



MEETINGS SCHEDULED FOR NOVEMBER

Date: 11/20/25, 1 p.m.

HYBRID OPTION AVAILABLE:

In Person: Minnesota Housing, Mille Lacs Conference Room, 400 Wabasha Street N. Suite 400 St. Paul, MN 55102

Conference Call: Toll Free: 1.877.568.4108 Access Code: 179-858-392

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, November 20, 2025.

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 are met. In accordance with Minn. Stat. §462A.041, 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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Agenda: Minnesota Housing Board Meeting

Date: 11/20/2025, 1 p.m.

Our Mission and Vision

Mission: Housing is foundational to a full life and a thriving state, so we equitably collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

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

1. Call to Order

2. Roll Call

3. Agenda Review

4. Approval of Minutes

- a. (page 5) Regular meeting of October 23, 2025

5. Reports

- Chair
- Commissioner
- Committee

6. Consent Agenda

- A. (page 11) Approval, 2026 Minnesota Housing Board Meeting Schedule
- B. (page 13) Approval, Amendment to Homeownership Investment Grants Program Request for Proposals (RFP) Selections

7. Action Items

- A. (page 19) Approval, Impact Fund Program Manual Updates
- B. (page 101) Commitment Extension, Low and Moderate Income Rental (LMIR) Loan and Housing Infrastructure Bond (HIB) – Rogers Main Street Senior Housing, D8248, Rogers
- C. (page 113) Funding Modification, Publicly Owned Housing Program (POHP) – The Blue Mound Tower, D5973, Luverne
- D. (page 117) Approval, Modifications, Deletions and Additions to Multifamily Division Board Delegations

8. Discussion Items

- A. (page 175) Fourth Quarter 2025 Progress Report: 2024-2027 Strategic Plan and 2024-2025 Affordable Housing Plan

9. Information Items

- A. (page 183) 2025 Cost Containment Report
- B. (page 203) Post Sale Report, State Appropriated Housing Infrastructure Bonds (HIB), Series 2025 AB
- C. (page 213) Post Sale Report, Residential Housing Finance Bonds, Series 2025 KLMN

10. Other Business

None.

11. Adjournment

None.



Draft Meeting Minutes: Minnesota Housing Board Meeting

Date: Thursday, October 23, 2025, at 1 p.m.

1. Call Attendance

Chair DeCramer called to order the regular meeting of the board of Minnesota Housing Finance Agency at 1:04 p.m.

2. Roll Call

Members present via hybrid: Chief Melanie Benjamin, Auditor Julie Blaha, Eric Cooperstein, Chair John DeCramer, Stephanie Klinzing and Terri Thao.

Minnesota Housing staff present via hybrid: Arin Adebayo, Daisy Adeleye, Tal Anderson, Tom Anderson, Ryan Baumtrog, Jennifer Bergman, Susan Bergmann, Judd Berthiaume, Scott Beutel, Nick Boettcher, Sarah Broich, Sara Bunn, Cassandra Busch, Nicole DeMario, Cindy Diel, Matt Dieveney, Jennifer Finnesgard, Sarah Foley, Shannon Fortune, Jessica Fowler, Rachel Franco, Terese Fritchman, Dory Goebel, Vanessa Haight, Zahra Hassan, Amanda Hedlund, Anne Heitlinger, Kang Her, Adam Himmel, Jennifer Ho, Jon Holmseth, Karin Holmstrand, Summer Jefferson, Will Jensen-Kowski, Dylan Johnson, Karen Johnson, Jen Judas, Irene Kao, Erin Karkula-Peterson, Aaron Keniski, Tiffany Kibwota, Joshua Kirk, Dan Kitzberger, Ken Knutson, Debbie Krajsa, Greg Krenz, Laurie Krivitz, Sue Ladehoff, Janine Langsjoen, Debbi Larson, Ger Lee, Song Lee, Ed LeTourneau, Joshua Love, Sarah Matala, Dylan Mato, Don McCabe, Colleen Meier, Amy Melmer, Benjamin Miles, Jon Moler, Jennifer Nelson, Haley Ney, Michael Nguyen, John Patterson, Caryn Polito, Rinal Ray, Annie Reiersen, Brittany Rice, Cheryl Rivinius, Rachel Robinson, Dani Salus, Kayla Schuchman, Katie Seipel-Anderson, J'onice Smith, Dez Sobiech, Meg Stinchcomb Sorenson, Lauren Stelter, Jodell Swenson, Susan Thompson, Monica Tucker, David Vang, Kayla Vang, Que Vang, Teresa Vaplon, Nicola Viana, Amanda Welliver, Alyssa Wetzel-Moore, Bev Wilharm, and Kelly Winter.

Others present via hybrid: Ramona Advani, Office of the State Auditor; Colleen Ebinger, Impact Strategies Group; Tanisha Gibson, Urban Solutions; Anne Mavity, Minnesota Housing Partnership; Ellen Sahli, Family Housing Fund; Jeff Washburne; and Annelia Willis, Urban Solutions.

3. Agenda Review

None.

4. Approval

A. Regular Meeting Minutes of September 25, 2025

Motion: Terri Thao moved to approve the September 25, 2025, Regular Meeting Minutes. Seconded by Chief Benjamin. Roll call was taken. Chair DeCramer abstained. Motion carries 5-0.

5. Reports

Chair

Chair DeCramer thanked Chief Benjamin and Eric Cooperstein for attending the NCSHA Annual Conference earlier this month.

Commissioner

Commissioner Ho shared the following with the board:

- Welcome New Employees
- Meetings
- Program Updates

Committee

None.

6. Consent Agenda

A. Approval, Waiver of the Predictive Cost Model Threshold – Penn Station, D8405, Richfield

B. Approval, Waiver of the Predictive Cost Model Threshold – Jefferson Square Townhomes, D1069, Northfield

Motion: Eric Cooperstein moved the Consent Agenda Items. Seconded by Chief Benjamin. Roll call was taken. Motion carries 6-0. All were in favor.

7. Action Items

A. Approval, 2025 Greater Minnesota Housing Infrastructure Grant Program Request for Proposals (RFP) Selections

Nick Boettcher presented to the board a request for approval of the 2025 Greater Minnesota Housing Infrastructure Grant Program funding recommendations. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Eric Cooperstein moved Approval, 2025 Greater Minnesota Housing Infrastructure Grant Program Request for Proposals Selections. Seconded by Terri Thao. Roll call was taken. Motion carries 6-0. All were in favor.

B. Approval, Amendment to the Workforce Housing Development Program Guide

Sara Bunn presented to the board a request for approval of the Workforce Housing Development Program Guide amendment. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Eric Cooperstein moved Approval, Amendment to the Workforce Housing Development Program Guide. Seconded by Stephanie Klinzing. Roll call was taken. Motion carries 6-0. All were in favor.

C. Approval, HOME American Rescue Plan (HOME ARP) Program Guide

Cindy Diel presented to the board a request for approval of the HOME ARP Program Guide. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Terri Thao moved Approval, HOME American Rescue Plan Program Guide. Seconded by Chief Benjamin. Roll call was taken. Motion carries 6-0. All were in favor.

D. Approval, Forgiveness, Affordable Rental Investment Fund (ARIF) Program Loan and Housing Trust Fund (HTF) Program Loan – Agate Housing and Services, D0946, Minneapolis

Sarah Matala presented to the board a request for adoption of a resolution authorizing forgiveness of the following loans: \$500,000 Affordable Rental Investment Fund (ARIF) loan; \$25,000 ARIF loan; and \$15,000 Housing Trust Fund loan, which has a current balance of \$750. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Eric Cooperstein moved Approval, Forgiveness, Affordable Rental Investment Fund Program Loan and Housing Trust Fund Program Loan – Agate Housing and Services, D0946, Minneapolis. Seconded by Stephanie Klinzing. Roll call was taken. Motion carries 6-0. All were in favor.

E. Approval, Forgiveness, Housing Trust Fund (HTF) Loan and Housing Trust Fund and Long-Term Homelessness Program (HTF-LTH) Loan – Memorial Park Apartments, D0447, Duluth

Jennifer Nelson presented to the board a request for adoption of a resolution authorizing forgiveness of the following loans: \$100,000 Housing Trust Fund loan and \$28,094 in accrued interest; and \$482,490 Housing Trust Fund and Housing Trust Fund Long-Term Homelessness Program loan. Chair DeCramer opened up the discussion. Board members asked questions, and staff provided answers.

Motion: Terri Thao moved Approval, Forgiveness, Housing Trust Fund Loan and Housing Trust Fund and Long-Term Homelessness Program Loan – Memorial Park Apartments, D0447, Duluth. Seconded by Eric Cooperstein. Roll call was taken. Motion carries 6-0. All were in favor.

F. 2026-2027 Affordable Housing Plan

John Patterson presented to the board a request for approval the 2026-2027 Affordable Housing Plan. Chair DeCramer opened up the discussion. There were no questions from board members.

Motion: Stephanie Klinzing moved 2026-2027 Affordable Housing Plan. Seconded by Eric Cooperstein. Roll call was taken. Motion carries 6-0. All were in favor.

8. Discussion Items

A. Proposed Amendments to the 2024-2025 Housing Tax Credit Qualified Allocation Plan and the 2026-2027 Qualified Allocation Plan

Nicola Viana and Summer Jefferson provided an overview and discussed proposed amendments to the 2024-2025 Housing Tax Credit Qualified Allocation Plan and the 2026-2027 QAP, including the 2026-2027 Self-Scoring Worksheet.

9. Information Items

None.

10. Other Business

A. Pursuant to Minn. Stat. 13D.05, the board moved into closed session to receive attorney-client privileged advice on strategies to preserve the grant contract agreement-related covenants on Maple Hills Estates.

11. Adjournment

The meeting was adjourned at 3:39 p.m.

John DeCramer, Chair

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Item: Approval, 2026 Minnesota Housing Board Meeting Schedule

Consent Item: 6.A
Date: 11/20/2025
Staff Contacts: Rachel Franco, 651.296.2172, rachel.franco@state.mn.us
Request Type: Approval, Motion

Request Summary

Staff requests approval of the 2026 meeting schedule. Committee and special meetings will be scheduled as needed and in consultation with board members.

Fiscal Impact

None.

Agency Priorities

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

Attachments

- Meeting schedule

Background

All meetings are on Thursdays and will begin at 1:00 p.m. unless otherwise noted.

2026 Schedule of Minnesota Housing Board Meetings

January 22

February 26

March 26

April 23

May 28

June 25

July 23

August 27

September 24

October 22

November 19 (one week early due to Thanksgiving Holiday)

December 17 (*one week early due to Christmas Holiday*)



Item: Approval, Amendment to Homeownership Investment Grants Program Request for Proposals (RFP) Selections

Consent Item: 6.B
Date: 11/20/2025
Staff Contacts: Laurie Zabel, 651.227.2003, Laurie.Zabel@state.mn.us
Request Type: Approval, Resolution

Request Summary

At its June 26, 2025, meeting, the Minnesota Housing board approved selections for the Homeownership Investment Grants Program per Resolution No. MHFA 25-040. Subsequent review of the board memo and the approved resolution identified inaccuracies in the activity type descriptions for two selected proposals.

This update is for the activity types for both selected proposals to accurately reflect revolving loan programs instead of the reference to financing programs. Staff request board approval of these changes and the amended resolution to ensure the record accurately reflects the approved program activities.

Fiscal Impact

None.

Agency Priorities

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

Attachments

- Background
- NeDA Centro de Finanzas LLC (NeDA) Project Description

- Neighborhood Housing Services of Duluth, Inc. (One Roof) Project Description
- Amended Resolution

Background

NeDA Centro de Finanzas LLC (NeDA) and Neighborhood Housing Services of Duluth, Inc. (One Roof) both applied, and were selected, for grants under the Homeownership Investment Grants program. Both applicants proposed establishing revolving loan programs, as outlined in their project descriptions. However, in the board report presented on June 26, 2025, the activity types in the summary section were inaccurately identified as financing programs.

Minnesota Laws 2023, chapter 37, article 2, section 11 identifies “financing program” and “revolving loan program” as distinct activity types. Corrections to this board action are necessary to ensure consistency with statutory definitions. The statutory definition of “financing program” is limited to affordable, owner-occupied new home construction, which does not align with the focus proposed in the following selected proposals:

- NeDA Centro de Finanzas LLC (NeDA): The activity type was incorrectly identified as a financing program in the board memo only. The program description was accurately reflected in the resolution.
- Neighborhood Housing Services of Duluth (One Roof): The activity type was incorrectly identified as a financing program in both the board memo and the resolution.

The attached revised program descriptions accurately represent the approved activities and intended use of revolving loan funds. The amended resolution removes reference to “financing program” and correctly identifies both Neighborhood Housing Services of Duluth (One Roof) programs to be revolving loan funds.

NeDA Centro de Finanzas LLC (NeDA) Project Description

NeDA Centro de Finanzas LLC (NeDA)	
Activity Type:	Financing Program Revolving Loan Program
Target Area:	Statewide with a focus on Twin Cities Metro: Ramsey, Hennepin, and Dakota counties.
Area Median Income (AMI):	80%

Requested Amount		Recommended Amount	
Total	\$3,600,000.00	Total	\$1,800,000.00

Project Description
The funds are requested for the creation of a revolving loan fund. The revolving loan fund will broaden access to affordable homeownership and support sustainable housing for low- and moderate-income families. Funds will be used for downpayment assistance (DPA) and home improvement loans. The funds will continue to be used for their original purpose after the grant period. The applicant will serve households at or below 80% AMI. Approximately 80% of NeDA's current loan recipients are Latino, and 70% are female-headed households. NeDA's primary target area is the Twin Cities metro with a focus on St Paul's West Side. NeDA's lending programs do not have geographic restrictions, which allows for statewide outreach. A portion of their borrowers are also non-traditional borrowers. NeDA is committed to equitable access by designing their lending programs with culturally competent outreach, flexible underwriting standards, and targeted financial education tailored to the needs of low- to moderate-income Latino and BIPOC households who face barriers to homeownership.

Neighborhood Housing Services of Duluth, Inc. (One Roof) Project Description

Neighborhood Housing Services of Duluth, Inc. (One Roof)	
Activity Type:	Financing Program Revolving Loan Program
Target Area:	Northeastern Minnesota
Area Median Income (AMI):	80%

Requested Amount		Recommended Amount	
Total	\$2,000,000.00	Total	\$1,000,000.00

Project Description
One Roof will establish a revolving loan financing program that would provide purchase assistance loans (PAL) to eliminate private mortgage insurance (PMI) and to help those in a community land trust homes move to traditional homeownership. This would open income-restricted community land trust properties to be repurchased by another family, increasing homeownership for underserved communities including rural, Tribal, and Black, Indigenous, people of color (BIPOC) households earning 80% AMI and below. This program would provide a cost savings to the borrower over the period of the loan with the elimination of PMI. One Roof's relationships with other housing non-profit organizations, which serve diverse populations along the housing continuum, enable a holistic approach to supporting low- to moderate-income residents. Collaboration with local community lenders will streamline the process by ensuring PAL integrates seamlessly with their first mortgage offerings. One Roof maintains strong partnerships with BIPOC-led groups, allowing for the delivery of tailored homebuyer education courses within trusted community spaces, thus promoting accessibility for underrepresented homebuyers. PAL is a 20-year, fully amortizing loan, with an interest rate 0.5% below fixed-rate first mortgages. By eliminating PMI, PAL allows for a household to begin building equity upon initiation of first mortgage payments. Additionally, this loan allows low- to moderate-income households to be more competitive and creates greater mobility where homebuyers can make an offer on a home.

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

**RESOLUTION NO. XXXX
Modifying Resolution No. MHFA 25-040**

**RESOLUTION MODIFYING APPROVAL OF SELECTIONS OF HOMEOWNERSHIP INVESTMENT
GRANTS PROGRAM (HIG)**

WHEREAS, at the June 26, 2025, meeting, the Minnesota Housing Finance Agency (Agency) board approved the Homeownership Investment Grants Program selections through Resolution No. MHFA 25-040; and

WHEREAS, Neighborhood Housing Services of Duluth, Inc. (One Roof) was selected to receive grant funding through Resolution No. MHFA 25-040, which was described in the resolution as a Financing Program; and

WHEREAS, Agency staff have determined that the HIG award to One Roof should be corrected to state that the award is to fund a Revolving Loan Fund.

NOW THEREFORE, BE IT RESOLVED:

The board hereby authorizes Agency staff to enter into grant contracts, for the recommended applicants and in the amounts set forth below, subject to the terms and conditions contained herein and in the respective grant contract agreements:

Applicant Name	HIG funds Awarded
Neighborhood Housing Services of Duluth, Inc. (One Roof) – Revolving Loan Fund for PAL loans	\$ 1,000,000
Neighborhood Housing Services of Duluth, Inc. (One Roof) – Revolving Loan Fund for CLT development	\$ 1,000,000

1. All other terms and conditions of Resolution No. MHFA 25-040 remain in effect.

Adopted this 20th day of November 2025

CHAIR



Item: Approval, Impact Fund Program Manual Updates

Action Item: 7.A
Date: 11/20/2025
Staff Contacts: Katie Seipel-Anderson, 651.297.3118, Katie.Seipel-Anderson@state.mn.us
Amanda Hedlund, 651.284.0465, Amanda.Hedlund@state.mn.us
Request Type: Approval, Motion

Request Summary

Staff requests approval of updates to the Community Homeownership Impact Fund Program Procedural Manual (Manual). The updates to the Manual will improve clarity of program requirements and processes for both internal operations and external administrators.

Fiscal Impact

None.

Agency Priorities

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

Attachments

- Background
- Impact Fund Manual - Redline

Background

The Community Homeownership Impact Fund Program (Impact Fund) is a statewide program that provides grants, deferred loans and interim loans from multiple funding sources, including the Economic Development and Housing Challenge Program, Workforce and Affordable Homeownership Development, Housing Infrastructure resources, Pool 2 interim loans, State Housing Tax Credits and other resources as available. These funds support a range of activities, all centered around creating and sustaining affordable homeownership opportunities for households with low- to moderate-income. Each activity and funding source has its own requirements.

Eligible activities include:

- Affordability gap and downpayment assistance to help buyers purchase homes
- Owner-occupied rehabilitation programs
- School direct costs for new construction or acquisition, rehabilitation and resale of housing units by eligible school entities
- Tribal Indian Housing Program, which provides first mortgage financing, downpayment assistance and owner-occupied rehabilitation for Tribally-enrolled members
- Value gap and interim loans for acquisition, rehabilitation and resale of housing units
- Value gap and interim loans for new construction of homes

The Impact Fund Team is recommending updates to the Manual to clarify program requirements and align with internal and external practices. The proposed changes were made in collaboration with staff from across the Agency.

While the redlines may appear extensive, many changes are simply reorganizing sections and applying consistent edits throughout the Manual. Revisions fall into three main categories:

- Consistency and alignment
- Clarification of program requirements
- Formalization of current practices

The bullets that follow summarize the updates under each category.

Consistency/Alignment

- **Agency-Wide:** Adopted the new template, added values statement and replaced Chapter 2 with the Legal Addendum.
- **Income Calculation, Forms List and Minimum Documentation Requirements (throughout Manual):** Removed detailed content from Chapter 3 and Appendices B and C, replaced it with references to the Income Eligibility Worksheet, Impact Fund Forms and Minimum Required Documents Checklist.

This improves clarity and usability by reducing the need to reference multiple documents for similar information. It also aligns with the program manuals for the Rehabilitation Loan Program, Emergency and Accessibility Loan Program, Manufactured Home Community Redevelopment Program and the Start Up and Step Up mortgage loan programs.

- **Administration and Developer Fees (Sections 5.07 and 5.08):** Removed references to administration fee amounts by year, instead referencing the award contract for administration fees, and included construction management services. This reduces confusion between contract terms, award years and the Manual, aligns with Requests for Proposals instructions and supports future efforts to standardize administration fee changes.

Clarified the maximum eligible developer fees to reflect the intent of the limits and the variability of construction costs.

- **Value Gap/Affordability Gap Calculations (Definitions):** Revised the Value Gap definition to use the final purchase price (instead of the current use of appraised value) as the calculation metric. This aligns with standard real estate practices and reflects transaction data used for reporting.

This change also ensures consistency between Value Gap and Affordability Gap calculations, since both now use the same transaction numbers.

- **Appraisal Requirements (Definitions):** Removed Fair Market Sales Price as a defined term and incorporated the appraisal requirement referenced in that definition directly into the Value Gap and Affordability Gap definitions. This improves usability and clarity by eliminating the need to reference multiple terms.

Included clarification that appraisal requirements apply when the administrator is the seller or is directly affiliated with the seller.

These changes ensure purchase prices align with the market while allowing flexibility for the nuances of real estate transactions.

- **Total Development Cost (TDC) and Value Gap Financing Definitions:** Revised the TDC definition to ensure it captures the full amount of development costs for Value Gap calculation, while maintaining compliance with grant requirements.

Approved pre-development costs incurred prior to the award contract are not eligible for reimbursement but may be included in TDC calculation. TDC is then used to determine the Value Gap need: $\text{TDC} - \text{purchase price (within 10\% of appraised value)} = \text{Value Gap}$.

Added a Value Gap Financing definition to clarify that funding for Value Gap must be reconciled with eligible costs. Value Gap Financing is limited to the lesser of eligible costs or actual Value Gap need.

Clarification

- **Applicability:** Relocated, combined and clarified marketing (new Section 1.10), manufactured home (new Section 3.01) and e-Signature (new Section 5.09 and Definitions) provisions to clarify applicability and requirements.

- **Requirements (Chapters 1, 2 and 7):** Strengthened language on fund use reconciliation, vendor suspension and debarment search requirements, household eligibility calculations and bond fund uses and requirements.
- **Property Eligibility (Chapter 3):**
 - **Qualified Dwelling Unit and Title:** Clarified that a Qualified Dwelling Unit must be in the target area referenced in the Agreement, included provisions for manufactured homes and clarified title requirements.
 - **Community Land Trust (CLT):** Referred to Fannie Mae/Freddie Mac for CLT ground lease terms standards. Removed references to the National CLT Network, which no longer appears to be active. Added provision that ground leases must include the statutorily required right for Minnesota Housing to exercise the first option to purchase.
- **Prevailing Wage (Chapter 4 and Legal Addendum):** Updated prevailing wage information to clarify reporting requirements and reference Legal Addendum.
- **Affordability Gap (Section 4.06):** Clarified expense eligibility for long-term subsidy.
- **Definitions – General:** Revised definitions to reflect the current names of documents and processes, correct circular references and removed outdated definitions. Added a definition for e-Signature to clarify the requirements and differences between similar signature types.

Formalization of Current Practices

- **Disbursements (Throughout Manual):** Removed the outdated disbursement process and aligned language with current practices by referencing the Request for Funds form and Bond Certificate. Clarified that Minnesota Housing may require more conservative disbursement methods in response to quality assurance or compliance findings.
- **Waiver/Amendment Request Formalization (Throughout Manual):** Added provisions for Green Communities criteria waivers and amendments to target area for transparency. Incorporated use of a Change Request form for waiver and amendment requests.
- **Deferred Loans (Chapter 6):** Updated and reorganized requirements for deferred loans assigned to the Agency to reflect current documents and practices. Moved e-signature and manufactured housing paragraphs to broaden applicability.



Community Homeownership Impact Fund Program

Procedural Manual

~~September 1, 2024~~December _____, 2025



The Minnesota Housing Finance Agency does not discriminate on the basis of race, color, creed, national origin, sex, religion, marital status, status with regard to public assistance, disability, familial status, gender identity, or sexual orientation in the provision of services.

An equal opportunity employer.

This information will be made available in alternative format upon request.

SEPTMBER 1, 2024 _____, 2025

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Introduction

Values Statement

The vision of the Minnesota Housing Finance Agency ("Minnesota Housing") is for Aall Minnesotans to live and thrive in a stable, safe, and accessible home they can afford in a community of their choice. To achieve the concept of One Minnesota where everyone thrives, weMinnesota Housing will reorient how we work and expand who has a voice at the table, and who participates in and benefits from the housing economy.

WeMinnesota Housing will:

- Center the people and places most impacted by housing instability at the heart of our decision making;
- Listen and share the power we have;
- Honor, respect, and strengthen communities; and
- Be inclusive, equitable, just, and antiracist in our actions.

Mission Statement

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

Background

~~The~~ Minnesota Housing Finance Agency (Minnesota Housing) was created in 1971 by the Minnesota Legislature.

Minnesota Housing offers funding through an annual Single Family Request for Proposal (RFP) to assist communities in addressing local housing concerns by leveraging resources to maintain and develop owner-occupied housing that is Affordable to the Local Work Force.

Community Homeownership Impact Fund Program

The Community Homeownership Impact Fund Program ("Impact Fund"), formerly known as the Community Revitalization Program (CRP), is the umbrella name for a variety of limited funding resources offered in the Single Family RFP, including the Economic Development and Housing Challenge Fund and other Minnesota Housing resources which vary from time to time.

The Impact Fund allows for a variety of housing activities including: Acquisition, Rehabilitation and Resale, New Construction (which may include demolition-rebuild), Owner-Occupied Rehabilitation, and

~~stand-alone~~ Affordability Gap assistance. Funding for Owner-Occupied Rehabilitation and Affordability Gap assistance are generally limited to situations where the articulated community need for such funds cannot be served by other available programs and resources, including Minnesota Housing programs.

~~Procedural Manual~~

~~This Procedural Manual sets forth for Administrators the terms and conditions under which Minnesota Housing will award Impact Fund Dollars to Administrators.~~

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Chapter 1 – Partner Responsibilities/Warranties

(See ~~Appendix C~~ Minimum Required Documents Checklist, available on the Impact Fund Partner Portal, for minimum documentation requirements.)

1.01 Procedural Manual

This Procedural Manual sets forth for Administrators the terms and conditions under which Minnesota Housing will award Impact Fund Dollars to Administrators.

This Procedural Manual, including subsequent changes and additions, is a supplement to ~~the an Fund Availability, Disbursement and Loan/Grant Agreement, Loan Contract, and/or Grant Contract (each of which is referred to as the “Agreement”)~~ executed between the Administrator and Minnesota Housing. This Procedural Manual is incorporated into the Agreement by reference.

Minnesota Housing reserves the right to:

- Alter or waive any of the requirements herein;
- Impose other and additional requirements; and
- Rescind or amend any or all materials effective as of the date of issue unless otherwise stated.

~~Minnesota Housing grants waivers, alterations, or revisions at its sole discretion.~~ Administrators may request, in writing to Minnesota Housing, waivers, alterations, or revisions to this Procedural Manual. Minnesota Housing grants waivers, alterations, or revisions at its sole discretion.

In the case of a conflict between this Procedural Manual and the Application for Funds, this Procedural Manual controls. In the case of a conflict between the Agreement and this Procedural Manual, the Agreement controls. This Procedural Manual, may, however, contain more stringent requirements than those found in the Application for Funds or the Agreement. In which case, Administrators must comply with the most stringent requirements.

1.02 The Agreement

If an Administrator submits its Application for Funds to Minnesota Housing and is selected to receive Impact Fund Dollars through an Impact Fund Award, Minnesota Housing and the Administrator will execute an Agreement, or Agreements, outlining the legal relationship and responsibilities between the Administrator and Minnesota Housing.

Each Agreement is labeled with an Impact Fund Award ID Number, which is the unique identifier for the Impact Fund Award. The Administrator must use the Impact Fund Award ID Number on all forms and correspondence to Minnesota Housing.

1.03 Evidence of Misconduct Referred to Attorney General

Minnesota Housing will refer any evidence of fraud, misrepresentation, or other misconduct in connection with the operation of the Impact Fund to the Minnesota Attorney General's office for appropriate legal action.

Minnesota Housing may exercise all remedies available to it, both legal and equitable, to recover funds from the Administrator and/or the Household. This includes Impact Fund Dollars, together with all applicable administrative costs and other fees or commissions received by the Administrator in connection with the Impact Fund Dollars and for all attorney fees, legal expenses, court costs, or other expenses incurred by Minnesota Housing in connection with the Impact Fund Dollars or recovery of such funds.

1.04 Compliance with Privacy Statutes

The Administrator must comply with all applicable requirements of the Minnesota Government Data Practices Act, which includes, but is not limited to, the following:

- Requires the Administrator to supply individuals with the Tennesen Warning and the Privacy Act Notice when requesting private data;
 - Note: Administrators that are governmental entities are to use the form approved by their "Responsible Authority", as defined in Minnesota Government Data Practices Act § 13.02, Subd. 16. All Other Administrators must ~~provide a Tennesen Warning and Privacy Act Notice and use the applicable Tennesen Warning and Privacy Act Notice located on the Impact Fund Partner Portal.~~
- Governs when the disclosure of an individual's social security number is required;
- Provides that when a Household receives a loan, only the Borrower's name, address, and amount of assistance received are public data;
- Provides that all data regarding a Household that receives or benefits from Grant Funds, except the amount of assistance, are private data on individuals and may not be released without the Household's permission; and
- Provides that all other data created by or collected from the Household, including financial information such as credit reports, financial statements, and net worth calculations, are classified as private data on individuals under Minnesota Statutes §462A.065 and §13.462 ~~s~~Subdivision 3.

1.05 Unauthorized Compensation

The Administrator may receive fees approved in this Procedural Manual. However, the Administrator shall not receive or demand from the builder, remodeler, contractor, supplier, or Borrower:

- Kickbacks;
- Commissions;
- Rebates; or
- Other compensation.

In order to reduce the Total Development Cost associated with an eligible Property, an Administrator may receive discounts from the seller, builder, remodeler, contractor, or supplier. In these cases, the Administrator file must be documented to prove that the discounts received are considered normal for the market area and do not constitute a kickback, commission, rebate, or compensation for products or services rendered. Any discounts that exceed the norm must be documented as a charitable contribution by the representative of the seller, builder, remodeler, contractor, or supplier providing the discount.

1.06 Monitoring, Financial Reconciliation and Quality Control Audits

All Impact Fund Dollars spent must be reconciled and supported by documentation of eligible costs incurred in compliance with this Procedural Manual and the terms of the Agreement.

With reasonable notice to the Administrator and, where applicable, to the Household, Minnesota Housing reserves the right to make site visits, review Administrator's records and Project files, and conduct quality control audits.

Administrator's records and Project files, including but not limited to Administrator, Household/Borrower, and Construction/Property files as specified in Appendix C the Minimum Required Documents Checklist, available on the Impact Fund Partner Portal, must be made available upon request in order to conduct monitoring and quality control audits.

