☐ Resolution

☐ No Action Needed
- ☐ Discussion
- ☐ Information

Summary of Request:

The Agency requests approval of the selection of RSM US LLP to perform audit services as detailed in the RFP for fiscal years 2022 -2025.

Fiscal Impact:

The cost of the annual financial and single audit will be paid from Pool 2.

Meeting Agency Priorities:

- ☐ Improve the Housing System
- ☐ Preserve and Create Housing Opportunities
- ☐ Make Homeownership More Accessible
- ☐ Support People Needing Services
- ☐ Strengthen Communities

Attachment(s):

- Background

Background
Per Board Policy #12 every four fiscal years, or sooner if circumstances warrant, the Board will request proposals from qualified firms to audit the Agency's financial statements and provide additional services, as needed, then present results to the Board.

In December, the Agency released an RFP soliciting qualified independent audit firms interested in providing audit services for fiscal year 2022-2025. Two firms responded to the RFP;

- Baker Tilly
- RSM US LLP

Based upon a review of the responses to the RFP, both firms were invited to interview. Those interviews were held on January 25, 2022. The interview panel included Board members Auditor Blaha and Ramona Avanti. Agency Representatives on the interview panel included CFO Kevin Carpenter, Finance Director Debbi Larson, Controller Kayla Vang and Chief Risk Officer Mike Thone.

As a result of the RFP and the interview process, the members of the interview panel are recommending the Board select RSM US LLP to perform the audit services detailed in the RFP for fiscal year 2022-2025.

Board Agenda Item: 7.G
Date: 2/24/2022

Item: Updated Approval Regarding COVID-19 Emergency Rental Assistance

Staff Contact(s):
Rachel Robinson, 651.291.3125, rachel.robinson@state.mn.us
Jessica Deegan, 651.297.3120, jessica.deegan@state.mn
Michelle Doyal, 651.297.4060, michelle.doyal@state.mn.us

Request Type:

☒ Approval
- ☐ Motion
- ☐ Resolution

☐ No Action Needed
- ☐ Discussion
- ☐ Information

Summary of Request:
Staff seeks updated approval from the Board to utilize state Fiscal Recovery Funds authorized by the Legislative COVID-19 Response Committee (LCRC) through the RentHelpMN program.

Fiscal Impact:
N/A

Meeting Agency Priorities:
- ☐ Improve the Housing System
- ☒ Preserve and Create Housing Opportunities
- ☐ Make Homeownership More Accessible
- ☒ Support People Needing Services
- ☐ Strengthen Communities

Attachment(s):
- Background
- LCRC Program Memo
- LCRC Order #12

Background
Minnesota Housing has received two allocations of federal Emergency Rental Assistance (ERA) through the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021.

Minnesota Housing operates the COVID-19 Emergency Rental Assistance Program as RentHelpMN. Eligible activities, as dictated by the federal requirements, are rent and utility assistance for up to 18 months per unique household, housing stability services, and administrative expenses.

On November 15, 2021 the Legislative COVID-19 Response Commission approved $20 million of federal Fiscal Recovery Funds (FRF) to Minnesota Housing to provide an additional three months of emergency rental assistance to households that have exhausted their 18 months of benefits through LCRC Action Order #7.

Between the original action and January the circumstances for RentHelpMN changed quickly and the need for additional months of assistance for some households were overshadowed by the need for contingency funds to address applications received before the deadline. The deadline for RentHelpMN applications was January 28, 2022 at 9PM.

On February 1, 2022 that recommendation was amended by the LCRC to make the $20 million in FRF available to fund applications received prior to the closing of the program. The updated approval language was revised as:

> ***Positive recommendation to repurpose Action Order #7 to fund applications received prior to the closing of the program, including additional months of assistance beyond the maximum 18 months allowed under federal law and associated administrative expenses***

Staff seeks approval to incorporate the $20 million in FRF funds into the agency's COVID 19 Emergency Rental Assistance Program and administer those funds pursuant to the RentHelpMN program guidelines.

As authorized by the LCRC, the FRF funds may be utilized for the following purposes:
- For rent and utility assistance for eligible applicants that submitted applications prior to the deadline.
- For rent assistance to households for months beyond the maximum 18 months allowed by the federal ERA funds.
- Up to 15% may be used for administration costs associated with the funds.

The FRF funds will be separately tracked and reported to Minnesota Management and Budget and the federal government. The funds will be considered part of the agency's RentHelpMN program and subject to the requirements of Board Delegation 31, which provided delegated authority related to the program.

MANAGEMENT AND BUDGET

Please complete this form in accordance with the process instructions.

American Rescue Plan (ARP) State Fiscal Recovery Funds (SFRF) Request Form

Agency/Point of Contact: Minnesota Housing Finance Agency

Title of Request: Repurpose of $20 million Authorized in Action Order #7 for Emergency Rental Assistance

Date: 1/24/2022 **Request Amount:** $ 20,000,000

Expenditure Time Period: 2/1/2022 **to** 6/30/2023 (no later than 6/30/2023)

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

Minnesota Housing is requesting to repurpose the $20 million authorized by Legislative COVID-19 Response Commission – Action Order #7. The repurposing will allow the agency to use the $20 million to fund applications received prior to the closing of the program that cannot be funded with the existing Emergency Rental Assistance funding. Up to 15% of the direct assistance provided by $20 million may used for administrative costs to process applications and payments and the funding may also be used for additional months of assistance beyond the maximum 18 months allowed under federal law to provide additional housing stability.

Minnesota Housing has received two federal rounds of Emergency Rental Assistance including $300 million in December 2020 (ERA1) and $237 million in March's American Rescue Plan (ERA2). Since April 2021 RentHelpMN has been accepting applications for emergency rental assistance. The program is paying unpaid rent and utility bills going back to March 2020. As of January 13, the program has received 84,138 applications with applicants requesting $481.4 million in assistance. The program has paid more than $343.3 million in statewide assistance through more than 75,800 payments providing housing stability to more than 45,000 households. These numbers are updated frequently on the RentHelpMN public dashboard that can be found here: https://www.mnhousing.gov/renthelpmn-dashboard. Some current demographics and attributes of RentHelpMN applicants are: 1) 88% make less than 50% of AMI; 2) the average income is around $21,000; 3) nearly 66% of applicants earn less than $25,000 annually; and 4) 67% identify as Black, Indigenous and People of Color.

The RentHelpMN program has experienced sustained high demand from applicants with demand increasing in December 2021 and again in January 2022 as the pandemic continues. More than 12,000 applications were submitted in December and the projected total for January is about 16,000 before any surge that may be created by announcing pending closure to new applications. January applications are on track to be the highest number of submitted applications for the program. Additionally, in recent weeks the dollar requests for assistance have recently been higher than the program's average.

Due to these factors and limited funding remaining, RentHelpMN will be closing to new applications and re-applications soon. Our goals are to take applications as long as we reasonably can given diminishing funding, to provide as much program closure notice as possible, and to limit or not have any submitted applications that may exceed available resources. Given the significant and persistent need, Minnesota Housing has asked U.S. Treasury for additional resources through their reallocation process. The agency has taken advantage of every offered opportunity to access any reallocated resources asking for over $550 million, but we do not anticipate receiving any additional federal funds.

Jennifer Ho Digitally signed by Jennifer Ho DN: cn=Jennifer Ho, o=Minnesota Housing, ou=Commissioner, email=jennifer.ho@state.mn.us, c=US Date: 2022.01.24 10:13:17 -06'00'

Department Head Signature

1/24/2022

Date

MANAGEMENT AND BUDGET

Legislative COVID-19 Response Commission – Action Order #12
COVID-19 Flexible Response Account – FY 2022

The Minnesota Legislature created the COVID-19 Flexible Response Account and appropriated $425 million in the fund to the commissioner of management and budget to pay expenditures eligible under federal guidance for the state fiscal recovery fund. These funds were available to Minnesota under the American Rescue Plan passed in March 2021.

Pursuant to Minnesota Session Laws, 1st Special Session, Chapter 12, Article 5, Section 2, Sub 2(b), the commissioner of management and budget must submit proposed single expenditures from the COVID-19 Minnesota fund that exceed $2,500,000 to the Legislative COVID-19 Response Commission. Upon submission of the request, the commission has three days to make a positive recommendation, a negative recommendation, or no recommendation on a proposed expenditure.

If a majority of members from the senate and a majority of members from the house of representatives make a negative recommendation on a proposed expenditure, the commissioner is prohibited from expending the money. If a majority of the commission members from the senate or a majority of members from the house of representatives make a positive recommendation or no recommendation, the commissioner may expend the money.

On January 26, 2022, the commissioner submitted the following proposed expenditure request:

- ***Positive recommendation to repurpose Action Order #7 to fund applications received prior to the closing of the program, including additional months of assistance beyond the maximum 18 months allowed under federal law and associated administrative expenses.***

The requisite number of commission members having provided a positive or no recommendation, I hereby authorize the existing $20,000,000 from the COVID-19 Flexible Response Account to be repurposed for expanded use.

February 1, 2022
Date

Jim Schowalter, Commissioner

MINNESOTA HOUSING

Board Agenda Item: 8.A
Date: 2/24/2022

Item: 2nd Quarter FY 2022 Financial Reporting Package

Staff Contact(s):
Kevin Carpenter, 651.297.4009, kevin.carpenter@state.mn.us
Debbi Larson, 651.296.8183, debbi.larson@state.mn.us

Request Type:

☐ Approval
- ☐ Motion
- ☐ Resolution

☒ No Action Needed
- ☒ Discussion
- ☐ Information

Summary of Request:
Staff will review 2nd quarter financial results

Fiscal Impact:
None.

Meeting Agency Priorities:
- ☐ Improve the Housing System
- ☐ Preserve and Create Housing Opportunities
- ☐ Make Homeownership More Accessible
- ☐ Support People Needing Services
- ☐ Strengthen Communities

Attachment(s):
- Noteworthy Items
- Financial Dashboard
- Selected Financial Statements – 2nd quarter FY 2022

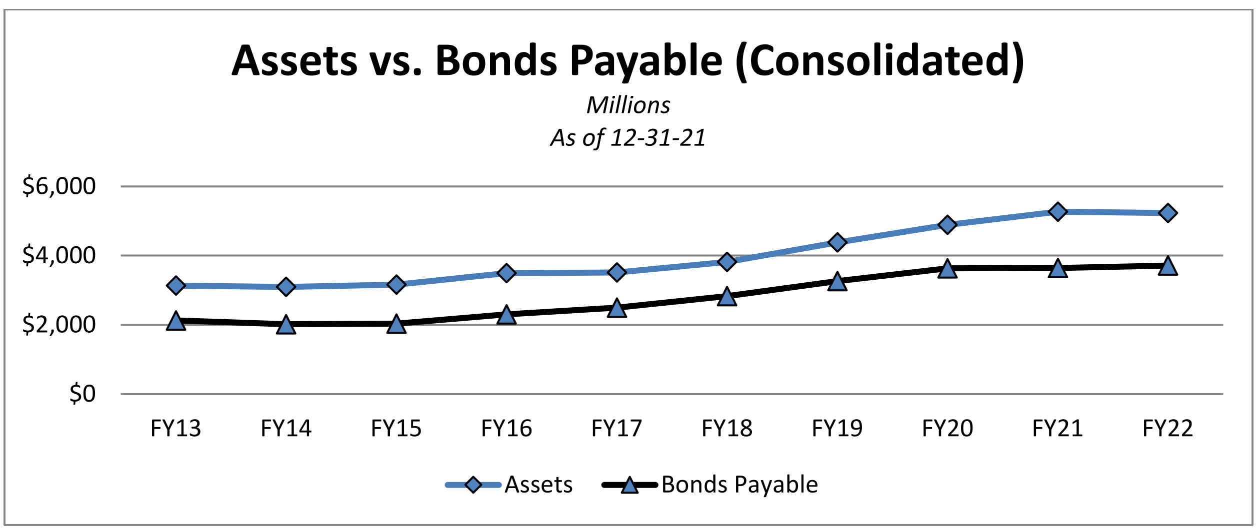
Minnesota Housing Finance Agency
FY 2022 2nd Quarter Financial Results
Noteworthy Items

Balance Sheet

At the consolidated level, total assets are up from prior quarter and for the comparative quarter in FY21. In terms of the MBS portfolio, the prepayments from prior quarters have leveled off, while new homeownership mortgage production remains steady, resulting in relatively no change compared to prior year. Overall, non-securitized loan assets remained fairly steady, as the pace of new production generally offsets loan prepayments and maturities.

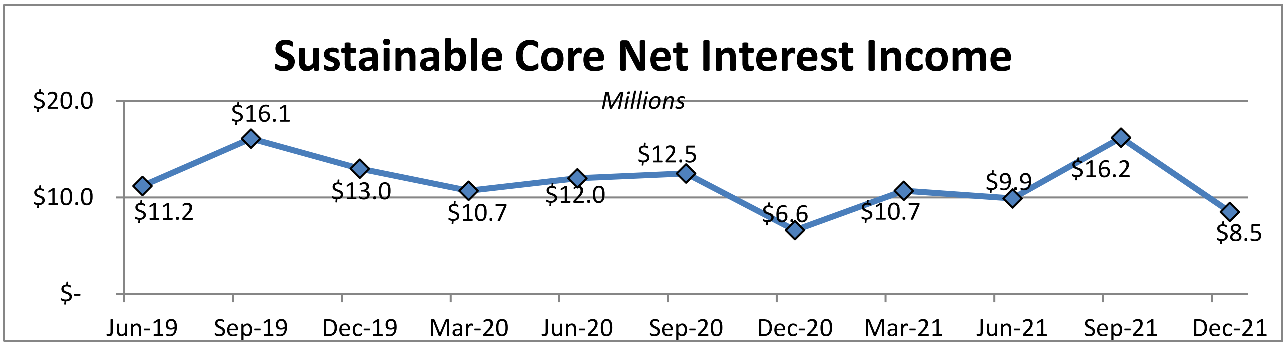
In the Sustainable Core, while the MBS portfolio (investments – program securities) remains relatively steady compared to FY21 and last quarter, the bonds payable liability – while relatively flat compared to one year ago – did increase marginally from last quarter. Primarily, that is attributable to advances taken from the FHLB to finance the acquisition of MBS that are carried on the balance sheet as Investments – other, while awaiting permanent bond financing and moving to the investments – program securities asset line.

The cash from the federal programs was the main driver to a year over year increase in net position at the consolidated level. Meanwhile, net position in the sustainable Core dropped ($38.6 million) from one year ago.

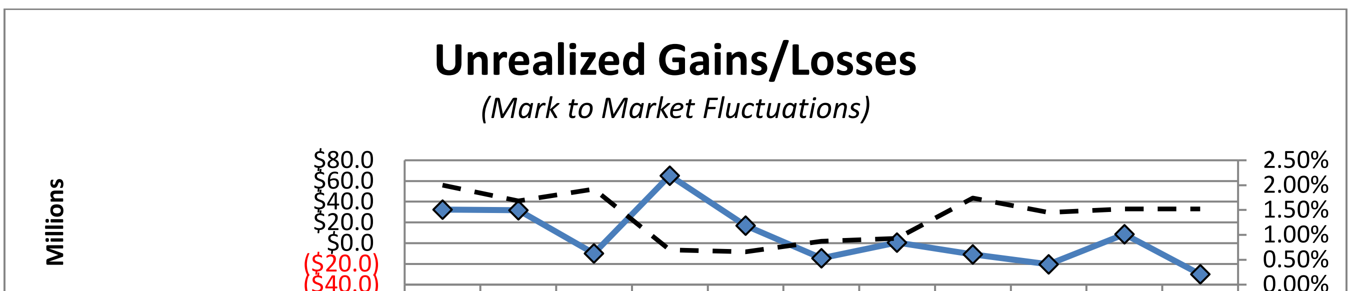


Operating Results

In the Sustainable Core, Q2 FY22 net interest income was $8.5 million, down from the prior quarter, due primarily to the accounting treatment related to the timing of recognizing (or not) bond premium from the sale in each quarter of RHFB bonds. For the first six months of the fiscal year, net interest income is up by $5.6 million from the first 6 months of FY21.



In the second quarter, Agency also booked a $30 million unrealized loss on the MBS portfolio, compared to an unrealized gain of roughly $9 million in the first quarter. For the six-month period, unrealized loss is relatively consistent with the six-month period from the prior fiscal year.



	FY19 Q4	FY20 Q1	FY20 Q2	FY20 Q3	FY20 Q4	FY21 Q1	FY21 Q2	FY21 Q3	FY21 Q4	FY22 Q1	FY22 Q2
Unrealized Gains/Losses	$32.4	$31.9	($9.8)	$65.3	$17.0	($14.5)	$0.7	($10.7)	($20.4)	$8.8	($30.0)
Treasury Rate	2.00%	1.68%	1.92%	0.70%	0.66%	0.87%	0.93%	1.74%	1.45%	1.52%	1.52%

Other revenue (fees, MBS sales, etc.) was flat to 1Q, and down modestly from the six-month period a year ago. Operating and other expenses down in the quarter compared to the first quarter, and down slightly for the first six months of the year when compared to last year.

BALANCE SHEET*
Quarterly Financial Dashboard - Selected Reporting
As of December 31, 2021 - ($ million)

	Quarter End	Prior Quarter End	Change from Prior Quarter	Year Ago	Change From Year Ago
CONSOLIDATED					
Total Assets	**5,234.0**	**5,123.6**	**110.4**	**4,928.0**	**306.0**
Program Securities	2,974.0	2,951.6	22.4	2,976.0	(2.0)
Loans, net	940.0	941.9	(1.9)	957.0	(17.0)
Other investments and cash	1,292.0	1,208.8	83.2	973.0	319.0
Total Liabilities	**4,112.0**	**3,809.6**	**302.4**	**3,944.0**	**168.0**
Net Position					
restricted by Resolution	463.2	496.3	(33.1)	523.3	(60.1)
restricted by Covenant	529.6	520.7	8.9	505.0	24.6
restricted by Law	446.5	540.3	(93.8)	218.0	228.5
unrestricted - State Appr-Backed Debt	(348.0)	(271.0)	(77.0)	(280.8)	(67.2)
other	1.4	1.9	(0.5)	2.7	(1.3)
Total Net Position	**1,092.7**	**1,288.2**	**(195.5)**	**968.2**	**124.5**
CONSOLIDATED EXCLUDING APPROPRIATED					
Total Assets	**4,583.8**	**4,463.6**	**120.2**	**4,571.5**	**12.3**
Net Position	**994.3**	**1,019.0**	**(24.7)**	**1,031.0**	**(36.7)**
SUSTAINABLE CORE					
Total Assets	**4,457.4**	**4,337.8**	**119.6**	**4,441.7**	**15.7**
Program Securities	2,974.2	2,951.6	22.6	2,976.0	(1.8)
Loans, net	791.3	791.9	(0.6)	812.5	(21.2)
Other investments & cash	664.9	573.3	91.6	631.9	33.0
Total Liabilities	**3,564.8**	**3,423.9**	**140.9**	**3,524.5**	**40.3**
Bonds payable, net	3,364.9	3,223.3	141.6	3,328.7	36.2
Net Position	**863.0**	**888.2**	**(25.2)**	**901.6**	**(38.6)**

* Assets and liabilities do not include deferred inflows/outflows

Financial Dashboard

STATEMENT OF OPERATIONS

Quarterly Financial Dashboard - Selected Reporting

As of December 31, 2021 - ($ million)

	This Quarter	Prior Quarter	Change from Prior Quarter	FYTD	Last Year FYTD	Change
CONSOLIDATED						
Revenues	242.7	177.4	65.3	420.1	352.6	67.5
Expenses	361.2	181.8	179.4	543.0	310.1	232.9
Net	**(118.5)**	**(4.4)**	**(114.1)**	**(122.9)**	**42.5**	**(165.4)**
SUSTAINABLE CORE						
Interest revenue	31.3	30.3	1.0	61.6	64.8	(3.2)
Other revenue	14.7	14.6	0.1	29.3	33.4	(4.1)
Unrealized gain (loss)	(30.0)	8.8	(38.8)	(21.2)	(13.8)	(7.4)
TOTAL REVENUE	**16.0**	**53.7**	**(37.7)**	**69.7**	**84.4**	**(14.7)**
Interest Expense	22.8	14.1	8.7	36.9	45.7	(8.8)
Operating Expenses(1)	10.7	7.9	2.8	18.6	18.9	(0.3)
Other Expenses	7.6	12.3	(4.7)	19.9	23.5	(3.6)
TOTAL EXPENSE	**41.1**	**34.3**	**6.8**	**75.4**	**88.1**	**(12.7)**
Revenue over Expense	**(25.1)**	**19.4**	**(44.5)**	**(5.7)**	**(3.7)**	**(2.0)**
Net Interest Income	**8.5**	**16.2**	**(7.7)**	**24.7**	**19.1**	**5.6**
Annualized Net Interest Margin(2)	*0.77%*	*1.47%*		*1.11%*	*0.85%*	

(1) Salaries, benefits and other general operating; includes YE Pension Adj

(2)Annualized Net Interest Income/Average assets for period

Minnesota Housing Finance Agency
Fund Financial Statements
Statement of Net Position (in thousands) - UNAUDITED
Proprietary Funds
As of December 31, 2021 (with comparative totals as of December 31, 2020)

	General Reserve	Rental Housing	Residential Housing Finance (Bond Funds)	Homeownership Finance Bonds (Bond Funds)	Multifamily Housing Bonds (Bond Funds)	HOMES℠ (Bond Funds)	State Appropriated (Appropriated Funds)	Federal Appropriated (Appropriated Funds)	Total as of December 31, 2021	Total as of December 31, 2020
Assets										
Cash and cash equivalents	107,130	$ 30,558	$ 258,389	$ 58,691	$ 1,749	$ -	$ 331,178	$ 278,193	$ 1,065,888	$ 849,228
Investments-program mortgage-backed securities	-		1,712,672	1,261,488	-	-	-	-	2,974,160	2,976,043
Investment securities-other	-	21,510	197,839	-	-	6,342	-	-	225,691	123,570
Loans receivable, net	-	150,305	736,638	-	13,233	-	39,440	-	939,616	957,214
Interest receivable on loans and program mortgage-backed securities	-	582	7,803	3,605	48	-	9	-	12,047	12,806
Interest receivable on investments	30	66	680	-	-	16	43	-	835	712
Interest rate swap agreements	-	-	-	-	-	-	-	-	-	-
FHA/VA insurance claims, net	-	-	68	-	-	-	-	-	68	232
Real estate owned, net	-	-	908	-	-	-	-	-	908	581
Capital assets, net	1,437	-	-	-	-	-	-	-	1,437	2,714
Other assets	2,519	8,442	989	15	-	-	-	1,438	13,403	4,549
Total assets	111,116	211,463	2,915,986	1,323,799	15,030	6,358	370,670	279,631	5,234,053	4,927,649
Deferred Outflows of Resources										
Deferred loss on refunding	-	-	2	-	-	-	-	-	2	10
Deferred loss on interest rate swap agreements	-	-	7,706	-	-	-	-	-	7,706	20,711
Deferred pension expense	2,434	-	-	-	-	-	-	-	2,434	14,211
Total deferred outflows of resources	2,434	-	7,708	-	-	-	-	-	10,142	34,932
Total assets and deferred outflows of resources	$ 113,550	$ 211,463	$ 2,923,694	$ 1,323,799	$ 15,030	$ 6,358	$ 370,670	$ 279,631	$ 5,244,195	$ 4,962,581
Liabilities										
Bonds payable, net	$ -	$ 41,235	$ 2,086,677	$ 1,218,107	$ 12,880	$ 6,026	$ 348,040	$ -	$ 3,712,965	$ 3,609,485
Interest payable	-	215	22,060	2,715	32	16	-	-	25,038	27,706
Interest rate swap agreements	-	-	7,706	-		-	-	-	7,706	20,711
Net pension liability	10,189	-	-	-		-	-	-	10,189	10,412
Accounts payable and other liabilities	5,098	14,119	61,315	58		-	9	30,574	111,173	66,249
Interfund payable (receivable)	998	2,423	(932)	-		-	(2,736)	247	-	-
Funds held for others	68,531	-	-	-		316	175,702	5	244,554	209,354
Total liabilities	84,816	57,992	2,176,826	1,220,880	12,912	6,358	521,015	30,826	4,111,625	3,943,917
Deferred Inflows of Resources										
Deferred gain on interest rate swap agreements	-	-	-	-	-	-	-	-	-	-
Deferred revenue-service release fee	-	-	12,963	7,488	-	-	-	-	20,451	20,756
Deferred pension credit	19,329	-	-	-	-	-	-	-	19,329	29,734
Total deferred inflows of resources	19,329	-	12,963	7,488	-	-	-	-	39,780	50,490
Total liabilities and deferred inflows of resources	$ 104,145	$ 57,992	$ 2,189,789	$ 1,228,368	$ 12,912	$ 6,358	$ 521,015	$ 30,826	$ 4,151,405	$ 3,994,407
Commitments and contingencies										
Net Position										
Restricted by bond resolution	-	153,471	212,226	95,431	2,118	-	-	-	463,246	523,263
Restricted by covenant	7,968	-	521,679	-	-	-	-	-	529,647	504,975
Restricted by law	-	-	-	-	-	-	197,695	248,805	446,500	217,982
Unrestricted by State Appropriation-backed Debt	-	-	-	-	-	-	(348,040)	-	(348,040)	(280,760)
Invested in capital assets	1,437	-	-	-	-	-	-	-	1,437	2,714
Total net position	9,405	153,471	733,905	95,431	2,118	-	(150,345)	248,805	1,092,790	968,174
Total liabilities, deferred inflows of resources, and net position	$ 113,550	$ 211,463	$ 2,923,694	$ 1,323,799	$ 15,030	$ 6,358	$ 370,670	$ 279,631	$ 5,244,195	$ 4,962,581
	-	-	-	-	-	-	-	-	-	-

This information on the funds of the Agency for the six-month period ended December 31, 2021 was prepared by the Agency, and, in the opinion of the Agency, includes all accounting adjustments necessary for a fair statement of the financial position and results of operations of those funds for the six-month period ended December 31, 2021, subject to year-end adjustments. However, this presentation excludes management's discussion and analysis, the agency-wide financial statements, and the notes to the financial statements which are required by generally accepted accounting principles. This information has not been reviewed by independent auditors and is not accompanied by any opinion from them. This information should be read in conjunction with the Agency's audited financial statements as of June 30, 2021 and for the fiscal year then ended.

See accompanying notes to financial statements.

Minnesota Housing Finance Agency
Fund Financial Statements - UNAUDITED
Statement of Revenues, Expenses and Changes in Net Position (in thousands)
Proprietary Funds
Six Months Ended December 31, 2021 (with comparative totals for Six Months Ended December 31, 2020)

		Bond Funds					Appropriated Funds			
	General Reserve	Rental Housing	Residential Housing Finance	Homeownership Finance Bonds	Multifamily Housing Bonds	HOMES^{SM}	State Appropriated	Federal Appropriated	Total for the Six Months Ended December 31, 2021	Total for the Six Months Ended December 31, 2020
Revenues										
Interest earned on loans	$ -	$ 3,583	$ 14,502	$ -	$ 291	$ -	$ 659	$ -	$ 19,035	$ 21,433
Interest earned on investments-program mortgage-backed securities	-	-	20,561	18,510	-	-	-	-	39,071	41,130
Interest earned on investments-other	55	468	3,759	2	-	102	253	144	4,783	3,584
Net G/L on Sale of MBS Held for Sale/HOMES Certificates	-	-	5,552	-	-	-	-	-	5,552	7,757
Appropriations received	-	-	-	-	-	-	68,474	280,371	348,845	266,350
Administrative reimbursement	15,529	-	-	-	-	-	-	-	15,529	16,774
Fees earned and other income	5,514	67	1,900	762	-	-	257	-	8,500	9,495
Unrealized gains (losses) on investments	-	(668)	(3,722)	(16,868)	-	-	-	-	(21,258)	(13,932)
									-	
Total revenues	21,098	3,450	42,552	2,406	291	102	69,643	280,515	420,057	352,591
Expenses										
Interest	-	334	19,567	16,693	194	102	-	-	36,890	45,684
Financing, net	-	1	4,156	1,377	-	-	-	-	5,534	4,502
Loan administration and trustee fees	-	47	1,310	239	1	-	54	-	1,651	1,812
Administrative reimbursement	-	660	9,678	4,167	46	-	253	-	14,804	16,415
Salaries and benefits	16,267	-	-	-	-	-	-	-	16,267	15,339
Other general operating	1,676	4	1,182	28	-	-	925	-	3,815	5,144
Appropriations disbursed	-	-	-	-	-	-	19,500	433,621	453,121	210,224
Reduction in carrying value of certain low interest	-	-	-	-	-	-	-	-	-	-
rate deferred loans	-	-	563	-	-	-	11,395	-	11,958	8,559
Provision for loan losses	-	(611)	(571)	-	(1)	-	174	-	(1,009)	2,405
									-	
Total expenses	17,943	435	35,885	22,504	240	102	32,301	433,621	543,031	310,084
Revenues over (under) expenses	3,155	3,015	6,667	(20,098)	51	-	37,342	(153,106)	(122,974)	42,507
Other changes										
Non-operating transfer of assets between funds & Adj.	(3,801)	14	(3,182)	6,969	-		(67,280)	-	(67,280)	(100,915)
Change in net position	(646)	3,029	3,485	(13,129)	51	-	(29,938)	(153,106)	(190,254)	(58,408)
Net Position										
Total net position, beginning of period	10,051	150,442	730,420	108,560	2,067	-	(120,407)	401,911	1,283,044	1,026,582
Total net position, end of period	$ 9,405	$ 153,471	$733,905	$ 95,431	$ 2,118	$ -	$ (150,345)	$ 248,805	$ 1,092,790	$ 968,174

This information on the funds of the Agency for the six-month period ended December 31, 2021 was prepared by the Agency, and, in the opinion of the Agency, includes all accounting adjustments necessary for a fair statement of the financial position and results of operations of those funds for the six-month period ended December 31, 2021, subject to year-end adjustments. However, this presentation excludes management's discussion and analysis, the agency-wide financial statements, and the notes to the financial statements which are required by generally accepted accounting principles. This information has not been reviewed by independent auditors and is not accompanied by any opinion from them. This information should be read in conjunction with the Agency's audited financial statements as of June 30, 2021 and for the fiscal year then ended.

Total net position, beginning of period adjusted to GASB 68.

See accompanying notes to financial statements.