Monitoring and Financial Reconciliation

Administrator's records and Project files must be made available to Minnesota Housing at the Administrator's office during regular business hours, or via remote submission, or both, if and as requested by Minnesota Housing. Monitoring and financial reconciliation generally includes:

- Physical inspection of Projects;
- Verification of Project files including eligibility requirements and documentation requirements (see Appendix C Minimum Required Documents Checklist, available on the Impact Fund Partner Portal); and
- Review of expense documentation (for example e.g., any and all books, records, invoices, and receipts), other program-related documents, and accounting procedures and practices relevant to the Agreement and this Procedural Manual.

Quality Control Audits

Quality control audits typically focus on an Administrator's use of Impact Fund Dollars to make Deferred Loans to Borrowers, including Deferred Loans originated by a Processing Entity. Administrator's records and Project files must be made available to Minnesota Housing via remote submission, or at the Administrator's office during regular business hours, or both, if and as requested by Minnesota Housing. Audited files are reviewed for:

- Minnesota Housing program/policy compliance;
- Fraud or misrepresentation on the part of any party involved in the transaction; and
- Trends and other indicators that may have an impact on the financial viability of the Impact Fund Pprogram.

1.07 Term of Funds Availability

Minnesota Housing reserves the right to cancel the Impact Fund Award specified in the Agreement if the Agreement is not executed and returned to Minnesota Housing within 60 days of the Administrator's receipt of the Agreement.

Impact Fund Dollars will be available to the Administrator for the term set forth in the Agreement. If the Agreement does not specify a term for availability of the Impact Fund Dollars, then the term will be 20 months from the effective date of the Agreement a period of 20 months unless otherwise stated in the Agreement. Minnesota Housing, at its sole discretion, may extend the period Impact Fund Dollars are available to the Administrator.

Impact Fund Dollars the Administrator receives but does not expend on eligible activities must be repaid to Minnesota Housing in accordance with the terms and conditions outlined in the Agreement.

1.08 Termination of Administrator Participation

Minnesota Housing may terminate the participation of any Administrator under this Procedural Manual at any time and may preclude an Administrator's future eligibility for reasons including, but not limited to, nonconformance with:

- This Procedural Manual;
- The Agreement;
- The Application for Funds;
- The procedural manuals and agreements of other Minnesota Housing programs;
- The Federal Fair Housing Law;
- The Equal Credit Opportunity Act;
- Any federal or state laws or acts that protect individuals' rights with regard to obtaining homeownership; and

- ~~The Application for Funds; and~~ Other applicable state and federal laws, rules, and regulations.

Minnesota Housing may, at its option, impose remedies other than termination of the Agreement for Administrator nonperformance.

An Administrator may request reinstatement into Minnesota Housing programs. The decision whether or not to reinstate an Administrator is at Minnesota Housing's sole discretion.

1.09 Representations and Warranties

The Administrator agrees to comply with all applicable federal, state, and local laws, ordinances, regulations, and orders including, but not limited to, the following:

- Title 24, Code of Federal Regulations, Part 35, Subpart A;
- Title VI of the Civil Rights Act of 1964;
- Title VII of the Civil Rights Act of 1968, as amended by the Housing and Community Development Act of 1974;
- Section 527 of the National Housing Act;
- The Equal Credit Opportunity Act;
- The Fair Credit Reporting Act and any applicable regulations and orders thereunder;
- Executive Order 11063, Equal Opportunity in Housing, issued by the President of the United States on 11/20/62;
- Federal Fair Housing Law (Title VIII);
- Minnesota Statutes Chapter 326B;
- Minnesota Human Rights Act (Minnesota Statutes Chapter 363A);
- Minnesota Statutes Section 462A.33;
- Minnesota Statutes Section 462A.34;
- Minnesota Statutes Section 462A.37;
- Minnesota Rules 4900.3600-3652;
- Minnesota Government Data Practices Act - Minnesota Statutes Chapter 13 and Minnesota Statutes Section 462A.065;
- Minnesota Secure and Fair Enforcement for Mortgage Licensing Act (S.A.F.E. Act) of 2010;
- Minnesota Statutes ~~§~~58A.03;
- Americans with Disabilities Act, 42 U.S.C.A. Section 12101;
- Fair and Accurate Credit Transactions Act;
- National Flood Insurance Act;
- Truth in Lending Act (TILA);
- Home Mortgage Disclosure Act;
- Anti-Predatory Lending Act;
- USA Patriot Act;

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- Bank Secrecy Act;
- Anti-Money Laundering and Office of Foreign Assets Control Policy;
- Internal Revenue Code of 1986, Section 6050H;
- Real Estate Settlement Procedures Act of 1974 (RESPA), as amended;
- Dodd-Frank Wall Street Reform and Consumer Protection Act; and
- TILA-RESPA Integrated Disclosure Rule.

In addition to the above warranties and representations, Administrator also covenants, warrants, and represents that:

- It is a city, a housing and redevelopment authority, a joint powers board established by two or more cities, a federally recognized American Indian Tribe or subdivision located in Minnesota, a Tribal housing corporation, a nonprofit organization, a Private Developer, a Public Housing Agency, or eligible School entity;
- It will fully comply with all terms and conditions in the Agreement, the Single Family RFP, the Application for Funds, and this Procedural Manual for each eligible activity outlined in the Administrator's Impact Fund Application for Funds unless prior written approval is obtained from Minnesota Housing;
- It will not modify Minnesota Housing forms unless it first receives written authorization from Minnesota Housing;
- It will not contract with vendors who are suspended or debarred in Minnesota, including those identified in the Minnesota Department of Administration's Suspended/Debarred Vendor Report, Minnesota Housing Suspension List, and vendors debarred by federal government agencies;
- It will ensure entities performing work on its Projects maintain all licenses (including licenses in residential trades) where licensure is required by laws, ordinances, and rules;
- It will maintain all licenses (including licenses in residential trades), permits, and performance bonds if and as required by laws, ordinances, and rules;
- It will comply with the Minnesota Housing Lead-Based Paint Guide if the activity includes the identification and correction of health and safety hazards;
- If it or a Processing Entity originates loans, it will comply with standard underwriting requirements of the secondary market and prudent lenders that originate loans for similar Projects;
- It will use Impact Fund Dollars only for an eligible activity or eligible activities;
- It will control the disbursement of Impact Fund Dollars in accordance with the terms of the Agreement and this Procedural Manual;
- It will monitor the construction or rehabilitation of the Qualified Dwelling Unit in accordance with the terms of the Agreement and this Procedural Manual;
- It will obtain and review all applicable documentation to determine and record compliance with all Minnesota Housing requirements;

- It will maintain adequate capital and trained personnel for the administration of the Impact Fund Dollars;
- It will not assign any ~~agreements~~ Agreements executed with Minnesota Housing without prior written approval from Minnesota Housing;
- It will represent in the Application for Funds the specific organization with which it intends to sign the Agreement with Minnesota Housing and to which Impact Fund Dollars will be disbursed;
- The Property owner has good and marketable fee simple title to the or a long-term “mortgageable” lease for the Property, unless Minnesota Housing waives this requirement in writing;
- If the Qualified Dwelling Unit or Property is subject to a mortgage, lien, or other encumbrance, it is a mortgage, lien, or other encumbrance acceptable to prudent lenders that make loans or grants for similar Properties or Qualified Dwelling Units; and
- It is an entity duly formed or incorporated under the laws of the State of Minnesota.

1.091.10 Affirmative Marketing

Processing Entities

~~The Administrator may contract with a Processing Entity to originate Deferred Loans on the Administrator’s behalf. Only the Administrator or a Processing Entity may originate Deferred Loans to Borrowers. The Processing Entity’s participation must be approved in writing by Minnesota Housing before that Processing Entity originates Deferred Loans. The Administrator must have a written contractual relationship with the Processing Entity. The Administrator, however, retains sole responsibility for any default under the Agreement.~~

Commented [SK2]: Moved to Deferred Loans Section

Affirmative Marketing

The Administrator must take necessary steps to affirmatively market to Underserved Populations, including developing and implementing marketing plans that promote fair housing through intentional outreach. The Administrator must ensure compliance with any additional requirements in the Agreement.

~~Fraud, Misuse of Funds, Conflict of Interest, Suspension, and Disclosure and Reporting~~

Commented [KS3]: Replaced with Legal Addendum

~~Fraud~~

~~Fraud is any intentionally deceptive action made for personal gain or to damage another.~~

~~Any person or entity (including its employees and affiliates) that enters into an agreement with Minnesota Housing and witnesses, discovers evidence of, receives a report from another source, or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report through one of the communication channels described in Section 2.05.~~

~~1.10 Misuse of Funds~~

~~A loan or grant agreement is a legal contract. The borrower or grantee promises to use the funds to engage in certain activities or procure certain goods or services while Minnesota Housing agrees to provide funds to the borrower or grantee to pay for those activities, goods or services. Regardless of the Minnesota Housing program or funding source, the borrower or grantee must use Minnesota Housing funds as agreed and the borrower or grantee must maintain appropriate documentation to prove that funds were used for the intended purpose(s).~~

~~A misuse of funds shall be deemed to have occurred when: (1) Minnesota Housing funds are not used as agreed by a borrower or grantee; or (2) A borrower or grantee cannot provide adequate documentation to establish that Minnesota Housing funds were used in accordance with the terms and conditions of the loan or grant agreement.~~

~~Any borrower or grantee (including its employees and affiliates) of Minnesota Housing funds that discovers evidence, receives a report from another source, or has other reasonable basis to suspect that a misuse of funds has occurred must immediately make a report through one of the communication channels described in Section 2.05.~~

~~1.11 Conflict of Interest~~

~~A conflict of interest, actual or potential, occurs when a person has an actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A conflict of interest exists even if no unethical, improper or illegal act results from it.~~

~~An individual conflict of interest is any situation in which one's judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a friend, relative, acquaintance or business or organization with which they are involved.~~

~~Organizational conflicts of interest occur when:~~

- ~~• A contracting party is unable or potentially unable to render impartial assistance or advice to Minnesota Housing due to competing duties or loyalties~~
- ~~• A contracting party's objectivity in carrying out their responsibilities might be otherwise impaired due to competing duties or loyalties~~
- ~~• A contracting party has an unfair competitive advantage through being furnished unauthorized proprietary information or source selection information that is not available to all competitors~~

~~Once made aware of a conflict of interest, Minnesota Housing will make a determination before disbursing any further funds or processing an award. Determinations could include:~~

- ~~• Revising the contracting party's responsibilities to mitigate the conflict~~
- ~~• Allowing the contracting party to create firewalls that mitigate the conflict~~
- ~~• Asking the contracting party to submit an organizational conflict of interest mitigation plan~~
- ~~• Terminating the contracting party's participation~~

~~Any person or entity (including its employees and affiliates) that enters into an agreement with Minnesota Housing must avoid and immediately disclose to Minnesota Housing any and all actual or potential conflicts of interest through one of the communication channels described in Section 2.05.~~

~~A contracting party should review its contract agreement and Request for Proposals (RFP) material, if applicable, for further requirements.~~

~~1.12 Suspension~~

~~By entering into any agreement with Minnesota Housing, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the agreement) has not been suspended from doing business with Minnesota Housing. Please refer to Minnesota Housing's website for a list of suspended individuals and organizations.~~

~~1.13 Disclosure and Reporting~~

~~Minnesota Housing promotes a "speak-up, see something, say something" culture whereby internal staff must immediately report instances of fraud, misuse of funds, conflicts of interest, or other concerns without fear of retaliation through one of the communication channels listed below. External business partners (e.g., grantees, borrowers) and the general public are strongly encouraged to report instances of fraud, misuse of funds, conflicts of interest, or other concerns without fear of retaliation using these same communication channels.~~

- ~~• Minnesota Housing's Chief Risk Officer~~
- ~~• Any member of Minnesota Housing's Servant Leadership Team~~
- ~~• Report Wrongdoing or Concerns (mnhousing.gov)~~

1.14—Assistance to Employees and Affiliated Parties

A contracting party that receives funding from Minnesota Housing to make specified loans, grants, or other awards to recipients may make these specified loans, grants, or other awards to their directors, officers, agents, consultants, employees and/or their families, elected or appointed officials of the State of Minnesota as well as to Minnesota Housing employees and/or their families (“Affiliated Assistance”) provided:

- The recipient meets all eligibility criteria for the program.
- The assistance does not result in a violation of the contracting party’s internal conflict of interest policy, if applicable.
- The assistance does not result in a conflict of interest as outlined in Section 2.03.
- The assistance is awarded utilizing the same costs, terms and conditions as similarly situated unaffiliated recipients, and the recipient receives no special consideration or access compared to similarly situated unaffiliated recipients.
- The assistance is processed, underwritten and/or approved by staff/managers who are independent of the recipient and their immediate family members. Family members include a spouse, domestic partner, parent, sibling, child, in-law or other relative living in the recipient’s home

A contracting party need not disclose Affiliated Assistance to Minnesota Housing. However, the contracting party must document and certify, prior to awarding the Affiliated Assistance, that the Affiliated Assistance meets each of the provisions outlined above. This documentation must be included in the Affiliated Assistance file and must be made available upon request to Minnesota Housing. Affiliated Assistance that does not meet each of these provisions will be considered a violation of Minnesota Housing conflict of interest standards which must be reported through one of the communication channels outlined in Section 2.05.

Chapter 2 – Household Eligibility Requirements

(See [Minimum Required Documents Checklist, available on the Impact Fund Partner Portal, Appendix C](#) for minimum documentation requirements.)

2.01 Households

A Household is eligible to benefit from assistance only if that Household meets the requirements of this Procedural Manual [and the Agreement](#). Households benefitting from Impact Fund Dollars must be Owner-Occupants.

A Homebuyer Household is a type of Household that is eligible to purchase or, for grants for ~~S~~schools, a Household that occupies a Property or Qualified Dwelling Unit and benefits from the use of an Impact Fund Award in the construction of or acquisition, rehabilitation, and resale of a Qualified Dwelling Unit and/or Affordability Gap Financing to purchase a Qualified Dwelling Unit.

A Homeowner Household is a type of Household eligible to use Impact Fund Dollars for the rehabilitation of a Property or Qualified Dwelling Unit in which the Household has an ownership interest. The Homeowner Household must occupy the subject Property or Qualified Dwelling Unit as its Principal Residence.

Households benefitting from Indian Housing Set-Aside Funds must be American Indian Households. Verification of tribal affiliation or membership is required.

2.02 Household Selection

The Administrator must establish and maintain a Household selection process, which ensures that Households meet Impact Fund requirements.

The Administrator may establish more stringent Household selection requirements including maximum purchase prices, Household asset limits, loan-to-value, and combined loan-to-value limits.

2.03 Household Affordability Gap Eligibility

The Administrator's Household selection process must include an assessment of the Households' needs for Affordability Gap assistance indicated by the [Affordability Gap calculation and the](#) Housing Ratio. [The maximum amount of Affordability Gap Financing cannot exceed the difference between the total cost of acquiring the property \(including closing costs\) and the amount of the first mortgage loan for which the Household qualifies, based on industry standard, prudent underwriting practices. See definitions for Affordability Gap and Affordability Gap Financing.](#)

To be eligible for Affordability Gap assistance, a Household must spend ~~no less than~~ [at least](#) 25 percent of its gross monthly income for housing payments associated with the Property or Qualified Dwelling

Unit. Housing payments are: monthly ~~first senior mortgage-secured loan~~ principal and interest, subordinate ~~mortgage-secured loan~~ principal and interest, mortgage insurance, homeowners' association fees, Property taxes, hazard insurance, land trust ground lease fees, and manufactured home park lot rent.

Minnesota Housing may, at its sole discretion, waive the housing-to-income ratio requirement for Affordability Gap Financing on a case-by-case basis, when the Administrator provides a completed Change Request form found on the Impact Fund Partner Portal.

~~Minnesota Housing may, at its sole discretion, waive the housing-to-income ratio requirement for Affordability Gap Financing on a case by case basis, when the Administrator provides a written waiver request, a request using the Change Request form found on the Impact Fund Partner Portal. Waiver requests are viewed more favorably in cases where one or more of the following is true:~~

~~A party whose income must be included when calculating Annualized Gross Income cannot, according to the underlying first mortgage lender, be named on an underlying first mortgage due to credit or title constraints;~~

~~A Household's purchasing power is insufficient due to the underlying first mortgage lender's debt to-income limits;~~

~~The Household is maximizing the amount of financing for which it has qualified from the first mortgage lender.~~

2.04 Homebuyer Age

~~Anyone~~ All persons in Homebuyer Households obtaining title to a Property or Qualified Dwelling Unit, or a vendee interest in a contract-for-deed or contract-for-title, ~~and all Borrowers~~ must be eighteen (18) years of age or older or have been declared emancipated by a court having jurisdiction.

2.05 Unauthorized Compensation

Households must not receive kickbacks, rebates, discounts, or other compensation from any party in the transaction.

2.06 Principal Residence/Occupancy Requirements

Each Household that receives or benefits from Impact Fund Dollars must occupy the eligible Property or Qualified Dwelling Unit as its Principal Residence.

2.07 Impact Fund ~~Eligibility~~ Income Eligibility

Area Median Income

The Administrator and Minnesota Housing establish Household income limits for each eligible activity undertaken with Impact Fund Dollars through the Agreement. All Households benefitting from Impact Fund Dollars must not exceed the lower of the income limits specified in the Agreement or 115 percent of the greater of state or area median income (AMI). ~~Area median income (AMI) is established by Minnesota Housing and posted on the Impact Fund Partner Portal. as established by Minnesota Housing and posted to Minnesota Housing's Impact Fund webpage.~~

~~Administrators must not serve Households with Annualized Gross Income in excess of this limit.~~

Annualized Gross Income

Annualized Gross Income is the earned and unearned income of the parties in the Household as described below. ~~from sources outlined in the list below and excluding the exceptions that follow. Administrators must calculate Annualized Gross Income using the Income Eligibility Worksheet available on the Impact Fund Partner Portal. The Income Eligibility Worksheet provides detailed guidance on how to perform the income calculation, including which income sources to include and exclude.~~

Parties Whose Income Must be Included When Calculating Annualized Gross Income

~~The income of the following persons must be verified and included w~~When calculating Annualized Gross Income, an Administrator must verify and include the income of the following persons for in Homebuyer Households of Qualified Dwelling Units purchased, constructed, or rehabilitated using Impact Fund Dollars ~~or Households receiving Impact Fund Affordability Gap assistance:~~

- Anyone who will have title to the subject Property or Qualified Dwelling Unit and signs the mortgage or equivalent document.
- Anyone expected to reside in the subject Property or Qualified Dwelling Unit and who will be obligated to repay an underlying ~~mortgage~~ loan but who is not in title to the subject Property or Qualified Dwelling Unit (~~for example, i.e.~~ a Co-Signer on the mortgage note).
- The legal spouse of the ~~mortgager-borrower~~ who will also reside in the subject Property or Qualified Dwelling Unit.

The income of the following persons must be verified and included when calculating Annualized Gross Income for Homeowner Households of Qualified Dwelling Units receiving Impact Fund Owner-Occupied Rehabilitation assistance:

- Anyone in title to the subject Property or Qualified Dwelling Unit who also resides in the subject Property or Qualified Dwelling Unit.
- The legal spouse of the ~~mortgager-borrower~~ who also resides in the subject Property or Qualified Dwelling Unit.

If the ~~mortgager-borrower~~ is legally married and the spouse does not or is not expected to reside in the subject Property or Qualified Dwelling Unit, the Household file must contain ~~either the Non-Occupant Spouse Statement, available on the Impact Fund Partner Portal or another statement indicating the spouse does not or will not occupy the subject Property or Qualified Dwelling Unit.~~ The spouse may still be required to sign any Impact Fund ~~(Balloon)~~ Loan Mortgage or equivalent document (see “Accommodation Parties,” below, and Chapter 6 of this Procedural Manual).

Any person whose income must be included in the Annualized Gross Income calculation who receives no income must sign ~~either the Zero Income Statement, or another statement indicating they receive no income available on the Impact Fund Partner Portal.~~

~~The Administrator must establish and adhere to standard procedures for determining Annualized Gross Income in accordance with this Procedural Manual.~~

Accommodation Parties

An accommodation party is anyone with an ownership interest in an eligible Property or Qualified Dwelling Unit that is not a Borrower. Examples include but are not limited to a non-borrowing relative, spouse, or heir in title to an eligible Property or Qualified Dwelling Unit, or a seller of a contract-for-deed to an Owner-Occupant. An accommodation party must sign the Impact Fund ~~(Balloon)~~ Loan Mortgage or equivalent document.

Co-Signers

Co-signers are permitted on first mortgage loans originated for Homebuyer Households. Co-signers are not vested in title and may reside in the subject Property or Qualified Dwelling Unit.

Annualized Gross Income Calculation

Total Annualized Gross Income includes, but is not limited to:

- Base pay, which includes full-time, part-time or seasonal work with regular hours, expressed hourly, weekly or monthly, etc.;
- Variable income, which includes irregular hourly income, income from commissions, overtime and bonuses, income from irregular employment, shift differential, tips, profit sharing, sick pay, holiday pay and vacation pay;
- Self-employment or business income;
- Income from financial assets, trusts or annuities, including but not limited to, dividends, royalties, recurring capital gains and interest earned from non-retirement accounts;
- Government Transfer Payments, including retirement benefits, disability benefits, medical benefits, social security benefits, pensions, veterans' benefits, workers' compensation, public assistance, unemployment benefits, federal education and training assistance and income maintenance benefits;
- Insurance or benefit payments, such as long-term care insurance, disability insurance, pensions or death benefits;
- Net rental income from investment property;
- Contract for deed interest income;
- Child support;
- Spousal maintenance;
- Regular financial contributions from an individual or individuals whose income does not need to be included in the Annualized Gross Income calculation;
- Employer-paid allowances such as housing, automobile, cell phone, etc.;
- Flexible benefit cash;
- Custodial account income received on behalf of a minor dependent;
- Estate income; and
- Other sources of income not specifically excluded below.

The following types of income are excluded from the Annualized Gross Income calculation:

- Income no longer available;
- One-time (non-recurring) income; for example, income received once that does not have a history and is unlikely to reoccur in the future;
- Income generated by IRA, VIP, 403(b), and 401(k) accounts;
- Supplemental Nutrition Assistance Program (SNAP) benefits;
- Meals on Wheels or other contributions of food;
- Government-paid child care which is paid directly to the provider;

Commented [KS4]: Removed and referred to the Income Calculation Worksheet, which includes detailed instructions.

- ~~Foster care income;~~
- ~~Educational scholarships, grants, loans or tuition reimbursement;~~
- ~~Earned Income Tax Credit refund payments;~~
- ~~Potential roommate income or rental income of future duplex or accessory dwelling unit;~~
- ~~Transfers between individuals whose income must be included in the Annualized Gross Income calculation;~~
- ~~Court ordered child or spousal support not received;~~
- ~~529 plans;~~
- ~~Custodial accounts where someone other than the parents are named as custodian;~~
- ~~Custodial account income received on behalf of adult dependents whose income does not need to be included in the Annualized Gross Income calculation; and~~
- ~~Non-recurring payments from:~~
 - ~~Inheritances~~
 - ~~Insurance settlements~~
 - ~~Lottery winnings~~
 - ~~Gambling winnings~~
 - ~~Capital gains~~
 - ~~Liquidation of assets~~
 - ~~Settlements for personal loss.~~

Chapter 3 – Property Eligibility

(See [Minimum Required Documents Checklist, available on the Impact Fund Partner Portal, Appendix C](#) for minimum documentation requirements.)

3.01 Qualified Dwelling Unit

A Qualified Dwelling Unit must:

- Be attached or detached, owner-occupied housing, including manufactured homes. [See Manufactured Homes paragraph below for additional requirements](#);
- Be residential in nature and have a remaining economic life equal to the loan term plus 10 years;
- Be occupied by an eligible Household;
- Be Affordable to the Local Workforce;
- Be affordable to Households with incomes not exceeding the Impact Fund Eligibility Income established according to Section [23.07](#) of this Procedural Manual;
- Be completed during the effective term of the Agreement; ~~and~~
- Contain no more than four units with at least one unit being occupied by the Household that owns the entire structure; and
- Be located within the target area referenced in the Agreement.

[Minnesota Housing may, at its sole discretion, amend the target area when the Administrator provides a written request using the Change Request form, available on the Impact Fund Partner Portal.](#)

Manufactured Homes

[Manufactured homes taxed as personal property may be eligible Qualified Dwelling Units, ~~u-Unless explicitly identified in the Agreement,; An Administrator that seeks to serve a Household purchasing or rehabilitating a manufactured home taxed as personal property must contact Minnesota Housing prior to assisting the Household, as s-Such Projects are approved at the sole discretion of Minnesota Housing.~~](#)

[Manufactured homes taxed as real property should be treated like all other Qualified Dwelling Units taxed as real property.](#)

Commented [KSS]: Moved from Deferred Loans revised version section 6

3.02 Title Examination Requirements

The Administrator must ensure that [they have clear and marketable](#) title to [the](#) Property or Qualified Dwelling Unit ~~is clear and marketable prior to development,~~ at the time of ~~transfer acquisition to an Administrator and prior to development,~~ and at the time of transfer to a Homebuyer Household, as demonstrated by way of an attorney's legal title opinion or a title insurance policy, [or, in the case of a](#)

Qualified Dwelling Unit taxed as personal property, demonstrated by a lien search performed in the proper jurisdiction.

In addition, if making a secured loan to a Borrower for the acquisition of a Property or Qualified Dwelling Unit, such as a Deferred Loan, the Administrator must ensure that title to the Property or Qualified Dwelling Unit to be ~~mortgaged-secured~~ is ~~cleargood~~ and marketable prior to making the loan, and the security instrument is fully executed, valid, and enforceable.

In the case of Tribal Lands, the Administrator must ensure that the proper official of the Tribal Land office establishes a clear and marketable title as defined by the ~~T~~tribe governing the Land on which the Qualified Dwelling Unit is located.

3.03 Community Land Trusts

A Community Land Trust, whether the Administrator or a partner entity, must meet the following conditions:

- The Community Land Trust must provide evidence, satisfactory to Minnesota Housing, that members of Homebuyer Households purchasing Qualified Dwelling Units in the Community Land Trust receive full disclosure of their rights and obligations under the trust, including future limitations on sale;
- Each ground lease must grant Minnesota Housing the right to exercise the first option to purchase, if the Community Land Trust does not, as required in Minnesota Statute 462A.231, Subd. 3, Restrictions;
- The Community Land Trust must submit evidence, satisfactory to Minnesota Housing, that land trust Homebuyer Households have access to the secondary mortgage market; and
- The form and terms and conditions of the Community Land Trust ground lease must ~~be compatible~~ align with all requirements established by Fannie Mae and or Freddie Mac, ~~with those developed by the National Community Land Trust Network~~; and otherwise satisfactory to Minnesota Housing.

3.04 Reasonable Cost Estimates

The Administrator must determine and document that all Project costs are reasonable, necessary, and cost effective, and must maintain documentation of the purchasing and/or bidding process utilized. The Agreement may contain additional contracting and bidding requirements.

3.05 Building Code Compliance

All eligible activities must be in compliance with all applicable state, ~~T~~tribe, county, and municipal health, housing, building, fire prevention, and housing maintenance codes and local ordinance or other public standards.

In areas of the ~~s~~State where there is a local building code or the ~~s~~State building code has been adopted, a licensed building official/inspector must provide a building permit, certificate of occupancy, certificate of completion, or a final inspection report in order to document that the improvements meet building code.

In areas of the ~~s~~State where there is no local building code or where the ~~s~~State building code has not been adopted, the Administrator must include in its contracts a requirement that improvements are completed in accordance with the ~~s~~State ~~b~~Building ~~c~~Code.

When working within ~~t~~Tribal reservations or on Tribal Lands, compliance with the governing ~~I~~Tribal laws and regulations relating to building and zoning is sufficient for compliance with this Section ~~3~~4.05.

Chapter 4 – Eligible Activities

(See [Minimum Required Documents Checklist, available on the Impact Fund Partner Portal, Appendix C](#) for minimum documentation requirements.)

4.01 Eligible Activities

Impact Fund Dollars must be used, only to the extent allowed in the Agreement and this Procedural Manual, for:

- Construction of new housing (New Construction);
- Acquisition, Rehabilitation, Resale of existing housing;
- Rehabilitation of existing owner-occupied housing (Owner-Occupied Rehabilitation), including reduction of interest rates in conjunction with Minnesota Housing's Community Fix Up Loan Program;
- Conversion to housing from another use;
- ~~Financing Funding to fill an~~ Affordability Gap ~~Financing; or~~
- Value Gap ~~Financing; or~~
- Other activities approved by Minnesota Housing.

Eligible activities **must** culminate in the rehabilitation, construction, or purchase of a Qualified Dwelling Unit occupied by an Owner-Occupant.

4.02 Ineligible Activities

Impact Fund Dollars **must not** be used for:

- Non-owner occupied housing;
- Public infrastructure, including parks, community centers, municipal water, sewer, curbs, and gutters, that is not directly related to the development or rehabilitation of Qualified Dwelling Units;
- The construction of private infrastructure that does not lie within the Land upon which the Qualified Dwelling Unit is located;
- Administration costs not connected to the development or rehabilitation of Qualified Dwelling Units;
- Individuals who want to refinance their existing loan;
- Improvements for commercial use; and
- Other activities not approved by Minnesota Housing.

4.03 New Construction

(See [Minimum Required Documents Checklist](#), available on the Impact Fund Partner Portal, [Appendix C](#) for minimum documentation requirements.)