Minnesota Housing Finance Agency
Supplementary Information(Unaudited)
Statement of Net Position (in thousands)
General Reserve & Bond Funds
As of December 31, 2021 (with comparative totals for December 31, 2020)

		Bond Funds						General Reserve &	General Reserve &	Residential Housing		
			Residential Housing Finance					Bond Funds	Bond Funds	Finance	General Reserve &	General Reserve &
	General Reserve	Rental Housing	Bonds	Pool 2	Homeownership Finance Bonds	Multifamily Housing Bonds	HOMES^{SM}	Excluding Pool 3 Total As Of December 31, 2021	Excluding Pool 3 Total As Of December 31, 2020	Pool 3 Total As Of December 31, 2021	Bond Funds Total As Of December 31, 2021	Bond Funds Total As Of December 31, 2020
Assets												
Cash and cash equivalents	$ 107,130	$ 30,558	226,868	$ 23,530	$ 58,691	$ 1,749	$ -	$ 448,526	$ 518,040	$ 7,991	$ 456,517	$ 532,735
Investments-program mortgage-backed securities	-	-	1,712,672	-	1,261,488	-	-	2,974,160	2,976,043	-	2,974,160	2,976,043
Investment securities-other	-	21,510	7,656	180,853	-	-	6,342	216,361	113,905	9,330	225,691	123,570
Loans receivable, net	-	150,305	241,865	385,867	-	13,233	-	791,270	812,484	108,906	900,176	917,887
Interest receivable on loans and program mortgage-backed securities	-	582	6,154	1,598	3,605	48	-	11,987	12,741	51	12,038	12,792
Interest receivable on investments	30	66	116	532	-	-	16	760	623	32	792	656
Interest rate swap agreements	-	-	-	-	-	-	-	-	-	-	-	-
FHA/VA insurance claims, net	-	-	68	-	-	-	-	68	232	-	68	232
Real estate owned, net	-	-	587	321	-	-	-	908	581	-	908	581
Capital assets, net	1,437	-	-	-	-	-	-	1,437	2,714	-	1,437	2,714
Other assets	2,519	8,442	22	966	15	-	-	11,964	4,322	1	11,965	4,323
Total assets	111,116	211,463	2,196,008	593,667	1,323,799	15,030	6,358	4,457,441	4,441,685	126,311	4,583,752	4,571,533
Deferred Outflows of Resources												
Deferred loss on refunding	-	-	2	-	-	-	-	2	10	-	2	10
Deferred loss on interest rate swap agreements	-	-	7,706	-	-	-	-	7,706	20,711	-	7,706	20,711
Deferred pension expense	2,434	-	-	-	-	-	-	2,434	14,211	-	2,434	14,211
Total deferred outflows of resources	2,434	-	7,708	-	-	-	-	10,142	34,932	-	10,142	34,932
Total assets and deferred outflows of resources	$ 113,550	$ 211,463	$ 2,203,716	$ 593,667	$ 1,323,799	$ 15,030	$ 6,358	$ 4,467,583	$ 4,476,617	$ 126,311	$ 4,593,894	$ 4,606,465
Liabilities												
Bonds payable, net	$ -	$ 41,235	$ 1,951,677	$ 135,000	$ 1,218,107	$ 12,880	$ 6,026	$ 3,364,925	$ 3,328,725	$ -	$ 3,364,925	$ 3,328,725
Interest payable	-	215	22,034	26	2,715	32	16	25,038	27,706	-	25,038	27,706
Interest rate swap agreements	-	-	7,706	-	-	-	-	7,706	20,711	-	7,706	20,711
Net pension liability	10,189	-	-	-	-	-	-	10,189	10,412	-	10,189	10,412
Accounts payable and other liabilities	5,098	14,119	397	60,917	58	-	-	80,589	66,238	1	80,590	66,239
Interfund payable (receivable)	998	2,423	-	4,068	-	-	-	7,489	(392)	(5,000)	2,489	(392)
Funds held for others	68,531	-	-	-	-	-	316	68,847	71,122	-	68,847	71,622
Total liabilities	84,816	57,992	1,981,814	200,011	1,220,880	12,912	6,358	3,564,783	3,524,522	(4,999)	3,559,784	3,525,023
Deferred Inflows of Resources												
Deferred gain on interest rate swap agreements	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue-service release fee	-	-	9,676	3,287	7,488	-	-	20,451	20,756	-	20,451	20,756
Deferred pension credit	19,329	-	-	-	-	-	-	19,329	29,734	-	19,329	29,734
Total deferred inflows of resources	19,329	-	9,676	3,287	7,488	-	-	39,780	50,490	-	39,780	50,490
Total liabilities and deferred inflows of resources	$ 104,145	$ 57,992	$ 1,991,490	$ 203,298	$ 1,228,368	$ 12,912	$ 6,358	$ 3,604,563	$ 3,575,012	$ (4,999)	$ 3,599,564	$ 3,575,513
Commitments and contingencies												
Net Position												
Restricted by bond resolution	-	153,471	212,226	-	95,431	2,118	-	463,246	523,263	-	463,246	523,263
Restricted by covenant	7,968	-	-	390,369	-	-	-	398,337	375,628	131,310	529,647	504,975
Restricted by law	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted by State Appropriation-backed Debt	-	-	-	-	-	-	-	-	-	-	-	-
Invested in capital assets	1,437	-	-	-	-	-	-	1,437	2,714	-	1,437	2,714
Total net position	9,405	153,471	212,226	390,369	95,431	2,118	-	863,020	901,605	131,310	994,330	1,030,952
Total liabilities, deferred inflows, and net position	$ 113,550	$ 211,463	$ 2,203,716	$ 593,667	$ 1,323,799	$ 15,030	$ 6,358	$ 4,467,583	$ 4,476,617	$ 126,311	$ 4,593,894	$ 4,606,465
	-	-	-	-	-	-	-	-	-	-	-	-

This information on the funds of the Agency for the six-month period ended December 31, 2021 was prepared by the Agency, and, in the opinion of the Agency, includes all accounting adjustments necessary for a fair statement of the financial position and results of operations of those funds for the six-month period ended December 31, 2021, subject to year-end adjustments. However, this presentation excludes management's discussion and analysis, the agency-wide financial statements, and the notes to the financial statements which are required by generally accepted accounting principles. This information has not been reviewed by independent auditors and is not accompanied by any opinion from them. This information should be read in conjunction with the Agency's audited financial statements as of June 30, 2021 and for the fiscal year then ended.

See accompanying notes to financial statements.

Minnesota Housing Finance Agency
Supplementary Information (Unaudited)
Statement of Revenues, Expenses and Changes in Net Position (in thousands)
General Reserve & Bond Funds
Six Months Ended December 31, 2021 (with comparative totals for the six months ended December 31, 2020)

		Bond Funds										
			Residential Housing Finance									
	General Reserve	Rental Housing	Bonds	Pool 2	Homeownership Finance Bonds	Multifamily Housing Bonds	HOMES^{SM}	General Reserve & Bond Funds Excluding Pool 3 Total for Six Months Ended December 31, 2021	General Reserve & Bond Funds Excluding Pool 3 Total for Six Months Ended December 31, 2020	Residential Housing Finance Pool 3 Total for Six Months Ended December 31, 2021	General Reserve & Bond Funds Total for Six Months Ended December 31, 2021	General Reserve & Bond Funds Total for Six Months Ended December 31, 2020
Revenues												
Interest earned on loans	$ -	3,583	$ 6,189	$ 8,125	$ -	$ 291	$ -	$ 18,188	$ 20,657	$ 188	18,376	$ 21,029
Interest earned on investments-program mortgage-backed securities	-	-	20,561	-	18,510	-	-	39,071	41,130	-	39,071	41,130
Interest earned on investments-other	55	468	226	3,499	2	-	102	4,352	2,998	34	4,386	3,137
Net G/L on Sale of MBS Held for Sale/HOMES Certificate	-	-	-	5,552	-	-	-	5,552	7,757	-	5,552	7,757
Appropriations received	-	-	-	-	-	-	-	-	-	-	-	-
Administrative reimbursement	15,529	-	-	-	-	-	-	15,529	16,774	-	15,529	16,774
Fees earned and other income	5,514	67	862	1,038	762	-	-	8,243	8,914	-	8,243	8,943
Unrealized gains (losses) on Investments	-	(668)	(16,654)	12,966	(16,868)	-	-	(21,224)	(13,815)	(34)	(21,258)	(13,932)
Total revenues	21,098	3,450	11,184	31,180	2,406	291	102	69,711	84,415	188	69,899	84,838
Expenses												
Interest	-	334	19,111	456	16,693	194	102	36,890	45,684	-	36,890	45,684
Financing, net	-	1	4,144	12	1,377	-	-	5,534	4,502	-	5,534	4,502
Loan administration and trustee fees	-	47	712	584	239	1	-	1,583	1,746	14	1,597	1,757
Administrative reimbursement	-	660	5,854	3,047	4,167	46	-	13,774	15,243	777	14,551	16,002
Salaries and benefits	16,267	-	-	-	-	-	-	16,267	15,339		16,267	15,339
Other general operating	1,676	4	40	560	28	-	-	2,308	3,610	582	2,890	4,040
Appropriations disbursed	-	-	-	-	-	-	-	-	-	-	-	-
Reduction in carrying value of certain low interest	-	-	-	-	-	-	-	-	-	-	-	-
rate deferred loans	-	-	504	(174)	-	-	-	330	66	233	563	2,623
Provision for loan losses	-	(611)	(916)	263	-	(1)	-	(1,265)	1,956	82	(1,183)	2,281
Total expenses	17,943	435	29,449	4,748	22,504	240	102	75,421	88,146	1,688	77,109	92,228
	3,155	3,015	(18,265)	26,432	(20,098)	51	-	(5,710)	(3,731)	(1,500)	(7,210)	(7,390)
Other changes												
Non-operating transfer of assets between funds	(3,801)	14	5,580	(8,762)	6,969	-	-	-	(8,000)	-	-	-
Change in net position	(646)	3,029	(12,685)	17,670	(13,129)	51	-	(5,710)	(11,731)	(1,500)	(7,210)	(7,390)
Net Position												
Total net position, beginning of period	10,051	150,442	224,911	372,699	108,560	2,067	-	868,730	913,336	132,810	1,001,540	1,038,342
Total net position, end of period	$ 9,405	$ 153,471	$ 212,226	$ 390,369	$ 95,431	$ 2,118	$ -	$ 863,020	$ 901,605	$ 131,310	$ 994,330	$ 1,030,952
	-	-			-	-	-			-		

This information on the funds of the Agency for the six-month period ended December 31, 2021 was prepared by the Agency, and, in the opinion of the Agency, includes all accounting adjustments necessary for a fair statement of the financial position and results of operations of those funds for the six-month period ended December 31, 2021 subject to year-end adjustments. However, this presentation excludes management's discussion and analysis, the agency-wide financial statements, and the notes to the financial statements which are required by generally accepted accounting principles. This information has not been reviewed by independent auditors and is not accompanied by any opinion from them. This information should be read in conjunction with the Agency's audited financial statements as of June 30, 2021 and for the fiscal year then ended.

See accompanying notes to financial statements.

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MINNESOTA HOUSING

Board Agenda Item: 8.B
Date: 2/17/2022

Item: First Quarter 2022 Progress Report: 2020-2022 Strategic Plan and 2022-23 Affordable Housing Plan

Staff Contact(s):
John Patterson, 651.296.0763, john.patterson@state.mn.usf

Request Type:

☐ Approval
- ☐ Motion
- ☐ Resolution

☒ No Action Needed
- ☒ Discussion
- ☐ Information

Summary of Request:
Staff are providing for the Board's review and discussion the first quarter 2022 progress report for implementing the 2020-2022 Strategic Plan and 2022-2023 Affordable Housing Plan. The report has two sections: (1) progress in reaching two strategic goals, and (2) progress in reaching forecasts for program year 2022 (October 1, 2022 through September 30, 2023).

Fiscal Impact:
None

Meeting Agency Priorities:
- ☒ Improve the Housing System
- ☒ Preserve and Create Housing Opportunities
- ☒ Make Homeownership More Accessible
- ☒ Support People Needing Services
- ☒ Strengthen Communities

Attachment(s):
- First Quarter 2022 Progress Report: 2020-2022 Strategic Plan and 2022-2023 Affordable Housing Plan

First Quarter 2022 Progress Report:

2020-2022 Strategic Plan and
2022-2023 Affordable Housing Plan

(Program Year October 1, 2021 through September 30, 2022)

This progress report has two sections:

1. **Go Bigger Strategic Goals.** To track our progress in carrying out our 2020-2022 Strategic Plan, we have identified two priority areas for which we set strategic goals:
   a. Share of first-time homebuyer mortgages going to Black, Indigenous and households of color
   b. Share of new rental units that will be deeply affordable

2. **Forecast of Households and Housing Units to be Assisted.** To track our progress in implementing the 2020-2021 Affordable Housing Plan, we forecasted and now track the number of households and housing units that we expect to assist with funds awarded in program year 2022. This is a leading indicator of our program activity. For housing development programs, it can take two years from selecting projects for funding to disbursing of those funds when construction is carried out.

We have had a strong start to program year 2022 and are on track to meet our goals and overall forecasted activity.

- In the first three months of the program year, 42% of our first-time homebuyer mortgages went to Black, Indigenous and households of color. If this level of activity is sustained through the year, we will surpass our 40% goal a year ahead of time.

- With the rental new construction and adaptive-reuse projects selected last month, we have reached our goal of 45% of new rental units selected through the Consolidated RFP being deeply affordable a year ahead of time.

- Home mortgage lending started out the year very strong with a higher than expected lending volume. In the first quarter we committed (net of cancellations) over 1,300 home mortgages.

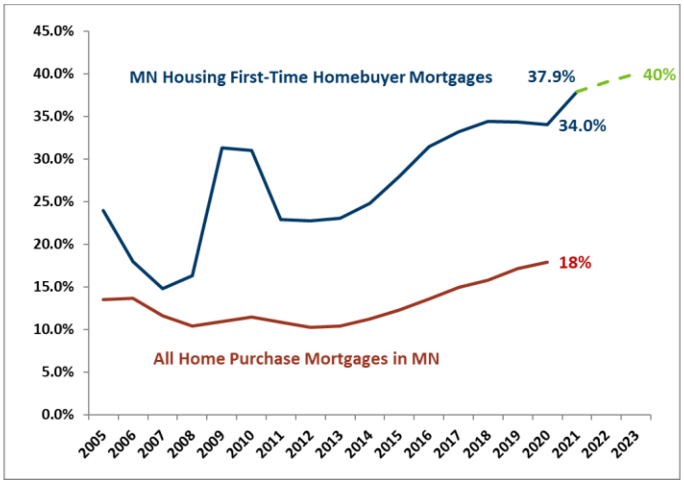
- We are behind schedule in home improvement lending. We are hearing that supply and contractor shortages may be limiting program activity. In addition, it is possible that people working from home during COVID saw the need to address home improvement projects, which they took care of last year, and we are now seeing a drop off in activity.

- In just one quarter, we assisted over 33,000 renter households through the RentHelpMN program.

- Activity for our development RFP programs appear to be behind schedule after the first quarter, but this is just a timing issue with the later than normal selections that occurred in January, rather than in the first quarter.

Strategic Goals

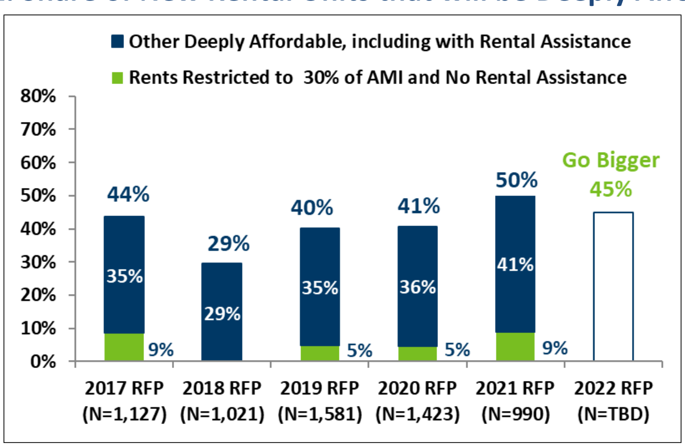
1. Share of First-Time Homebuyer Mortgages Going to Black, Indigenous and Households of Color



2023 Go Bigger Goal	40.0%
2021 Quarter 1 Actual	42.3%

For the last few years, 34% of our first-time homebuyer mortgages have gone to Black, Indigenous and households of color, which is significantly higher than the overall mortgage industry in Minnesota (18%). In 2021, we were able to break through the 34% level and reach nearly 38%. So far in 2022, we have reached 42.3%. If we sustain this pace, we will surpass our 2023 goal a year ahead of time.

2. Share of New Rental Units that will be Deeply Affordable*



2023 (2022 RFP) Go Bigger Goal	45%
2022 (2021 RFP) Actual	50%

* Includes new construction and adaptive-reuse units: (1) with contract rents that are affordable to households with incomes at or below 30% of the area median income (AMI), (2) with rental assistance, including Housing Support, and/or (3) that are permanent supportive housing.

With the selections approved in January, 50% of the new construction and adaptive-reuse units are expected to be deeply affordable. We reached our goal a year ahead of time. Technically, this is a second quarter achievement, but worthy of an early recognition.

Our ability to continue meeting this goal depends on the availability of Housing Infrastructure Bonds and rental assistance, including the Department of Human Services' Housing Support. With the 2021 RFP, we also increased the incentive in our selection criteria for developments to have deeply affordable units. Because deeply affordable units require more subsidy, there is a tradeoff between the total number of units developed or preserved and the number of deeply affordable units.

Forecast of Households and Housing Units to Be Assisted

The following table tracks our progress in reaching our 2022 activity forecasts by program area. For context and a comparison, it also provides the level we reached in 2021 after the first quarter.

Progress in Reaching Our Forecast of Households and Housing Units to be Assisted in 2022

		2022 Year-End Forecast	2022 Actual After One Quarter	Share of 2022 Forecast Reached After One Quarter	2021 Actual After One Quarter	Historical Share After One Quarter
1	Home Mortgage Lending	4,889	1,301	27%	1,121	20%
2	Homebuyer/owner Education and Coaching	8,160	1,553	19%	1,668	20%
3	Home Improvement Lending	1,961	215	11%	331	20%
4	Owner-Occupied Housing Development & Support	1,477	40	3%	720	100%
5	Rental New Construction & Adaptive Re-use	1,180	0	0%	1,020	85%
6	Rental Rehabilitation	788	48	6%	416	40%
7	Rental Refinance Only	91	107	118%	0	5%
8	Rental Assistance and Operating Subsidies	3,467	2,181	63%	2,272	60%
9	Section 8 Contract Administration	29,700	29,846	100%	27,918	100%
10	Homelessness Prevention and Other Supports	5,428	2,031	37%	2,074	25%
11	Total for Core Programs	57,141	37,322	65%	37,540	65%
12	COVID-19 Housing Recovery	29,200	33,348	114%	17,711	N/A

Note: These numbers reflect households or housing units to be assisted based on housing developments that have been selected for funding, the commitment of home mortgage and home improvement loans (net of cancellations), and the distribution of funds for rental assistance, operating subsidies, homebuyer education/coaching and homelessness prevention.

NOTES:

Lines 1: Activity in our home mortgage programs has been very strong, reaching 27% of our year-end forecast, when we are typically at 20% after the first quarter. Activity picks up during the prime homebuying season of the spring and summer.

Lines 2: We are right on track with our homebuyer/owner education and coaching programs.

Line 3: Home improvement lending is slower than expected. Last year, we experienced a substantial increase in program activity after we made program changes, and we hoped the upward trajectory would continue; however, we are now facing some headwinds. We are hearing that contractor and supply shortages may be limiting program activity; and it is possible that people working from home during COVID saw the need to take care of home improvement projects, which they addressed last year.

Line 4: By waiting to select projects for two of our single-family development programs until January (the second quarter of the program year), when we typically make selections in the first quarter, we appear to be behind schedule. This is just a one-month timing issue. In January, the Board selected projects that propose to: (1) fund 322 homes through the Impact Fund, and (2) support another 1,247 manufactured home lots through the Manufactured Home Community Redevelopment Program. If these selections had occurred in the first quarter (October-December 2021), we would be at 109% of the year-end forecast.

Line 5: The same RFP timing issue applies to rental new construction. In January, the Board selected for funding projects that will develop 847 new construction units. If those units were included in the first quarter, we would be at 72% of our year-end forecast, with a historical benchmark of 85% after the first quarter. We still have Greater Minnesota Workforce Housing funds to award. In addition, high constructions costs are limiting the number of units that we can finance.

Line 6: The same RFP timing issue also applies to rental rehabilitation. If the 248 rehabilitation units selected in January were included in the first-quarter numbers, we would be at 38% of our year-end forecast, with a historical benchmark of 40% after the first quarter. We still have funds for the Rental Rehabilitation Deferred Loan (RRDL) program to award, and some projects are funded on a pipeline basis, particularly with Asset Management funds. Again, high constructions costs are limiting the number of units that we can finance.

Line 7: In contrast, we have already exceeded our year-end forecast for refinancing rental developments. These funds are available year-round, and activity is demand driven, which can lead to uneven activity over the course of a year and from year-to-year. At this point last year, the Board had approved no rental refinancing deals.

Line 8: Activity in our state-funded rental assistance and operating subsidy programs is in line with expectations. Most of the people receiving state-funded rental resistance in the first quarter will continue to do so, but the number of households assisted will increase some as some vouchers turnover to new households. The housing units receiving operating subsidies will increase as more funds are disbursed.

Line 9: The rental units receiving Project-Based Section 8 assistance in the first quarter will continue to receive assistance throughout the year. The number of households assisted is stable, with little change over time.

Line 10: For homeless prevention and other supports, we are serving more households than expected after one quarter. We will have to see if this holds up over the course of the year. In recent years, with the Family Homeless Prevention and Assistance Program (FHPAP) focusing on rapid rehousing and harder to serve clients, the average amount of assistance per household has been increasing, which has limited the number of households that can be served.

Line 11: After taking into account a few RFP timing issues, we are on track to reach our overall forecast of households and housing units to be assisted for our regular/core programs – a ahead of expectations for some programs and behind for others.

Line 12: In 2022, we are administering two COVID-19 housing recovery programs – RentHelpMN and HomeHelpMN. In the first quarter of program year 2022, we assisted over 33,000 renter households through the RentHelpMN program, which is already above our year-end forecast for both RentHelpMN and HomeHelpMN. When developed the year-end forecast last summer for the Affordable Housing Plan (AHP), it was still unclear how activity under these two programs would unfold. At that time, we forecasted that we would assist roughly 58,000 households over the two years of 2022 and 2023 for the two programs combined. Given the timing uncertainty, we made the simplifying assumption that the assistance would be split evenly between the two years; however, we acknowledged that program activity would most likely be higher in 2022 than 2023. The need for RentHelpMN has remained strong, and we have gotten funds out the door, which has resulted in the high level of activity.

We expect to launch the HomeHelpMN program this spring.

Board Agenda Item: 9.A
Date: 2/24/2022

Item: Semi-annual Variable Rate Debt and Swap Report as of January 1, 2022

Staff Contact(s):

Kevin Carpenter, 651.297.4009, kevin.carpenter@state.mn.us
Debbi Larson, 651.296.8183, debbi.larson@state.mn.us

Request Type:

☐ Approval
- ☐ Motion
- ☐ Resolution

☒ No Action Needed
- ☐ Discussion
- ☒ Information

Summary of Request:

The Agency's board-approved Debt and Balance Sheet Management Policy calls for the ongoing review and management of swap transactions including regular report to the board. This reporting is accomplished through the Semi-annual Variable Rate Debt and Swap Performance Report.

Fiscal Impact:

None.

Meeting Agency Priorities:

- ☐ Improve the Housing System
- ☐ Preserve and Create Housing Opportunities
- ☐ Make Homeownership More Accessible
- ☐ Support People Needing Services
- ☐ Strengthen Communities

Attachment(s):

- Semi-annual Variable Rate Debt and Swap Performance Report

MINNESOTA HOUSING

Semi-annual Variable-Rate Debt and Swap Performance Report

January 1, 2022

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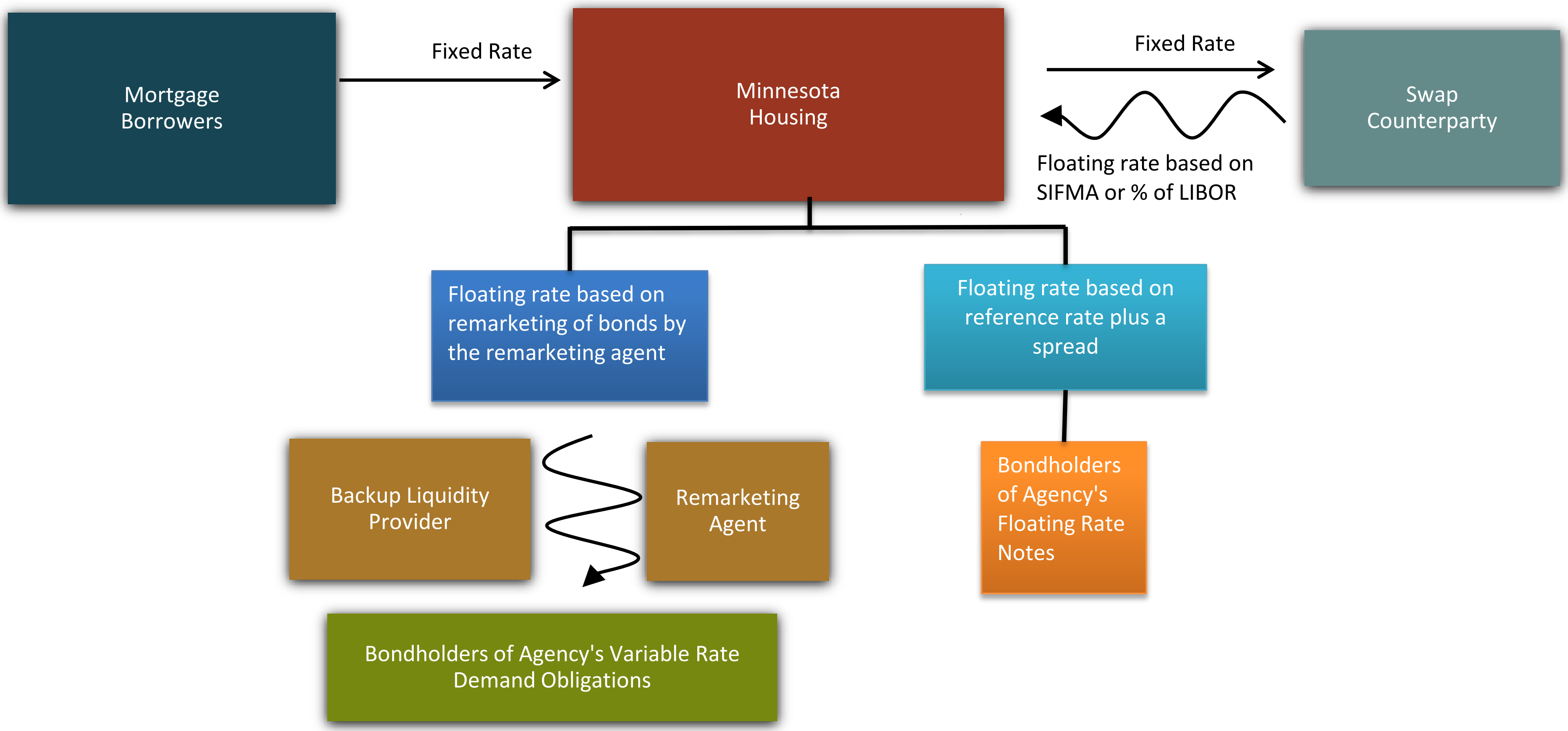
Floating-to-Fixed Interest Rate Swap Structure



Overview of Swaps

January 1, 2022

Bond Series	Effective Date	Original Notional Amount of Swap	Notional Amount Outstanding	Counterparty	Floating Rate Received
RHFB 2015 D	8/11/2015	$ 18,225,000	$ 18,225,000	Royal Bank of Canada	67% of LIBOR
RHFB 2015 G	12/8/2015	35,000,000	30,815,000	Royal Bank of Canada	67% of LIBOR
RHFB 2016 F	12/22/2016	50,000,000	42,420,000	Royal Bank of Canada	67% of LIBOR
RHFB 2017 C	1/1/2019	40,000,000	38,380,000	Wells Fargo	67% of LIBOR
RHFB 2017 F	12/21/2017	40,000,000	40,000,000	Wells Fargo	67% of LIBOR
RHFB 2018 D	6/28/2018	35,000,000	35,000,000	The Bank of New York Mellon	70% of LIBOR + 43 basis points
RHFB 2018 H	12/12/2018	35,000,000	35,000,000	Royal Bank of Canada	70% of LIBOR
RHFB 2019 D	4/11/2019	45,000,000	45,000,000	Royal Bank of Canada	70% of LIBOR
RHFB 2019 H	9/11/2019	43,985,000	43,985,000	The Bank of New York Mellon	100% of LIBOR
	Totals	**$ 342,210,000**	**$ 328,825,000**		

Basis Risk

January 1, 2022

Bond Series	Effective Date	VRDO's/FRB's and Swaps Outstanding	Net Variable Interest (Paid) Received Basis Risk (cumulative)	Contractual Swap Fixed Rate Paid	Effective Net Payment Rate*	Effective Rate As a Percentage of Swap Fixed Rate
RHFB 2015 D	8/11/2015	$ 18,225,000	$ (106,049)	2.343%	2.434%	103.887%
RHFB 2015 G	12/8/2015	30,815,000	(143,367)	1.953%	2.021%	103.471%
RHFB 2016 F	12/22/2016	42,420,000	(264,762)	2.175%	2.281%	104.877%
RHFB 2017 C	1/1/2019	38,380,000	(110,885)	2.180%	2.272%	104.239%
RHFB 2017 F	12/21/2017	40,000,000	(99,317)	2.261%	2.323%	102.726%
RHFB 2018 D	6/28/2018	35,000,000 [2]	(5,164)	3.1875%	3.192%	100.132%
RHFB 2018 H	12/12/2018	35,000,000	(607,578)	2.8035%	3.372%	120.283%
RHFB 2019 D	4/11/2019	45,000,000 [3]	(63,673)	2.4090%	2.461%	102.158%
RHFB 2019 H	9/11/2019	43,985,000	(50,694)	2.1500%	2.200%	102.325%
	Totals	**$ 328,825,000**	**$ (1,451,490)** [1]			

*Fixed Rate plus/minus the net of variable rate paid/received, as of 1/1/2022.

[1]The cumulative total variable interest paid of $11,347,742 on all outstanding VRDO's/FRB's and all variable interest received of $9,896,252 on the outstanding swaps results in a net payable of $1,451,490.

[2]The variable rate debt outstanding for RHFB 2018D is $34,465,000

[3]The variable rate debt outstanding for RHFB 2019D is $44,020,000

Counterparty/Termination Risk

January 1, 2022

Related Bond Series	Counterparty	Short-term Credit rating[1]	Long-term Credit Rating of Provider at Swap Inception[1]	Current Long-term Credit rating[1]	Long-term Credit Outlook[1]	Notional Amount Outstanding	Swap Maturity	average life	Swap Fixed Rate	Fair Value[2] as of 12/31/2021
RHFB 2015 D	Royal Bank of Canada	P-1/A-1+	Aaa/AA-	Aa2/AA-	Stable/Stable	18,225,000	1/1/2046	27.4	2.343%	(388,342)
RHFB 2015 G	Royal Bank of Canada	P-1/A-1+	Aa3/AA-	Aa2/AA-	Stable/Stable	30,815,000	1/1/2034	15.7	1.953%	(700,931)
RHFB 2016 F	Royal Bank of Canada	P-1/A-1+	Aa1/AA+	Aa2/AA-	Stable/Stable	42,420,000	1/1/2041	19.2	2.175%	(1,551,200)
RHFB 2018 H	Royal Bank of Canada	P-1/A-1+	Aa2/AA-	Aa2/AA-	Stable/Stable	35,000,000	7/1/2041	18.7	2.8035%	(1,786,570)
RHFB 2019 D	Royal Bank of Canada	P-1/A-1+	Aa2/AA-	Aa2/AA-	Stable/Stable	45,000,000	1/1/2042	18.5	2.4090%	(2,270,332)
	Total Royal Bank of Canada					**171,460,000** [3]				**(6,697,375)**
RHFB 2018 D	The Bank of New York Mellon	P-1/A-1+	Aa2/AA-	Aa2/AA-	Stable/Stable	35,000,000	1/1/2045	23.3	3.1875%	(1,353,566)
RHFB 2019 H	The Bank of New York Mellon	P-1/A-1+	Aa2/AA-	Aa2/AA-	Stable/Stable	43,985,000	1/1/2047	25.7	2.1500%	(75,039)
	Total The Bank of New York Mellon					**78,985,000** [3]				**(1,428,605)**
RHFB 2017 C	Wells Fargo Bank	P-1/A-1	Aa2/A+	Aa2/A+	Negative/Stable	38,380,000	1/1/2038	16.8	2.180%	(1,470,119)
RHFB 2017 F	Wells Fargo Bank	P-1/A-1	Aa2/A+	Aa2/A+	Negative/Stable	40,000,000	1/1/2041	19.7	2.261%	(714,706)
	Total Wells Fargo					**78,380,000** [3]				**(2,184,826)**
	Total All Swaps					**$ 328,825,000**				**$ (10,310,806)**

[1]Moody's/Standard & Poors

[2]A positive fair value represents money due the Agency from the Counterparty upon termination. A negative number represents money payable by the Agency upon termination. Valuations are provided by BLX.