Prevailing Wage

Under certain circumstances, awards of agency funds may trigger state prevailing wage requirements under ~~Minnesota Statute~~ [§ 116J.871](#). [See Section 1.11 of Appendix C: Legal Addendum for requirements.](#)

[In the 2023 and 2024 legislative sessions, the state prevailing wage statutes \(Minnesota Statute 116J.871\) were amended to include new reporting requirements and to broaden prevailing wage applicability for multifamily rental housing projects that receive funding from Minnesota Housing. These changes help ensure compliance with state statutes and streamline reporting procedures.](#)

[In addition to the existing Prevailing Wage Certification Form submitted before closing, Minnesota Housing must now collect Certified Payroll Reports within 14 days after each pay period throughout construction. The Certified Payroll reports must be submitted electronically throughout the construction period.](#)

[In broad terms, the statute applies to awards that meet the following conditions: \(1\) new housing construction \(not rehabilitation\); and \(2\) a single entity receives from Minnesota Housing \\$200,000 or more of grant proceeds or \\$500,000 of loan proceeds. The statute excludes new housing construction in which total financial assistance at a single project site is less than \\$100,000.](#)

[Please note the following statutory provisions:](#)

- [● A state agency may provide financial assistance to a person only if the person receiving or benefiting from the financial assistance certifies to the commissioner of labor and industry that laborers and mechanics at the project site during construction, installation, remodeling, and repairs for which the financial assistance was provided will be paid the prevailing wage rate as defined in section 177.42, subdivision 6. Minn. Stat. § 116J.871, subd. 2.](#)
- [● It is a misdemeanor for a person who has certified that prevailing wages will be paid to laborers and mechanics under subdivision 2 \[see above\] to subsequently fail to pay the prevailing wage. Each day a violation of this subdivision continues is a separate offense. Minn. Stat. § 116J.871, subd. 3.](#)

[In addition, a separate prevailing wage statute, Minn. Stat. § 177.41-.43, may apply if funds are used for a building that is publicly owned or leased.](#)

[All questions regarding state prevailing wages and compliance requirements should be directed to the Department of Labor and Industry as follows:](#)

~~Division of Labor Standards and Apprenticeship~~
~~Karen Bugar, State Program Administrator~~
~~443 Lafayette Road N, St. Paul, MN 55155~~
~~651-284-5091 or dli-prevwage@state.mn.us~~

Visitability

Visitable unit design and construction allow people with mobility impairments to enter and comfortably stay for a duration. Visitability must be met for the following types of Projects:

- New construction Projects receiving state-appropriated Impact Fund Dollars for Interim Loan financing; and
- New construction Projects completed under Agreements effective on or after June 1, 2018, that receive state-appropriated Impact Fund Dollars.

Visitability does not apply to projects using Impact Fund Dollars for only Affordability Gap.

To meet visitability, Properties must contain each of the following elements:

- 32-inch clear opening doorways throughout the Qualified Dwelling Unit;
- At least one no-step entrance; and
- A half bath, or larger bathroom, on the main level.

Minnesota Housing may waive the no-step entrance requirement if site conditions make the requirement impractical or if it reduces affordability. Minnesota Housing may waive the bathroom requirement if it reduces affordability. Minnesota Housing cannot waive the 32-inch clear opening doorways requirement. To request a waiver, contact Minnesota Housing [in writing, using the Change Request form, available on the Impact Fund Partner Portal.](#) [Waiver requests must be submitted prior to the start of construction, and work may not proceed unless approved in writing, or as otherwise authorized in writing by Minnesota Housing.](#)

An Administrator unsure of whether visitability applies to its Project should contact Minnesota Housing.

Green Communities Criteria

Each new construction Project must comply with the Enterprise Green Communities mandatory criteria as modified by the most current version of the Minnesota Overlay and Guide to the Enterprise Green Communities Criteria, or another version approved by Minnesota Housing for use in the Project.

For additional requirements and guidance regarding Green Communities Criteria, [including criteria for waiver requests](#), please refer to Minnesota Housing's Minnesota Overlay and Guide to the Enterprise

Green Communities Criteria, available on ~~Minnesota Housing's Impact Fund webpage~~[the Impact Fund Partner Portal](#).

Projects using Impact Fund Dollars for only Affordability Gap or ~~for~~ Grant Funding to Schools under Section ~~45.07 (and not for Value Gap or Interim Loan financing)~~ are exempt from Green Communities Criteria.

Inspections

The Administrator must inspect Qualified Dwelling Units during the course of and upon completion of construction to determine that work has been done properly.

4.04 Acquisition, Rehabilitation, Resale

(See [Minimum Required Documents Checklist, available on the Impact Fund Partner Portal, Appendix C](#) for minimum documentation requirements.)

All Acquisition, Rehabilitation, Resale Projects must meet the following criteria:

- U.S. Department of Housing and Urban Development (HUD) Housing Quality Standards ~~(HQS)~~;
- The most current version of the Enterprise Green Communities Criteria as modified by the most current version of the Minnesota Overlay and Guide to the Enterprise Green Communities Criteria, [available on the Impact Fund Partner Portal](#), or another version approved by Minnesota Housing for use in the Project. However, if Impact Fund Dollars are used for only Affordability Gap ~~(and not for Value Gap or Interim Loan financing)~~, Green Communities Criteria do not apply.
- Notwithstanding the foregoing, Minnesota Housing Lead-Based Paint Guide requirements, [available on the Impact Fund Partner Portal](#), must be satisfied if an Acquisition, Rehabilitation, Resale Project includes the identification and correction of lead-based paint related health and safety hazards.

Inspections

The Administrator must inspect Qualified Dwelling Units during the course of and upon completion of rehabilitation to determine that work has been done properly.

4.05 Owner-Occupied Rehabilitation

(See [Minimum Required Documents Checklist, available on the Impact Fund Partner Portal, Appendix C](#) for minimum documentation requirements.)

If Minnesota Housing awards an Administrator Impact Fund Dollars in the form of Deferred Loan Funds to conduct Owner-Occupied Rehabilitation activity for eligible Homeowner Households, all requirements of Chapter ~~67~~ of this Procedural Manual, apply.

Green Communities Criteria are not applicable to Owner-Occupied Rehabilitation activity.

If an Owner-Occupied ~~R~~ehabilitation Project includes the identification and correction of health and safety hazards, the Minnesota Housing Lead-Based Paint Guide, [available on the Impact Fund Partner Portal](#), must be followed.

Completion Certificate

At the completion of construction or rehabilitation work for all Owner-Occupied Rehabilitation Projects, the Administrator must document via a completion certificate that the work has been completed to the satisfaction of the Administrator and Owner-Occupant. Minnesota Housing's Impact Fund Owner-Occupied Rehabilitation Project Completion Certificate, [available on the Impact Fund Partner Portal](#), ~~may~~**must** be used for this purpose.

The preceding paragraph does not apply to Community Fix Up Loan Program interest rate write-down Projects. Instead, Community Fix Up Loan Program interest rate write-down Projects must adhere to completion certification requirements of the Community Fix Up Loan Program.

Coordination with Other Programs

Administrators must be knowledgeable of basic eligibility and referral sources for Minnesota Housing's Fix Up Loan Program, Minnesota Housing's Community Fix Up Loan Program, Minnesota Housing's Rehabilitation Loan Program/Emergency and Accessibility Loan Program, U.S. Department of Agriculture Rural Development Section 504 rehabilitation loans and grants, weatherization assistance, and other home rehabilitation and repair programs available, including those funded through the Minnesota Department of Employment and Economic Development's (DEED) Small Cities Development Program. For more information, refer to [Minnesota Housing's website](#) (including the Impact Fund Training section of the [Impact Fund webpage](#)), the Minnesota Homeownership Center's Home Rehab and Repair Matrix, DEED's website, and the U.S. Department of Agriculture's [Minnesota Rural Development Single Family Housing Contacts](#).

The Administrator, or a Processing Entity, must:

- Review each Homeowner Household's basic eligibility for those other programs listed in the preceding paragraph ~~which offer financing at more generous terms than is available with Impact Fund Dollars~~;
- Refer the Homeowner Household to programs offering financing at more-generous terms for which it appears to be eligible;

- Provide Homeowner Households with the opportunity to access those programs before providing a loan for Owner-Occupied Rehabilitation; and
- Document each review and referral in the Household/Borrower file.

The Administrator or a Processing Entity must also, prior to providing a loan for Owner-Occupied Rehabilitation, review each Homeowner Household's basic eligibility for and ability to repay a loan under the Minnesota Housing Fix Up Loan Program or Community Fix Up Loan Program according to a fair, reasonable, and consistent standard and either:

- Offer the Homeowner Household a loan under the Fix Up Loan Program or Community Fix Up Loan Program if the Administrator or Processing Entity is a participating Fix Up Loan Program lender, or refer the Homeowner Household to a participating Fix Up Loan Program lender for a loan under the Fix Up Loan Program or Community Fix Up Loan Program; or,
- Document the Homeowner Household's ineligibility for or inability to repay a loan under the Fix Up Loan Program or Community Fix Up Loan Program.

4.06 Affordability Gap

(See [Minimum Required Documents Checklist, available on the Impact Fund Partner Portal, Appendix C](#) for minimum documentation requirements.)

Funds awarded for Affordability Gap [Financing](#) must be used by the Administrator for one or more of the following specific uses, as approved by Minnesota Housing:

- The minimum downpayment amount required by a Homebuyer Household's first mortgage;
- A Homebuyer Household's settlement charges;
- Additional downpayment required for a Homebuyer Household to qualify for the first mortgage;
- Long-term (30+ years) subsidy tied to real Property;
 - [Note that Homebuyer Household settlement charges are not eligible expenses for Affordability Gap Financing when used for long-term \(30+ years\) subsidy tied to real Property.](#)
- Other Affordability Gap assistance to a Homebuyer Household as approved by Minnesota Housing.

If required by HUD, Administrators that provide secondary financing, including but not limited to Affordability Gap Financing, to a Homebuyer Household also receiving a [Federal Housing Administration](#) (FHA)-insured first mortgage must be approved by HUD and listed on HUD's Nonprofit Organization Roster.

4.07 Grant Funding to Schools

(See Minimum Required Documents Checklist, available on the Impact Fund Partner Portal, Appendix C for minimum documentation requirements.)

Funds awarded to an ~~eligible School entity~~ ~~Administrator~~ for costs related to a School's construction of Qualified Dwelling Units will be as a grant ~~of less than \$100,000~~ and must be used by the Administrator for one or more of the following specific eligible usages:

- Building materials to be used for construction of the Qualified Dwelling Unit;
- Construction tools;
- Subcontractors and professional labor; and/or
- Other costs related to home construction as approved by Minnesota Housing.

Funds awarded to an Administrator for costs related to a School's construction of Qualified Dwelling Units may not be used for any of the following usages:

- Staff costs including salary, hourly pay, or benefits;
- Insurance related to construction of Qualified Dwelling Unit;
- Heavy equipment costs including purchase or rental;
- Soft costs including a Developer or Administration Fee;
- Any costs not directly related to the construction of the Qualified Dwelling Unit; and/or
- Other costs that Minnesota Housing deems ineligible.

Use of Grant Funding to Schools must result in the creation of a Qualified Dwelling Unit and must be used for the training of students in the construction trades.

The Qualified Dwelling Unit must be initially owned and occupied by an eligible Owner-Occupant ~~Household~~.

An Administrator may contract with another entity or individual to develop and construct Qualified Dwelling Units. The contracted entity may initially hold title to the Qualified Dwelling Unit and lead the construction of the Qualified Dwelling Unit, but the Administrator is solely responsible for ensuring compliance with all terms and conditions set forth in this Procedural Manual.

Green Communities Criteria

Qualified Dwelling Units that receive Funds under 5.07 are exempt from Green Communities Criteria.

Inspections

The Administrator must ensure regular inspections of the Qualified Dwelling Unit during construction to ensure the work meets all applicable industry and safety standards. The Administrator may conduct

these inspections or contract with a licensed entity to conduct the inspections. Proof of inspections should be kept by the Administrator and provided to Minnesota Housing upon request.

Homebuyer Education and Counseling

The Owner-Occupant must complete a homeownership education counseling and training program prior to acquiring the Qualified Dwelling Unit. The Administrator is responsible for submitting proof of completion of the homeownership education counseling and training program to Minnesota Housing ~~prior to grant close-out~~ upon request.

Conflict With Other Sections in Manual

Should there be a conflict in terms and conditions between the requirements for Administrators receiving Funds under this Section ~~45~~.07 and other sections of this Manual, the terms, and conditions of this Section ~~45~~.07 shall control.

Chapter 5 – General Administration of Impact Fund Award

(See [Minimum Required Documents Checklist, found on the Impact Fund Partner Portal, Appendix C](#) for minimum documentation requirements.)

5.01 Fund Types

Minnesota Housing will award Impact Fund Dollars to Administrators in the form of:

- An Interim Loan;
- A Deferred Loan;
- Deferred Loan Funds;
- A Bond Proceeds Loan; or
- Grant Funds.

5.02 Escrow Account

The Administrator must promptly deposit Impact Fund Dollars received to an escrow account it has established. Any interest earned on such funds while held in this escrow account may be used by the Administrator for activities eligible under the Impact Fund. The Administrator must maintain a detailed accounting of all of its escrow account(s) and, upon request ~~by Minnesota Housing~~, provide a copy of such accounting to Minnesota Housing. The Administrator may commingle funds it is holding in escrow, provided that it maintains a separate ledger entry for Impact Fund Dollars received under each individual disbursement from Minnesota Housing.

5.03 Prohibition Against Layering Impact Fund Dollars

Administrators must not layer (combine) Impact Fund Dollars under two separate Impact Fund Awards in the same Project unless specifically approved in writing by Minnesota Housing. It is the Administrator's responsibility to review all funding sources in a Project to ensure layering does not occur. Combining Grant Funds, Deferred Loan Funds, and Bond Proceeds from the same Impact Fund Award is not considered ~~ed~~ layering.

Interim Loan funds are exempt from this prohibition against layering.

Impact Fund Dollars may be layered with Grant Funds for Schools under Section ~~45~~.07.

To request a waiver to this prohibition against layering, the Administrator must submit a Change Request form, available on the Impact Fund Partner Portal, to Minnesota Housing for review and approval as soon in the process as possible and allow a reasonable amount of time for Minnesota Housing to review it prior to closing.

~~To request a waiver to this prohibition against layering, the Administrator must submit a written request to layer funds Change Request form, available on the Impact Fund Partner Portal, to Minnesota Housing for review and approval as soon in the process as possible and allow a reasonable amount of time for Minnesota Housing to review it prior to closing. The written waiver request should include:~~

~~A breakdown of Total Development Costs. For example, construction or rehabilitation costs, gap financing needs, and the proposed gap financing sources and amounts; and~~

~~A written narrative that explicitly references each Impact Fund Award proposed to be layered and justifies the layering of funds.~~

5.04 Impact Fund Per-Unit ~~Investment~~Subsidy

If an Administrator seeks to exceed the typical or average per-unit ~~investment subsidy~~ provided for in the Agreement by more than 50 percent, or seeks to exceed the maximum per-unit investment provided for in the Agreement by any amount, the Administrator must obtain prior written approval from Minnesota Housing. To request approval, the Administrator must submit a Change Request form, available on the Impact Fund Partner Portal, to Minnesota Housing as soon in the process as possible and allow a reasonable amount of time for Minnesota Housing to review it prior to closing.

If no typical or average per-unit investment is explicit in the Agreement, the average is to be imputed by dividing the total dollar amount of funds awarded by the number of Projects or units to be completed as stated in the Agreement.

5.05 Eligible Costs

Eligible costs are hard costs and soft costs that are necessary, reasonable, and relate directly to eligible activities and eligible Property or Qualified Dwelling Unit, are part of a Project, and that culminate in the purchase, construction, or rehabilitation of a Qualified Dwelling Unit occupied by an Owner-Occupant. Hard costs are:

- Land and Property acquisition;
- Demolition;
- Removal of existing structures;
- Site preparation;
- Construction or rehabilitation;
- Construction or rehabilitation of private infrastructure directly related to the Qualified Dwelling Unit such as connection to city water and sewer;
- Lead mitigation or abatement; and
- Other costs approved by Minnesota Housing.

Soft costs incurred by the Administrator must be reasonable and necessary, and must directly relate to the financing of acquisition, construction, or rehabilitation of Qualified Dwelling Units. Soft costs are:

- A Developer Fee or an Administration Fee;
- Architectural, engineering, or related professional services required to prepare plans, drawings, specifications, or work write-ups;
- Costs to settle the financing for a Qualified Dwelling Unit, such as:
 - Private lender origination fees;
 - Credit reports;
 - Fees for the title evidence;
 - Fees for recordation and filing of legal documents;
 - Attorney fees;
 - Real estate agent commissions; and
 - Appraisal and independent cost estimate fees;
- Costs of any audit that Minnesota Housing may require with respect to Impact Fund Dollars; and
- Other costs approved by Minnesota Housing.

5.06 Ineligible Costs

Ineligible Costs are:

- Costs reimbursed from another source;
- Reimbursement for the value of donated items such as labor, materials, or property;
- Payment for labor performed by a member of the Household (e.g., homeowner labor);
- Costs not included in Section 56.05, Eligible Costs;
- Profit, overhead, wages, benefits, and other compensation to the Administrator, Processing Entity, or other entity affiliated with the Administrator or Processing Entity outside of a Minnesota Housing approved Administration Fee or Developer Fee, unless such costs have been approved in writing by Minnesota Housing;
- Costs incurred prior to the effective date of the Agreement; and
- Costs not approved by Minnesota Housing.

5.07 Administration Fees

The Administration Fee is an amount Minnesota Housing pays to the Administrator, Processing Entity, and any affiliate of the Administrator or Processing Entity for the making of a grant or a loan to a Household using Impact Fund Dollars.

The Administration Fee must not exceed the actual costs to make a grant or a loan to a Household using Impact Fund Dollars. Such costs are:

- Securing and maintaining the funding source;
- Household education specific to the Deferred Loan or grant;
- Lender identification, communication, and coordination;
- Construction management services for Owner-Occupied Rehabilitation Projects;
- Requesting Impact Fund Dollars from Minnesota Housing;
- Document preparation;
- Tracking and reporting ~~and other costs~~ specific to the Impact Fund Award; and
- Other costs as determined by Minnesota Housing.

Administrators must disclose the Administration Fee in its Application for Funds.

The maximum Administration Fee per loan or grant to a Household is set forth in the Agreement, is:

~~\$1,000 per loan or grant for Administrators who executed Agreements on or after January 1, 2024; or~~

~~\$500 per loan or grant for Administrators who executed Agreements prior to January 1, 2024.~~

~~Administrators may receive an Administration Fee greater than the maximum allowed if preapproved at the sole discretion of Minnesota Housing.~~

Any fee charged to the Household must be disclosed to the Household in advance with a description of the costs the fee covers.

5.08 Developer Fees

Administrators directly involved in ~~and or~~ bearing primary responsibility for the New Construction or Acquisition, Rehabilitation, Resale of a Qualified Dwelling Unit may charge a Developer Fee. This Developer Fee is paid at the time of closing from sale proceeds and must not exceed ~~the lesser of~~ 10 percent of the Project's Total Development Cost (less the Developer Fee), ~~or the Developer Fee stated in the Application for Funds.~~

The Developer Fee is the total cumulative payment accruing to the Administrator, Processing Entity, and any affiliate of the Administrator or Processing Entity for development services performed in a New Construction or Acquisition, Rehabilitation, Resale Project. The Administrator, Processing Entity, and any affiliate of the Administrator or Processing Entity, must earn no additional profit or compensation, nor include costs for wages, benefits, or overhead in the Total Development Cost of a Project, without Minnesota Housing's written consent.

Administrators must not charge a Developer Fee when providing only Affordability Gap Financing or Owner-Occupied Rehabilitation financing to an eligible Household.

~~SEPTEMBER 1, 2024 _____, 2025~~

5.09 Signature Requirements

Minnesota Housing accepts documents that are signed electronically using ~~{e-Signature, as defined in Appendix A}~~. However, eSignatures are not acceptable on any document that needs to be recorded with the county.

Wet signatures are always permitted and under no circumstances may a signer be required to sign by e-Signature. For an e-Signature, the following criteria must be met:

- Must follow Minnesota Housing Electronic Signature policy (see Appendix C: Legal Addendum, Electronic Signatures); and
- Must follow all county, state, and federal laws, as well as counterparty requirements (such as Fannie Mae, Federal Housing Administration, US Bank).

Commented [KS6]: Moved from previous section 7.04-Deferred Loans to broaden applicability

Chapter 6 – Deferred Balloon Loans and Deferred Forgivable Loans

(See [Minimum Required Documents Checklist, available on the Impact Fund Partner Portal, Appendix C](#) for minimum documentation requirements.)

6.01 General

Deferred Balloon Loans

Deferred Loan Funds may be used by the Administrator to:

- Provide Affordability Gap Financing for Homebuyer Households;
- Provide financing for Owner-Occupied Rehabilitation; or
- Support other eligible activities as specified in the Agreement.

Deferred Balloon Loans to Borrowers must be structured as non-amortizing, zero interest loans with a balloon payment due in a lump sum ~~to the Administrator~~ upon the term of the loan. Loans with a balloon payment must be disclosed as such to the Borrower.

Deferred Forgivable Loans

Grant Funds may be used by the Administrator to:

- Provide Affordability Gap Financing for Homebuyer Households;
- Provide financing for Owner-Occupied Rehabilitation; or
- Support other eligible activities as specified in the Agreement.

Deferred Forgivable Loans to Borrowers must be structured as non-amortizing, zero interest loans with a term of forgiveness that removes the Borrower's responsibility to repay the loan balance so long as the Borrower satisfies all terms and conditions of the ~~Impact Fund Loan Agreement~~.

Marketing Terms of Use

~~Administrator must follow Minnesota Housing's Terms of Use for marketing materials and the Agreement requirements for marketing and use of Minnesota Housing's name or logo.~~

Commented [KS7]: Moved this to section 1 and combined with Affirmative Marketing requirements.

6.02 Disbursements

To request funds, the Administrator must submit a Request for Funds form. The Request for Funds form is available on ~~Minnesota Housing's Impact Fund webpage~~ [the Impact Fund Partner Portal](#). [Refer to the Request for Funds form and related instructions for information on disbursement methods and documentation requirements.](#)

Administrators must request Deferred Loan Funds only on a loan-by-loan basis and no sooner than upon the Administrator's or Processing Entity's commitment to lend to a Household on a specified closing date agreed to by the Administrator or Processing Entity and the Household.

Minnesota Housing reserves the right to disburse funds more conservatively and Minnesota Housing may withhold disbursements from current Impact Fund Awards until outstanding Level 3 Monitoring Exceptions quality assurance and compliance findings have been cleared/resolved by Minnesota Housing.

6.03 Loan Documents and Disclosures

The Administrator must originate Deferred Loans for Borrowers in accordance with all applicable laws, rules, and regulations. This includes the laws, rules, and regulations regarding the origination and disclosure of mortgage and consumer loans. Consult with your compliance department or legal counsel for guidance on completing required disclosures.

For each Deferred Loan the Administrator or a Processing Entity originates which is assigned to Minnesota Housing, the Administrator must ensure it has the following:

For loans secured by real property Qualified Dwelling Units:

- Fully executed, valid, and enforceable Impact Fund Loan Note, using the form provided by Minnesota Housing, available on the Impact Fund Partner Portal; and
- Fully executed, valid, and enforceable Impact Fund Mortgage, using the form provided by Minnesota Housing, available on the Impact Fund Partner Portal; and
- Fully executed, valid and enforceable Assignment of Mortgage, using the form provided by Minnesota Housing, available on the Impact Fund Partner Portal~~Impact Fund Partner Portal.~~

The Impact Fund Loan Note is legal evidence of the debt to be repaid. The Impact Fund Loan Note and must be endorsed to Minnesota Housing. All parties whose income must be included when calculating Annualized Gross Income according to Section 2.07 of this Procedural Manual for Deferred Loans must execute the Impact Fund Loan Note.

The Impact Fund Loan Mortgage is the legal document used to secure a loan against a real property Qualified Dwelling Unit. Anyone with an ownership interest in the Qualified Dwelling Unit, including at least one member of the Household, is required to be a party to the Impact Fund Loan Mortgage. The Impact Fund Loan Mortgage must be assigned to Minnesota Housing. The Administrator must ensure that both the Impact Fund Loan Mortgage and the Assignment of Mortgage are properly recorded with the appropriate county recorder or registrar of titles office.

For loans secured by Qualified Dwelling Units taxed as personal property {(Manufactured Homes)}

- Fully executed, valid, and enforceable Impact Fund Manufactured Home Note and Security Agreement, available on the Impact Fund Partner Portal; and
- Fully executed, valid, and enforceable Department of Public Safety - Notification of assignment, release, or grant of secured interest, available on the Impact Fund Partner Portal.

The Impact Fund Manufactured Home Note and Security Agreement is legal evidence of the debt to be repaid. The Impact Fund Manufactured Home Note and Security Agreement and the Department of Public Safety - Notification of assignment, release or grant of secured interest and are the legal documents used to secure a loan against a Qualified Dwelling Unit taxed as personal property.

The Impact Fund Manufactured Home Note and Security Agreement must be endorsed to Minnesota Housing. All parties whose income must be included when calculating Annualized Gross Income according to Section 2.07 of this Procedural Manual for Deferred Loans must execute the Impact Fund Manufactured Home Note and Security Agreement.

The Department of Public Safety - Notification of assignment, release or grant of secured interest must show Minnesota Housing as the secured party. The Administrator must ensure that the completed Notification of Assignment, Release or Grant of Secured Interest is properly filed with the Minnesota Department of Public Safety.

a fully executed, valid, and enforceable Impact Fund Loan Mortgage and Impact Fund Loan Note using the forms provided by Minnesota Housing and available on Minnesota Housing's [Impact Fund webpage](#).

The Impact Fund Loan Mortgage is the legal document used to secure a loan against a Qualified Dwelling Unit. Anyone with an ownership interest in the mortgaged Property or Qualified Dwelling Unit, including at least one member of the Household, is required to be a party to the Impact Fund Loan Mortgage. The Impact Fund Loan Mortgage must be assigned to Minnesota Housing.

The Impact Fund Loan Note is legal evidence of the debt to be repaid. The Impact Fund Loan Note must be endorsed to Minnesota Housing. All parties whose income must be included when calculating Annualized Gross Income according to Section 3.07 of this Procedural Manual must execute the Impact Fund Loan Note.

6.04 E-Signature

Minnesota Housing accepts electronic signatures (eSignatures) on loan documents executed under the Impact Fund Program to the extent Lender complies with all applicable state and federal electronic signature laws, as well as any counterparty requirements (e.g. Fannie Mae, Federal Housing

Administration, US Bank HFA Division). However, eSignatures are not acceptable on any document that needs to be recorded with the county. Under no circumstances may a borrower be required to use electronic signatures.

Commented [KS8]: Moved to Section 5.09

6.05 Manufactured Housing

Manufactured homes taxed as personal property may be eligible Qualified Dwelling Units. Unless explicitly identified in the Agreement, an Administrator that seeks to serve a Household purchasing or rehabilitating a manufactured home taxed as personal property using Deferred Loan Funds must contact Minnesota Housing prior to assisting the Household. Such Projects are approved at the sole discretion of Minnesota Housing. Manufactured homes taxed as real property should be treated like all other Qualified Dwelling Units taxed as real property.

Commented [KS9]: Moved to section 4.01 - Qualified Dwelling Unit

6.066.04 Nationwide Mortgage Licensing System (NMLS) Registration

In compliance with the Secure and Fair Enforcement for Mortgage Licensing S.A.F.E. Act, all Administrators and Processing Entities, including local units of government and non-traditional lenders, must determine which staff members are considered individual mortgage loan originators and must comply with the S.A.F.E. Act and which staff members are exempt from compliance with it.

The Minnesota Department of Commerce requires (pursuant to Minnesota Statute §58A.03 subd.2) all mortgage lenders and entities deemed exempt to register with the Nationwide Mortgage Licensing System & Registry and obtain a unique identifier number.

6.076.05 Repayment

Unless otherwise outlined in the Agreement, ~~Borrower(s) must repay~~ Deferred Loans to Borrowers and assigned to Minnesota Housing must be repaid according to the terms of the Impact Fund Loan, ~~Mortgage and~~ Impact Fund Loan Note, or Impact Fund Manufactured Home Note and Security Agreement.

Deferred Loans made by Minnesota Housing to the Administrator must be repaid according to the terms of the Agreement.

6.086.06 Delivery of Loans to Minnesota Housing

For each Deferred Loan originated and assigned to Minnesota Housing, the Administrator must forward, or cause to be forwarded, to Minnesota Housing the Deferred Loan documentation listed in the Deferred Loan Closing Document Transmittal Instructions and ~~Deferred Loan~~ Transmittal Forms. The documents must be delivered in the same form, order, and timeline prescribed in the Deferred Loan Closing Transmittal Instructions and ~~Deferred Loan~~ Transmittal Forms. The Deferred Loan

Document Closing Instructions and Deferred Loan Transmittal Forms are available on Minnesota Housing's Impact Fund webpage the Impact Fund Partner Portal.

6.096.07 Servicing

Deferred Loans to Borrowers that are assigned to Minnesota Housing will be ~~assigned~~ designated a ~~designated~~ servicer by Minnesota Housing. Deferred Loans to Borrowers that are assigned to Minnesota Housing are typically serviced by AmeriNat, although Minnesota Housing may, at its discretion, designate other servicers. Servicing inquiries, including satisfaction and subordination requests, should be directed to AmeriNat, unless another servicer is designated by Minnesota Housing.

6.106.08 Assumption

Deferred Loans are not assumable.

6.116.09 Hardship Policy

Minnesota Housing has in place a hardship policy for its Deferred Loans to Borrowers that allows forgiveness either in part or whole if the Household is experiencing severe financial hardships that prevent full repayment of indebtedness. Please contact Minnesota Housing for more information regarding this policy.

6.10 Processing Entities for Deferred Loans to Borrowers

The Administrator may contract with a Processing Entity to originate Deferred Loans on the Administrator's behalf. The Administrator must follow contracting and bidding requirements set forth in the Agreement and this Procedural Manual. Only the Administrator or a Processing Entity may originate Deferred Loans to Borrowers. The Processing Entity's participation must be approved in writing by Minnesota Housing before that Processing Entity originates Deferred Loans. The Administrator must have a written contractual relationship with the Processing Entity. The Administrator, however, retains sole responsibility for any default under the Agreement, including defaults caused by a Processing Entity.

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Chapter 7 – Housing Infrastructure Bond Proceeds Loans

(See [Minimum Required Documents Checklist, found on the Impact Fund Partner Portal, Appendix C](#) for minimum documentation requirements.)

7.01 General

Minnesota Housing may issue its State Appropriation Bonds (Housing Infrastructure) and use Bond Proceeds to make Bond Proceeds Loans to Administrators to finance ~~the costs related to acquisition, construction or rehabilitation of the Qualified Dwelling Units including, the following purposes:~~

- ~~Value Gap Financing:~~ Construction, ~~or acquisition,~~ rehabilitation, ~~and adaptive reuse~~ costs up to the amount of the Value Gap for the Qualified Dwelling Unit;
- ~~Community Land Trust Acquisition of Land:~~ For Community Land Trusts, the actual costs of the acquisition of Land, demolition and site clearing, and Utility Connections related to land owned by or to be owned by a Community Land Trust;
- ~~For non-Community Land Trusts, the acquisition of Land, demolition and site clearing, and Utility Connections up to the amount of the Value Gap for the Qualified Dwelling Unit; and~~
- Owner-Occupied Rehabilitation.

Any demolition, site clearing, or Utility Connections financed by a Bond Proceeds Loan to an Administrator must be completed prior to conveyance of the Qualified Dwelling Unit to an Owner-Occupant.

7.02 Properties Eligible to be Financed with Bond Proceeds Loans

If any costs are to be reimbursed with Bond Proceeds Loan funds related to a Project, those costs related to the associated Property or Qualified Dwelling Unit must have been incurred no earlier than the date specified on the *Certificate of Administrator as to Expenditure of Bond Proceeds* provided by Minnesota Housing.

7.03 Additional Documentation Required

Files for Projects receiving a Bond Proceeds Loan must, at minimum, contain the documents ~~and meet the requirements referenced in the following, all available on the Impact Fund Partner Portal: Appendix C to this Procedural Manual.~~

- ~~Minimum Required Documents Checklist;~~
- ~~Applicable Bond Certificate; and~~
- ~~Request for Funds Form.~~

~~The Request for Funds form and Bond Certificate outline additional documentation requirements and instructions.~~

In addition, within 14 days of the sale of a Property or Qualified Dwelling Unit funded in whole or in part by a Bond Proceeds Loan, the Administrator must provide Minnesota Housing the documentation stated below for the applicable uses:

Land Acquisition, Demolition and Utility Connections for Community Land Trusts

- A certificate identifying the amount of the Bond Proceeds Loan applied to a Project and the costs of any eligible acquisition of Land, site clearing, demolition and Utility Connections for the Project. The *Certificate of Administrator as to Expenditure of Bond Proceeds* is the required form to be used for this purpose. This *Certificate of Administrator as to Expenditure of Bond Proceeds* must be executed by an officer of the Administrator responsible for its financial management or reporting;
- The market value of the real Property relating to the Project (evidenced by a current appraisal accompanying the *Certificate of Administrator as to Expenditure of Bond Proceeds*); and
- The Household Demographic Project Information Form.

Value Gap

- A certificate identifying the amount of the Bond Proceeds Loan applied to a Project and the eligible development costs for the Project. The *Certificate of Administrator as to Expenditure of Bond Proceeds* is the required form to be used for this purpose. This *Certificate of Administrator as to Expenditure of Bond Proceeds* must be executed by an officer of the Administrator responsible for its financial management or reporting;
- Documentation of development cost(s) that include the following:
 - Evidence that the cost(s) is directly related to the identified Property (e.g., purchase agreement for the home or lot, receipt or invoice with the address of the property); and
 - Evidence that the amount of the cost(s) is more than or equal to the requested bond proceeds disbursement.
- The Household Demographic Project Information Form.

Owner-Occupied Rehabilitation

- A certificate identifying the amount of the Bond Proceeds Loan applied to a Project and the costs of any eligible owner-occupied rehabilitation for the Project. The *Certificate of Administrator as to Expenditure of Bond Proceeds* is the required form to be used for this purpose. This *Certificate of Administrator as to Expenditure of Bond Proceeds* must be executed by an officer of the Administrator responsible for its financial management or reporting;
- Documentation of rehabilitation cost(s) that include the following:

- ~~○ Evidence that the cost(s) is directly related to the identified Qualified Dwelling Unit (e.g., receipt or invoice with the address of the property); and~~
- ~~○ Evidence that the amount of the cost(s) is more than or equal to the requested bond proceeds disbursement.~~
- ~~The Household Demographic Project Information Form.~~

7.04 Disbursement of Bond Proceeds Loans

To request disbursements of Bond Proceeds Loans, the Administrator must submit a Request for Funds form, Bond Certificate, and the documentation required under Section 7.03 of this Procedural Manual. The Request for Funds form and Bond Certificate are available on Minnesota Housing's Impact Fund webpage ~~the Impact Fund Partner Portal~~.

~~Minnesota Housing may disburse Bond Proceeds to the Administrator to fund a Bond Proceeds Loan as follows:~~

- ~~● Up to one-third of the total award of Bond Proceeds Loan is available in the first disbursement upon Administrator's request and at the discretion of Minnesota Housing.~~

~~When the Administrator has demonstrated significant progress, Minnesota Housing, at its discretion, will make further disbursements to the Administrator upon receipt of additional Request for Funds forms.~~

Minnesota Housing reserves the right to disburse funds more conservatively and may withhold disbursements until ~~outstanding Level 3 Monitoring Exceptions~~ quality assurance and compliance findings have been ~~cleared~~ resolved by Minnesota Housing.

7.05 Repayment of Bond Proceeds Loans

The Administrator must repay Bond Proceeds Loans upon the occurrence of events, and at the times, set forth in the Agreement.

Chapter 8 – Grant Funds

(See [Minimum Required Documents Checklist, available on the Impact Fund Partner Portal, Appendix C](#) for minimum documentation requirements.)

8.01 General

Grant Funds may be used by the Administrator to:

- Provide ~~funding for~~ Value Gap ~~Financing financing~~;
- ~~Provide funding for Affordability Gap~~; ~~Provide funding for Affordability Gap Financing for Homebuyer Households~~;
- Pay for eligible costs under Section ~~45~~.07, Grant Funding to Schools; or
- Finance other eligible activities, as approved by Minnesota Housing, that preserve long term affordability or for which repayment is economically infeasible.

8.02 Disbursement ~~of Grant Funds~~

To request funds, the Administrator must submit a Request for Funds form. ~~The Request for Funds form is available on Minnesota Housing's Impact Fund webpage~~, [available on the Impact Fund Partner Portal](#).

Minnesota Housing may disburse Grant Funds to the Administrator as follows:

Value Gap Financing and Grant Funding ~~To Schools~~:

- Up to one-third of the total award of Grant Funds is available in the first disbursement upon Administrator's request and at the discretion of Minnesota Housing.
- When the Administrator has demonstrated significant progress, Minnesota Housing, at its discretion, will make further disbursements to the Administrator upon receipt of additional Request for Funds forms.

Affordability Gap and Owner-Occupied Rehabilitation:

- ~~On a loan transaction-by-loan transaction basis, no sooner than upon the Administrator's or Processing Entity's commitment to lend to a Household on a specified closing date agreed to by the Administrator or Processing Entity and the Household.~~

Minnesota Housing reserves the right to disburse funds more conservatively and may withhold disbursements until quality assurance and compliance findings have been resolved by Minnesota Housing.

~~Minnesota Housing reserves the right to disburse funds more conservatively and may withhold disbursements until outstanding Level 3 Monitoring Exceptions quality assurance and compliance findings have been cleared resolved by Minnesota Housing.~~

8.03 Repayment of Grant Funds

Repayment conditions are specified in the Agreement.

Chapter 9 – Interim Loans

(See Minimum Required Documents Checklist, available on the Impact Fund Partner Portal, Appendix C for minimum documentation requirements.)

9.01 General

Minnesota Housing may provide an Interim Loan to an Administrator to acquire, rehabilitate, demolish, and construct Qualified Dwelling Units. Whether, and at what rate, an Interim Loan bears interest is outlined in the Agreement.

If an Interim Loan ~~is interest bearing~~ bears interest, interest will accrue from the date of disbursement to the date of repayment.

9.02 Disbursement of Interim sLoans

To request funds, the Administrator must submit a Request for Funds form and documentation of the acquisition, demolition, or start of construction of the Projects for which it is requesting funds. The Request for Funds form is available on ~~Minnesota Housing's Impact Fund webpage~~ the Impact Fund Partner Portal.

Minnesota Housing ~~reserves the right to disburse funds more conservatively and~~ may withhold disbursements until ~~outstanding Level 3 Monitoring Exceptions~~ quality assurance and compliance findings have been ~~cleared~~ resolved by Minnesota Housing.

9.03 Repayment of Interim Loans

The term of an Interim Loan is ~~20 months unless otherwise specified in the Agreement~~ set forth in the Agreement.

Interim Loan funds and interest accrued must be repaid on or before the repayment date or termination of availability date noted in the Agreement. Specific repayment requirements are detailed in the Agreement. Contact Minnesota Housing with any questions about repayment procedure and amounts due.

9.04 Assumption

Interim Loans are not assumable.

Chapter 10 – Records Retention and Reporting

10.01 Records Retention

Administrators must maintain copies of all books, records, Project files, documents, and accounting procedures related to the Agreement during the term of the Agreement and for a minimum of six years after the termination or expiration of the Agreement. These documents are subject to examination by Minnesota Housing, the State of Minnesota, the State Auditor, and the Legislative Auditor.

10.02 Reporting Individual Household Demographic and Project Information

Administrators must submit a Household Demographic Project Information form to Minnesota Housing for each Project either upon Project completion as described in this Section 10.02, or when:

- All eligible activities to be performed on a Project have been performed in accordance with the Agreement;
- The Qualified Dwelling Unit has been conveyed to or is occupied by an Owner-Occupant; and
- If the Project is supported by Deferred Loan Funds, all necessary Deferred Loan documents have been executed and, where required, submitted for recording.

The Household Demographic Project Information Form template is available on [Minnesota Housing's Impact Fund webpage](#), the Impact Fund Partner Portal.

Project Completion by Activity Type

A Project is considered complete for each activity type when the requirements below are met.

- New Construction: A New Construction Project is complete when construction has been completed, the Qualified Dwelling Unit has been conveyed to or is occupied by an Owner-Occupant, and all Deferred Loan documents, if applicable, have been executed, recorded, and submitted to Minnesota Housing as required per Section 67.08 of this Procedural Manual.
- Acquisition, Rehabilitation, Resale: An Acquisition, Rehabilitation, Resale Project is complete when rehabilitation and any construction has been completed, the Qualified Dwelling Unit has been conveyed to or is occupied by an Owner-Occupant, and all Deferred Loan documents, if applicable, have been executed, recorded, and submitted to Minnesota Housing as required per Section 67.08 of this Procedural Manual.
- Owner-Occupied Rehabilitation: An Owner-Occupied Rehabilitation Project, except for a Community Fix Up Loan Program interest rate write-down Project, is complete once any loan closing and all rehabilitation has been completed, and all Deferred Loan documents, if applicable, have been executed, recorded, and submitted to Minnesota Housing as required per Section 67.08 of this Procedural Manual.

- Community Fix Up Loan Program Interest Rate Write-Down: A Community Fix Up Loan Program interest rate write-down Project is complete when the loan closing is complete and all necessary documents have been recorded and delivered to Minnesota Housing and the servicer, as designated under the [Fix Up Loan Program](#).
- Affordability Gap: An Affordability Gap Project is complete when the Affordability Gap Financing has been expended, the Qualified Dwelling Unit has been conveyed to or is occupied by an Owner-Occupant, and all Deferred Loan documents, if applicable, have been executed, recorded, and submitted to Minnesota Housing as required per Section ~~67~~.08 of this Procedural Manual.
- Grant Funding to Schools: A Grant Funding to Schools Project is complete when construction has been completed, the Qualified Dwelling Unit has been conveyed to or is occupied by an Owner-Occupant, and all Deferred Loan documents, if applicable, have been executed, recorded, and submitted to Minnesota Housing as required per Section ~~67~~.08 of this Procedural Manual.

10.03 Annual Reporting

Administrators must provide an annual report known as the [Impact Fund Annual Report/Final Close Out Report](#) for each open Impact Fund Award. The format for this report is available on [the Impact Fund Partner Portal](#)~~Minnesota Housing's Impact Fund webpage~~.

10.04 Close Out Reporting

Administrators must submit an updated [Impact Fund Annual Report/Final Close out Report](#) when an Impact Fund Award is ~~expired or~~ completed. An Impact Fund Award is complete when:

- All Impact Fund Dollars have been expended in accordance with the Agreement, or returned to Minnesota Housing;
- All Projects have been completed as described in Section ~~104~~.02 of this Procedural Manual; and
- All completed Projects have been reported to Minnesota Housing via Household Demographic Project Information forms as described in Section ~~104~~.02 of this Procedural Manual, or via another format approved by Minnesota Housing.

Appendix A: Definitions

TERM	DEFINITION
Accommodation Party	Anyone with an ownership interest in an eligible Property or Qualified Dwelling Unit that is not a Borrower. Examples include but are not limited to a non-borrowing relative, spouse, or heir in title to an eligible Property or Qualified Dwelling Unit, or a seller of a contract-for-deed to an Owner-Occupant Household.
Acquisition, Rehabilitation, Resale	The eligible activity of acquiring, rehabilitating and re-selling a Property or Qualified Dwelling Unit to a Homebuyer Household, Eligible Acquisition, Rehabilitation, Resale activity as described in Chapter <u>Section 54.04</u> of this Procedural Manual.
Administrator	The entity with which Minnesota Housing has a contractual relationship to administer Impact Fund Dollars, including the entity identified as a “Grantee” in a g <u>Grant c</u> Contract <u>a</u> Agreement , and any successors or assignees approved in writing by Minnesota Housing. Eligible Administrators include cities, housing and redevelopment authorities, joint powers boards established by two or more cities, federally recognized American Indian T <u>ri</u> bes or subdivisions located in Minnesota, T <u>ri</u> bal housing corporations, non-profit organizations, Private Developers, Public Housing Agencies, and Schools.
Administration Fee	The total cumulative payment accruing to the Administrator, Processing Entity and any affiliate of the Administrator or Processing Entity for services performed in an Owner-Occupied Rehabilitation or stand-alone Affordability Gap Project, as described in Section 6.07 of this Procedural Manual. The cumulative amount Minnesota Housing pays to the Administrator, Processing Entity and any affiliate of the Administrator or Processing Entity for the making of a grant or a loan for affordability gap or owner-occupied rehabilitation to a Household using Impact Fund Dollars, as described in Section 5.07 of this Procedural Manual.
Affordability Gap	Subject to Section 4.06, Affordability Gap is t <u>The difference between the total cost of acquiring the Property, generally determined by the Fair Market Sales Price of the Property</u> purchase price for the Property or Qualified Dwelling Unit, agreed to by the Homebuyer Household and the seller, plus buyer paid closing costs, and the amount of the first

TERM	DEFINITION
	mortgage loan for which the Owner-Occupant <u>Homebuyer Household</u> qualifies based on industry standard, prudent underwriting practice. Purchase price + buyer paid closing costs – qualified first mortgage = <u>Affordability Gap</u> <u>In the case of long-term (30+ years) subsidy, see instructions in Section 4.06.</u> <u>When the Administrator is the seller or has a vested interest in or affiliation with the entity selling the Property or Qualified Dwelling Unit, the asking price of the Property must be supported by an independent, third-party appraisal that complies with the Uniform Standards of Professional Appraisal Practice (USPAP).</u> <u>The final purchase price must be within 10% of the appraised value. If the final purchase price is not within 10% of appraised value, Minnesota Housing must be contacted prior to closing for further guidance.</u>
Affordability Gap Financing	A Deferred Loan or Grant Funds used, in amounts not exceeding the Affordability Gap, to assist a Household in the acquisition of a Property <u>or Qualified Dwelling Unit.</u>
Affordable to the Local Work Force	The amount of housing payments made by the occupants of housing funded under the Economic Development and Housing Challenge Fund is affordable based on the wages of jobs being created or retained in the local area, the fastest growing jobs in the local area, the jobs with the most openings in the local area, or the wages of the workforce employed by organizations making contributions under the Economic Development and Housing Challenge Fund. Housing payments are affordable if they do not exceed 30 percent of the wages being paid in the local area as the wages are described in the application for Economic Development and Housing Challenge Fund funding.
Agreement	A Fund Availability, Disbursement and Loan/Grant Agreement, a Grant Contract, or a Loan Contract. <u>A legally binding contract agreement between Minnesota Housing and an Administrator that governs the terms for providing and using Impact Fund Dollars to perform eligible activities. The Agreement may be amended or supplemented in writing in accordance with its terms.</u>

TERM	DEFINITION
American Indian Household	A Household containing at least one person enrolled in a federally recognized T tribe.
Annualized Gross Income	<u>The gross income of a household calculated on an annual basis using the Income Eligibility Worksheet provided on the Impact Fund Partner Portal. Gross monthly income multiplied by 12. (See Chapter 3 of this Procedural Manual.)</u>
Application for Funds	The application for funds prepared by an Administrator and submitted in response to the Single Family RFP as accepted in writing or electronically by Minnesota Housing including any conditions, restrictions or limitations contained in the Agreement.
<u>Bond Certificate</u>	<u>A Certificate of Administrator as to Expenditure of Bond Proceeds or similar form that verifies Bond Proceeds have been properly used for eligible activities.</u>
Bond Proceeds	Proceeds of Minnesota Housing's State Appropriation Bonds (Housing Infrastructure) that are disbursed by Minnesota Housing to the Administrator as a deferred, 0 zero percent interest loan for the acquisition, construction, and rehabilitation of Qualified Dwelling Units; and for the acquisition of Land and demolition and Utility Connections related to Land owned by or to be owned by a Community Land Trust.
Bond Proceeds Loan	A deferred, 0 zero percent interest loan made by Minnesota Housing to the Administrator from Bond Proceeds for the purposes set forth in the Agreement.
Borrower	A person who is obligated to repay a Deferred Loan, typically under an Impact Fund Loan Note, and is a member of a Household.
Co-Signer	A person who is obligated to repay the underlying mortgage loan (signer of the mortgage note) but who is not in title to the subject Property or Qualified Dwelling Unit and has not signed the mortgage deed.
Community Land Trust	<u>A city or a nonprofit corporation organized under Minnesota Statutes chapter 317A that complies with Minnesota Statutes section 462A.31 and that qualifies for tax exempt status under United States Code, title 26, section 501(c)(3), and that meets all other criteria for community land trusts set by the agency.</u> A private, non-profit organization that is designated a Section 501 (c) (3) tax-exempt organization and that is

TERM	DEFINITION
	authorized to acquire Land to be leased for owner-occupied single-family housing for low and moderate income persons or families and that meets the criteria set forth in Chapter 3 of this Procedural Manual.
<u>Community Revitalization V. Program</u>	Minnesota Housing's Community Revitalization Program, now known as <u>Previous name of</u> the Community Homeownership Impact Fund Program.
Deferred Balloon Loan	A Deferred Loan structured as a non-amortizing, zero interest loan with a balloon payment due in a lump sum to the Administrator upon the term of the loan. A Deferred Loan with a balloon payment must be disclosed as such to the Borrower.
Deferred Forgivable Loan	A Deferred Loan structured as a non-amortizing, zero interest loan with a term of forgiveness that removes the Borrower's responsibility to repay the loan balance so long as the Borrower satisfies all terms and conditions of the security instruments.
Deferred Loan(s)	A non-amortizing, zero interest deferred loan funded by Impact Fund Dollars that is made to a Household or to an Administrator that must be repaid to the extent provided in the Agreement and Chapter 67 of this Procedural Manual.
Deferred Loan Funds	Funds reserved by Minnesota Housing for use by the Administrator to provide Deferred Loans to Households for Affordability Gap Financing or Owner-Occupied Rehabilitation.
Developer Fee	The total cumulative payment accruing to the Administrator, Processing Entity and any affiliate of the Administrator or Processing Entity for development services performed in a New Construction or Acquisition, Rehabilitation, Resale Project.
<u>e-Signature</u>	<u>An "electronic signature" which means an electronic sound, symbol, or process attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record. An e-signature is electronically affixed to an electronic document using an approved software program which authenticates identity, day, and time of affix (such as, but not limited to, DocuSign or Adobe Sign) and will provide a certificate of authenticity. Subject to the</u>

TERM	DEFINITION
	<u>terms of Section 5.09 above, an e-Signature can replace a wet signature, which is a signature affixed manually with pen on paper.</u> <u>An e-Signature is different than a digital signature, which is digitally affixed to an electronic document not using e-signature software and includes a time stamp and IP address, but not a certificate of authenticity.</u> <u>An e-Signature is also different than a signature stamp, which can be typed into or on a document, a copy and paste of an image of a signature, a jpeg, or the use of /s/ as a signature, checking a box or typing one's initials.</u>
Fair Market Sales Price	The market value of a Property as determined in an appraisal as completed by a licensed, qualified, third party appraiser at the time of sale to the Homebuyer Household, in accordance with the Uniform Standards of Professional Appraisal Practice.
Fund Availability, Disbursement and Loan/Grant Agreement	A legal contract executed between Minnesota Housing and an Administrator and that may be amended or supplemented in writing according to its terms.
Grant Funds	Funds awarded by Minnesota Housing to an Administrator in accordance with the Agreement.
Grant Contract	A legal contract executed between Minnesota Housing and an Administrator providing Impact Fund Dollars in the form of a grant.
Green Communities Criteria	The Enterprise Green Communities criteria as modified by Minnesota Housing's Minnesota Overlay and Guide to the Enterprise Green Communities Criteria, <u>available on the Impact Fund Partner Portal.</u>
Homebuyer Household	A type of Household that is eligible to purchase a Property or Qualified Dwelling Unit and benefits from the use of an Impact Fund Award in the New Construction or the Acquisition, Rehabilitation, Resale of a Qualified Dwelling Unit, and/or Affordability Gap Financing to acquire a Property or Qualified Dwelling Unit.
Homeowner Household	A type of Household eligible to use Impact Fund Dollars for the rehabilitation of a Qualified Dwelling Unit in which the Household has an ownership interest and that occupies the subject Property or Qualified Dwelling Unit as its Principal Residence.

TERM	DEFINITION
Household	A Homebuyer Household or Homeowner Household.
Housing Ratio	The proportion of a Household's monthly gross income (Annualized Gross Income divided by 12) necessary to pay monthly Property expenses, which are: monthly first-mortgage principal and interest charges, subordinate mortgage principal and interest charges, Property taxes, hazard insurance, mortgage insurance, homeowners' association fees, land trust ground lease fees, and manufactured home park lot rent.
HQS	U.S. Department of Housing and Urban Development Housing Quality Standards.
HUD	The U.S. Department of Housing and Urban Development.
Impact Fund	Minnesota Housing's Community Homeownership Impact Fund Program.
Impact Fund Award	Impact Fund Dollars awarded to an Administrator by Minnesota Housing for a specific purpose and governed by a Fund Availability, Disbursement and Loan/Grant Agreement, Grant Contract, or Loan Contract, or some combination of those. <u>n Agreement.</u>
Impact Fund Award Identification (ID) Number	The identifier assigned to an Administrator's Impact Fund Award and listed on an Agreement, and which should be used on forms and correspondence with Minnesota Housing.
Impact Fund Dollars	The aggregate funds that Minnesota Housing reserves and makes available to the Administrator for eligible activities under one or more Agreements.
<u>Impact Fund Loan Mortgage</u>	<u>The form provided by Minnesota Housing used to secure a loan against a real property Qualified Dwelling Unit. Template is provided on the Impact Fund Partner Portal.</u>
Impact Fund Loan Note	The legal document that is evidence of the Deferred Loan to be repaid. The applicable template is available on the Impact Fund webpage.
<u>Impact Fund Manufactured Home</u>	<u>The form provided by Minnesota Housing that is evidence of the Deferred Loan to be repaid and the legal document used to secure a</u>

TERM	DEFINITION
<u>Note and Security Agreement</u>	<u>loan against a Qualified Dwelling Unit taxed as personal property. Template is provided on the Impact Fund Partner Portal.</u>
<u>Impact Fund Partner Portal</u>	<u>An online resource provided by Minnesota Housing for Administrators with Impact Fund forms and information: https://partners.mnhousing.gov/community-initiatives-programs/impact-fund.html</u>
Indian Housing Set-Aside Funds	The Economic Development Housing Challenge set-aside funding awarded under the Impact Fund to an Administrator to exclusively serve American Indian Households by conducting eligible activities under the Agreement.
Interim Loan	A short-term loan made to an Administrator to assist with acquiring, demolishing, rehabilitating, or constructing homes for Owner-Occupants.
Land	The real property upon which Qualified Dwelling Units are located or are to be constructed.
Level 3 Monitoring Exception	A monitoring finding that is a critical exception and requires a response by the Administrator. Level 3 findings are usually violations of published program guidelines and may significantly increase the overall risk to the program/project. A Level 3 finding is the only type of monitoring exception that requires a response.
Lien Waiver	A legal document that is executed by a contractor, subcontractors and material suppliers under which they relinquish any right they may have to place a lien on the Property for work performed or materials supplied.
Loan Contract	A legal contract executed between Minnesota Housing and an Administrator providing Impact Fund Dollars in the form of Deferred Loan Funds, a deferred loan funded by Bond Proceeds, or an Interim Loan.
New Construction	<u>The eEligible New Construction activity of constructing and selling a new Property or Qualified Dwelling Unit to a Homebuyer Household, as described in Chapter 5Section 4.03 of this Procedural Manual.</u>
Owner-Occupant	A Household whose income does not exceed the Impact Fund Eligibility Income as described in Section <u>23.07</u> of this Procedural Manual and who

TERM	DEFINITION
	owns the <u>Property or</u> Qualified Dwelling Unit and uses it as its Principal Residence. A Household that has purchased a <u>Property or</u> Qualified Dwelling Unit subject to a contract-for-deed is considered an Owner-Occupant.
Owner-Occupied Rehabilitation	Eligible The eligible Owner-Occupied Rehabilitation activity of rehabilitating a Property or Qualified Dwelling unit owned by an Owner-Occupant, as described in Chapter Section 54.05 of this Procedural Manual.
Plans and Specifications	Documents including drawings, diagrams or sketches that describe the work to be done, as well as all measurements and construction details and a detailed list of the products and materials.
Principal Residence	The Property or Qualified Dwelling Unit which the Household regularly occupies as its main dwelling place for at least nine months of the year.
Private Developer	An individual or a for-profit nongovernmental entity, including a cooperative housing corporation as defined in Minnesota Rule 4900.0010, subpart 8, and a limited dividend entity as defined in part Minnesota Rule 4900.0010, subpart 14.
Processing Entity	An entity that has a contractual relationship with an Administrator and has been approved by Minnesota Housing to conduct eligible activities under the Impact Fund.
Procedural Manual	This Community Homeownership Impact Fund Program Procedural Manual.
Project	The housing development activity associated with a Property or Qualified Dwelling Unit. The housing development activity is the approved activity carried out in accordance with the Agreement.
Property	The Land and the Qualified Dwelling Unit(s) situated thereon.
Public Housing Agency	Any state, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) that is authorized to engage or assist in the development or operation of low-income housing.
Qualified Dwelling Unit	A structure consisting of one-to-four units, a condominium, or a townhouse that is or will be occupied by the Homeowner Household or Homebuyer Household as its Principal Residence and that is located on

TERM	DEFINITION
	or will be constructed on Land and is part of a Project <u>and is described in Section 3.01.</u>
Single Family Request for Proposal (RFP)	The process by which the Single Family Division of Minnesota Housing solicits Administrator Applications for Funding under the Impact Fund.
School	A public K-12 school district; a cooperative educational unit, as defined in Minnesota Statutes §123A.24, §Subd. 1 <u>§123A.24, §Subd. 2</u> ; or a charter school; a contract alternative school; a Tribal contract school; or a nonprofit organization contracted by one of the preceding entities may receive funding in accordance with Minnesota Statutes §462A.33, §Subd. 1 <u>§462A.33, §Subd. 2</u> receiving public funds. Individual schools other than charter schools <u>those listed above, such as technical schools, colleges, universities, or institutions providing higher education, are not eligible Schools under this definition.</u>
Scope of Work	A detailed outline of the necessary rehabilitation work to be completed on the Project.
Sworn Construction Statement	A sworn statement of fact made by a general contractor that lists all of the work to be performed on a Qualified Dwelling Unit, the subcontractors who will perform the listed work, material suppliers who will supply materials for the listed work, and the cost of each individual item of work and item of material that will be supplied.
Total Development Cost	The total eligible costs to develop a <u>The total eligible costs for the construction, acquisition, rehabilitation, and adaptive reuse of Property or Qualified Dwelling Unit. Eligible costs are described in Section 5.05, and ineligible costs are described in section 5.06.</u> <u>Certain pre-development costs incurred prior to the effective date of the Agreement may be included in the Total Development Cost calculation, if they are agreed to in writing by Minnesota Housing. These pre-development costs are not eligible for reimbursement but can be used into calculate the maximum Value Gap calculation.</u> Total eligible costs of a Project as described in Section 6.05 of this Procedural Manual.
Tribal Indian Housing Program	Minnesota Housing's Tribal Indian Housing Program <u>described in Minnesota Statutes Section 462A.07, subd. 14.</u>

TERM	DEFINITION
Tribal Land	Any Land owned or governed by a federally recognized I tribe.
Underserved Populations	Households of color or Hispanic ethnicity, single heads of Households with minor children, and Households with a disabled member(s).
Utility Connections	Connections on the Land from utilities in the street or alley to a Qualified Dwelling Unit, limited to the following: • Connection of gas supply to a Qualified Dwelling Unit's gas service regulator. • Connection of utility electrical supply to the electricity meter at a Qualified Dwelling Unit. • Connection of municipal water supply to a water meter located inside a Qualified Dwelling Unit. • Connection of sanitary sewer to the Qualified Dwelling Unit (i.e., construction or replacement of the house sewer between the • sewer and the building drain). The waste stacks within the walls of a Qualified Dwelling Unit are not included in this definition. • If required by a local municipality: Connection of storm sewer service to the Qualified Dwelling Unit and/or any storm water retention system located on the Property.
Value Gap	The difference between the Total Development Cost of a Project and the <u>purchase price for the Property or Qualified Dwelling Unit, agreed to by the Homebuyer Household.</u> <u>The asking price must be supported by an independent, third-party appraisal that complies with the Uniform Standards of Professional Appraisal Practice (USPAP).</u> <u>The final purchase price must be within 10% of the appraised value. If the final purchase price is not within 10% of appraised value, Minnesota Housing must be contacted prior to closing for further guidance.</u> <u>Total Development Costs – purchase price (within 10% of appraised value) = Value Gap</u> <u>Fair Market Sales Price of the Property.</u>
<u>Value Gap Financing</u>	<u>A Deferred Loan or Grant Funds used, in amounts not exceeding the Value Gap, for eligible costs to assist an Administrator to acquire, construct, and/or rehabilitate a Property or Qualified Dwelling Units and transfer the Qualified Dwelling Unit or Property to a Homebuyer</u>

TERM	DEFINITION
	<u>Household. The amount of Value Gap Financing must be reconciled with supporting documentation of eligible costs.</u>

|

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SEPTEMBER 1, 2024_____, 2025

Appendix B: Forms ~~List~~

All forms provided for use with the Impact Fund Program are available on the Impact Fund Partner Portal. All forms identified as required in the Minimum Required Documents Checklist must be used to remain in compliance with this Procedural Manual.

Failure to use required forms may result in delayed or denied disbursements or the return of disbursed funds.

The forms listed below are available on Minnesota Housing's Impact Fund webpage.