[3]Counterparty Exposure Percentage:

Royal Bank of Canada	52%
The Bank of New York Mellon	24%
Wells Fargo	24%

Liquidity Risk
January 1, 2022

Bond Series	Current Liquidity Provider	Remarketing Agent	Short-term Credit Rating[1]	Long-term Credit Rating[1]	Long-term Credit Outlook[1]	VRDO's Outstanding		VRDO Maturity	Liquidity Facility Expiration	Liquidity Fee
RHFB 2015 D	Royal Bank of Canada	Royal Bank of Canada	P-1/A-1+	Aa2/AA-	Stable/Stable	$ 18,225,000		1/1/2046	8/11/2022	0.30%
RHFB 2015 G	Royal Bank of Canada	Royal Bank of Canada	P-1/A-1+	Aa2/AA-	Stable/Stable	30,815,000		1/1/2034	1/2/2023	0.30%
RHFB 2017 F	Royal Bank of Canada	Royal Bank of Canada	P-1/A-1+	Aa2/AA-	Stable/Stable	40,000,000		1/1/2041	1/2/2023	0.30%
RHFB 2019 D	Royal Bank of Canada	Royal Bank of Canada	P-1/A-1+	Aa2/AA-	Stable/Stable	44,020,000	4	1/1/2042	7/1/2024	0.34%
	Royal Bank of Canada subtotal					**133,060,000**	3			
RHFB 2016 F	FHLB - Des Moines[2]	Royal Bank of Canada	P-1/A-1+	Aaa/AA+	Stable/Stable	42,420,000		1/1/2041	1/2/2024	0.25%
RHFB 2017 C	FHLB - Des Moines[2]	Royal Bank of Canada	P-1/A-1+	Aaa/AA+	Stable/Stable	38,380,000		1/1/2038	7/19/2024	0.29%
	FHLB - Des Moines subtotal					**80,800,000**	3			
RHFB 2019 H	US Bank	US Bank Municipal Securities	P-1/A-1	A2/A+	Negative/Negative	**43,985,000**		1/1/2050	9/10/2024	0.33%
	US Bank subtotal					**43,985,000**	3			
	Total All Liquidity Providers					**$ 257,845,000**				

[1]Moody's/Standard & Poors

[2]Federal Home Loan Bank of Des Moines

[3]Liquidity Provider Exposure Percentage:

Royal Bank of Canada	51%
Federal Home Loan Bank of Des Moines	32%
US Bank	17%

[4]The notional amount outstanding for RHFB 2019D is $45,000,000

Note: RHFB 2018 D and RHFB 2018 H (FRB's)-No liquidity provider or remarketing agent.

Liquidity Renewal Requirements

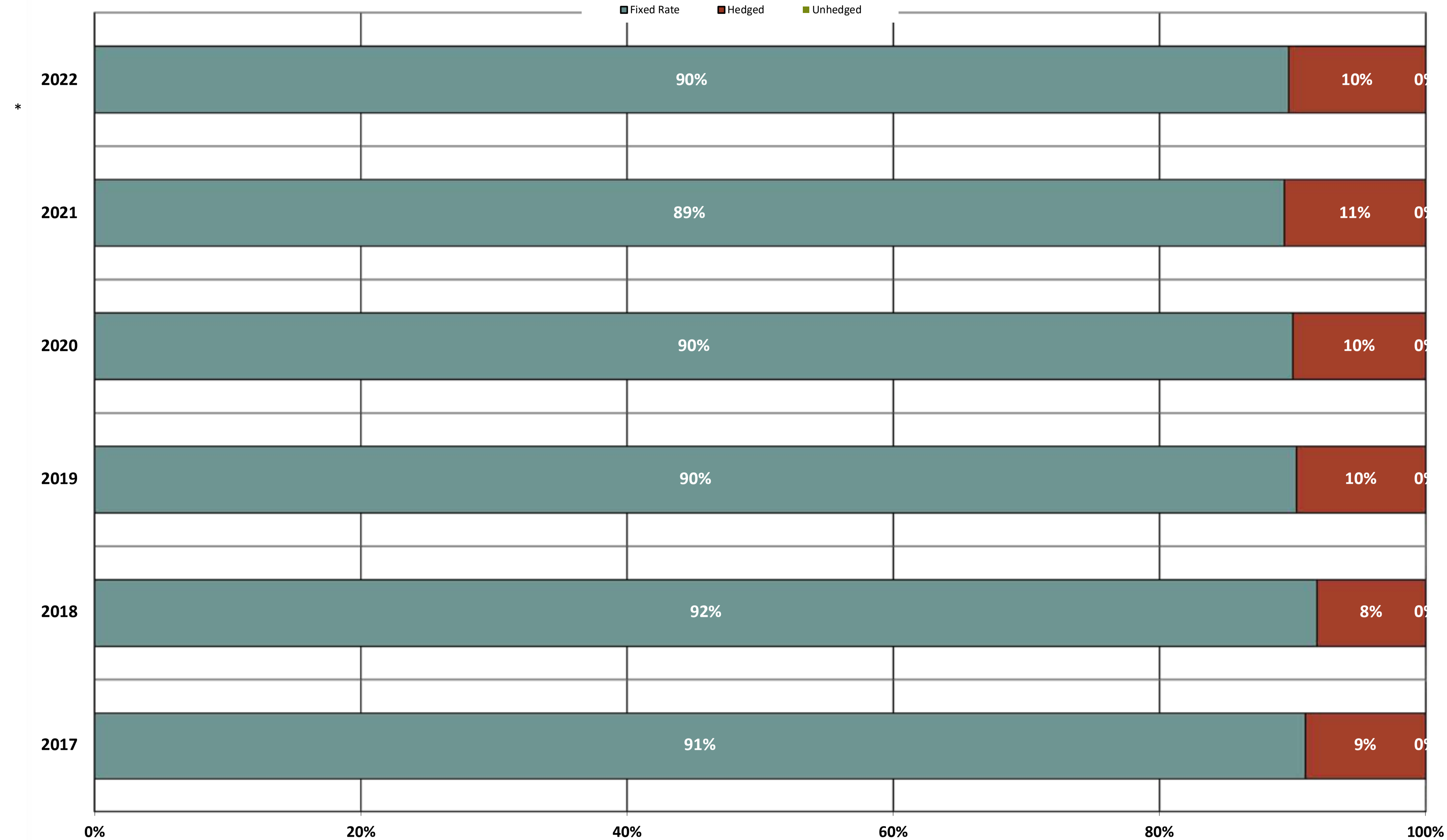
January 1, 2022

Issue	Liquidity Provider	Final Swap Maturity	Full Optional Termination Date	Liquidity Expiration Date	Original Notional Amount	Outstanding Notional Amount as of 01/01/2022	Scheduled Notional Amount Outstanding at Liquidity Expiration	Minimum Notional Amount Outstanding at Liquidity Expiration	Swap Counterparty
2015 D	Royal Bank of Canada	1/1/2046	7/1/2022	8/11/2022	$ 18,225,000	$ 18,225,000	$ 18,225,000	-	RBC[1]
2015 G	Royal Bank of Canada	1/1/2034	1/1/2023	1/2/2023	35,000,000	30,815,000	33,500,000	-	RBC[1]
2017 F	Royal Bank of Canada	1/1/2041	1/1/2023	1/2/2023	40,000,000	40,000,000	40,000,000	-	WF[3]
2019 D	Royal Bank of Canada	1/1/2042	7/1/2024	7/1/2024	45,000,000	45,000,000	45,000,000	-	RBC[1]
	Royal Bank of Canada subtotal				138,225,000	134,040,000	136,725,000	-	
2016 F	FHLB - Des Moines[2]	1/1/2041	1/1/2024	1/2/2024	50,000,000	42,420,000	46,650,000	-	RBC[1]
2017 C	FHLB - Des Moines[2]	1/1/2038	7/1/2024	7/19/2024	40,000,000	38,380,000	40,000,000	-	WF[3]
	FHLB - Des Moines subtotal				90,000,000	80,800,000	86,650,000	-	
2019 H	US Bank	1/1/2047	1/1/2027	9/10/2024	43,985,000	43,985,000	43,985,000	42,620,000	BoNY[4]
	US Bank subtotal				43,985,000	43,985,000	43,985,000	42,620,000	
	Total All Liquidity Providers				$ 272,210,000	$ 258,825,000	$ 267,360,000	42,620,000	

[1]Royal Bank of Canada [2]Federal Home Loan Bank of Des Moines [3]Wells Fargo [4] Bank of New York

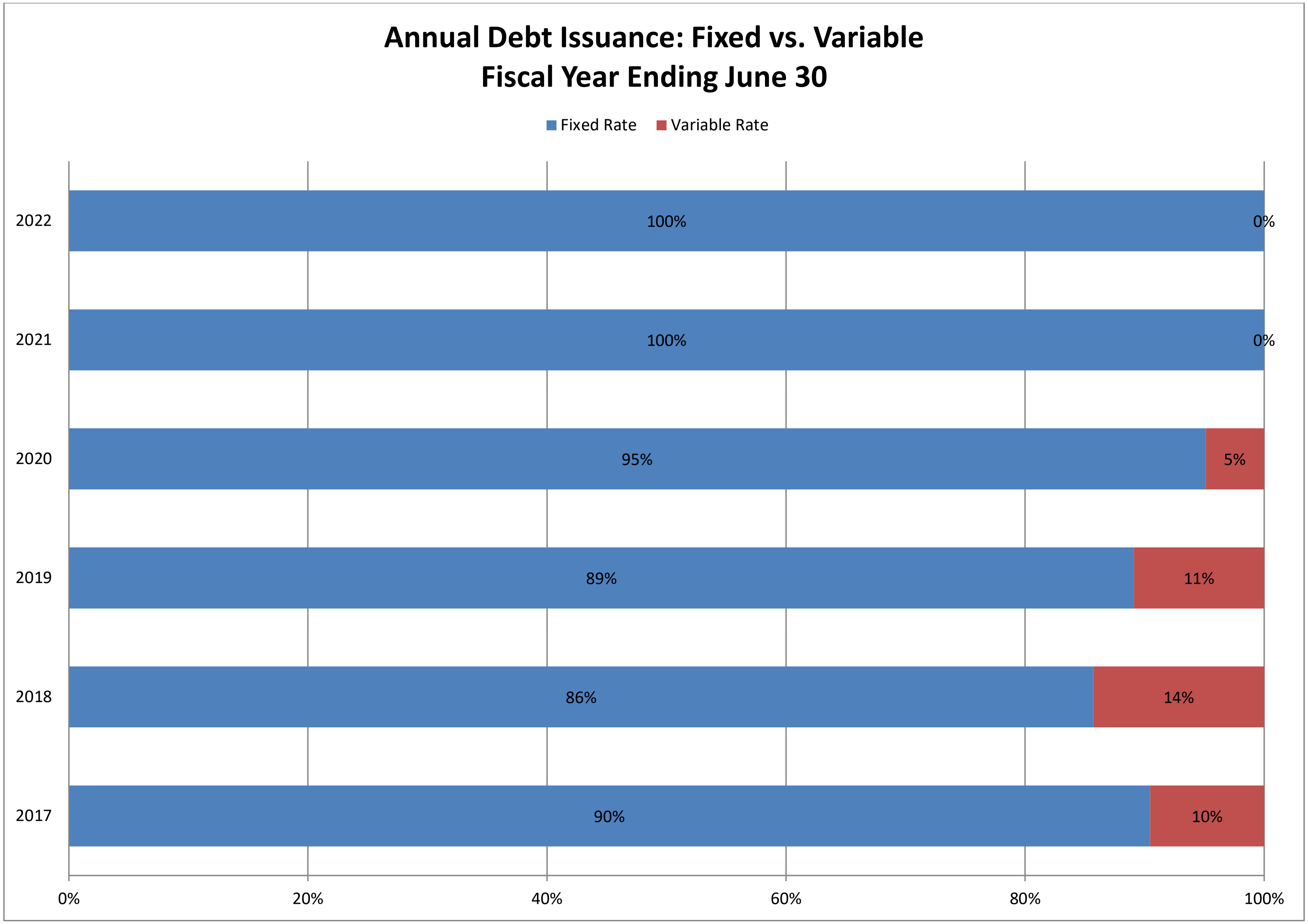
Note: RHFB 2018 D and RHFB 2018 H (FRB's)-No liquidity provider or remarketing agent.

Total Long Term Debt: Fixed vs. Variable
Fiscal Year Ending June 30



Only includes Rental Housing Bonds, Residential Housing Finance Bonds, Homeownership Finance Bonds, Multifamily Housing Bonds

* As of 12/31/2021



Only includes Rental Housing Bonds, Residential Housing Finance Bonds, Homeownership Finance Bonds, Multifamily Housing Bonds and HOMES^{SM} Certificates.

Glossary of Terms

The following are explanations of certain terms used in this presentation:

Amortization Risk
Minnesota Housing is subject to amortization risk on its hedged VRDOs because the prepayments from mortgage loans securing the bonds may cause the outstanding principal amount of bonds to decline faster than the nominal amount of the swap. To manage amortization risk, termination options have been structured into its outstanding swaps to enable Minnesota Housing in certain circumstances to reduce the nominal amounts of the swaps to correspond to the outstanding principal amount of the bonds hedged by the swap. Additionally, Minnesota Housing may terminate outstanding swaps in whole or in part at fair value at any time if it is not in default thereunder.

Basis Risk
Basis risk refers to a mismatch between the floating interest rate received from the swap counterparty and the interest actually paid on the related series of Minnesota Housing's variable rate bonds. Under its outstanding swaps, Minnesota Housing pays a fixed interest rate and in return receives a floating variable rate based on LIBOR or the SIFMA Municipal Swap index, plus a specified spread if the swap relates to tax-exempt bonds. Minnesota Housing's bonds hedged by its swaps bear interest at a variable rate that is reset weekly, based on market conditions. Minnesota Housing's risk is that the variable interest payments received from the counterparty will be less than the variable interest payments actually paid on the bonds. This mismatch between the actual bond interest rate and the swap floating interest rate would cause additional interest expense to Minnesota Housing. A mismatch could occur for various reasons, including an increased supply of tax-exempt bonds, deterioration of the credit quality of Minnesota Housing or the liquidity facility provider, or a reduction of federal income tax rates for corporations and individuals. Basis risk varies over time due to inter-market conditions. Tax risk is a form of basis risk.

Counterparty Risk
Counterparty risk is the risk that the swap counterparty will not perform pursuant to the swap contract's terms, either in making regular payments or termination payments. Under a fixed payor swap, for example, if the counterparty defaults, Minnesota Housing could be exposed to unhedged variable rate bonds. The creditworthiness of the counterparty is indicated by its senior unsecured long-term credit rating. The outstanding swap agreements contain varying collateral requirements based on the respective parties' credit ratings and the fair value of the swaps to mitigate potential credit risk exposure.

FRB's
Floating-rate bonds ("FRBs") are securities which offer interest rates that periodically reset to changes in a representative interest rate index, normally plus a spread. They can be issued at any maturity, including with nominal long-term maturities that include a mandatory tender following the stated floating rate period. FRBs do not require liquidity support.

LIBOR
US Dollar London Interbank Offered Rate, One Month maturity.

Glossary of Terms (continued)

Liquidity Risk
Issuers of VRDOs face liquidity risk due to the ability of holders of the bonds to tender them for purchase upon short notice. The bonds are to be remarketed by a remarketing agent appointed by the issuer, but if the remarketing were to fail, the liquidity facility provider providing liquidity support to cover tenders would be required to purchase the bonds. In such event, the bonds, known as "bank bonds," would bear interest at a higher "bank rate" and be subject to principal amortization over a much shorter period than their stated terms. The bank rate typically floats at a few percentage points higher than the prime rate. Because of turmoil in the financial markets, substantially fewer financial institutions are providing liquidity facilities and at a substantially higher cost. Consequently, at the expiration of a liquidity facility, Minnesota Housing may have difficulty obtaining a replacement liquidity facility or may have to pay substantially higher fees.

SIFMA
Securities Industry and Financial Markets Association.

Tax Risk
All issuers who issue tax-exempt variable rate debt inherently accept risk arising from changes in marginal federal income tax rates. For variable rate tax-exempt bonds hedged with LIBOR-based swaps, basis risk may be realized if changes in the federal tax code alter the historical relationship between taxable and tax-exempt short-term rates on which the swap was structured.

Termination Risk
Termination risk is the risk that the swap may be terminated as a result of any of events specified in the swap, which may include a ratings downgrade for Minnesota Housing or its counterparties, covenant violation by either party, bankruptcy of either party, swap payment default by either party, events of default under the bond resolution and certain specified termination events.

Upon a termination of the swap at fair value, a termination payment may be due by one party to the other based upon the fair value of the swap at the time (even if the payment is owed to the defaulting party). The potential termination risks to Minnesota Housing are the liability for a termination payment to the counterparty or the inability to replace the swap with favorable financial terms, in which event the variable rate bonds would no longer be hedged. Under its outstanding swaps, Minnesota Housing has the ability in certain circumstances to terminate the swap in whole or in part at par, rather than at fair value, in order to mitigate amortization risk.

VRDOs
Variable Rate Demand Obligations ("VRDOs") are floating rate bonds that have a stated long-term maturity but bear interest at a short-term rate that is reset periodically (generally weekly). The holder of the bonds has the option to tender the bonds for purchase upon short notice (generally seven days). If the bonds cannot be remarketed by the remarketing agent, the liquidity facility provider (and not the issuer) is obligated to purchase the bonds.

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MINNESOTA HOUSING

Board Agenda Item: 9.B
Date: 2/24/2022

Item: Post-Sale Report, RHFB 2022 Series AB (Social Bonds)

Staff Contact(s):
Kevin Carpenter, 651.297.4009, kevin.carpenter@state.mn.us

Request Type:

☐ Approval
- ☐ Motion
- ☐ Resolution

☒ No Action Needed
- ☐ Discussion
- ☒ Information

Summary of Request:
The Agency closed on these Residential Housing Finance Bonds on February 17, 2022. In accordance with the Debt and Balance Sheet Management Policy the attached detailed post-sale report is provided by the Agency's financial advisor, CSG Advisors.

Fiscal Impact:
None.

Meeting Agency Priorities:
- ☐ Improve the Housing System
- ☐ Preserve and Create Housing Opportunities
- ☐ Make Homeownership More Accessible
- ☒ Support People Needing Services
- ☒ Strengthen Communities

Attachment(s):
- Post-Sale Report

CSG | advisors

$99,990,000
Minnesota Housing Finance Agency
Residential Housing Finance Bonds
2022 Series AB

POST-SALE ANALYSIS

KEY RESULTS FOR MINNESOTA HOUSING

Purpose. 2022 Series AB accomplished the following major objectives:

1. The issue enabled Minnesota Housing to profitably finance Start-Up first mortgages on the balance sheetand earn net annual income over future years.

2. This tax-exempt issue used $51.6 million of private activity bond volume cap from 2019 and 2020, together with recycled authority from past bond issues and $24.99 million of taxable debt.

3. Achieved full spread, after utilizing approximately $11.5 million of Minnesota Housing's existing zero participations. This leaves approximately $41.5 million of zero participations for future transactions.

Key Measurable Objectives and Accomplishments. The results of the issue were very successful:

Objective	*Result*
Finance new production on balance sheet	$99.99 million of new first mortgage loans in MBS securities
Leverage private activity bond volume cap	Leveraged new bond cap almost 2 times.
Efficiently incorporate taxable debt	Included $24.99 million of taxable bonds (Series B)
Achieve full spread on the overall transaction	Agency earned full spread (1.12%) including from use of zero participations.
Minimize use of and/or create zero participations (interest subsidies under IRS rules), and preserve them for future issues	The agency has about $41.5 million of zero participations available to help achieve full spread on future issues.
Achieve cost-effective bond yield	The overall bond yield was approximately 2.4%.
Create future income streams that will support Pool 3	Increases indenture's expected net present value.
Maintain high bond ratings	RHFB bonds are rated Aa1 / AA+

TIMING AND STRUCTURE

Timing. The bonds were priced on Tuesday, Feb.1st to close on Feb. 17th.

Sizing. The issue was sized to fund a portion of the current pipeline, while preserving and rolling over past zero participations.

Major Design Decisions. Key decisions by Minnesota Housing were to:

- **Time and size the issue to address rising interest rates.** During January, yields on municipal bonds rose by approximately 50 basis points, and Treasury yields rose dramatically as well. This rapid increase was due to stark inflation news and the Federal Reserve unveiling a new, more aggressive policy to deal with inflation.

  While Minnesota Housing hedges its loan pipeline and is compensated when rates rise, it seeks to issue bonds at as a low rate as possible in order to use the fewest zero participations to achieve full spread. In an environment of rapidly rising interest rates, Minnesota Housing therefore did two things:

  1. Moved very quickly to bring this approximately $100 million fixed rate issue to market, and
  2. Began the process of designing a subsequent issue for February Board approval that will include variable rate bonds to help lower the agency's effective borrowing cost.

  In its financings for 2022 as a whole, variable rate bonds will be important to help the agency both stretch its limited bond volume cap with taxable debt and manage its zero participations. Since bonds issues with variable rate debt require Board approval and more lead time because of the liquidity and swap providers involved, the agency brought 2022 AB to market on a very fast schedule to limit its exposure to further rising rates.

- **Use taxable debt to efficiently leverage volume cap.** In the current market, the marginal borrowing cost of blending in approximately $25 million of taxable debt in the earlier maturities of this combined taxable/tax-exempt AB issue was quite efficient. This blended debt approach was less expensive than issuing the same $25 million in taxable pass-through bonds in the Homeownership Finance Bond indenture.

- **Use zero participations effectively.** The agency's zero participations were used effectively on this issue to enable the agency to earn full spread on this issue, while also receiving approx. $1.5 million in TBA hedge gains outside the bond issue yield calculations.

- **Balance the use of zero participations and taxable debt.** In order to finance its Start Up loans, (which totaled over $870 million in 2021 and has been steadily growing), Minnesota Housing uses a limited amount of new bond volume cap, recycled past bond authority as old loans prepay, and taxable debt. With prepayments beginning to slow as mortgage rates rise, taxable debt becomes only more important. Because taxable debt is more expensive than tax-exempt debt, the agency needs to use more zero participations to achieve full spread on issues with more taxable debt. On 2022 AB, the agency balanced the use of taxable debt, for approximately one-fourth of the issue, together with use of its zero participations.

Bond Structure Decisions.

- **Series A.** These $75 million of bonds, which are not subject to the Alternative Minimum Tax (e.g. are Non-AMT), were structured as $15.1 million serial maturities from 2022 through 2034, $33.8 million of term bonds ranging from 2037 through 2045, and a premium PAC bond of $26.1 million in 2052.

- **Series B.** This taxable debt was structured at the front end of the maturity schedule, as serial bonds from 2022 through 2031, in order to reduce the costs of taxable debt to the overall transaction.

SOCIAL BONDS

Minnesota Housing continued the practice it established with Series 2021 EF, of designating its RHFB bonds as meeting an important social purpose.

Many investors have begun seeking out bonds which meet environmental, social and governance standards. Single-family housing bonds generally meet the social purpose standards because of the level of affordability in serving low and moderate income households. Indeed, the three social purpose categories are: affordable housing, access to essential services, and socioeconomic advancement and empowerment. Eligibility requirements for loans supported with social bonds include income limits to help ensure the program serves households with low and moderate incomes, and that the borrower must be a first-time homebuyer, a qualified veteran, or purchasing a home in a targeted area.

Serving such needs is nothing new for Minnesota Housing and other state and local housing finance agencies. What is new is the growing interest of many participants across the wide range of municipal and corporate markets in defining those investments which meet these kinds of standards. New bond funds are beginning to be established specifically for such bonds.

Like many housing finance agencies, Minnesota Housing has contracted with an independent party to evaluate and confirm that the bonds specifically meet the criteria for social bonds. Kestrel Verifiers, widely recognized across the industry, provided this opinion. As the basis for Kestrel's determination, Minnesota Housing provides detailed information on the income mix of borrowers under the program.

While it is difficult to quantify the exact marginal impact on bond pricing, the Social Bond designation is helping expand the investor base and potential level of interest in Minnesota Housing's RHFB offerings.

BOND SALE RESULTS

1. ***Retail Interest.*** Retail interest was strong. Of the entire issue, the Series A Non-AMT serial and regular term bonds totaling $48.9 million were available for retail investors. On these maturities, there were a total of $32.3 million of retail orders, including $11 million from Minnesota investors.

2. ***Institutional Interest.*** More than $324 million of institutional orders were received on the $75 million of tax-exempt Series A bonds, a ratio of 4 to 1. There was significant oversubscription on the taxable Series B bonds as well, with $87 million of orders on the $24.99 million of taxable bonds, or approximately 3.5 times.

3. ***Overall Demand.*** Across the entire $99.99 million bond issue, there were $356 million of orders. This was especially noteworthy given that the market had deteriorated late during the prior week, resulting in many bond issues with large unsold balances.

4. ***Pricing.*** On tax-exempt series A, many of the serial maturities were 3x oversubscribed and reduced in yield by 5 basis points. There was significant interest in the term bonds; the 2042 term bond was oversubscribed by 7 times and lowered in yield by an extraordinary 10 basis points. The 2045 term bond and the 2052 PAC bond were both reduced in yield by 5 basis points, a very large reduction for a PAC bond (which was oversubscribed by 5 times).

5. ***Comparable Transactions.*** *Series A: Non-AMT.* The most recent Non-AMT issues were Colorado and Indiana on Tuesday of the prior week and then, as the market deteriorated, Ohio and Nebraska on Thursday. On most bond issues, in stabler markets, it is relatively easy to compare spreads to market indices to see how similar bonds traded in the same environment. In this case, spreads were wider on Minnesota Housing's issue than those from the prior week, reflecting the volatility in interest rates, inter-day and intra-day movements in market indices, and the exact timing in the market rather than how similar bonds traded on the same day. In terms of Minnesota Housing's largest maturity, its 2052 PAC bond wound up at 65 basis points to the 5-year MMD index, only 3 basis points wider than Colorado's a full week earlier, and much better than the original level of 70 basis points the underwriters thought was necessary to attract buyers.

   Series B: Taxable. The one comparable was Colorado's $28.6 million series the week before. Colorado's bonds, priced the day before the Federal Reserve meeting and rated Aaa/AAA were 5 basis points tighter to the same maturity Treasury.

UNDERWRITING

Underwriters. RBC was senior manager, with J.P. Morgan, Piper Sandler and Wells Fargo as co-managers.

Sales by Underwriter. Following are retail orders and allotments. In addition to RBC's very strong performance in this volatile market, Morgan Stanley as a selling group member helped bring in retail orders.

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 3 MONTHS PLUS EARLIER MHFA

Pricing Date		2/2/22		1/27/22		1/27/22		1/25/22		1/25/22		1/20/22		1/13/22	
Amount		$75,000,000		$57,990,000		$195,000,000		$45,780,000		$85,570,000		$190,000,000		$100,000,000	
Issuer		Minnesota HFA		Nebraska IFA		Ohio HFA		Colorado HFA		Indiana HCDA		Texas DHCA		New Mexico MFA	
Series		2022 Series A		2022 Series A		2022 Series A		2022 Series B		2022 Series A		Series 2022A		2022 Series A	
Program		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aa1 / AA+ / -		- / AA+ / -		Aaa / - / -		Aaa / AAA / -		Aaa / AAA / -		Aaa / AA+ / -		Aaa / - / -	
Tax Status		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT	
Year ('22 pricings)	Maturity	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD
0	2022	0.700				0.450									
1	2023	0.80 / 0.90	+19 / +19			0.60 / 0.70	+4 / +4			0.47* / 0.61*	+6 / +10	0.50 / 0.60	+11 / +16	0.40 / 0.50	+5 / +11
2	2024	1.05 / 1.15	+16 / +21			0.85 / 0.90	+4 / +4			0.78* / 0.86*	+12 / +15	0.75 / 0.85	+19 / +24	0.65 / 0.75	+17 / +22
3	2025	1.30 / 1.40	+30 / +34			1.01* / 1.07*	+6 / +6			0.98* / 1.06*	+18 / +20	0.90 / 1.00	+20 / +24	0.85 / 0.95	+23 / +27
4	2026	1.50 / 1.60	+38 / +43			1.22* / 1.27*	+15 / +16	1.30 / 1.40	+33 / +40	1.13* / 1.22*	+21 / +24	1.10 / 1.20	+29 / +32	1.05 / 1.10	+32 / +31
5	2027	1.65 / 1.75	+48 / +51			1.37* / 1.43*	+23 / +23	1.45 / 1.55	+39 / +45	1.26* / 1.36*	+26 / +28	1.15* / 1.25*	+24 / +25	1.20 / 1.30	+36 / +38
6	2028	1.85 / 1.95	+60 / +66			1.49* / 1.54*	+26 / +26	1.650	+51	1.43* / 1.54*	+33 / +38	1.35* / 1.45*	+31 / +35	1.45 / 1.55	+48 / +53
7	2029	2.00 / 2.05	+69 / +70			1.69* / 1.73*	+38 / +38			1.61* / 1.65*	+42 / +42	1.50* / 1.60*	+37 / +43	1.60 / 1.65	+56 / +57
8	2030	2.20 / 2.25	+83 / +86	2.05 / 2.10	+67 / +70	1.84* / 1.86*	+46 / +46			1.68* / 1.75*	+42 / +47	1.65* / 1.70*	+45 / +48	1.75 / 1.85	+64 / +72
9	2031	2.300	+89 / +87	2.15 / 2.20	+73 / +76	1.99* / 2.01*	+57 / +57			2.00 / 2.05	+70 / +73	2.000	+74	1.90 / 1.95	+75 / +78
10	2032	2.35 / 2.40	+90 / +94	2.30 / 2.35	+85 / +88	2.250	+80 / +78			2.15 / 2.20	+81 / +85	2.10 / 2.15	+82 / +86	2.05 / 2.10	+87 / +90
11	2033	2.450	+97 / +96	2.400	+93 / +91	2.300	+83 / +81			2.250	+89 / +88	2.200	+90 / +89	2.150	+95 / +93
12	2034	2.50 / 2.55	+100 / +104							2.300	+92 / +91			2.200	+98 / +96
13	2035														
14	2036														
15	2037	2.600	+103	2.500	+93	2.450	+88			2.350	+89	2.150	+75	2.250	+93
16	2038														
17	2039			2.600	+98										
18	2040														
19	2041														
20	2042	2.750	+107			2.700	+101			2.600	+100	2.600	+105	2.550	+108
21	2043														
22	2044	2.900	+116												
23	2045									2.700	+101				
24	2046					2.850	+106								
25	2047											2.75*	+108	2.700	+111
26	2048														
27	2049														
28	2050														
29	2051														
30	2052											2.85*	+113	2.800	+116
31	2053														
PAC		3.00C/1.84Y	+65 to 5yr	3.00C/1.80Y	+61 to 5.4yr	3.25C/1.74Y	+61 to 5yr	3.25C/1.64Y	+62 to 5yr	3.00C/1.65Y	+56 to 5.5yr	3.50C/1.61Y	+60 to 5.5yr	3.00C/1.43Y	+60 to 5yr
Notes		7/1/52 PAC bond has 3% coupon priced at 105.447 to yield 1.84% and has an average life of 5 years from 100-500% PSA		3/1/52 PAC bond has 3% coupon priced at 106.036 to yield 1.80% and has an average life of 5.4 years from 100-500% PSA		* 3/25-9/31 are 5% cpns not subject to redempt (lock out); 9/52 PAC is 3.25% cpn at 107.139 to yield 1.74% w/5 yr avg life 100-400% PSA		5/1/52 PAC bond has 3.25% coupon priced at 107.616 to yield 1.64% and has an average life of 5 years from 100-400% PSA		* 1/23-7/30 are 5% cpns not subject to redempt (lock out); 7/52 PAC is 3% cpn at 107.011 to yield 1.65% w/5.5 yr avg life 100-400% PSA		* 1/27-7/30 are 5% no redempt; 7/47 & 1/52 are 3.125%; 7/52 PAC is 3.5% cpn at 109.750 yield 1.61% w/5.5 yr avg life 100-400% PSA		3/1/53 PAC bond has 3% coupon priced at 107.485 to yield 1.43% and has an average life of 5 years from 100-400% PSA	
Maturity Dates		7/1 and 1/1		3/1 and 9/1		9/1 and 3/1		5/1 and 11/1		1/1 and 7/1		1/1 and 7/1		3/1 and 9/1	
Call Provisions		7/1/31 at par		3/1/31 at par/101.962 PAC		9/1/31 at par/100.741 PAC		11/1/30 at par		1/1/31 at par/101.504 PAC		1/1/31 at par		3/1/31 at par/101.139 PAC	
Mkt Index		BBI / RBI 2.33% / 2.24%		BBI / RBI 2.33% / 2.24%		BBI / RBI 2.33% / 2.24%		BBI / RBI 2.25% / 2.16%		BBI / RBI 2.25% / 2.16%		BBI / RBI 2.25% / 2.16%		BBI / RBI 2.19% / 2.10%	
Sr Manager		RBC Capital Markets		J.P. Morgan		Citigroup		RBC Capital Markets		J.P. Morgan		RBC Capital Markets		RBC Capital Markets	