Certificate of Administrator as to Expenditure of Bond Proceeds

Extension Request

Household Demographic Project Information Form

Impact Fund Annual Report/Final Close Out Report

Impact Fund Deferred Loan Closing Instructions and Deferred Loan Transmittal Form

Impact Fund (Balloon) Loan Mortgage

Impact Fund (Balloon) Loan Note

Lead-Based Paint Guide

Non-Occupant Spouse Statement

Owner-Occupied Rehabilitation Project Completion Certificate

Request for Funds

Zero Income Statement

Appendix C: Required Program Documentation

Commented [KS11]: Removed and referenced Minimum Required Document Checklist which will be available at implementation of this revised manual.

A. ADMINISTRATOR FILE

Annual/Progress Reports (if applicable)
The Agreement
Application for Funds
Evidence of Minnesota Housing staff approval of Program, Household and/or Property-specific Waiver(s), as applicable.
Request(s) for Funds
General ledger and any sub ledger(s) evidencing all Project revenues, including Impact Fund Dollars received, and Project expenditures

B. HOUSEHOLD/BORROWER FILE

Household Last Name	First Name	Middle Initial
Property Address	City	Impact Fund Award Number
Household's/Borrower's application(s) for assistance (for Owner-Occupied Rehabilitation Projects and Homebuyers receiving Affordability Gap assistance)		
Evidence of Tennessee and data privacy disclosure		
Verification of American Indian tribal affiliation/membership (if applicable)		
Appraisal completed, at the time of sale to the Homebuyer by a licensed, qualified, third party appraiser in accordance with the Uniform Standards of Professional Practice (not required for Owner-Occupied Rehabilitation)		
Assignment of Mortgage to MHFA (if applicable)		
Impact Fund Loan Mortgage and Impact Fund Loan Note (for Borrowers receiving Impact Fund Deferred Loans)		

	Good Faith Estimate & Truth-in-Lending disclosure, a Loan Estimate, or memorandum explaining exemption from disclosure requirements (for Borrowers receiving Impact Fund Deferred Loans)
	Documented method to determine Affordability Gap (for Households receiving Affordability Gap assistance)
	Evidence of eligibility review and referral for other programs/(in)ability to repay a Fix Up loan (for Households receiving Owner-Occupied Rehabilitation loans)
	Borrower's first mortgage Uniform Residential Loan Application (Fannie Mae Form 1003) (for Households receiving Affordability Gap assistance)
	Lender/Owner's title insurance policy (if purchased) or attorney's title opinion
	Income verification, including but not limited to the prior year's federal income tax returns and one month of recent paystubs or nonwage income statements
	Non-Occupant Spouse Statement (if applicable)
	Zero Income Statement (if applicable)
	Annualized Gross Income Worksheet (optional)
	Proof of ownership — copy of deed with recent verification from a recorder's office, Certificate of Title, a title report, or an Owners & Encumbrance Report
	Purchase agreement (if applicable)
	Settlement statement or closing document (HUD-1, HUD-1A, or Closing Disclosure), or memorandum explaining exemption from disclosure requirements
	Notice of Homeowner's Right of rescission (for Households receiving Owner-Occupied Rehabilitation loans)
	Household Demographic Project Information Form
	Land Lease Agreement (if applicable)

C. CONSTRUCTION/PROPERTY FILE

1	New Construction and Acquisition, Rehabilitation, Resale
	Documentation of Project budget (e.g., sources and uses, pro forma) and determination of Value Gap

	Documentation of expenses, payables, receivables and revenues including but not limited to all books, records, bills, invoices, receipts, and statements of account
	Purchase agreements
	Settlement statements
	Appraisal(s) establishing Fair Market Sales Price
	Certificate of Occupancy, certificate of completion, or installation compliance certification
	Evidence of clear predevelopment title (e.g., Title Insurance)
	Final Project Budget/Cost Summary/Sources and Uses document (including documented determination of Value Gap)
	Scope(s) of Work (only for rehabilitation)
	Before and after pictures of rehabilitation work
	Documentation of the bidding and/or purchasing process, including bids/cost estimates for improvements
	Contracts and change orders
	Evidence that no contractor used is debarred or suspended
	Site and Building Plans and Specifications (only for New Construction)
	Survey (only for New Construction)
	Sworn Construction Statement(s)
	Lien waivers corresponding to the Sworn Construction Statement(s)
	Evidence of Foreclosed or Abandoned Property, as required by the Agreement (If using Bond Proceeds awarded in October 2012; see Chapter 7 for specific requirements)
	Housing Infrastructure Bond Proceeds Certificate, if applicable (See Chapter 7 for details)
2	Green Communities Compliance
	Minnesota Housing approved Green Communities Criteria Waivers (if applicable)
	Pre-construction:

	Intended Methods Worksheet
	Acquisition, Rehabilitation, Resale: Energy Audit and Energy Efficiency Improvement Plan or HERS rater energy model
	Acquisition, Rehabilitation, Resale: Post-renovation energy auditor inspection report or HERS rater report
	Acquisition, Rehabilitation, Resale: Lead-Based Paint Risk Assessment, Inspection Report, and Lead Hazard Clearance Report, if applicable
	Acquisition, Rehabilitation, Resale: Radon Testing Report(s)
	New Construction: HERS rater energy model to ENERGY STAR® Certified New Home standards
	New Construction: ENERGY STAR® Certified New Home certificate
	Post-construction:
	Intended Methods Worksheet including End-of Construction Compliance Certification, or Enterprise Green Communities Certification

Stand-alone Affordability Gap activity and Owner-Occupied Rehabilitation activity are exempt from Green Communities Compliance.

3	Owner-Occupied Rehabilitation
	Documentation of Project budget (e.g., sources and uses)
	Documentation of expenses, payables, receivables and revenues including but not limited to all books, records, bills, invoices, receipts, and statements of account
	Rehabilitation Scope(s) of Work
	Documentation of the bidding and/or purchasing process including bid(s)/cost estimate(s) for the Scope(s) of Work
	Contracts for rehabilitation, including any change orders (not applicable to Community Fix Up Loan Program write-down Projects)
	Completion certificate(s) (not applicable to Community Fix Up Loan Program write-down Projects)

Appendix C: Legal Addendum

1.01 Conflict and Control

In the event of any conflict between the terms of this Addendum and the document to which it is attached, the terms of this Addendum will govern and control.

1.02 Fraud

Fraud is any intentionally deceptive action, statement or omission made for personal gain or to damage another.

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing and witnesses, discovers evidence of, receives a report from another source or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report through one of the communication channels described in section 1.07.

1.03 Misuse of Funds

A contracting party that receives funding from Minnesota Housing promises to use the funds to engage in certain activities or procure certain goods or services while Minnesota Housing agrees to provide funds to the recipient to pay for those activities, goods, or services. Regardless of the Minnesota Housing program or funding source, the recipient must use Minnesota Housing funds as agreed, and the recipient must maintain appropriate documentation to prove that funds were used for the intended purpose(s).

A misuse of funds shall be deemed to have occurred when: (1) Minnesota Housing funds are not used as agreed by a recipient; or (2) a recipient cannot provide adequate documentation to establish that Minnesota Housing funds were used in accordance with the terms and conditions of the contract.

Any recipient (including its employees and affiliates) of Minnesota Housing funds that discovers evidence, receives a report from another source or has other reasonable basis to suspect that a misuse of funds has occurred must immediately make a report through one of the communication channels described in section 1.07.

1.04 Conflict of Interest

A conflict of interest – Actual, Potential or Appearance of a Conflict of Interest – occurs when a person has an actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A Potential Conflict of Interest or Appearance of a Conflict of Interest exists even if no unethical, improper, or illegal act results from it.

- **Actual Conflict of Interest:** An Actual Conflict of Interest occurs when a person's decision or action would compromise a duty to a party without taking immediate appropriate action to eliminate the conflict.
- **Potential Conflict of Interest:** A Potential Conflict of Interest may exist if a person has a relationship, affiliation or other interest that could create an inappropriate influence if the person is called on to make a decision or recommendation that would affect one or more of those relationships, affiliations, or interests.
- **Appearance of a Conflict of Interest:** The Appearance of a Conflict of Interest means any situation that would cause a reasonable person, with knowledge of the relevant facts, to question whether another person's personal interest, affiliation or relationship inappropriately influenced that person's action, even though there may be no Actual Conflict of Interest.

A conflict of interest includes any situation in which one's judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a Partner, Family Member, Relative, Friend, Business, or other Outside Interest with which they are involved. Such terms are defined below.

- **Business:** Any company, corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual or any other legal entity which engages either in nonprofit or profit-making activities.
- **Family Member:** A person's current and former spouse; children, parents, and siblings; current and former children-in-law, parents-in-law, and siblings-in-law; current and former stepchildren and stepparents; grandchildren and grandparents; and members of the person's household.
- **Friend:** A person with whom the individual has an ongoing personal social relationship. "Friend" does not generally include a person with whom the relationship is primarily professional or primarily based on the person being a current or former colleague. "Friend" does not include mere acquaintances (i.e., interactions are coincidental or relatively superficial). Social media friendships, connections, or links, by themselves, do not constitute friendship.
- **Outside Interest:** An Outside Interest may occur when an individual, their Family Member or their Partner has a connection to an organization via employment (current or prospective), has a financial interest or is an active participant.
- **Partner:** A person's romantic and domestic partners and outside Business partners.
- **Relative:** Uncle or aunt; first or second cousin; godparent; godchild; other person related by blood, marriage, or legal action with whom the individual has a close personal relationship.

Once made aware of a conflict of interest, Minnesota Housing will make a determination before disbursing any further funds or processing an award. Determinations could include:

- Revising the contracting party's responsibilities to mitigate the conflict
- Allowing the contracting party to create firewalls that mitigate the conflict

- Asking the contracting party to submit an organizational conflict of interest mitigation plan
- Terminating the contracting party's participation

Any person or entity (including its employees and affiliates) that enters into a contract with Minnesota Housing must avoid and immediately disclose to Minnesota Housing any and all conflicts of interest through one of the communication channels described in section 1.07.

A contracting party should review its contract and request for proposals (RFP) material, if applicable, for further requirements.

1.05 Assistance to Employees and Affiliated Parties

Any party entering into a contract with Minnesota Housing for the purpose of receiving an award or benefit in the form of a loan, grant, combination of loan and grant or other funding is restricted in issuing a loan, grant, combination of loan and grant or other funding to a recipient ("Affiliated Assistance") who is also: (1) a director, officer, agent, consultant, employee or Family Member of an employee of the contracting party; (2) an elected or appointed official of the State of Minnesota; or (3) an employee of Minnesota Housing, unless each of the following provisions are met:

- The recipient meets all eligibility criteria for the program;
- The assistance does not result in a violation of the contracting party's internal conflict of interest policy, if applicable;
- The assistance does not result in a conflict of interest as outlined in section 1.04;
- The assistance is awarded utilizing the same costs, terms, and conditions as compared to a similarly situated unaffiliated recipient and the recipient receives no special consideration or access as compared to a similarly situated unaffiliated recipient; and
- The assistance is processed, underwritten, and/or approved by staff/managers who are independent of the recipient and independent of any Family Member of the recipient. Family Member is defined in section 1.04.

A contracting party need not disclose Affiliated Assistance to Minnesota Housing. However, the contracting party must document and certify, prior to the award, that the Affiliated Assistance meets each of the provisions outlined above. This documentation must be included in the Affiliated Assistance file and must be made available to Minnesota Housing upon request. Affiliated Assistance that does not meet each of the provisions outlined above will be considered a violation of Minnesota Housing conflict of interest standards and must be reported by the contracting party through one of the communication channels outlined in section 1.07.

1.06 Suspension

By entering into any contract with Minnesota Housing, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the contract) has not been suspended from doing business with Minnesota Housing. Please refer to Minnesota Housing's website for a list of [suspended individuals and organizations](#) (Go to mnhousing.gov, scroll to the bottom of the screen and select Report Wrongdoing, then select Suspensions from the menu).

1.07 Disclosure and Reporting

Minnesota Housing promotes a “speak-up, see something, say something” culture whereby internal staff must immediately report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation through one of the communication channels listed below. External business partners (e.g., administrators, grantees, or borrowers) and the general public are strongly encouraged to report instances of fraud, misuse of funds, conflicts of interest or other concerns without fear of retaliation using these same communication channels.

- Minnesota Housing's Chief Risk Officer at 651.296.7608 or 800.657.3769 or by email at MHFA.ReportWrongdoing@state.mn.us;
- Any member Minnesota Housing's [Servant Leadership Team](#), as denoted on Minnesota Housing's current organizational chart (Go to mnhousing.gov, scroll to the bottom of the screen and select About Us, select Servant Leadership Team); or
- [Report Wrongdoing or Concerns \(mnhousing.gov\)](#) (Go to mnhousing.gov, scroll to the bottom of the screen and select Report Wrongdoing).

1.08 Electronic Signatures

Minnesota Housing will use and accept e-signatures on eligible program documents subject to all requirements set forth by state and federal law and consistent with Minnesota Housing policies and procedures. The use of e-signatures for eligible program documents is voluntary. Questions regarding which documents Minnesota Housing permits to be e-signed should be directed to Minnesota Housing staff.

1.09 Fair Housing Policy

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation.

Minnesota Housing's fair housing policy incorporates the requirements of Title VI of the Civil Rights Act of 1968; the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988; and the Minnesota Human Rights Act. Housing providers and other entities involved in real-estate related transactions are expected to comply with the applicable statutes, regulations, and related policy guidance. Housing providers should ensure that admissions, occupancy, marketing, and operating procedures comply with non-discrimination requirements. Housing providers and other entities involved in real-estate related transactions must comply with all non-discrimination requirements related to the provision of credit, as well as access to services.

In part, the Fair Housing Act and the Minnesota Human Rights Act make it unlawful, because of protected class status, to:

- Discriminate in the selection/acceptance of applicants in the rental of housing units;
- Discriminate in the making or purchasing of loans for purchasing, constructing, or improving a dwelling, or in the terms and conditions of real-estate related transactions;
- Discriminate in the brokering or appraisal of residential property;
- Discriminate in terms, conditions, or privileges of the rental of a dwelling unit or services or facilities;
- Discriminate in the extension of personal or commercial credit or in the requirements for obtaining credit;
- Engage in any conduct relating to the provision of housing that otherwise make unavailable or denies the rental of a dwelling unit;
- Make, print, or publish (or cause to make, print or publish) notices, statements or advertisements that indicate preferences or limitations based on protected class status;
- Represent a dwelling is not available when it is in fact available;
- Refuse to grant a reasonable accommodation or a reasonable modification to a person with a disability;
- Deny access to, or membership or participation in, associations or other services organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation; or
- Engage in harassment or quid pro quo negotiations related to the rental of a dwelling unit.

Minnesota Housing has a commitment to affirmatively further fair housing for individuals with disabilities by promoting the accessibility requirements set out in the Fair Housing Act, which establish design and construction mandates for covered multifamily dwellings and requires those in the business of buying and selling dwellings to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

1.10 Minnesota Government Data Practices

Minnesota Housing, and any party entering into a contract with Minnesota Housing, must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by Minnesota Housing under the contract, and as it applies to all data created, collected, received, stored, used, maintained or disseminated by the contracting party under the contract. The civil remedies of Minnesota Statutes Section 13.08 apply to the release of the data referred to in this section by either the contracting party or Minnesota Housing. If the contracting party receives a request to release the data referred to in this section, the contracting party must notify Minnesota Housing. Minnesota Housing will give the contracting party instructions concerning the release of the data to the requesting party before the data is released. The contracting party's response to the request shall comply with applicable law.

1.11 Prevailing Wage

Under certain circumstances, awards of Minnesota Housing funds may trigger state prevailing wage requirements under [Minnesota Statutes Chapter 177 or Minnesota Statutes Section 116J.871](#). In broad terms, Minnesota Statutes Chapter 177 applies to an award of \$25,000 or greater for housing that is publicly owned. [Minnesota Statutes Section 116J.871](#) applies to awards for non-publicly owned housing that meet the following conditions: (1) new housing construction (not rehabilitation of existing housing); (2) a single entity receives from Minnesota Housing \$200,000 or more of grant proceeds or \$500,000 of loan proceeds; or (3) allocations or awards of low-income housing tax credits, for which tax credits are used for multifamily housing projects consisting of more than ten units.

Minnesota Statutes Section 116J.871 sets out several exceptions to the applicability of prevailing wage including (1) rehabilitation of existing housing; (2) new housing construction in which total financial assistance at a single project site is less than \$100,000; and (3) financial assistance for the new construction of fully detached single-family affordable homeownership units for which the financial assistance covers no more than ten fully detached single-family affordable homeownership units.

Entities receiving funding from Minnesota Housing as described in this section shall notify all employers on the project of the recordkeeping and reporting requirements in Minnesota Statutes Section 177.30, paragraph (a), clauses (6) and (7). Each employer shall submit the required information to Minnesota Housing.

Questions related to submission of required information to Minnesota Housing may be directed to:
mhfa.prevailingwage@state.mn.us.

All questions regarding state prevailing wages and compliance requirements should be directed to that agency as follows:

Division of Labor Standards and Apprenticeship
State Program Administrator

443 Lafayette Road N, St. Paul, MN 55155
651.284.5091 or dli.prevwage@state.mn.us

[If a contractor or subcontractor fails to adhere to prevailing wage laws, then that contractor or subcontractor could face civil and/or criminal liability.](#)

SEPTEMBER 1, 2024 _____, 2025

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Item: Commitment Extension, Low and Moderate Income Rental (LMIR) Loan and Housing Infrastructure Bond (HIB) - Rogers Main Street Senior, D8248, Rogers

Action Item: 7.B
Date: 11/20/2025
Staff Contacts: Sarah Foley, 651.297.5145, sarah.foley@state.mn.us
Request Type: Approval, Resolution

Request Summary:

Agency staff recommends approval of a two-month loan commitment extension, extending the commitments for the LMIR and HIB loans from November 30, 2025, to January 31, 2026. The extension is subject to a 50 basis point rate lock extension fee (approximately \$10,710).

Fiscal Impact:

The LMIR loan will be funded from Housing Investment Fund (Pool 2) resources, and as such, Minnesota Housing will earn interest income on the loan without incurring financing expenses.

Minnesota Housing will not earn interest revenue on the HIB loan. As the debt service on the HIBs issued to finance the HIB loan is paid via state appropriations, there is also no interest expense to the Agency.

Agency Priorities:

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

Attachments:

- Background
- Map and Picture
- Resolutions
- Term letter

Background:

Rogers Main Street Senior Housing is a new construction 40-unit apartment building located in Rogers. The development will serve households with incomes that range from 30% to 60% Multifamily Tax Subsidy Projects. Residents will have access to engagement and activities offered by the on-site senior center, which will be located in space leased by the City of Rogers on the first floor of the building for use by the Rogers-Hassan Senior Friendship Group, a 501(c)(3) organization that is controlled by the City of Rogers.

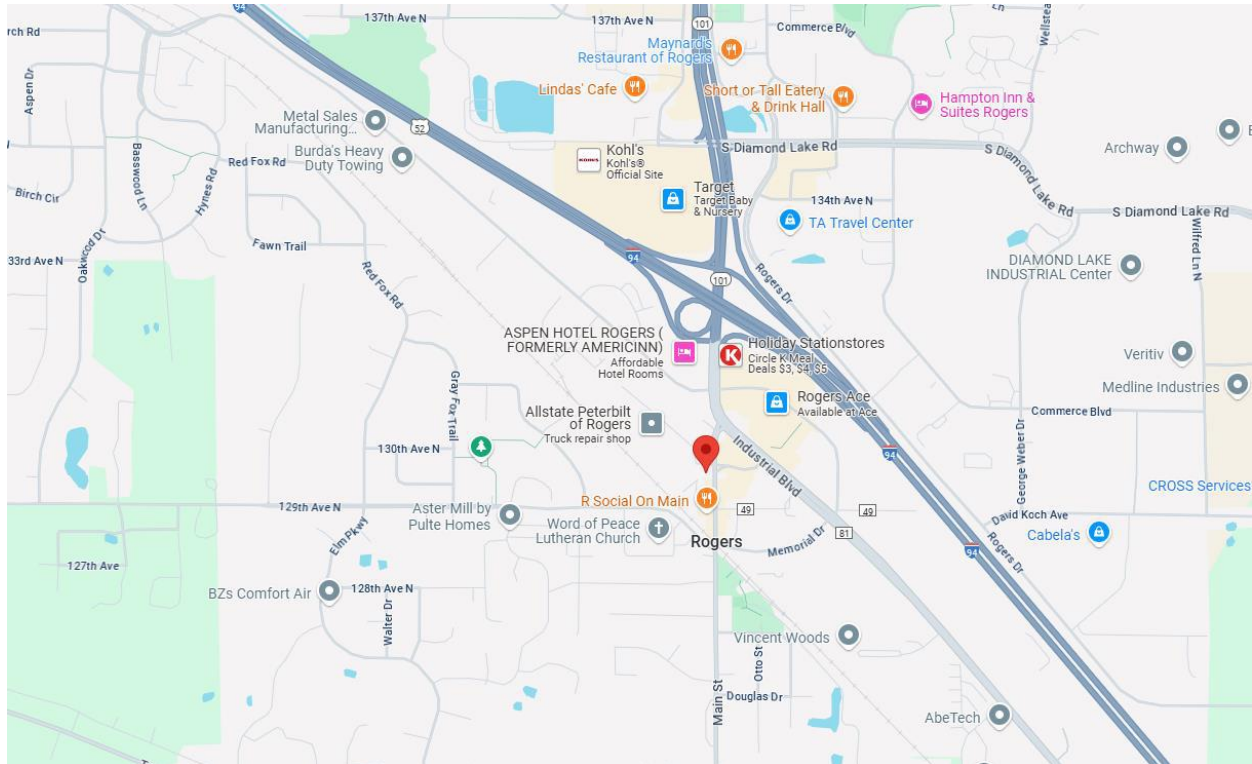
At the January 27, 2022, meeting, the Minnesota Housing board approved Rogers Main Street Senior Housing for financing under the LMIR first mortgage program in the amount of up to \$1,978,000 and LMIR Bridge Loan in the amount of \$2,397,000 in Resolution No. MHFA 22-011. At that same meeting, the board approved committing an HIB deferred funding of up to \$6,422,000 (\$4,988,000 long-term and \$1,434,000 short-term) under Resolution No. MHFA 22-009.

The HIB commitment had an original expiration date of September 27, 2023, which was extended twice under Board Delegation No. 009. On September 15, 2023, the Mortgage Credit Committee approved the first extension to September 30, 2024. The Mortgage Credit Committee approved a second extension on September 18, 2024, to extend the HIB commitment to September 25, 2025.

Agency staff completed the underwriting and technical review of the proposed development. On June 26, 2025, the board adopted Resolution No. MHFA 25-041 authorizing the issuance of a LMIR first mortgage loan commitment in the amount of up to \$2,142,000. The board also approved Resolution No. MHFA 25-042 to increase the HIB loan from \$6,422,000 to a maximum of \$8,386,000 (\$6,155,000 long-term and \$2,231,000 short-term), and to extend the HIB loan commitment expiration date from September 25, 2025, to November 30, 2025.

The timeline for this project has been long because the developer has wanted assurance the City of Rogers has fully approved revisions to city loan documents and a revised replat of the project site, which has required additional time for city action. As of the time this report was written, Rogers Main Street Senior Housing was still working to close on the loans prior to the commitment expiration date of November 30, 2025. However, because the window of opportunity offers little margin for error or delay, the two-month extension is requested to help ensure the development can close to start construction.

Map of 13001 Main Street, Rogers



Picture of 13001 Main Street, Rogers



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

**RESOLUTION NO. MHFA 25-xxx
Modifying Resolution No. MHFA 25-041**

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

WHEREAS, the Minnesota Housing Finance Agency board has previously authorized a commitment for the Rogers Main Street Senior Housing development by its Resolution No. MHFA 25-041; and

WHEREAS, the commitment originally was set to expire on November 30, 2025; and

WHEREAS, the loan commitment extension is in conjunction with the construction of this project; and

WHEREAS, the project requires more time to close on the financing; and

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

NOW THEREFORE, BE IT RESOLVED:

THAT, the board hereby authorizes Agency staff to modify the commitment for the indicated development, subject to the revisions noted:

1. The LMIR loan commitment shall be extended to January 31, 2026; and
2. An interest rate lock extension fee in the amount of 50 basis points of the LMIR loan amount be charged; and
3. All other terms and conditions of Resolution No. MHFA 25-041 remain in effect.

Adopted this 20th day of November 2025

CHAIR

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

**RESOLUTION NO. MHFA 25-xxx
Modifying Resolution No. MHFA 22-009 and MHFA 25-042**

**RESOLUTION APPROVING MORTGAGE LOAN COMMITMENT EXTENSION
HOUSING INFRASTRUCTURE BONDS (HIB) PROGRAM**

WHEREAS, the Minnesota Housing Finance Agency board has previously authorized a commitment for the Rogers Main Street Senior Housing development by its Resolution No. MHFA 22-009; and

WHEREAS, the commitment originally was set to expire on September 27, 2023; and

WHEREAS, under Board Delegation No. 009, the Mortgage Credit Committee extended the commitment by approximately 12 months on September 15, 2023, and by 12 additional months on September 18, 2024; and

WHEREAS, the board previously approved Resolution No. MHFA 25-042, which increased the loan commitment and extended the commitment by an additional two months, making the commitment expiration date November 30, 2025; and

WHEREAS, the commitment extension is in conjunction with the construction of this development; and

WHEREAS, the development requires more time to close on the financing; and

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

NOW THEREFORE, BE IT RESOLVED:

THAT, the board hereby authorizes Agency staff to modify the commitment for the indicated development, subject to the revisions noted:

1. The HIB loan commitment shall be extended to January 31, 2026; and
2. All other terms and conditions of Resolution No. MHFA 22-009 as modified by No. MHFA 25-042 remain in effect.

Adopted this 20th day of November 2025

CHAIR

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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

November 6, 2025

Jeffrey J. Von Feldt
Rogers Senior of Rogers Limited Partnership
C/O Duffy Development Company, Inc.
12708 Wayzata Boulevard, Suite 400
Minnetonka, MN 55305

RE: Amended and Restated Term Letter*
Rogers Main Street Senior Housing, Rogers
Development #D8248, Project #M18864

Dear Jeffrey J. Von Feldt:

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: Rogers Senior of Rogers Limited Partnership
General Partner(s)	DDC Rogers Senior LLC JVF Rogers Senior LLC CHC Rogers Senior LLC
Development Description/Purpose:	New construction of a 40-unit affordable housing development located in Rogers, Minnesota

*This Term Letter amends and restates, in its entirety, the previous Term Letter dated June 11, 2025.

November 6, 2025

Page 2

Program	Low and Moderate Income Rental Program (LMIR)	Housing Infrastructure (HI)
Loan Amount	\$2,142,000	\$8,386,000
Interest Rate	6.875%*	0%
Mortgage Insurance Premium (%)	Not Applicable	Not Applicable
Term	Approx. 24 months (construction) + 40 years	Approx. 24 months (construction) + 40 years
Amortization / Repayment	Interest only during construction based on the outstanding principal balance of the loan; 40 years amortization	Deferred lump sum payment due in approx. 24 months (construction) + 40 years.
Prepayment Provision	No prepayment first 10 years from date of the Note.	A partial repayment of \$2,231,000 shall be made no later than 24 months from construction closing. Prepay at any time with prior written approval.
Nonrecourse or Recourse	Nonrecourse	Nonrecourse
Construction to Permanent Loan, Construction Bridge Loan or End Loan	Construction to Permanent Loan	Construction to Permanent Loan
Lien Priority	First	Second

* The rate is subject to being reset at the then market rates if the loan does not close by January 31, 2026.

Origination Fees:	• LMIR Loan: \$42,840 (payable at the earlier of loan commitment or loan closing) • HIB Loan: \$65,050 (payable at loan closing)
Bond Issuance Fee	Not applicable.
LMIR Interest Rate Extension Fee	\$10,710 (payable at loan closing)
Construction Oversight Fee:	\$28,368 (payable at loan closing)
End Loan Commitment:	Not applicable.
Guarantee / Guarantor(s):	• Deferred Loan: Completion Guarantee from John M. Duffy and Jeffrey J. Von Feldt. • LMIR Permanent Loan: Completion, Repayment and Operations Guarantee from John M. Duffy and Jeffrey J. Von Feldt.
Operating Deficit Escrow Reserve Account:	\$64,260 to be funded on the day of closing of the LMIR loan by cash or letter of credit (outside of the development budget) to be held by Minnesota Housing.
Operating Reserve Account:	Capitalized operating reserve in the amount of \$240,687 funded after construction completion anticipated from the second equity installment. The operating reserve will not be held by Minnesota Housing.
Replacement Reserve Account:	Monthly replacement reserve deposits will be required in the amount of \$1,000. In addition, monthly senior center replacement reserve deposits will be required in the amount of \$642. Deposits will begin upon construction completion. These replacement reserves will be held by Minnesota Housing.
Escrows:	Real estate tax escrow and property insurance escrow to be established after completion of construction (outside of the development budget) and will be held by Minnesota Housing.

November 6, 2025

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Collateral/Security:	Mortgage and Assignment of Rents and Leases for each loan; UCC-1 Financing Statement on fixtures, personal property, accounts and equipment.
Rent and Income Requirements:	<u>Low Moderate Income Rental Loan:</u> • 16 units with rents and incomes not exceeding 60% MTSP; • 10 units may have unrestricted incomes; and • 14 units with incomes equal to or less than 100% of the greater of area or statewide median income as determined by HUD. Commitment to affordability in effect while the loan is outstanding. <u>Housing Infrastructure Bond Loan:</u> • 19 units with incomes not exceeding 60% MTSP and rents at 60% MTSP. • 21 units with incomes not exceeding 60% MTSP and rents at 50% MTSP. Commitment to construction period plus 50 years of affordability from the date of loan closing.
HAP or Other Subsidy Agreement:	Commitment to construction period plus 10 years of affordability from the date of loan closing under the Housing Support Program for 4 units.
Other Occupancy Requirements:	The Development must qualify as Senior Housing for the term of HIB loan.
Other Requirements:	The HIB loan is subject to the terms in the attached 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 January 31, 2026 or loan closing/end loan commitment.
Additional Terms:	Not applicable.

Other Conditions: Contingent upon a maximum loan to value of 90%. Based on the LMIR loan size, the appraised value must be at least \$2,380,000.

The use of the senior community space shall not be changed without prior written approval from Minnesota Housing for the duration of the Housing Infrastructure loan term.