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 3 MONTHS PLUS EARLIER MHFA

Pricing Date		1/13/22		1/12/22		1/12/22		1/11/22		1/11/22		12/14/21		12/7/21	
Amount		$124,925,000		$32,000,000		$115,520,000		$61,650,000		$70,490,000		$73,475,000		$127,310,000	
Issuer		Rhode Island HMFC		Montana BOH		South Dakota HDA		Iowa FA		Mississippi HC		Wisconsin HEDA		Minnesota HFA	
Series		Series 76-A		2022 Series A		2022 Series A,B		2022 Series A		Series 2022A		2021 Series C		2021 Series H	
Program		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aa1 / AA+ / -		Aa1 / AA+ / -		Aaa / AAA / -		Aaa / AAA / -		Aaa / - / -		Aa2 / AA / -		Aa1 / AA+ / -	
Tax Status		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT	
Year ('22 pricings)	Maturity	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD
0	2022			0.300		0.350									
1	2023			0.45 / 0.55	+8 / +14	0.40 / 0.55	+4 / +15	0.35 / 0.45	+2 / +7			0.25 / 0.30	+14 / +16	0.250	+12
2	2024			0.60 / 0.70	+10 / +14	0.70 / 0.70*	+21 / +15	0.55 / 0.65*	+9 / +14	0.63* / 0.67*	+13 / +11	0.35 / 0.45	+15 / +21	0.350	+16
3	2025			0.80 / 0.90	+15 / +19	0.85 / 0.89*	+21 / +19	0.70* / 0.80*	+11 / +15	0.78* / 0.88*	+14 / +18	0.55 / 0.60	+25 / +25		
4	2026	1.02*	+22	1.00 / 1.10	+23 / +29	0.95 / 1.01*	+19 / +21	0.85* / 0.95*	+15 / +18	0.97* / 1.02*	+21 / +21	0.70 / 0.85	+31 / +40		
5	2027	1.09* / 1.18*	+23 / +25	1.20 / 1.25	+31 / +30	1.20 / 1.21*	+33 / +27	1.00* / 1.10*	+19 / +20	1.12* / 1.22*	+23 / +27	0.95 / 1.05	+45 / +48	0.900	+35
6	2028	1.30* / 1.36*	+32 / +34	1.45 / 1.50	+45 / +47	1.40 / 1.43*	+41 / +40	1.25* / 1.45	+30 / +44	1.35* / 1.40*	+35 / +37	1.15 / 1.25	+53 / +55	1.000	+40
7	2029	1.43* / 1.54*	+38 / +45	1.60 / 1.70	+54 / +60	1.51* / 1.55*	+46 / +46	1.55 / 1.65	+52 / +58	1.42* / 1.70	+36 / +60	1.40 / 1.50	+61 / +66		
8	2030	1.80 / 1.85	+69 / +72	1.80 / 1.85	+68 / +71	1.60* / 1.64*	+48 / +50	1.800	+68	1.80 / 1.85	+68 / +71	1.60 / 1.70	+72 / +77		
9	2031	1.95 / 2.00	+80 / +83	1.90 / 1.95	+74 / +77	1.875 / 1.95	+72 / +77	1.90 / 1.95	+76 / +79	1.95 / 2.00	+79 / +82	1.75 / 1.85	+79 / +87		
10	2032	2.10 / 2.15	+91 / +95	2.05 / 2.10	+85 / +89	2.00 / 2.05	+80 / +84	2.05 / 2.10	+86 / +90	2.050	+85 / +84	1.95 / 2.00	+95 / +98		
11	2033	2.200	+99 / +98	2.150	+93 / +92	2.150	+93 / +92	2.150	+94 / +93	2.15 / 2.25	+93 / +102	2.05 / 2.10	+101 / +104		
12	2034			2.200	+96 / +95	2.200	+96 / +95	2.200	+96			2.150	+109 / +108		
13	2035														
14	2036	2.350	+106							2.300	+100				
15	2037			2.250	+92	2.300	+97	2.300	+97					2.150	+101
16	2038														
17	2039														
18	2040							2.450	+103						
19	2041														
20	2042	2.550	+108	2.550	+107	2.500	+102			2.550	+107			2.350	+106
21	2043														
22	2044					2.600	+106								
23	2045														
24	2046														
25	2047			2.750	+115									2.550	+112
26	2048														
27	2049														
28	2050														
29	2051			2.850	+121										
30	2052														
31	2053														
PAC		3.00C/1.51Y	+68 to 5yr	3.00C/1.49Y	+66 to 5yr	3.00C/1.46Y	+65 to 5.5yr	3.00C/1.55Y	+65 to 5.5yr	3.00C/1.43Y	+62 to 5yr	3.00C/1.30Y	+70 to 5yr	3.00C/1.29Y	+69 to 5yr
Notes		* 10/26-10/29 are 5% cpns not subject to redempt (lock out); 10/51 PAC is 3% cpn at 107.088 to yield 1.51% w/5 yr avg life 100-500% PSA		6/1/52 PAC bond has 3% coupon priced at 107.205 to yield 1.49% and has an average life of 5 years from 100-500% PSA		* 11/24,25,26,27 and 11/28-11/30 are 5% cpn no redemp; 11/52 PAC is 3% cpn at 107.349 to yld 1.46% w/5 yr avg life 100-400% PSA		* 7/24-1/28 are 5% cpns not subject to redempt (lock out); 1/52 PAC is 3% cpn at 107.501 to yield 1.55% w/5.5 yr avg life 100-500% PSA		* 6/24-6/29 are 5% cpns not subject to redempt (lock out); 6/50 PAC is 3% cpn at 107.492 to yield 1.43% w/5 yr avg life 100-500% PSA		9/1/52 PAC bond has 3% coupon priced at 108.137 to yield 1.30% and has an average life of 5 years from 100-500% PSA		7/1/52 PAC bond has 3% coupon priced at 108.197 to yield 1.29% and has an average life of 5 years from 100-500% PSA	
Maturity Dates		10/1 and 4/1		12/1 and 6/1		11/1 and 5/1		1/1 and 7/1		6/1 and 12/1		3/1 and 9/1		7/1 and 1/1	
Call Provisions		4/1/31 at par/+adj PAC		6/1/31 at par		11/1/30 at par		1/1/31 at par		12/1/30 at par		9/1/30 at par		1/1/31 at par	
Mkt Index		BBI / RBI 2.19% / 2.10%		BBI / RBI 2.12% / 2.03%		BBI / RBI 2.12% / 2.03%		BBI / RBI 2.12% / 2.03%		BBI / RBI 2.12% / 2.03%		BBI / RBI 2.05% / 2.41%		BBI / RBI 2.05% / 2.41%	
Sr Manager		J.P. Morgan		RBC Capital Markets		BofA		RBC Capital Markets		Wells Fargo		RBC Capital Markets		RBC Capital Markets	

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 3 MONTHS PLUS EARLIER MHFA

Pricing Date		12/1/21		12/1/21	
Amount		$66,680,000		$56,115,000	
Issuer		Alaska HFC		Alaska HFC	
Series		2022 Series A, B-1		2022 Series B-2	
Program		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aa1 / AA+ / -		Aa1 / AA+ / -	
Tax Status		Non-AMT		Non-AMT	
Year ('22 pricings)	Maturity	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD
0	2022				
1	2023	0.15 / 0.20	+2 / +5		
2	2024	0.30 / 0.35	+8 / +11		
3	2025	0.45 / 0.50	+13 / +15		
4	2026	0.60 / 0.70	+20 / +24		
5	2027	0.80 / 0.90	+26 / +30		
6	2028	1.00 / 1.15	+35 / +40		
7	2029	1.25 / 1.375	+44 / +51		
8	2030	1.50 / 1.60	+60 / +65		
9	2031	1.65 / 1.75	+68 / +76	1.44*	+45
10	2032	1.85 / 1.90	+84 / +87	1.51*	+48
11	2033	1.95 / 2.00	+90 / +94	1.56*	+50
12	2034	2.05 / 2.10	+99 / +102	1.58*	+50
13	2035			1.60*	+50
14	2036			1.62*	+50
15	2037	2.150	+101	1.64*	+50
16	2038				
17	2039				
18	2040	2.350	+112		
19	2041				
20	2042				
21	2043				
22	2044	2.500	+115		
23	2045				
24	2046				
25	2047				
26	2048				
27	2049				
28	2050				
29	2051				
30	2052				
31	2053				
PAC		3.00C/1.32Y	+72 to 5yr		
Notes		6/1/51 PAC bond has 3% coupon priced at 107.962 to yield 1.32% and has an average life of 5 years from 100-500% PSA		All 5% cpns not subject to redemption (lock out)	
Maturity Dates		6/1 and 12/1		12/1 and 6/1/36	
Call Provisions		12/1/30 at par/+adj PAC		12/1/30 at par/+adj PAC	
Mkt Index		BBI / RBI 2.11% / 2.47%		BBI / RBI 2.11% / 2.47%	
Sr Manager		Jefferies		Jefferies	

NON-AMT SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 3 MONTHS PLUS EARLIER MHFA

Pricing Date		9/9/21		5/19/21		3/3/21		12/9/20		9/15/20		6/9/20		1/23/20	
Amount		$134,305,000		$154,145,000		$101,940,000		$108,475,000		$109,370,000		$130,700,000		$149,150,000	
Issuer		Minnesota HFA		Minnesota HFA		Minnesota HFA		Minnesota HFA		Minnesota HFA		Minnesota HFA		Minnesota HFA	
Series		2021 Series F		2021 Series D		2021 Series B		2020 Series I		2020 Series G		2020 Series E		2020 Series B	
Program		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated		Single Family / Negotiated	
Rating(s)		Aa1 / AA+ / -		Aa1 / AA+ / -		Aa1 / AA+ / -		Aa1 / AA+ / -		Aa1 / AA+ / -		Aa1 / AA+ / -		Aa1 / AA+ / -	
Tax Status		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT		Non-AMT	
Year	Maturity ('22 pricings)	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD	Coupon/ Yield	Spread to iMMD
0	2022													0.950	
1	2023	0.1250	+6 / +6	0.15 / 0.20	+6 / +10	0.150	+5	0.150	+2	0.250	+13	0.30 / 0.35	+14 / +17	0.950	+11
2	2024							0.200	+7			0.400	+22		
3	2025	0.300	+18							0.450	+32				
4	2026					0.600	+14								
5	2027	0.625	+24			0.800	+27					1.200	+82		
6	2028	0.900	+38	0.95 / 1.05	+39 / +41							1.40 / 1.45	+93 / +92	1.450	+51
7	2029	1.05 / 1.10	+45 / +46	1.20 / 1.30	+50 / +54							1.55 / 1.60	+94 / +96	1.55 / 1.60	+55 / +58
8	2030	1.25 / 1.35	+55 / +60	1.40 / 1.50	+59 / +64			1.150	+65	1.450	+84	1.750	+105 / +102	1.65 / 1.70	+56 / +58
9	2031	1.50 / 1.60	+69 / +75	1.60 / 1.65	+68 / +69	1.650	+57	1.30 / 1.35	+74 / +74	1.50 / 1.55	+78 / +82	1.85 / 1.90	+107 / +111	1.75 / 1.80	+58 / +61
10	2032	1.65 / 1.70	+75 / +77	1.80 / 1.85	+82 / +83	1.80 / 1.85	+67 / +68	1.45 / 1.55	+81 / +86	1.70 / 1.75	+89 / +92	1.95 / 2.00	+109 / +112	1.85 / 1.90	+60 / +62
11	2033	1.80 / 1.85	+82 / +86	1.95 / 2.00	+91 / +94	1.950	+76 / +73	1.700	+97 / +92	1.80 / 1.85	+93 / +94	2.050	+112 / +108	2.000	+68 / +66
12	2034	1.900	+87 / +86			2.00 / 2.05	+76 / +78	1.75 / 1.80	+95 / +96	1.950	+100 / +96	2.15 / 2.20	+112 / +113	2.100	+74 / +72
13	2035														
14	2036														
15	2037	2.000	+84	2.019	+83	2.100	+70	1.875	+90	2.100	+93	2.250	+99	2.400	+88
16	2038														
17	2039														
18	2040														
19	2041														
20	2042	2.250	+91	2.200	+81	2.300	+70	2.000	+82	2.300	+92	2.500	+103	2.625	+92
21	2043														
22	2044														
23	2045														
24	2046											2.700	+109	2.800	+97
25	2047	2.400	+91	2.375	+85	2.450	+70	2.150	+80	2.450	+92				
26	2048														
27	2049														
28	2050														
29	2051														
30	2052					2.500	+70								
31	2053			2.450	+87 to 30yr			2.200	+85 to 30yr	2.550	+97 to 30yr				
PAC		3.00C/0.90Y	+49 to 5yr	3.00C/0.95Y	+45 to 5yr	3.00C/1.04Y	+49 to 5yr	3.00C/0.84Y	+61 to 5yr	3.00C/0.98Y	+74 to 5yr	3.50C/1.43Y	+105 to 5yr	3.50C/1.46Y	+60 to 5yr
Notes		7/1/52 PAC bond has 3% coupon priced at 110.186 to yield 0.90% and has an average life of 5.0 years from 100-500% PSA		7/1/36 is 2% coupon; 1/1/52 PAC is 3% coupon at 109.938 to yield 0.95% with 5 year avg. life 100-500% PSA		7/1/51 PAC bond has 3% coupon priced at 109.469 to yield 1.04% and has an average life of 5 years from 100-500% PSA		1/1/51 PAC bond has 3% coupon priced at 110.52 to yield 0.84% and has an average life of 5 years from 100-500% PSA		1/1/51 PAC bond has 3.00% coupon priced at 109.905 to yield 0.98% and has an average life of 5 years from 100-500% PSA		7/1/50 PAC bond has 3.50% coupon priced at 109.871 to yield 1.43% and has an average life of 5 years from 100-500% PSA		7/1/50 PAC bond has 3.50% coupon priced at 109.724 to yield 1.46% and has an average life of 5 years from 100-500% PSA	
Maturity Dates		1/1 and 7/1		1/1 and 7/1		1/1 and 7/1		7/1 and 1/1		1/1 and 7/1		1/1 and 7/1		7/1 and 1/1	
Call Provisions		1/1/31 at par		7/1/30 at par		7/1/30 at par		1/1/30 at par		1/1/30 at par		7/1/29 at par		7/1/29 at par	
Mkt Index		BBI / RBI 2.15% / 2.50%		BBI / RBI 2.28% / 2.64%		BBI / RBI 2.44% / 2.80%		BBI / RBI 2.13% / 2.58%		BBI / RBI 2.22% / 2.64%		BBI / RBI 2.16% / 2.58%		BBI / RBI 2.54% / 3.04%	
Sr Manager		RBC Capital Markets		RBC Capital Markets		RBC Capital Markets		RBC Capital Markets		RBC Capital Markets		RBC Capital Markets		RBC Capital Markets	