Board Approval: Commitment of the loans under the LMIR and HIB loan programs are 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 Kang Her at kang.her@state.mn.us on or before 10 business days from date of this letter.

If you have any questions related to this letter, please contact Sarah Foley at sarah.foley@state.mn.us.

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

Sincerely,

James Lehnhoff
Assistant Commissioner, Multifamily

November 6, 2025

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AGREED AND ACCEPTED BY:

ROGERS SENIOR OF ROGERS LIMITED
PARTNERSHIP

By:

Jeffrey J. Von Feldt, President of JVF Rogers Senior
LLC
Its General Partner

Date Accepted: _____



Item: Funding Modification, Publicly Owned Housing Program (POHP) – The Blue Mound Tower, D5973, Luverne

Action Item: 7.C
Date: 11/20/2025
Staff Contacts: Susan Bergmann, 651.296.3797, susan.bergmann@state.mn.us
Request Type: Approval, Resolution

Request Summary

On June 27, 2024, the Minnesota Housing board committed deferred funding under the Publicly Owned Housing Program (POHP) to the Housing and Redevelopment Authority of Luverne, Minnesota for The Blue Mound Tower under Resolution No. MHFA 24-040 in the amount of \$947,800.

Agency staff recommends the adoption of a resolution to increase the loan amount for The Blue Mound Tower by \$350,000, increasing the total POHP loan from \$947,800 to \$1,297,800.

Fiscal Impact

POHP loans are funded by State of Minnesota General Obligation (GO) bond proceeds, and the loans do not earn interest for the Agency.

Agency Priorities

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

Attachments

- Background
- Maps and Pictures
- Resolution

Background

The Blue Mound Tower is a 70-unit, seven-story high-rise built in 1971. The building is owned and managed by the Housing and Redevelopment Authority (HRA) of Luverne, Minnesota. The development is designated as general occupancy. The scope of work addresses critical need items, including replacing the water and sewer lines, the roof, an elevator pump and parking lot.

The funding modification is being requested primarily because the bid received was higher than the original estimate. The POHP request for proposal uses a concept-based application, so project costs are not expected to be final at the time of application. The HRA worked diligently to value engineer the project, resulting in removing several items from the scope of work that were deemed not critical at this time. For example, drone footage of the brick work showed only minimal deterioration, so tuckpointing did not rise to the critical level. A Minnesota Housing architect approved the removal of these items from the scope. Due to the critical nature of the remaining work, the HRA's board agreed to commit additional funds to this project, increasing the HRA's leverage from 9% to 19%.

There are sufficient POHP funds available to cover this request.

Sources and Uses

The following table provides a financial comparison of the sources and uses at the time of selection and the current proposed amount.

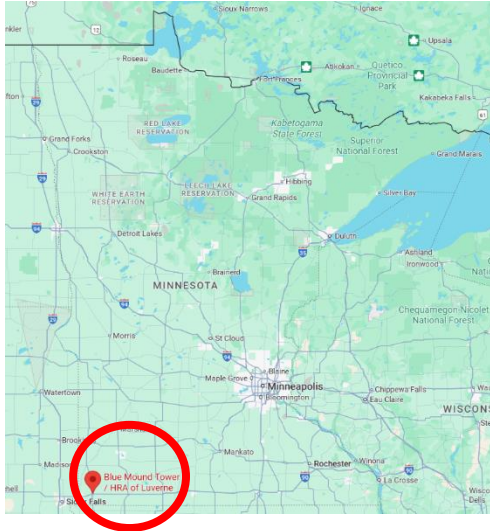
Table 1: Sources and Uses

Source	Amount at Selection	Current Amount	Difference
POHP Loan	\$ 947,800	\$ 1,297,800	\$ 350,000
Rebates	\$ 4,725	\$ 225	\$ (4,500)
HRA Capital Funds	\$ 88,967	\$ 300,000	\$ 211,033
Total Sources	\$ 1,041,492	\$ 1,598,025	\$ 556,533
Use	Amount at Selection	Current Amount	Difference
Construction	\$ 915,673	\$ 1,409,330	\$ 493,657
Contingency	\$ 64,097	\$ 100,153	\$ 36,056
Soft Costs	\$ 61,722	\$ 88,542	\$ 26,820
Total Development Costs*	\$ 1,041,492	\$ 1,598,025	\$ 556,533

* Total Development Costs are final. Individual line item amounts may change until closing.

Maps and Pictures

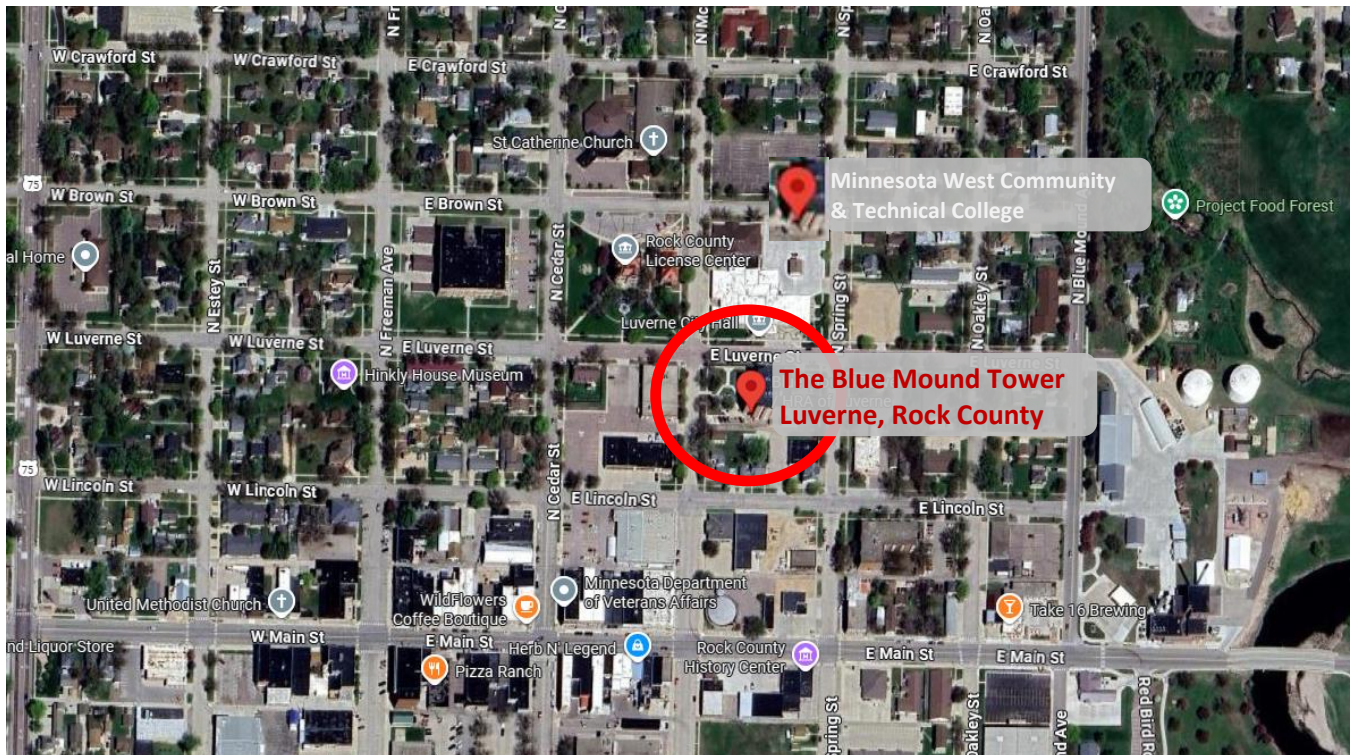
Map 1: The Blue Mound Tower is located in Luverne, Rock County, in the far southeast corner of the state, 30 miles from both the South Dakota and Iowa borders.



Picture: The Blue Mound Tower



Map 2: The Blue Mound Tower is located near residential neighborhoods. One block away is the Minnesota West Community and Technical College. Many of these students call The Blue Mound Tower home.



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

**RESOLUTION NO. MHFA 25-XXXX
Modifying Resolution No. MHFA 24-040**

RESOLUTION APPROVING FUNDING MODIFICATION PUBLICLY OWNED HOUSING PROGRAM (POHP)

WHEREAS, the Minnesota Housing Finance Agency Board (Board) at its June 27, 2024, meeting, previously authorized a commitment for The Blue Mound Tower development herein named by its Resolution No. MHFA 24-040; and

WHEREAS, Agency staff have determined that there are reasonable increased development costs; and

WHEREAS, the development continues to be in compliance with Minnesota Statute chapter 462A and Agency's rules, regulations and policies.

NOW THEREFORE, BE IT RESOLVED:

THAT, the Board hereby increases the funding commitment on the development noted above and hereby confirms the renewal of said commitment, subject to any revisions noted:

1. The Publicly Owned Housing Program (POHP) loan shall not exceed \$1,297,800; and
2. All other terms and conditions of the Resolution No. MHFA 24-040 remain in effect.

Adopted this 20th day of November 2025

CHAIR



Item: Approval, Modifications, Deletions and Additions to Multifamily Division Board Delegations

Information Item: 7.D
Date: 07/20/2025
Staff Contacts: Irene Kao, 651.296.9806, irene.kao@state.mn.us
James Lehnhoff, 651.296.3028, James.lehnhoff@state.mn.us
Request Type: Approval, Resolution

Request Summary

Agency staff recommends:

- Adopting ten resolutions to modify existing Multifamily Division board delegations;
- Adopting one resolution to add a new Multifamily Division board delegation; and
- Rescinding three Multifamily Division board delegations.

Fiscal Impact

None.

Agency Priorities

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

Attachments

- Background
- Resolutions with Red Lined Modifications

Background

Since May 2018, the board has adopted 13 resolutions delegating certain authorities to the commissioner for certain Multifamily Division activities. These resolutions included:

- Eleven delegations related to amortizing and deferred loan programs;
- One delegation for the statutorily defined visitability waiver process; and
- One delegation for procedures related to the temporary COVID-19 Housing Assistance Program.

The below table identifies the proposed action for each existing board delegation. There is also one proposed new board delegation.

The Multifamily Division has additional board delegations related to the federal low-income housing tax credit program and changes to federal programs. Staff anticipates presenting updates to those board delegations at the December 2025 or January 2026 board meeting.

Proposed Action by Board Delegation

Current Resolution Number	Board Delegation Number	Board Delegation Title	Date Adopted or Last Modified	Proposed Action
18-017	4	Increases To Loan Amounts Under Agency Multifamily First Mortgage and Bridge Loan Programs	May 24, 2018	Modify
18-018	5	Deferred Loan Funding Modifications	May 24, 2018	Modify
18-019	7	Deferred Loan Debt Forgiveness	May 24, 2018	Modify
18-020	8	Amortizing and Deferred Loan Assumptions	May 24, 2018	Modify
18-021	9	Loan Commitment Extensions and Reinstatements	May 24, 2018	Modify
18-022	10	Waiver of Amortizing Loan Prepayment Prohibition	May 24, 2018	Modify
18-031	22	Limited Partner Buy Out Loan Approval, Closing and Funding	May 24, 2018	Modify
18-032	23	Waivers to Certain Statutory Visitability Requirements for Multifamily Transactions	May 24, 2018	Modify
22-005	34	Servicing and Preservation of The Multifamily Amortizing Loan Portfolio	Jan 27, 2022	Modify
22-006	35	Loan Forbearance on Multifamily Loans	May 7, 2020	Modify
Proposed 25-0XX	TBD	Servicing And Preservation of the Multifamily Deferred Loan Portfolio	Proposed	Add

Current Resolution Number	Board Delegation Number	Board Delegation Title	Date Adopted or Last Modified	Proposed Action
18-030	21	Amortizing Deferred Loan Modifications	May 24, 2018	Delete
20-016	28	Loan Forbearance on Multifamily Loans	May 7, 2020	Delete
20-041	30	COVID-19 Housing Assistance Program	Aug 7, 2020	Delete

Proposed Modifications

Most of the listed board delegations have a two-step approval process that includes review by the Clearinghouse Committee and then review by the Mortgage Credit Committee. The Clearinghouse Committee is led by the Assistant Commissioner for the Multifamily Division and comprised of Multifamily Division staff. The Mortgage Credit Committee is chaired by the Deputy Commissioner and includes the Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development and the Executive Finance Officer.

The Mortgage Credit Committee is primarily tasked with reviewing financial feasibility of multifamily development projects, compliance with Agency underwriting requirements, credit risk of borrowers and conformance with prior board approvals. Multifamily Division staff attend and present development projects at the Mortgage Credit Committee. For actions permitted under board delegation, the Mortgage Credit Committee is the final step for approval. The Mortgage Credit Committee also reviews development projects that come to board for final approval.

Internal review processes have evolved over time. As a result, this two-step process has become duplicative, contributing to additional administrative steps and longer timelines that can impact sensitive project deadlines. Multifamily staff—who originate and prepare the requests—are already fully engaged throughout underwriting and project review process. Removing the Clearinghouse Committee from the delegated approval process streamlines review while maintaining appropriate expertise and oversight.

The proposed approval language follows the model from the grants-related board delegations approved at the August 2025 board meeting. The general reference to the Mortgage Credit Committee has been removed, and the language has been updated to include the standing Mortgage Credit Committee.

In addition to streamlining approvals, the proposed modifications remove outdated or redundant references (including those to grant programs), update formatting, and provide for more language consistency.

The proposed changes by board delegation include:

- Board Delegation No. 4, Increases to Loan Amounts Under Agency Multifamily First Mortgage and Bridge Loan Programs:
 - Adds bridge loans to the delegation, which are common use in multifamily financing but technically separate from first mortgages.
 - Retains the 15% increase threshold but clarifies that the limit applies separately to first mortgage and bridge loan amounts because those sources have different roles. It can be necessary to modify one or both loans separately.
- Board Delegation No. 5, Deferred Loan Funding Modifications
 - Adds language stating that the loan commitment or approval to enter into a commitment must not have expired.
 - Increases the loan modification thresholds from \$100,000 to \$200,000 and from \$300,000 to \$400,000. The 15% threshold is unchanged. Staff analyzed 77 multifamily deferred loan modifications since January 2021 and analyzed how the approvals would have changed if processed under the proposed modifications.

Existing Funding Modifications Threshold				
Approval Process	Requests	% of Requests	Approximate Value of Deferred Loan Modifications	% of Value
Board	56	73%	\$ 49,120,000	95%
Delegation	21	27%	\$ 2,400,000	5%
Total	77		\$ 51,520,000	
Under Proposed Funding Modifications Thresholds				
Approval Process	Requests	% of Requests	Approximate Value of Deferred Loan Modifications	% of Value
Board	40	52%	\$ 45,890,000	89%
Delegation	37	48%	\$ 5,630,000	11%
Total	77		\$ 51,520,000	

The number of deferred loan modifications subject to board review decreases; however, most of the value of the modifications remains under board review. Deferred Loan funding modifications tend to be either relatively large or relatively small with fewer in the middle. The 48% of requests that could have been processed under the board delegations are almost entirely from the Publicly Owned Housing Preservation program and the Rental Rehab Deferred Loan program where the average deferred loan funding modification was approximately \$150,000.

- Clarifies that the funding modifications thresholds apply to the combined total of Agency deferred loan sources used in a project. This is intentional because regardless of the funding source, the purpose of the deferred loans is to fill a funding gap.
 - Removes references to “funding partners,” as the Agency does not have jurisdiction over external sources, though those changes are considered in analysis.
- Board Delegation No. 7, Deferred Loan Debt Forgiveness
 - Clarifies that forgiveness actions must advance the Agency’s mission or a strategic priority.
 - Adds support for forgiveness actions that promote stabilization or preservation, which is part of the analysis now but not explicitly stated in the current delegation.
 - Clarifies that forgiveness may apply to principal and/or interest, with a combined cap of \$250,000 per development (no change in practice).
- Board Delegation No. 8, Amortizing and Deferred Loan Assumptions
 - Expands the delegation to include amortizing loan assumptions in addition to deferred loans.
- Board Delegation No. 9, Loan Commitment Extensions and Reinstatements
 - Retains the 24-month maximum total extension period but removes the prior limit of 12 months for the first extension, providing greater flexibility.
 - Adds authority for reinstating commitments that have expired, provided reinstatement occurs within 45 days.
- Board Delegation No. 10, Waiver of Amortizing Loan Prepayment Prohibition
 - Adds explicit reference to the prepayment prohibition penalty fee, which reflects current practice but was not previously noted in the delegation.
- Board Delegation No. 22, Limited Partner Buyout Loan Approval, Closing, and Funding
 - No substantive changes other than the updated approval process structure.
- Board Delegation No. 23, Waivers to Certain Statutory Visitability Requirements for Multifamily Transactions
 - The provisions in this existing board delegation are directly from Minnesota Statute 462A.34. No substantive changes other than the updated approval process structure.
- Board Delegation No. 34, Servicing and Preservation of the Multifamily Amortizing Loan Portfolio

- Refocuses this delegation exclusively on amortizing loans. Deferred loans are proposed to have their own board delegation to better recognize the differences between amortizing loans and deferred loans.
 - Adds authority to modify loan terms and re-amortize loans, which are currently in Board Delegation No. 21. With Board Delegation No. 34 focusing on amortizing loans, the provisions from Board Delegation No. 21 can be added here and then is no longer needed as a standalone board delegation.
 - Updates parameters to include a prohibition on permanent displacement of existing residents and requires consistency with Agency mission and strategic priorities.
- Board Delegation No. 35, Loan Forbearance on Multifamily Loans
 - Adds language to allow for a 60-day grace period if a borrower is behind on payments. The practical reality is that a loan forbearance may be needed because the borrower is behind on payments, which may not be known until after the borrower is technically behind.
 - Increases the maximum forbearance period from 12 to 24 months.
 - Adds a provision that allows a deferred loan forbearance to be further extended if the project has been selected for new funding from the Agency. It is increasingly common for preservation projects to have old Agency deferred loan debt that needs to be modified and extended when the project closes on the new funding. Due to closing timelines, a forbearance period may expire before the closing is complete. This provision allows the forbearance period to coincide with the closing, which is more efficient.

Proposed New Board Delegation: Servicing and Preservation of the Multifamily Deferred Loan Portfolio

With Board Delegation No. 34 proposed to be focused on amortizing loans, this proposed board delegation is focused on deferred loans. The provision related to amortizing loans was removed and replaced with language related to deferred loans, including the ability to modify cash flow contingent or fixed deferred loan payments.

To help support preservation projects and streamline the handling of existing deferred loans, the proposed board delegation includes the ability to refinance old, deferred loans and merge them with new deferred loans to allow for fewer loans on a single project. For example, if a project had an old \$1,000,000 deferred loan and was receiving a new \$2,000,000 deferred loan, the two deferred loans could be combined into a single \$3,000,000 deferred loan. Not all types of loans can be combined because of the original source of funding. However, this tool can lead to fewer loans on a single project, streamline debt modification that is often required with preservation projects, the ability to use modern loan documents (old debt would continue to use outdated loan documents), and support a simpler closing process.

Proposed Recissions

- Board Delegation No. 21 – Amortizing Loan Modifications: Superseded by updated Delegation Board Delegation No. 34.
- Board Delegation No. 28 – Loan Forbearance on Multifamily Loans: Superseded by updated Board Delegation No. 35.
- Board Delegation No. 30 – COVID-19 Housing Assistance Program: Temporary program concluded in March 2021.

Reporting

As noted in each resolution, staff will provide the board with a written report at least annually summarizing the use of these delegations.

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

RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-017

BOARD DELEGATION NO. 004

DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING INCREASES TO LOAN
AMOUNTS UNDER AGENCY MULTIFAMILY FIRST MORTGAGE AND BRIDGE LOAN PROGRAMS

WHEREAS, the Minnesota Housing Finance Agency ("Agency") Commissioner ("Commissioner") has requested the Minnesota Housing Finance Agency Board ("Board") to delegate to the Commissioner certain authority regarding the administration of loans ~~and grants~~ in order to improve the efficiency of the Agency's loan ~~and grant~~ programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board grants the delegated authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to ~~make~~ increases to loan amounts under the Agency Multifamily first mortgage and bridge loan ~~programs~~.

PARAMETERS OF DELEGATED AUTHORITY

- ~~1. The Board commitment for the Agency first mortgage loan~~ or bridge loan ~~must not have expired.~~
1. The increase to the Agency first mortgage first mortgage loan amount must be less than 15% percent of the originally committed Agency first mortgage loan amount.
2. The increase to the bridge loan amount must be less than 15% of the originally committed loan amount.
- ~~3. The Agency Clearinghouse and Mortgage Credit Committees must approve the loan amount increase.~~ Actions under this delegation is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and

Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Report dated September 26, 2002, ~~and~~ May 23, 2013, and May 24, 2018.

Adopted this 20th day of November, 2025

CHAIR

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

RESOLUTION NO. MHFA 25-XXX
Modifying Resolution NO. MHFA 18-018

BOARD DELEGATION NO. 005

DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING
MULTIFAMILY DEFERRED LOAN FUNDING MODIFICATIONS

WHEREAS, the Minnesota Housing Finance Agency ("Agency") Commissioner ("Commissioner") has requested the Minnesota Housing Finance Agency Board ("Board") to delegate to the Commissioner certain authority regarding the administration of loans ~~and grants~~ in order to improve the efficiency of the Agency's loan ~~and grant~~ programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to make certain deferred loan funding modifications under the Multifamily deferred loan programs.

PARAMETERS OF DELEGATED AUTHORITY

1. The loan commitment or approval to enter into a loan commitment must not have expired.
2. A deferred loan funding modification includes:

- a. ~~An increase in the~~ increasing e in the deferred loan funding ~~must be less than~~ by the greater of (i) ~~\$2100,000~~ \$400,000; or (ii) ~~15% percent~~ 15% of the originally committed ~~Agency~~ Agency deferred loan amount, up to a maximum of ~~\$4300,000~~ \$400,000 of all Agency deferred loan funding in the proposal, ~~including funding partners~~. The funding modification is calculated on the total amount of all new Agency deferred loan financing for a given development.
- b. ~~A loan modification may be a~~ A dollar-for-dollar funding swap from one Agency deferred loan source to another, ~~including funding partners' programs, based on the availability of a funding source.~~

- c. ~~A loan modification may be a c~~Consolidating deferred loan on of funding sources from multiple programs to one program to simplify the development's financing, based upon the availability of a funding source.
3. Action under this delegation is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.
2. ~~The Agency Clearinghouse and Mortgage Credit Committees must approve the loan modification.~~

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Report dated December 20, 2001, ~~and~~ May 23, 2013, and May 24, 2018.

Adopted this 20th day of November, 2025

CHAIR

**MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha St. N, Suite 400
St. Paul, Minnesota 55102**

**RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. 18-019**

BOARD DELEGATION NO. 007

**DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING MULTIFAMILY DEFERRED
LOAN DEBT FORGIVENESS**

WHEREAS, the Minnesota Housing Finance Agency ("Agency") Commissioner ("Commissioner") has requested the Minnesota Housing Finance Agency Board ("Board") to delegate to the Commissioner certain authority regarding the administration of loans ~~and grants~~ in order to improve the efficiency of the Agency's loan ~~and grant~~ programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to forgive the principal and/or ~~accrued~~ interest on a deferred loan.

PARAMETERS OF DELEGATED AUTHORITY

1. ~~The forgiveness must~~ meet Agency mission or strategic priority, and the forgiveness must satisfy at least one of the following considerations:
 - a. Increased risk or liability to the Agency if principal and/or ~~accrued~~ interest is not forgiven;
 - b. No reasonable expectation of ~~full or partial~~ repayment ~~(full or partial)~~;
 - c. No additional affordability gained by extending existing restrictions; or
 - d. Facilitates the stabilization or preservation of the property.
 - d. ~~Meets Agency mission or strategic priority~~
2. The total amount of forgiveness, including principal and interest, must be equal to or less than \$250,000. For developments with more than one deferred loan, the limit

- is based on the combined amount of forgiveness for all deferred loans on a given development.
3. Action taken under this delegation is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.
- ~~3. The Agency Clearinghouse and Mortgage Credit Committees must approve the loan forgiveness.~~

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Reports dated February 28, 2008, ~~and~~ May 23, 2013, and May 24, 2018.

Adopted this 20th day of November, 2025

CHAIR

**MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha St. N, Suite 400
St. Paul, Minnesota 55102**

**RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-020**

BOARD DELEGATION NO. 008

**DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING MULTIFAMILY
AMORTIZING AND DEFERRED LOAN ASSUMPTIONS**

WHEREAS, the Minnesota Housing Finance Agency ("Agency") Commissioner ("Commissioner") has requested the Minnesota Housing Finance Agency Board ("Board") to delegate to the Commissioner certain authority regarding the administration of loans ~~and grants~~ in order to improve the efficiency of the Agency's loan ~~and grant~~ programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to approve the loan assumption of Multifamily amortizing and deferred loans.

PARAMETERS OF DELEGATED AUTHORITY

1. ~~It~~ The loan assumption must be in the best interests of the Agency ~~to approve the loan assumption~~, taking onto account the following considerations:
 - a. No greater liability or increased risk of non-repayment to the Agency;
 - b. A financial benefit to the Agency;
 - c. Enhanced or extended affordability periods; or
 - d. Meets Agency mission or strategic priority.
2. ~~The Agency Clearinghouse and Mortgage Credit Committees must approve the loan assumption.~~ Action taken under this delegation is subject to approval by a committee of up to seven members that includes the Deputy Commissioner,

Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Report dated May 23, 2013, and May 24, 2018.

Adopted this 20th day of November, 2025

CHAIR

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

RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-021

BOARD DELEGATION NO. 009

DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING MULTIFAMILY LOAN
SELECTION AND/OR COMMITMENT EXTENSIONS AND REINSTATEMENTS

WHEREAS, the Minnesota Housing Finance Agency ("Agency") Commissioner ("Commissioner") has requested the Minnesota Housing Finance Agency Board ("Board") to delegate to the Commissioner certain authority regarding the administration of loans ~~and grants~~ in order to improve the efficiency of the Agency's loan ~~and grant~~ programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to approve extensions to loan commitments, extensions to enter into loan commitments, Multifamily loan selection and/or commitment extensions and reinstatements for Multifamily ~~deferred loans, bridge loans and first mortgage~~ loans.

PARAMETERS OF DELEGATED AUTHORITY

1. The total extension period of a loan must not exceed twenty-four months ~~and any one extension cannot exceed twelve months from the selection or commitment date established in the applicable resolution approved by the Board.~~
- 1-2. In the event a loan commitment or approval to enter into a loan commitment expires, the commitment may be reinstated provided the reinstatement occurs within 45 days of the expiration date.
3. ~~The Agency Clearinghouse and Mortgage Credit Committees must approve the loan commitment extension.~~ Action taken under this delegation is subject to approval by

a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board report dated May~~7~~, 23, 2013, and May 24, 2018.

Adopted this 20th day of November, 2025

CHAIR

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

**RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-022**

BOARD DELEGATION NO. 010

**DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING WAIVER OF AMORTIZING
LOAN PREPAYMENT PROHIBITION**

WHEREAS, the Minnesota Housing Finance Agency ("Agency") Commissioner ("Commissioner") has requested the Minnesota Housing Finance Agency Board ("Board") to delegate to the Commissioner certain authority regarding the administration of loans ~~and grants~~ in order to improve the efficiency of the Agency's loan- ~~programs and grant programs~~; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to waive the prohibition against amortizing loan prepayments.

PARAMETERS OF DELEGATED AUTHORITY

1. It must be in the best interests of the Agency to approve the waiver, taking onto account ~~—~~the following considerations:
 - a. Financial benefit to the Agency
 - b. A reasonable prepayment prohibition penalty fee to partially or fully offset financial losses due to the loan repayment
 - ~~b.c.~~ Enhanced or extended affordability periods
 - ~~c.d.~~ Meets Agency mission or strategic priority
2. Action taken under this delegation is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for

the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.
~~2. The Agency Clearinghouse and Mortgage Credit Committees must approve the waiver.~~

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Report dated May 23, 2013, and May 24, 2018.

Adopted this 20th day of November, 2025

CHAIR

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

**RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-031**

BOARD DELEGATION NO. 022

**RESOLUTION APPROVING DELEGATED AUTHORITY TO THE COMMISSIONER REGARDING
MULTIFAMILY LIMITED PARTNER BUY OUT LOAN APPROVAL, CLOSING AND FUNDING**

WHEREAS, the Minnesota Housing Finance Agency ("Agency") ("Commissioner") has requested the Minnesota Housing Finance Board ("Board") to delegate to the Commissioner certain authority regarding the approval, closing and funding of Limited Partner Buy Out Loans in order to improve the efficiency ~~and timeliness~~ of the Agency's Multifamily loan ~~production and closing process programs~~; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to make certain loan approval, closing and funding activities for the Limited Partner Buy Out loan product.

PARAMETERS OF DELEGATED AUTHORITY

1. The loan must meet the following product underwriting factors: ÷
 - a. Term: Up to 24 month balloon with interest only payments due monthly
 - b. Interest: Fixed rate
 - c. Security: Mortgage recorded against the property in last lien position
 - d. Guaranty: Personal guaranty from remaining investor partners for full loan amount
 - e. Prepayment: Loan may be prepaid without penalty at any time
2. The loan amount may not exceed \$2,000,000.

3. Action taken under this delegation is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.
~~The Agency Clearinghouse and Mortgage Credit Committees must approve the loan.~~

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Report dated May 24, 2018.

~~None.~~

Adopted this 20th day of November, 2025

CHAIR

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

**RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-032**

BOARD DELEGATION NO. 023

**RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING WAIVERS TO
CERTAIN STATUTORY VISITABILITY REQUIREMENTS FOR MULTIFAMILY TRANSACTIONS**

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency’s loan ~~and grant~~ programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to grant waivers to certain visitability requirements for Multifamily transactions authorized by Minn~~esota~~. Stat~~ute~~-§ 462A.34, as it may be subsequently amended or revised.

PARAMETERS OF DELEGATED AUTHORITY

1. A waiver to the one-half bathroom requirement may be granted if the waiver reduces affordability for the targeted population of the ~~a~~Agency program from which it is funded.
2. A waiver to the no-step entrance may be granted if site conditions make the requirement impractical or if it reduces affordability for the targeted population of the ~~A~~Agency program from which it is funded.
3. All waivers must be reviewed and approved by an Agency staff architect.

4. Action taken under this delegation is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.
- ~~4. The Agency Clearinghouse and Mortgage Credit Committees must approve the waiver.~~

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Report dated May 24, 2018.

~~None.~~

Adopted this 20th day of November, 2025

CHAIR

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

RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 22-005

BOARD DELEGATION NO. 034

DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING
SERVICING AND PRESERVATION OF THE MULTIFAMILY AMORTIZING LOAN PORTFOLIO

WHEREAS, the Minnesota Housing Finance Agency (“Minnesota Housing”) Commissioner (the “Commissioner”) has requested ~~the~~ Minnesota Housing Board (the “Board”) to delegate to the Commissioner certain authority regarding the administration of ~~loans~~ in order to improve the efficiency of Minnesota Housing’s ~~loan~~ programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without the prior approval of the Board; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of Minnesota Housing to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated in this delegation. This delegated authority shall remain in effect for the current Commissioner and future commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to make, under the Multifamily amortizing loan programs, certain actions relating to the servicing and preservation of the Multifamily amortizing loan portfolio that exceed the Commissioner’s administrative authority (as determined by the General Counsel and Assistant Commissioner for Multifamily).

PARAMETERS OF DELEGATED AUTHORITY

1. For a loan with an outstanding balance of less than \$3 million or a loan ~~that has which has~~ been outstanding for ~~more than~~ 10 years or more years (and beyond the lock out period, if applicable) the following actions:
 - a. ~~Modification~~ Modifying, extending or, or waiving loan terms and restrictions ~~amendment of the terms~~ (excluding: (i) any increase in the principal amount, (ii) forgiveness of principal or interest, or (iii) waiver of a prepayment lockout period) ~~, or (iv) with respect~~

~~to amortizing loans, any reamortization, reduction in an interest rate, or extension of a term), including the waiver of loan terms and restrictions;~~

~~b. Extensions of the loan terms;~~

~~e.b.~~ Establishing defaults and accelerations; and

~~d.c.~~ Initiating foreclosures.

2. Any proposed action taken under ~~this delegation must~~ paragraph 1 of this delegation must ~~also~~ satisfy at least one of the following considerations:

a. There is an increased risk or liability to Minnesota Housing if the action is not taken;

b. The action is deemed necessary to protect Minnesota Housing's interests; or

c. The action preserves or provides for continued affordability; ~~or~~

~~d. The action furthers Minnesota Housing's strategic priorities.~~

3. Any proposed action taken under this delegation must:

a. Not result in the permanent displacement of existing residents;

b. Be in conformance with all applicable laws, rules and regulations; and

c. Further Minnesota Housing's mission and strategic priorities.

4. The borrower must be in compliance with applicable rent limits, income limits, and other occupancy restrictions, as applicable, or have a written plan approved by Agency staff that returns the property to being in compliance.

5. The Minnesota Housing Mortgage Credit Committees must approve the activity in a form, substance and structure acceptable to committee members provided such actions are in conformance with all applicable laws, rules, and regulations. Actions taken under this delegation are subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually which provides a summary of the actions taken utilizing this delegated authority.

OTHER CONSIDERATIONS

~~None.~~ Supersedes Board Report dated January 27, 2022.

Adopted this 20th day of November, 2025

CHAIR

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

**RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 22-006**

BOARD DELEGATION NO. 035

**DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING LOAN FORBEARANCE ON
MULTIFAMILY LOANS**

WHEREAS, the Minnesota Housing Finance Agency (“Minnesota Housing”) Commissioner (the “Commissioner”) has requested ~~the~~ Minnesota Housing Board (the “Board”) to delegate to the Commissioner certain authority regarding the administration of loans in order to improve the efficiency of Minnesota Housing’s ~~loan~~ programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without the prior approval of the Board; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of Minnesota Housing to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated in this delegation. This delegated authority shall remain in effect for the current Commissioner and future commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to allow for forbearance on a Multifamily loan.

PARAMETERS OF DELEGATED AUTHORITY

1. The borrower must not be more than 60 days behind ~~be current~~ on its payment of principal and/or interest on its loan.
2. The borrower must demonstrate it is experiencing a financial hardship that has compromised its ability to pay all remaining principal ~~and~~ and interest, if any, when due.

3. Forbearance shall only apply to the loan's principal and/or interest and does not constitute forgiveness of the principal or interest.
4. Forbearance must comply with all applicable state and federal laws.
5. If necessary, HUD approval must be obtained.
6. Except for projects with new deferred loan funding selections or commitments approved by the Agency, the ~~The~~ initial forbearance period plus any extensions cannot exceed a total of ~~12-24~~ months.
- ~~6.7.~~ For projects with new deferred loan funding selections or commitments approved by the Agency, the forbearance may extend through the closing date of the new funding.
- ~~8. Forbearance requests must be approved by the Minnesota Housing Mortgage Credit Committee.~~
- ~~9.~~
~~—~~ Actions taken under this delegation are subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing this delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Delegation No. 28 approved on May 7, 2020 and supersedes Board Report dated January 27, 2022

~~This delegation supersedes Board Delegation 28 approved on May 7, 2020.~~

Adopted this 20th day of November, 2025

CHAIR

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

RESOLUTION NO. MHFA 25-XXX

BOARD DELEGATION NO. 0XX

DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING
SERVICING AND PRESERVATION OF THE MULTIFAMILY DEFERRED LOAN PORTFOLIO

WHEREAS, the Minnesota Housing Finance Agency (“Minnesota Housing”) Commissioner (the “Commissioner”) has requested the Minnesota Housing Board (the “Board”) to delegate to the Commissioner certain authority regarding the administration of loans in order to improve the efficiency of Minnesota Housing’s loan programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without the prior approval of the Board; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of Minnesota Housing to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated in this delegation. This delegated authority shall remain in effect for the current Commissioner and future commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to make, under the Multifamily deferred loan programs, certain actions relating to the servicing, stabilization and preservation of the Multifamily deferred loan portfolio that exceed the Commissioner’s administrative authority (as determined by the General Counsel and Assistant Commissioner for Multifamily).

PARAMETERS OF DELEGATED AUTHORITY

1. For loans that have been outstanding for 10 or more years, actions may include:
 - a. Modifying, extending or waiving loan terms, including rent and income restrictions, maturity dates, cash flow contingent payments, fixed payment requirements (excludes: (i) any increase in the principal amount, (ii) forgiveness of principal or interest, or (iii) waiver of a prepayment lockout period);
 - b. With compatible deferred loan funding resources, consolidating all or a portion of existing Agency deferred loans on a project with new Agency approved deferred loan funding selections or commitments;

- c. Allowing all or a portion of existing Agency deferred loans on a project to be refinanced and reissued to the same project, which may be done in conjunction with 1(b);
 - d. Establishing defaults and accelerations; and
 - e. Initiating foreclosures.
2. Any proposed action taken under this delegation must consider how the action will:
- a. Affect risk or liability to Minnesota Housing if the action is not taken;
 - b. Stabilize the physical or financial position of the developments;
 - c. Preserve or provide for continued affordability; and
3. Any proposed action taken under this delegation must:
- a. Not result in the permanent displacement of existing residents;
 - b. Be in conformance with all applicable laws, rules and regulations; and
 - c. Further Minnesota Housing's mission and strategic priorities.
4. The borrower must be in compliance with applicable rent limits, income limits, and other occupancy restrictions, as applicable, or have a written plan approved by Agency staff that returns the property to being in compliance.
5. Actions taken under this delegation are subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually which provides a summary of the actions taken utilizing this delegated authority.

OTHER CONSIDERATIONS

None.

Adopted this 20th day of November, 2025

CHAIR

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

~~RESOLUTION NO. MHFA 18-030~~
~~BOARD DELEGATION NO. 021~~

~~RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING MULTIFAMILY~~
~~AMORTIZING LOAN MODIFICATIONS~~

~~WHEREAS, the Minnesota Housing Finance Agency ("Agency") Commissioner ("Commissioner") has requested the Minnesota Housing Finance Agency Board ("Board") to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency's loan and grant programs; and~~

~~WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and~~

~~WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.~~

~~NOW, THEREFORE, BE IT RESOLVED:~~

~~That the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.~~

~~_____ DELEGATED AUTHORITY~~

~~To authorize the Commissioner to make certain loan modifications to amortizing loans with outstanding balances of less than \$1 million and older than 10 years (or beyond their applicable lock out period.~~

~~PARAMETERS OF DELEGATED AUTHORITY~~

- ~~1. The interest rate may be reduced to no lower than the current Agency first mortgage rate; and/or the term of a loan may be extended up to 60 months.~~
- ~~2. The loan may be reamortized.~~
- ~~3. The Agency Clearinghouse and Mortgage Credit Committees must approve the loan modification.~~

~~REPORTING REQUIREMENTS~~

~~The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.~~

~~OTHER CONSIDERATIONS~~

~~None.~~

~~Adopted this 24th day of May, 2018~~

~~CHAIRMAN~~

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

~~RESOLUTION NO. MHFA 20-016
BOARD DELEGATION NO. 028~~

~~DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING LOAN FORBEARANCE ON
MULTIFAMILY LOANS~~

~~WHEREAS, the Minnesota Housing Finance Agency ("Agency") Commissioner ("Commissioner") has requested the Minnesota Housing Finance Agency Board ("Board") to delegate to the Commissioner certain authority regarding the administration of loans in order to improve the efficiency of the Agency's loan programs; and~~

~~WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and~~

~~WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.~~

~~**NOW, THEREFORE, BE IT RESOLVED:**~~

~~That the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.~~

~~DELEGATED AUTHORITY~~

~~To authorize the Commissioner to allow forbearances on Agency Multifamily loans.~~

~~PARAMETERS OF DELEGATED AUTHORITY~~

- ~~1. The borrower must be current on its payment of principal and/or interest on its loan.~~
- ~~2. The borrower must demonstrate it is experiencing a financial hardship that has compromised its ability to continue making full and timely debt service payments.~~
- ~~3. Forbearance shall only apply to the loan's principal and/or interest and does not constitute forgiveness of the principal or interest.~~
- ~~4. Forbearance must comply with all applicable state and federal laws.~~

- ~~5. If necessary, HUD approval must be obtained.~~
- ~~6. Agency staff must establish criteria for forbearance and a forbearance review process.~~
- ~~7. The initial forbearance period plus any extensions cannot exceed a total of five months.~~
- ~~8. Forbearance requests must be approved by either the Agency's Mortgage Credit Committee or the Commissioner may establish a Forbearance Review Group comprised of appropriate members of Agency leadership to review and approve forbearance requests.~~

REPORTING REQUIREMENTS

~~The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.~~

OTHER CONSIDERATIONS

~~None.~~

~~Adopted this 7th day of May 2020~~

~~CHAIRMAN~~

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

RESOLUTION NO. MHFA 20-041
BOARD DELEGATION NO. 30

DELEGATION OF AUTHORITY TO THE COMMISSIONER RELATED TO THE COVID-19 HOUSING ASSISTANCE PROGRAM

~~WHEREAS, the Minnesota Housing Finance Agency ("Agency") Commissioner ("Commissioner") has requested that the Minnesota Housing Finance Agency Board ("Board") delegate to the Commissioner certain authority regarding the administration of the COVID-19 Housing Assistance Program ("Program") in order to improve the efficiency of the Program and the use of the time-limited federal resources to preserve housing stability across Minnesota;~~

~~WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and~~

~~WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.~~

NOW, THEREFORE, BE IT RESOLVED:

~~That the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority applies only to the COVID-19 Housing Assistance Program and expires when that program is concluded.——~~

~~—— DELEGATED AUTHORITY — Program Guide~~

~~To authorize the Commissioner to approve a program guide for the COVID-19 Housing Assistance Program.~~

- ~~1. The guide must be consistent with the parameters of the Program as approved by the Board and the federal requirements governing use of the funds; and~~
- ~~2. The guide must be reviewed and approved by appropriate members of the agency's Servant Leadership Team.~~

~~DELEGATED AUTHORITY — Funding Process~~

~~To authorize the Commissioner to approve modifications to the grant amounts provided to administrators pursuant to the COVID-19 Housing Assistance Program.~~

- ~~4. The funding modifications must: comply with the parameters of the Program; be necessary to facilitate timely statewide access to these housing stability resources; and be based upon demonstrated need;~~
- ~~5. Disbursements related to the funding modifications may not exceed the amount of available resources under the Program; and~~

- ~~6. The funding modifications must be approved by appropriate members of the agency's Servant Leadership Team.~~

~~REPORTING REQUIREMENTS~~

~~The Commissioner shall report the actions taken using this delegated authority to the Board at the next regularly scheduled Board meeting.~~

~~Adopted this 7th day of August 2020~~

~~CHAIRMAN~~

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

**RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-017**

BOARD DELEGATION NO. 004

**DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING INCREASES TO LOAN
AMOUNTS UNDER AGENCY MULTIFAMILY FIRST MORTGAGE AND BRIDGE LOAN PROGRAMS**

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans in order to improve the efficiency of the Agency’s loan programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board grants the delegated authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to increase loan amounts under the Agency Multifamily first mortgage and bridge loan programs.

PARAMETERS OF DELEGATED AUTHORITY

1. The Board commitment for the first mortgage loan or bridge loan must not have expired. The increase to the first mortgage loan amount must be less than 15% of the originally committed loan amount.
2. The increase to the bridge loan amount must be less than 15% of the originally committed loan amount.
3. Actions under this delegation is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Report dated September 26, 2002, May 23, 2013, and May 24, 2018.

Adopted this 20th day of November, 2025

CHAIR

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

**RESOLUTION NO. MHFA 25-XXX
Modifying Resolution NO. MHFA 18-018**

BOARD DELEGATION NO. 005

**DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING
MULTIFAMILY DEFERRED LOAN FUNDING MODIFICATIONS**

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans in order to improve the efficiency of the Agency’s loan programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to make certain deferred loan funding modifications under the Multifamily deferred loan programs.

PARAMETERS OF DELEGATED AUTHORITY

1. The loan commitment or approval to enter into a loan commitment must not have expired.
2. A deferred loan funding modification includes:
 - a. Increasing the deferred loan funding by the greater of (i)\$200,000 or (ii)15% of the originally committed deferred loan amount, up to a maximum of \$400,000 of all Agency deferred loan funding in the proposal. The funding modification is calculated on the total amount of all new Agency deferred loan financing for a given development.
 - b. A dollar-for-dollar funding swap from one Agency deferred loan source to another.
 - c. Consolidating deferred loan funding sources.
3. Action under this delegation is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Report dated December 20, 2001, May 23, 2013, and May 24, 2018.

Adopted this 20th day of November, 2025

CHAIR

**MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha St. N, Suite 400
St. Paul, Minnesota 55102**

**RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. 18-019**

BOARD DELEGATION NO. 007

**DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING MULTIFAMILY DEFERRED
LOAN DEBT FORGIVENESS**

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans in order to improve the efficiency of the Agency’s loan programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to forgive the principal and/or interest on a deferred loan.

PARAMETERS OF DELEGATED AUTHORITY

1. The forgiveness must meet Agency mission or strategic priority, and the forgiveness must satisfy at least one of the following considerations:
 - a. Increased risk or liability to the Agency if principal and/or accrued interest is not forgiven;
 - b. No reasonable expectation of full or partial repayment;
 - c. No additional affordability gained by extending existing restrictions; or
 - d. Facilitates the stabilization or preservation of the property.
2. The total amount of forgiveness, including principal and interest, must be equal to or less than \$250,000. For developments with more than one deferred loan, the limit is based on the combined amount of forgiveness for all deferred loans on a given development.
3. Action taken under this delegation is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for

the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Reports dated February 28, 2008, May 23, 2013, and May 24, 2018.

Adopted this 20th day of November, 2025

CHAIR

**MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha St. N, Suite 400
St. Paul, Minnesota 55102**

**RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-020**

BOARD DELEGATION NO. 008

**DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING MULTIFAMILY
AMORTIZING AND DEFERRED LOAN ASSUMPTIONS**

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans in order to improve the efficiency of the Agency’s loan programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to approve the loan assumption of Multifamily amortizing and deferred loans.

PARAMETERS OF DELEGATED AUTHORITY

1. The loan assumption must be in the best interests of the Agency taking into account the following considerations:
 - a. No greater liability or increased risk of non-repayment to the Agency;
 - b. A financial benefit to the Agency;
 - c. Enhanced or extended affordability periods; or
 - d. Meets Agency mission or strategic priority.
2. Action taken under this delegation is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Report dated May 23, 2013, and May 24, 2018.

Adopted this 20th day of November, 2025

CHAIR

**MINNESOTA HOUSING FINANCE AGENCY
400 Wabasha St. N, Suite 400
St. Paul, Minnesota 55102**

**RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-021**

BOARD DELEGATION NO. 009

**DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING MULTIFAMILY LOAN
COMMITMENT EXTENSIONS AND REINSTATEMENTS**

WHEREAS, the Minnesota Housing Finance Agency ("Agency") Commissioner ("Commissioner") has requested the Minnesota Housing Finance Agency Board ("Board") to delegate to the Commissioner certain authority regarding the administration of loans in order to improve the efficiency of the Agency's loan programs; and

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WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to approve extensions to loan commitments, extensions to enter into loan commitments, and reinstatements for Multifamily loans.

PARAMETERS OF DELEGATED AUTHORITY

1. The total extension period of a loan must not exceed twenty-four months.
2. In the event a loan commitment or approval to enter into a loan commitment expires, the commitment may be reinstated provided the reinstatement occurs within 45 days of the expiration date.
3. Action taken under this delegation is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board report dated May 23, 2013, and May 24, 2018.

Adopted this 20th day of November, 2025

CHAIR

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

**RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-022**

BOARD DELEGATION NO. 010

**DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING WAIVER OF AMORTIZING
LOAN PREPAYMENT PROHIBITION**

WHEREAS, the Minnesota Housing Finance Agency ("Agency") Commissioner ("Commissioner") has requested the Minnesota Housing Finance Agency Board ("Board") to delegate to the Commissioner certain authority regarding the administration of loans in order to improve the efficiency of the Agency's loan programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to waive the prohibition against amortizing loan prepayments.

PARAMETERS OF DELEGATED AUTHORITY

1. It must be in the best interests of the Agency to approve the waiver, taking into account the following considerations:
 - a. Financial benefit to the Agency
 - b. A reasonable prepayment prohibition penalty fee to partially or fully offset financial losses due to the loan repayment
 - c. Enhanced or extended affordability periods
 - d. Meets Agency mission or strategic priority
2. Action taken under this delegation is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Report dated May 23, 2013, and May 24, 2018.

Adopted this 20th day of November, 2025

CHAIR

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

**RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-031**

BOARD DELEGATION NO. 022

**RESOLUTION APPROVING DELEGATED AUTHORITY TO THE COMMISSIONER REGARDING
MULTIFAMILY LIMITED PARTNER BUY OUT LOAN APPROVAL, CLOSING AND FUNDING**

WHEREAS, the Minnesota Housing Finance Agency ("Agency") ("Commissioner") has requested the Minnesota Housing Finance Board ("Board") to delegate to the Commissioner certain authority regarding the approval, closing and funding of Limited Partner Buy Out Loans in order to improve the efficiency of the Agency's Multifamily loan programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to make certain loan approval, closing and funding activities for the Limited Partner Buy Out loan product.

PARAMETERS OF DELEGATED AUTHORITY

1. The loan must meet the following product underwriting factors:
 - a. Term: Up to 24 month balloon with interest only payments due monthly
 - b. Interest: Fixed rate
 - c. Security: Mortgage recorded against the property in last lien position
 - d. Guaranty: Personal guaranty from remaining investor partners for full loan amount
 - e. Prepayment: Loan may be prepaid without penalty at any time
2. The loan amount may not exceed \$2,000,000.
3. Action taken under this delegation is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for

the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Report dated May 24, 2018.

Adopted this 20th day of November, 2025

CHAIR

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

**RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 18-032**

BOARD DELEGATION NO. 023

**RESOLUTION DELEGATING AUTHORITY TO THE COMMISSIONER REGARDING WAIVERS TO
CERTAIN STATUTORY VISITABILITY REQUIREMENTS FOR MULTIFAMILY TRANSACTIONS**

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested the Minnesota Housing Finance Agency Board (“Board”) to delegate to the Commissioner certain authority regarding the administration of loans and grants in order to improve the efficiency of the Agency’s loan programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority shall remain in effect for the current and future Commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to grant waivers to certain visitability requirements for Multifamily transactions authorized by Minnesota Statute 462A.34, as it may be subsequently amended or revised.

PARAMETERS OF DELEGATED AUTHORITY

1. A waiver to the one-half bathroom requirement may be granted if the waiver reduces affordability for the targeted population of the Agency program from which it is funded.
2. A waiver to the no-step entrance may be granted if site conditions make the requirement impractical or if it reduces affordability for the targeted population of the Agency program from which it is funded.
3. All waivers must be reviewed and approved by an Agency staff architect.

4. Action taken under this delegation is subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing the delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Report dated May 24, 2018.

Adopted this 20th day of November, 2025

CHAIR

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

**RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 22-005**

BOARD DELEGATION NO. 034

**DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING
SERVICING AND PRESERVATION OF THE MULTIFAMILY AMORTIZING LOAN PORTFOLIO**

WHEREAS, the Minnesota Housing Finance Agency (“Minnesota Housing”) Commissioner (the “Commissioner”) has requested the Minnesota Housing Board (the “Board”) to delegate to the Commissioner certain authority regarding the administration of loans in order to improve the efficiency of Minnesota Housing’s loan programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without the prior approval of the Board; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of Minnesota Housing to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated in this delegation. This delegated authority shall remain in effect for the current Commissioner and future commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to make, under the Multifamily amortizing loan programs, certain actions relating to the servicing and preservation of the Multifamily amortizing loan portfolio that exceed the Commissioner’s administrative authority (as determined by the General Counsel and Assistant Commissioner for Multifamily).

PARAMETERS OF DELEGATED AUTHORITY

1. For a loan with an outstanding balance of less than \$3 million or a loan that has been outstanding for 10 years or more years (and beyond the lock out period, if applicable) the following actions:
 - a. Modifying, extending, or waiving loan terms and restrictions (excludes: (i) any increase in the principal amount, (ii) forgiveness of principal or interest, or (iii) waiver of a prepayment lockout period);
 - b. Establishing defaults and accelerations; and

- c. Initiating foreclosures.
2. Any proposed action taken under this delegation must satisfy at least one of the following considerations:
 - a. There is an increased risk or liability to Minnesota Housing if the action is not taken;
 - b. The action is deemed necessary to protect Minnesota Housing's interests; or
 - c. The action preserves or provides for continued affordability.
 3. Any proposed action taken under this delegation must:
 - a. Not result in the permanent displacement of existing residents;
 - b. Be in conformance with all applicable laws, rules and regulations; and
 - c. Further Minnesota Housing's mission and strategic priorities.
 4. The borrower must be in compliance with applicable rent limits, income limits, and other occupancy restrictions, as applicable, or have a written plan approved by Agency staff that returns the property to being in compliance.
 5. Actions taken under this delegation are subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually which provides a summary of the actions taken utilizing this delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Report dated January 27, 2022.

Adopted this 20th day of November, 2025

CHAIR

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

**RESOLUTION NO. MHFA 25-XXX
Modifying Resolution No. MHFA 22-006**

BOARD DELEGATION NO. 035

**DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING LOAN FORBEARANCE ON
MULTIFAMILY LOANS**

WHEREAS, the Minnesota Housing Finance Agency (“Minnesota Housing”) Commissioner (the “Commissioner”) has requested the Minnesota Housing Board (the “Board”) to delegate to the Commissioner certain authority regarding the administration of loans in order to improve the efficiency of Minnesota Housing’s loan programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without the prior approval of the Board; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of Minnesota Housing to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated in this delegation. This delegated authority shall remain in effect for the current Commissioner and future commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to allow for forbearance on a Multifamily loan.

PARAMETERS OF DELEGATED AUTHORITY

1. The borrower must not be more than 60 days behind on its payment of principal and/or interest on its loan.
2. The borrower must demonstrate it is experiencing a financial hardship that has compromised its ability to pay all remaining principal and interest, if any, when due.
3. Forbearance shall only apply to the loan’s principal and/or interest and does not constitute forgiveness of the principal or interest.
4. Forbearance must comply with all applicable state and federal laws.

5. If necessary, HUD approval must be obtained.
6. Except for projects with new deferred loan funding selections or commitments approved by the Agency, the initial forbearance period plus any extensions cannot exceed a total of 24 months.
7. For projects with new deferred loan funding selections or commitments approved by the Agency, the forbearance may extend through the closing date of the new funding.
8. Actions taken under this delegation are subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually describing the actions taken utilizing this delegated authority.

OTHER CONSIDERATIONS

Supersedes Board Delegation No. 28 approved on May 7, 2020 and supersedes Board Report dated January 27, 2022

Adopted this 20th day of November, 2025

CHAIR

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

RESOLUTION NO. MHFA 25-XXX

BOARD DELEGATION NO. 0XX

**DELEGATION OF AUTHORITY TO THE COMMISSIONER REGARDING
SERVICING AND PRESERVATION OF THE MULTIFAMILY DEFERRED LOAN PORTFOLIO**

WHEREAS, the Minnesota Housing Finance Agency (“Minnesota Housing”) Commissioner (the “Commissioner”) has requested the Minnesota Housing Board (the “Board”) to delegate to the Commissioner certain authority regarding the administration of loans in order to improve the efficiency of Minnesota Housing’s loan programs; and

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without the prior approval of the Board; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of Minnesota Housing to delegate such authority.

NOW, THEREFORE, BE IT RESOLVED:

That the Board delegates the authority described below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated in this delegation. This delegated authority shall remain in effect for the current Commissioner and future commissioners until revoked.

DELEGATED AUTHORITY

To authorize the Commissioner to make, under the Multifamily deferred loan programs, certain actions relating to the servicing, stabilization and preservation of the Multifamily deferred loan portfolio that exceed the Commissioner’s administrative authority (as determined by the General Counsel and Assistant Commissioner for Multifamily).

PARAMETERS OF DELEGATED AUTHORITY

1. For loans that have been outstanding for 10 or more years, actions may include:
 - a. Modifying, extending or waiving loan terms, including rent and income restrictions, maturity dates, cash flow contingent payments, fixed payment requirements (excludes: (i) any increase in the principal amount, (ii) forgiveness of principal or interest, or (iii) waiver of a prepayment lockout period);
 - b. With compatible deferred loan funding resources, consolidating all or a portion of existing Agency deferred loans on a project with new Agency approved deferred loan funding selections or commitments;

- c. Allowing all or a portion of existing Agency deferred loans on a project to be refinanced and reissued to the same project, which may be done in conjunction with 1(b);
 - d. Establishing defaults and accelerations; and
 - e. Initiating foreclosures.
2. Any proposed action taken under this delegation must consider how the action will:
 - a. Affect risk or liability to Minnesota Housing if the action is not taken;
 - b. Stabilize the physical or financial position of the developments;
 - c. Preserve or provide for continued affordability; and
 3. Any proposed action taken under this delegation must:
 - a. Not result in the permanent displacement of existing residents;
 - b. Be in conformance with all applicable laws, rules and regulations; and
 - c. Further Minnesota Housing's mission and strategic priorities.
 4. The borrower must be in compliance with applicable rent limits, income limits, and other occupancy restrictions, as applicable, or have a written plan approved by Agency staff that returns the property to being in compliance.
 5. Actions taken under this delegation are subject to approval by a committee of up to seven members that includes the Deputy Commissioner, Assistant Commissioner for the Multifamily Division, Assistant Commissioner for Policy and Community Development, and the Executive Finance Officer or their designees. The Commissioner may appoint up to three additional Agency staff members.

REPORTING REQUIREMENTS

The Commissioner shall make a written report to the Board at least annually which provides a summary of the actions taken utilizing this delegated authority.

OTHER CONSIDERATIONS

None.

Adopted this 20th day of November, 2025

CHAIR



Item: Fourth Quarter 2025 Progress Report: 2024-2027 Strategic Plan and 2024-2025 Affordable Housing Plan

Discussion Item: 8.A
Date: 11/20/2025
Staff Contacts: John Patterson, 651.296.0763, john.patterson@state.mn.us
Request Type: No Action, Discussion

Request Summary

Staff are providing for the board's review and discussion the Fourth Quarter 2025 Progress Report: 2024-2027 Strategic Plan and 2024-2025 Affordable Housing Plan. Typically, this quarterly report is an information item, but with this being the final report for program year 2025, staff made it a discussion item.

Fiscal Impact

None.

Agency Priorities

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

Attachments

- Fourth Quarter 2025 Progress Report: 2024-2027 Strategic Plan and 2024-2025 Affordable Housing Plan

Fourth Quarter 2025 Progress Report: 2024-2027 Strategic Plan and 2024-2025 Affordable Housing Plan (Program Year October 1, 2024 through September 30, 2025)

This progress report has two sections:

1. **Go Bigger Strategic Goals.** To track our progress in carrying out our 2024-2027 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 2024-2025 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 2025. 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 those funds when construction is carried out.

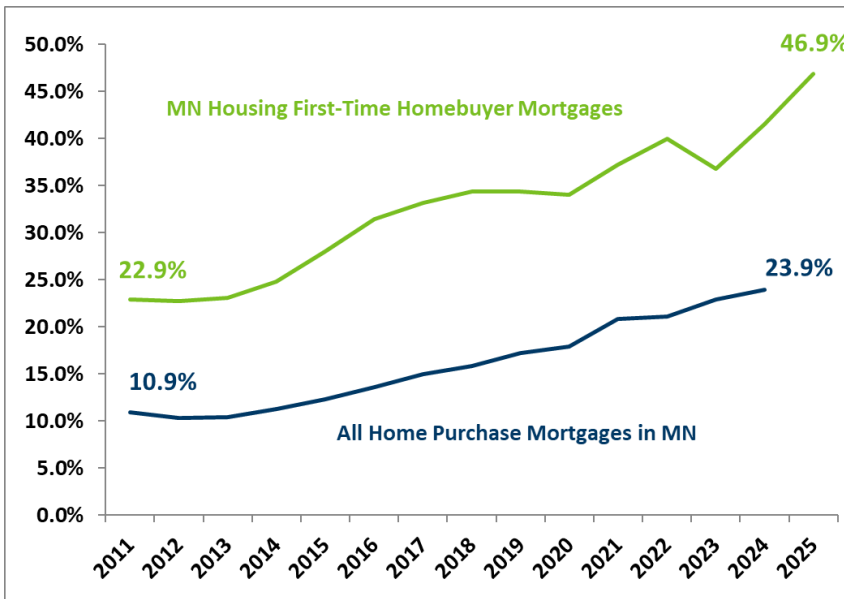
In 2025, we largely met expectations overall.