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 6 MONTHS PLUS EARLIER MHFA

Pricing Date		2/2/22			1/25/22			1/13/22			1/11/22			12/7/21		
Amount		$24,990,000			$28,630,000			$13,800,000			$4,000,000			$25,000,000		
Issuer		Minnesota HFA			Colorado HFA			Rhode Island HMFC			Mississippi HC			Minnesota HFA		
Series		2021 Series I			2021 Series C-1			Series 76-T			Series 2022B			2021 Series I		
Program		Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)		Aa1 / AA+ / -			Aaa / AAA / -			Aa1 / AA+ / -			Aaa / - / -			Aa1 / AA+ / -		
Tax Status		Taxable			Taxable			Taxable			Taxable			Taxable		
Year ('22 pricings)	Maturity	Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST	
0	2022	1.050	+29	to 1 yr	0.950	+30	to 1 yr	0.860	+39	to 1 yr	0.890	+43	to 1 yr			
1	2023	1.15 / 1.30	+39 / +54	to 1 yr	1.10 / 1.20	+45 / +55	to 1 yr	0.96 / 1.06	+49 / +59	to 1 yr	0.99 / 1.04	+53 / +58	to 1 yr	0.670	+36	to 1 yr
2	2024	1.42 / 1.57	+26 / +41	to 2 yr	1.30 / 1.45	+28 / +43	to 2 yr	1.24 / 1.34	+33 / +43	to 2 yr	1.190	+29	to 2 yr	0.77 / 0.87	+7 / +17	to 2 yr
3	2025	1.70 / 1.80	+32 / +42	to 3 yr	1.55 / 1.65	+27 / +37	to 3 yr	1.52 / 1.62	+34 / +44	to 3 yr				1.19 / 1.24	+20 / +25	to 3 yr
4	2026	1.92 / 2.00	+32 / +40	to 5 yr	1.80 / 1.90	+24 / +34	to 5 yr	1.720	+25	to 5 yr				1.48 / 1.55	+22 / +29	to 5 yr
5	2027	2.125 / 2.18	+53 / +58	to 5 yr	2.00 / 2.10	+44 / +54	to 5 yr							1.62 / 1.71	+36 / +45	to 5 yr
6	2028	2.30 / 2.35	+56 / +61	to 7 yr	2.20 / 2.25	+47 / +52	to 7 yr							1.77 / 1.87	+34 / +44	to 7 yr
7	2029	2.40 / 2.43	+66 / +69	to 7 yr	2.35 / 2.375	+62 / +65	to 7 yr							1.98 / 2.05	+55 / +62	to 7 yr
8	2030	2.50 / 2.53	+72 / +75	to 10 yr	2.40 / 2.45	+62 / +67	to 10 yr							2.12 / 2.14	+64 / +66	to 10 yr
9	2031	2.570	+79	to 10 yr	2.50 / 2.55	+72 / +77	to 10 yr							2.19 / 2.24	+71 / +76	to 10 yr
10	2032				2.60 / 2.65	+82 / +87	to 10 yr									
11	2033				2.70 / 2.75	+92 / +97	to 10 yr									
12	2034															
13	2035															
14	2036				3.030	+125	to 10 yr							2.770	+129	to 10 yr
15	2037															
16	2038															
17	2039															
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28	2050															
29	2051															
30	2052															
31	2053															
PAC																
Notes																
Maturity Dates		7/1 and 1/1			11/1 and 5/1			10/1 and 4/1			12/1 and 6/1			7/1 and 1/1		
Call Provisions		7/1/31 at par			11/1/30 at par			None			None			1/1/31 at par		
Mkt Index		BBI / RBI 2.33% / 2.24%			BBI / RBI 2.25% / 2.16%			BBI / RBI 2.19% / 2.10%			BBI / RBI 2.12% / 2.03%			BBI / RBI 2.05% / 2.41%		
Sr Manager		RBC Capital Markets			RBC Capital Markets			J.P. Morgan			Wells Fargo			RBC Capital Markets		

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 6 MONTHS PLUS EARLIER MHFA

Pricing Date		11/30/21			11/16/21			11/9/21			10/19/21			10/13/21			9/9/21		
Amount		$30,000,000			$12,500,000			$25,000,000			$28,000,000			$23,410,000			$19,300,000		
Issuer		Maryland DHCD			Nevada HD			SONYMA			Colorado HFA			Kentucky HC			Illinois HDA		
Series		2021 Series D			Series 2021C			Series 241			2021 Series M-1			2021 Series A			2021 Series E		
Program		Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)		Aa1 / - / AA			- / AA+ / -			Aa1 / - / -			Aaa / AAA / -			Aaa / AAA / -			Aaa / - / -		
Tax Status		Taxable			Taxable			Taxable			Taxable			Taxable			Taxable		
Year	Maturity ('22 pricings)	Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST	
0	2022																		
1	2023	0.550	+31	to 1 yr	0.640	+47	to 1 yr	0.47 / 0.52	+33 / +38	to 1 yr	0.345 / 0.395	-5 / -	to 2 yr	0.350	+24	to 1 yr	0.27 / 0.32	+20 / +25	to 1 yr
2	2024	0.65 / 0.75	+13 / +23	to 2 yr	0.74 / 0.79	+20 / +25	to 2 yr	0.59 / 0.66	+18 / +25	to 2 yr	0.465 / 0.535	+7 / +14	to 2 yr	0.45 / 0.55	+8 / +18	to 2 yr	0.37 / 0.42	+14 / +19	to 2 yr
3	2025	1.10 / 1.15	+29 / +34	to 3 yr	1.19 / 1.24	+32 / +37	to 3 yr	1.02 / 1.07	+31 / +36	to 3 yr	0.865 / 0.965	+15 / +25	to 3 yr	0.80 / 0.95	+14 / +29	to 3 yr	0.65 / 0.72	+22 / +29	to 3 yr
4	2026	1.375 / 1.45	+24 / +31	to 5 yr	1.53 / 1.58	+26 / +31	to 5 yr	1.32 / 1.37	+24 / +29	to 5 yr	1.31 / 1.36	+15 / +20	to 5 yr	1.15 / 1.25	+6 / +16	to 5 yr	0.90 / 0.95	+11 / +16	to 5 yr
5	2027	1.55 / 1.65	+41 / +51	to 5 yr	1.68 / 1.78	+41 / +51	to 5 yr	1.47 / 1.57	+39 / +49	to 5 yr	1.43 / 1.51	+27 / +35	to 5 yr				1.05 / 1.20	+26 / +41	to 5 yr
6	2028	1.800	+44	to 7 yr	1.92 / 2.02	+40 / +50	to 7 yr	1.78 / 1.88	+46 / +56	to 7 yr	1.798 / 1.898	+33 / +43	to 7 yr				1.36 / 1.46	+28 / +38	to 7 yr
7	2029				2.17 / 2.22	+65 / +70	to 7 yr	1.93 / 2.03	+61 / +71	to 7 yr	2.018 / 2.118	+55 / +65	to 7 yr				1.58 / 1.66	+50 / +58	to 7 yr
8	2030				2.23 / 2.28	+60 / +65	to 10 yr	2.06 / 2.11	+60 / +65	to 10 yr	2.191 / 2.291	+55 / +65	to 10 yr				1.78 / 1.86	+48 / +56	to 10 yr
9	2031				2.33 / 2.38	+70 / +75	to 10 yr	2.16 / 2.21	+70 / +75	to 10 yr	2.311 / 2.361	+67 / +72	to 10 yr				1.93 / 1.98	+63 / +68	to 10 yr
10	2032				2.43 / 2.48	+80 / +85	to 10 yr	2.26 / 2.31	+80 / +85	to 10 yr	2.391 / 2.441	+75 / +80	to 10 yr				2.01 / 2.08	+71 / +78	to 10 yr
11	2033							2.36 / 2.41	+90 / +95	to 10 yr	2.501 / 2.561	+86 / +92	to 10 yr						
12	2034							2.46 / 2.51	+100 / +105	to 10 yr									
13	2035																		
14	2036																		
15	2037							2.660	+120	to 10 yr	2.841	+120	to 10 yr						
16	2038																		
17	2039																		
18	2040																		
19	2041																		
20	2042							2.830	+100	to 30 yr									
21	2043																		
22	2044																		
23	2045																		
24	2046																		
25	2047							2.930	+110	to 30 yr									
26	2048																		
27	2049																		
28	2050																		
29	2051																		
30	2052							2.980	+115	to 30 yr									
31	2053																		
PAC																			
Notes											5/1/22 and 11/1/22 priced to 2yr UST								
Maturity Dates		9/1 and 3/1			10/1 and 4/1			4/1 and 10/1			5/1 and 11/1			7/1 and 1/1			4/1 and 10/1		
Call Provisions		None			10/1/30 at par			10/1/30 at par			11/1/30 at par			None			10/1/30 at par		
Mkt Index		BBI / RBI 2.11% / 2.47%			BBI / RBI 2.10% / 2.46%			BBI / RBI 2.23% / 2.59%			BBI / RBI 2.28% / 2.64%			BBI / RBI 2.27% / 2.63%			BBI / RBI 2.15% / 2.50%		
Sr Manager		Morgan Stanley			J.P. Morgan			BofA			Barclays			Citigroup			J.P. Morgan		

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 6 MONTHS PLUS EARLIER MHFA

Pricing Date	8/25/21	8/24/21	8/17/21	8/3/21
Amount	$33,795,000	$10,500,000	$27,865,000	$108,565,000
Issuer	New Hampshire HFA	Iowa FA	Rhode Island HMFC	California Veterans Affairs
Series	2021 Series A	2021 Series F	Series 75-T	2021 Series A
Program	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated
Rating(s)	Aa1 / - / -	Aaa / AAA / -	Aa1 / AA+ / -	Aa3 / AA / AA-
Tax Status	Taxable	Taxable	Taxable	Taxable

Year	Maturity ('22 pricings)	Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST	
0	2022												
1	2023	0.300	+23	to 1 yr	0.300	+23	to 1 yr	0.20 / 0.25	+13 / +18	to 1 yr	0.214 / 0.254	+14 / +18	to 1 yr
2	2024	0.35 / 0.48	+12 / +25	to 2 yr	0.35 / 0.40	+11 / +16	to 2 yr	0.30 / 0.35	+7 / +12	to 2 yr	0.284 / 0.384	+11 / +21	to 2 yr
3	2025	0.68 / 0.80	+21 / +33	to 3 yr	0.65 / 0.70	+21 / +26	to 3 yr	0.60 / 0.65	+17 / +22	to 3 yr	0.59 / 0.64	+26 / +31	to 3 yr
4	2026	1.00 / 1.07	+16 / +23	to 5 yr	0.80 / 0.90	- / +10	to 5 yr	0.80 / 0.90	+3 / +13	to 5 yr	0.874 / 0.924	+22 / +27	to 5 yr
5	2027	1.13 / 1.23	+29 / +39	to 5 yr	1.00 / 1.10	+20 / +30	to 5 yr	1.00 / 1.10	+23 / +33	to 5 yr	1.074 / 1.124	+42 / +47	to 5 yr
6	2028	1.38 / 1.53	+25 / +40	to 7 yr				1.25 / 1.35	+20 / +30	to 7 yr			
7	2029	1.63 / 1.73	+50 / +60	to 7 yr				1.45 / 1.55	+40 / +50	to 7 yr			
8	2030	1.85 / 1.90	+50 / +55	to 10 yr									
9	2031	1.95 / 2.00	+60 / +65	to 10 yr									
10	2032	2.05 / 2.10	+70 / +75	to 10 yr									
11	2033	2.15 / 2.20	+80 / +85	to 10 yr									
12	2034												
13	2035	2.350	+100	to 10 yr							2.232 / 2.282	+104 / +109	to 10 yr
14	2036										2.312 / 2.342	+112 / +115	to 10 yr
15	2037										2.362 / 2.382	+117 / +119	to 10 yr
16	2038												
17	2039												
18	2040												
19	2041										2.622	+77	to 30 yr
20	2042												
21	2043												
22	2044												
23	2045												
24	2046												
25	2047												
26	2048												
27	2049												
28	2050												
29	2051												
30	2052												
31	2053												
PAC		1.50C/1.50Y	+66	to 5yr									

Notes	7/1/41 PAC bond has 1.50% coupon priced at par and has an average life of 4 years from 100-400% PSA			
Maturity Dates	7/1 and 1/1	7/1 and 1/1	4/1 and 10/1	6/1 and 12/1
Call Provisions	1/1/30 at par	None	None	6/1/30 at par
Mkt Index	BBI / RBI 2.14% / 2.50%	BBI / RBI 2.14% / 2.50%	BBI / RBI 2.14% / 2.50%	BBI / RBI 2.04% / 2.40%
Sr Manager	RBC Capital Markets	Morgan Stanley	Morgan Stanley	Academy Securities

TAXABLE SINGLE FAMILY HOUSING PRICING COMPARABLES, PAST 6 MONTHS PLUS EARLIER MHFA

Pricing Date		1/23/20			8/20/19			3/7/19		
Amount		$60,000,000			$46,015,000			$37,500,000		
Issuer		Minnesota HFA			Minnesota HFA			Minnesota HFA		
Series		2020 Series C			2019 Series G			2019 Series C		
Program		Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)		Aa1 / AA+ / -			Aa1 / AA+ / -			Aa1 / AA+ / -		
Tax Status		Taxable			Taxable			Taxable		
Year	Maturity ('22 pricings)	Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST		Coupon/ Yield	Spread to UST	
0	2022	1.670	+15	to 1 yr						
1	2023	1.690	+17	to 1 yr	1.760	+25	to 2yr	2.625 / 2.675	+15 / +20	to 2 yr
2	2024	1.72 / 1.77	+20 / +25	to 2 yr	1.81 / 1.86	+30 / +35	to 2 yr	2.725 / 2.775	+25 / +30	to 2 yr
3	2025	1.816 / 1.866	+30 / +35	to 3 yr	1.846 / 1.896	+40 / +45	to 3 yr	2.847 / 2.897	+40 / +45	to 3 yr
4	2026	1.957 / 2.007	+40 / +45	to 5 yr	1.926 / 1.976	+50 / +55	to 5 yr	2.942 / 2.992	+50 / +55	to 5 yr
5	2027	2.037 / 2.087	+48 / +53	to 5 yr	2.026 / 2.076	+60 / +65	to 5 yr	3.042 / 3.092	+60 / +65	to 5 yr
6	2028	2.211 / 2.261	+55 / +60	to 7 yr	2.149 / 2.199	+65 / +70	to 7 yr	3.207 / 3.237	+67 / +70	to 7 yr
7	2029	2.311 / 2.361	+65 / +70	to 7 yr	2.249 / 2.299	+75 / +80	to 7 yr	3.317 / 3.367	+78 / +83	to 7 yr
8	2030	2.491 / 2.541	+75 / +80	to 10 yr	2.355 / 2.435	+80 / +88	to 10 yr	3.471 / 3.521	+83 / +88	to 10 yr
9	2031	2.591 / 2.641	+85 / +90	to 10 yr	2.485 / 2.535	+93 / +98	to 10 yr	3.571 / 3.621	+93 / +98	to 10 yr
10	2032	2.691 / 2.741	+95 / +100	to 10 yr	2.585 / 2.635	+103 / +108	to 10 yr	3.671 / 3.721	+103 / +108	to 10 yr
11	2033				2.655 / 2.705	+110 / +115	to 10 yr			
12	2034									
13	2035									
14	2036									
15	2037	2.941	+120	to 10 yr	2.905	+135	to 10 yr	3.971	+133	to 10 yr
16	2038									
17	2039									
18	2040									
19	2041									
20	2042	3.237	+105	to 30 yr						
21	2043				3.164	+113	to 30 yr			
22	2044									
23	2045							4.204	+118	to 30 yr
24	2046	3.337	+115	to 30 yr						
25	2047									
26	2048									
27	2049									
28	2050									
29	2051									
30	2052									
31	2053									
PAC		2.657C/Y	+110	to 5yr						
Notes		7/20 - 7/21 priced to 2yr rather than 1yr UST; spread to 1yr would have been +12 / +14/+14; 7/1/50 PAC bond has 5 year avg. life 100-500%			7/1/20 maturity priced to 2yr rather than 1yr UST per pricing wire; spread to 1yr would have been +4					
Maturity Dates		7/1 and 1/1			7/1 and 1/1			7/1 and 1/1		
Call Provisions		7/1/29 at par			1/1/29 at par			7/1/28 at par		
Mkt Index		BBI / RBI 2.54% / 3.04%			BBI / RBI 3.10% / 3.58%			BBI / RBI 4.09% / 4.56%		
Sr Manager		RBC Capital Markets			RBC Capital Markets			RBC Capital Markets		