Key highlights include:

- At the end of the program year, 46.9% of our first-time homebuyer mortgages went to Indigenous, Black and households of color, exceeding our goal of 40%. Because our First-Generation Homebuyer Assistance program exhausted its one-time appropriation early in the year, the percentage started to decline. However, with staff implementing board-approved program changes, we expect to stay above 40% in the future.
- Across all programs, we have reached 101% of our year-end forecast in households to be served.
- We continue to stand-up, launch and implement a wide range of new programs created by the Legislature in 2023. In fact, some of the one-time programs have now ended and are in the close-out phase, including the First-Generation Homebuyer Assistance program (\$50 million) and Stable Housing Organizational Relief Program (\$50 million). The Community Stabilization program will be the last large program to launch.

Strategic Goals

1. Share of First-Time Homebuyer Mortgages Going to Indigenous, Black and Households of Color



Go Bigger Goal 40.0%
Q4-2025 Actual 46.9%

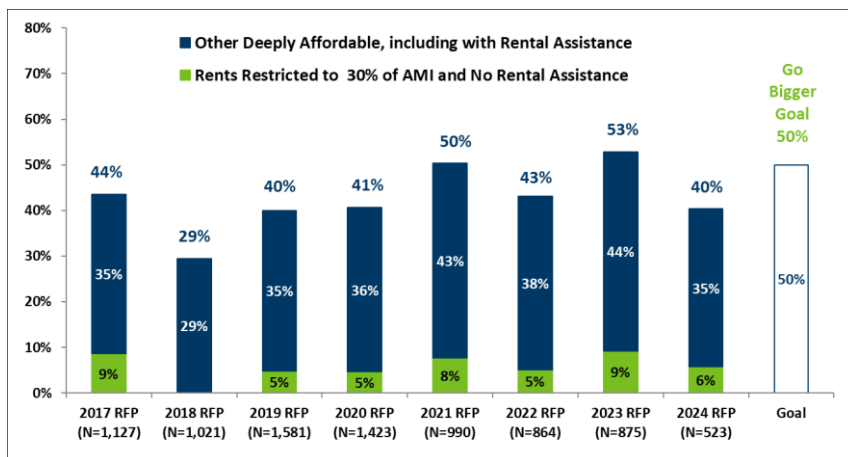
Our 2024-2027 Strategic Plan recognizes that some communities of shared identities, experience or geographies disproportionately face housing instability and experience disparities in access and outcomes. These include Indigenous, Black and people of color, people with disabilities, single parents, large families, and older adults. These communities are our priority because the current market is not working for them, and they experience barriers in accessing and navigating affordable housing.

Among the 50 states, Minnesota has the 6th largest disparity in the homeownership rates between white households (77.1%) and Indigenous, Black and households of color (48.5%). To help address the disparity, we have set a goal of 40% of the Agency's first-time homebuyer mortgages going to Indigenous, Black and households of color. We estimate that about 40% of renters who are potentially income-ready to buy a home and between the ages of 25 and 44 (prime first-time homebuyer ages) are Indigenous, Black and households of color.

After a few years of having 34% of our first-time homebuyer mortgages going to Indigenous, Black and households of color, we were able to break through and reach our 40% goal in 2022. This is significantly higher than the overall mortgage industry in Minnesota (23.9%). Because high interest rates and a very limited supply of affordable homes for sale created additional homebuying challenges, particularly for those facing the biggest barriers, our rate of lending to Indigenous, Black and households of color dropped in 2023. However, with the May 2024 launch of our temporary First-Generation Homebuyer Assistance program, which supported many Indigenous, Black and homebuyers of color with increased downpayment assistance, our lending rate to buyers of color reached 50% in a given month when the program was running. Unfortunately, the program exhausted the available appropriations and closed part way into program year 2025. This surge in lending to Indigenous, Black and households of color, which has now dropped off, increased the overall 2025 share to 46.9%. Without the dedicated

appropriations for first-generation homebuyers, our lending to Indigenous, Black and households of color is back to about 40% on a monthly basis. The program changes that the board approved in January – making first-generation homebuying an eligibility criterion for downpayment assistance under our ongoing Deferred Payment Loan Plus program – will help keep the share above 40%.

2. Share of New Rental Units from the Consolidated RFP that will be Deeply Affordable*



Go Bigger Goal 50%
2025 (2024 RFP) Actual 40%

* 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 funding selections approved last December 2024, 40% of the new construction and adaptive-reuse units are expected to be deeply affordable. While we did not reach the goal in the most recent RFP, we achieved it in two of the past four years. Achieving the target depends on: (1) the availability of capital funding for deferred lending—particularly Housing Infrastructure Resources, (2) the availability of rental assistance, including the Department of Human Services' Housing Support, and (3) the type of projects that submit funding proposals through the Consolidated RFPs. In the 2023 Consolidated RFP, we reached 53% deeply affordable new units with the support of \$206 million in deferred lending, including \$102 million from Housing Infrastructure Resources. In contrast, we reached 40% in the 2024 Consolidated RFP when we only had \$121 million in deferred lending, which included \$61 million from Housing Infrastructure Resources. While funding levels and project proposals vary from year to year, we remain committed to maximizing deeply affordable housing through strategic investments and partnerships.

Forecast of Households and Housing Units to Be Assisted

The following table tracks our progress in reaching our 2025 activity forecasts by program area. For context and a comparison, it also provides the level we reached in 2024 after the fourth quarter.

Progress in Reaching Our Forecast of Households and Housing Units to be Assisted in 2025

		2025 Year-End Forecast	2025 Actual After Fourth Quarter	Share of 2025 Forecast Reached After Fourth Quarter	2024 Actual After Fourth Quarter	Historical Share After Fourth Quarter
1	Homebuying	4,041	3,604	89%	7,572	100%
2	Homebuyer Education and Counseling	8,282	8,902	107%	7,671	100%
3	Home Improvement Lending	1,480	1,119	76%	1,551	100%
4	Single Family Housing Development and Supports	909	862	95%	1,311	100%
5	Manufactured Housing and Communities	943	1,275	135%	1,920	100%
6	Rental New Construction	564	716	127%	1,921	100%
7	Rental Rehabilitation	2,826	3,563	126%	3,137	100%
8	Rental Refinance Only	27	48	176%	37	100%
9	State Rental Assistance and Operating Subsidies	3,520	2,776	79%	2,918	100%
10	Section 8 Contract Administration	34,000	34,148	100%	34,333	100%
11	Homeless Prevention and Other Supports	12,441	14,030	113%	10,460	100%
12	Other Housing Programs	2,998	1,818	57%	834	100%
13	Total for Core Programs	72,031	72,861	101%	73,665	100%
14	COVID-19 Housing Recovery	14	14	100%	5,800	100%
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), contracts signed with names grantees, and the disbursement of funds for rental assistance, operating subsidies, homebuyer education/coaching and homelessness prevention.						

Without historical data, our forecast of activity for new programs is quite uncertain in terms of the timing and number of households assisted. We anticipated that we would be well over the forecast in some areas and well under in other areas. The Other Housing Programs in line 12 captures many of the new program created by the 2023 legislature.

NOTES:

Lines 1: At the end of the program year, we reached 89% of our year-end forecast for our homebuyer programs. After the board approved changes in January to the Agency's downpayment and closing-cost assistance programs, we expected to fall short of the forecast, which was developed before the program year started. We made the changes to slow program activity and more closely manage the limited funds that the Agency has on hand for providing downpayment and closing-cost assistance.

Lines 2: Homebuyer/owner education and counseling reached 107% of the year-end forecast, which is in line with the forecast.

Line 3: With respect to home improvement activity, we only reached 76% of the year-end forecast. Lending has been slower than we anticipated. In addition, just like downpayment assistance, the board

approved program changes in January to more closely manage the use of funds under the Fix Up Loan program to address the limited funds we have on hand for new lending.

Line 4: With respect to single-family development and supports, we landed very close to where we expected, reaching 95% of our year-end forecast.

Line 5: We have exceeded our forecast for manufactured housing and communities by a sizable amount, reaching 135% of our year-end forecast. The amount of assistance provided per lot was less than expected, allowing us to support more lots with the available resources.

Line 6: With respect to the construction of new rental units, we reached 127% of the year-end forecast, mostly because the amount of assistance provided per rental unit was less than anticipated, allowing us to assist more units with the available funds.

Line 7: On the rental rehabilitation side, we reached 126% of the year-end forecast, largely because of the number of units assisted under the Publicly Owned Housing Program (POHP). First, we awarded more funding than anticipated. This past spring, the legislature made available an additional \$26 million in general obligation bond proceeds for POHP, and we were able to fast track and quickly award a sizable portion of those funds. Typically, new funds are not awarded until the next program year starts. In addition, the amount of assistance per unit provided under the POHP RFP was less than anticipated, allowing us to assist more units with the funds available.

Line 8: We surpassed the forecast for rental refinancing. We refinanced one 48-unit property when the forecast had a 50-50 chance that we would refinance one property. 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. Given high interest rates, we were expecting very little activity.

Line 9: At the end of the year, we reached 79% of the year-end forecast, when we like to be within 90%. For the Agency's rental assistance programs, we track the disbursement of funds for this report, and there are a few reasons why we ended up behind expectations.

- First, we originally forecasted a small number of households being assisted under our new Bring It Home Rental Assistance before September 30, 2025. While we awarded the funds to Public Housing Authorities and Housing Redevelopment Authorities in the last quarter of program year 2025 to run the program, the first disbursements won't occur until program year 2026.
- Second, for the Agency's existing rental assistance programs, administrators did not use all the funds during the grant period, which limits the number of households served. With the grant close out, the final amounts are being determined.
- Third, for these programs, we track the number of households assisted, which is more than the number of available vouchers. During a year, when a voucher turns over from one household to another, an additional household is served. It is possible that the turnover rate of vouchers declined in 2025, resulting in fewer households served. We will take a closer look at the data as it is finalized to better understand the results.

Line 10: The number of units receiving project-based rental assistance changes very little over the course of the year, and it is always very close to the forecast.

Line 11: Activity under homeless prevention and other supports is higher than expected. The amount of assistance needed per household served was lower than expected, allowing us to serve more households with the available resources.

Line 12: This program area tracks several miscellaneous new programs that are in the process of being set up and launched. The new programs include Community Stabilization, State Housing Tax Credit Program, Greater Minnesota Housing Infrastructure, Lead-Safe Homes, Local Housing Trust Fund Grants, and Local Housing Aid Grants (Tier II Cities), along with legislatively-named grants to City of Minneapolis and BuildWealth's 9,000 Equities. A few programs are still in the process of launching without funds being awarded. The largest remaining program is Community Stabilization, which will have three separate RFPs. While the RFP processes are underway, board selections will occur in program year 2026.

Line 13: The Agency reached 101% of its year-end forecast for all its core programs, which is a strong result.

Line 14: This activity, which occurred in the first quarter under the RentHelpMN-Targeted Assistance Program, reflects the distribution of the last of the Agency's COVID-19 housing recovery funds. Over the last few years, program activity in this area included the COVID-19 Housing Assistance Program (CHAP), RentHelpMN-Regular, RentHelpMN-Targeted Assistance, and HomeHelpMN. The Agency still has funds to award under HOME-ARP (American Rescue Plan), but that activity falls under rental production program area and not this housing recovery category.

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Item: 2025 Cost Containment Report

Information Item: 9.A
Date: 11/20/2024
Staff Contacts: John Patterson, 651.296.0763, john.patterson@state.mn.us
Request Type: No Action, Information

Request Summary

Staff are providing for the board's review the 2025 Cost Containment Report. Each year, we provide this report a month before staff present its Consolidated RFPs recommendations. The cost containment report helps put costs of the recommended projects into context. This report is very similar to past reports with the following changes:

- One more year to results, and
- A recent 10% to 20% increase in development costs associated with meeting prevailing wage requirements.

Fiscal Impact

None.

Agency Priorities

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

Attachments

- 2025 Cost Containment Report



2025 Cost Containment Report

11/13/2025

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Equal Opportunity Housing and Equal Opportunity Employment. This document is available in alternative formats by contacting mn.housing@state.mn.us.

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Overview and Context

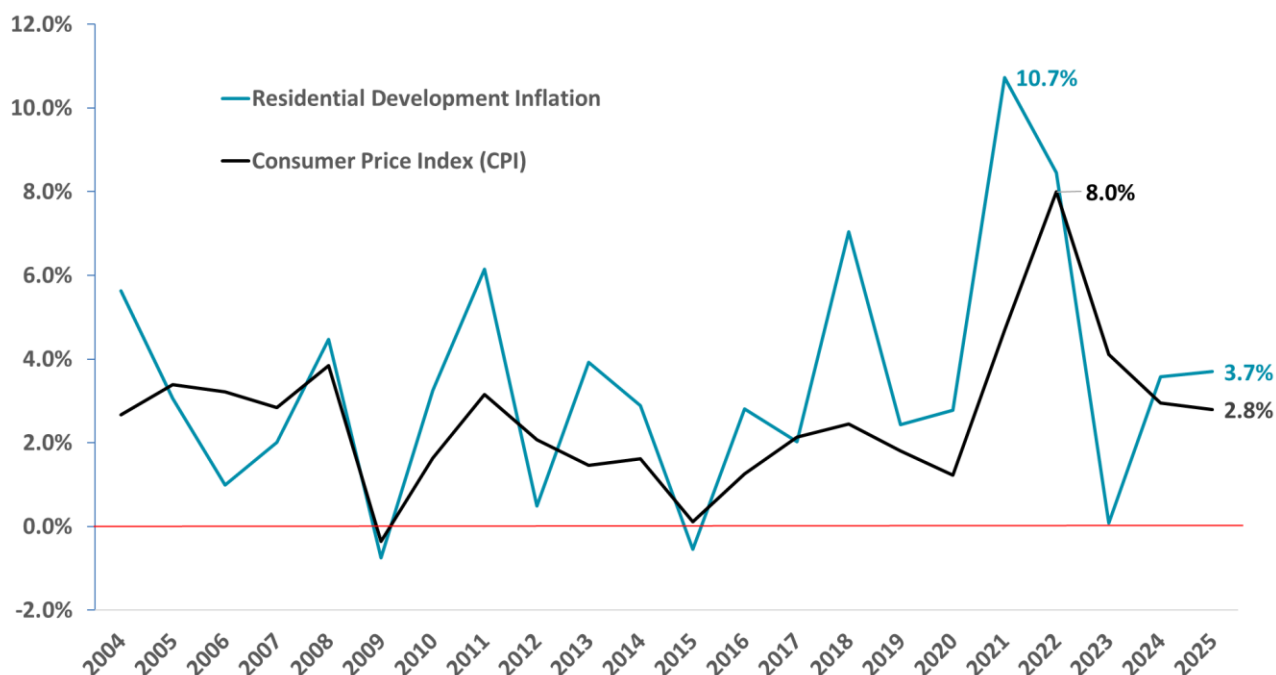
Containing the cost of housing development is a critical issue in Minnesota. In 2023, about 640,000 Minnesota households were cost burdened by spending more than 30% of their income on housing.¹ To address the shortage of housing that is affordable, we need to build and preserve more affordable homes across the state, especially for households with lower incomes, which is challenging.

- Current development resources for affordable housing are not scaled to meet the need. In recent years, about 11% of new rental construction was underwritten to be affordable to households with incomes at or below 50% of the area median income, falling substantially short of the 46% needed to match the incomes of renters.²
- Housing development costs rose very rapidly in 2021 and 2022, 10.7% and 8.5% respectively.³ See Figure 1. While the rate of residential development inflation is now closer to a more normal level, the cost increases a couple years ago have made developing affordable housing more challenging. Higher interest rates and lower pricing for Low-Income Housing Tax Credits are also creating challenges for developing affordable housing.

¹ Minnesota Housing analysis of data from the U.S. Census Bureau's American Community Survey (2024, 1-year sample).

² Minnesota Housing analysis based on data from the Metropolitan Council (2022-2023 construction) and of HUD's 2017-2021 CHAS (Comprehensive Housing Affordability Strategy) data.

³ Minnesota Housing analysis based on data from the Bureau of Labor Statistics' Producer Price Index for residential construction goods, the Minnesota Department of Employment and Economic Development's weekly wage data for the multifamily housing construction sector, and CoStar data about acquisition costs in Minnesota.

Figure 1: Inflation 2004 to 2025

In addition, effective cost containment is nuanced and involves policy tradeoffs. For example:

- Using lower-quality materials and less efficient building systems (e.g. heating and cooling) will reduce upfront costs but can also increase ongoing maintenance, repair and utility costs, which may not be cost-effective in the long run.
- Using lower-quality materials and more basic designs for a building's exterior will also reduce costs but will make it more challenging to fit affordable housing in the surrounding neighborhood, particularly higher-income communities. Housing that does not fit in a community can lead to community opposition and increase costs related to delays, re-design and projects not moving forward.
- Building developments in less expensive locations can save money, but it can also reduce residents' access to jobs, services, amenities, safe neighborhoods, public transportation, well-resourced schools and other benefits.

We based our 2024-2027 Strategic Plan on the principle that housing is foundational to a full life and a thriving state, providing individuals, families and communities the opportunity to flourish. To achieve this outcome for as many lower-income households as possible, our goal is to finance high-quality, durable, green, accessible, location-efficient housing that provides access to jobs, transit and other amenities and is built at reasonable costs. We are balancing the goal of cost containment with other policy objectives.

Overall, total development costs (TDC) for projects financed by the Agency have been relatively consistent over time after controlling for residential development inflation. This has occurred even when we have added policy objectives that can increase development costs, including supportive housing for people experiencing homelessness and people with disabilities, energy-efficient and climate-resilient homes, and locations that provide access to jobs, transit and other amenities. As cost pressures continue, we will continue to identify and pursue additional strategies to contain and reduce costs, including encouraging different types of construction methods.

This report is broken into two sections – the first addresses multifamily costs, and the second addresses single-family costs.

Multifamily Costs

In a typical year, we distribute \$150 million to \$200 million for multifamily development.⁴ We work to allocate these funds efficiently and effectively to address the significant shortage of rental housing that is affordable, particularly for those with the lowest incomes. The first part of this multifamily section provides an overview of our results, and the second part outlines our strategies for achieving those results and pursuing additional cost containment.

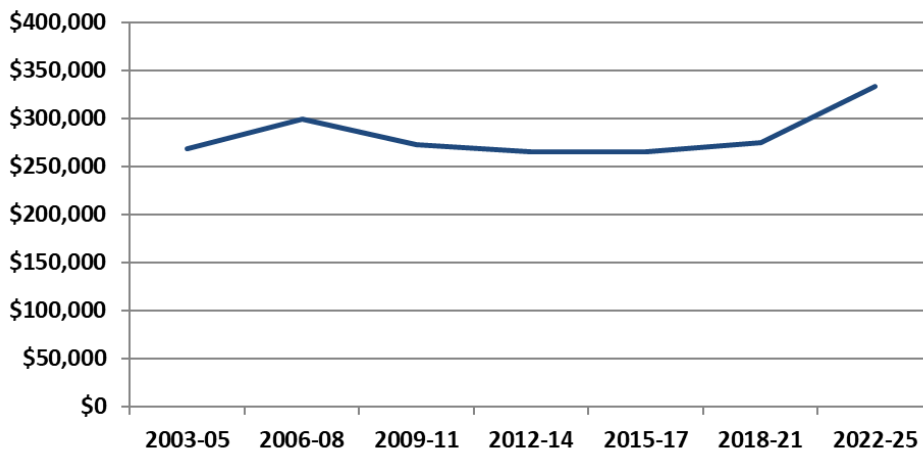
Overview of Multifamily Costs

Overall, the average TDC per unit for the housing we have financed has been around \$281,000 (in 2025 dollars) for the last two decades, after adjusting for inflation in residential development. The data in Figure 2 applies to all types of developments, including new construction, rehabilitation, metro area, Greater Minnesota, Low-Income Housing Tax Credit (LIHTC), non-LIHTC, workforce housing and supportive housing. The trend line is influenced by both the underlying cost trends and the mix of projects each year.⁵ For example, a larger share of resources going to new construction with tax credits in the metro area will increase average costs, while a larger share going to rehabilitation without tax credits in Greater Minnesota will decrease average costs.

⁴ This includes syndication proceeds from 9% Low-Income Housing Tax Credits.

⁵ To increase the comparability of the data, we excluded developments with a TDC per unit that was less than \$60,000, which took out rehabilitation projects with a more limited scope of work and added consistency to the level of rehabilitation being assessed. We also excluded developments with an overall acquisition cost of less than \$10,000, which excludes projects with no acquisition or heavily subsidized acquisition.

**Figure 2: Average TDC per Unit 2003 to 2025 – All Types of Developments
(Adjusted for Residential Development Inflation, 2025 Dollars)**



To control for the mix of projects in the trend line, Figure 3 shows the average TDC per unit just for new construction projects with tax credits in the metro area. Average costs have been relatively constant with a slight downward trend until about 2021, after which costs went up. The increase coincides with the construction of the first developments financed by Minnesota Housing that were required to meet the state's prevailing wage requirements. We were expecting prevailing wage requirements to increase total development costs by 10% to 20%. The recent increase in development costs in the metro area was a little less than 20%.

**Figure 3: TDC per Unit 2003 to 2025 – New Construction with Tax Credits in the Metro Area
(Adjusted for Residential Development Inflation, 2025 Dollars)**

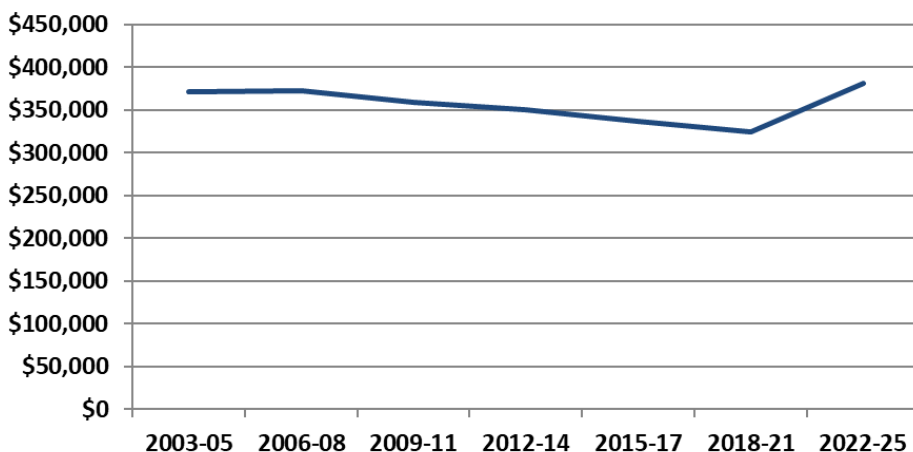
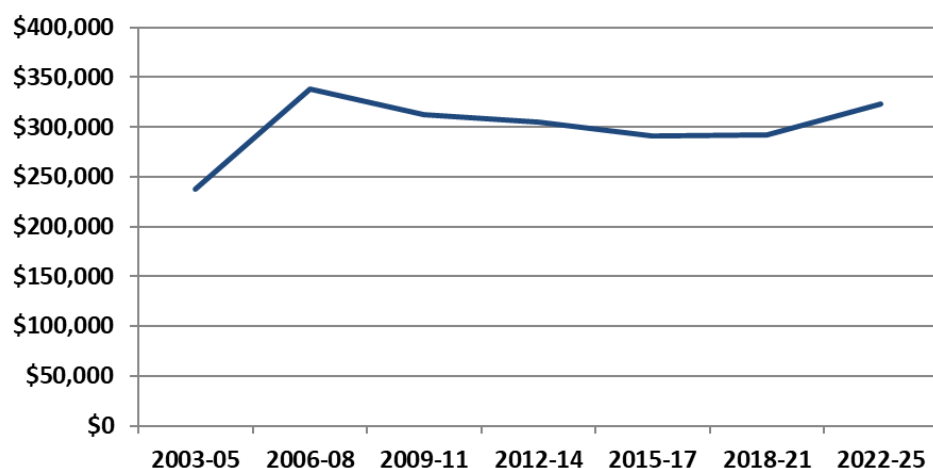


Figure 4 shows the equivalent graph for Greater Minnesota, with lower costs but similar trend line. The recent increase in Greater Minnesota costs was just over 10%.

**Figure 4: TDC per Unit 2003 to 2024 – New Construction with Tax Credits in Greater MN
(Adjusted for Residential Development Inflation, 2024 Dollars)**



Other than the recent cost increase, we have contained costs while new policy objectives and changes have put upward pressure on costs.

- In 2003, we added a selection and funding priority for supportive housing for people experiencing homelessness, which is generally a more costly type of development.
- In 2007, we added our Green Communities Overlay, which requires that developments have energy-efficient and healthy-home features, and most recently, we have been incentivizing even more sustainable housing, such as Passive House.
- In the last several years, we strengthened our location efficiency priority by making it more geographically precise and increasing the points it receives in the selection process. Housing that is in a walkable neighborhood and near transit, jobs and other amenities can be more expensive.

While these policy changes have occurred, we also added cost containment provisions.

- In 2006, we first developed and started using our predictive cost model, which compares a development's proposed costs with the costs that we would expect for that development based on the Agency's experience with similar projects and industry-wide standards. This process flags high-cost developments and helps maintain costs at a reasonable level.
- In 2014, we also launched the Minnesota Challenge to Lower the Cost of Affordable Housing, which was initiated as an idea competition to identify and address system-level factors (such as land use policies or design standards) that increase costs for all developments. Since this initial competition, we have carried out several activities to address these systemic-cost drivers.

- In 2019, we participated in and co-sponsored the Construction Revolution, which is an initiative to increase innovation in residential construction techniques with a focus on modular and offsite construction. This effort continues today.

More information on these initiatives is provided in the report's next section.

To contain costs, it is important to understand the factors that drive costs. Table 1 provides a breakout of costs by project type, location and cost component.

- New construction with Low-Income Housing Tax Credits in the Twin Cities metro area is the most expensive type of project, while rehabilitation without tax credits in Greater Minnesota is the least expensive.
- Not surprisingly, construction is the primary cost new construction projects, while construction and acquisition costs are both key cost drivers for rehabilitation projects. Addressing these costs will have the largest impact on reducing or containing TDCs.
- While soft costs (non-construction/non-acquisition costs) account for a smaller share of TDC (15% to 24%), they should be a focus of cost containment strategies. Reducing construction costs can affect the quality, durability, accessibility and energy efficiency of the housing, and reducing acquisition costs can affect location efficiency. While soft costs are a necessary component of a housing development, eliminating inefficiencies in these costs will not affect the quality of the housing. The complexity of financing affordable housing adds to the soft costs.
- Low-Income Housing Tax Credits (LIHTC) appear to add about seven percentage points to the share of TDC attributable to soft costs, likely due to the added complexity and cost of putting together and financing a tax credit deal. For developments without tax credits, soft costs account for 15% to 17% of TDC. That percentage jumps to 21% to 24% for developments with tax credits.

Table 1: Share of TDC by Project and Credit Type and Location for Developments Completed between 2003 and 2025 (Adjusted for Residential Development Inflation, 2025 Dollars)

Activity Type	Tax Credit Financing	Region	Average TDC per Unit	Share of TDC			N
				Construct-ion Cost	Acquisition Costs	Soft Cost	
New Const.	LIHTC	Metro	\$358,140	69%	7%	24%	113
New Const.	No-LIHTC	Metro	\$297,999	73%	10%	17%	23
New Const.	LITHC	Greater MN	\$290,765	74%	5%	21%	76
New Const.	No-LIHTC	Greater MN	\$276,057	78%	7%	15%	17
Rehab	LIHTC	Metro	\$285,486	37%	40%	23%	47
Rehab	No-LIHTC	Metro	\$185,081	37%	48%	15%	31
Rehab	LITHC	Greater MN	\$177,413	42%	36%	22%	46
Rehab	No-LIHTC	Greater MN	\$147,883	42%	42%	16%	24

Strategies for Containing and Reducing Multifamily Costs

As mentioned earlier, we have taken a two-pronged approach to containing costs up to this point.

1. Assess Cost Reasonableness.
2. Address Systemic Cost Drivers.

Strategy 1: Assess Cost Reasonableness

Minnesota Housing assesses each development for cost reasonableness. An important tool for identifying high-cost developments is our predictive cost model. The model predicts a development's TDC per unit based on its characteristics. To develop the parameters for the model, we run a multivariate regression analysis on the inflation-adjusted costs and characteristics of the developments that the Agency financed between 2003 and 2025. The analysis uses the historical data to assess the effect that each of the following factors simultaneously has on TDC per unit:

- Activity Type:
 - New Construction
 - Extensive Rehabilitation⁶
 - More Limited Rehabilitation
 - Combination of New Construction and Rehabilitation

⁶ This involves more extensive work on the interior, exterior, electrical and mechanical systems of a property. "Extensive" versus "more limited" is determined by staff using internal definitions.

- Conversion/Adaptive-Reuse
- Building Type:
 - Walkup
 - Elevator
 - Townhome
 - Single Family Home/Duplex
- Number of Stories
- Unit Size – based on average number of bedrooms per unit in the development
- Gross Square Footage
- Location:
 - Minneapolis or Saint Paul
 - Suburbs in Twin Cities Seven-County Metro Area
 - Greater Minnesota – Large City⁷
 - Greater Minnesota – Regional Job Center⁸
 - Greater Minnesota – Rural
- Year Built
- Underground Garage
- Acquisition:
 - Land
 - Structure
 - None
- Financing:
 - Low-Income Housing Tax Credits
 - Number of Funding Sources
- Special Costs:

⁷ The large cities are Duluth, Rochester, St. Cloud, Moorhead and Mankato, and include a five-mile commute area around the cities.

⁸ There are 51 regional job centers, which are the top 15% of cities and townships in number of jobs. They include: Albert Lea, Albertville, Alexandria, Austin, Baxter, Bemidji, Brainerd, Buffalo, Cambridge, Cloquet, Cold Spring, Crookston, Detroit Lakes, Elk River, Fairmont, Faribault, Fergus Falls, Goodview, Grand Rapids, Hibbing, Hutchinson, International Falls, La Prairie, Little Falls, Marshall, Montevideo, Monticello, Morris, North Mankato, Northfield, Onamia, Owatonna, Park Rapids, Perham, Pipestone, Red Wing, Roseau, Saint Michael, Saint Peter, Sartell, Sauk Rapids, Thief Rivers Falls, Virginia, Waite Park, Waseca, Willmar, Windom, Worthington and Wyoming. These areas also include a five-mile commute area around the cities.

- Historic Preservation
- Environmental Abatement
- Supportive Housing
- Prevailing Wages

We apply the model's cost parameters for these factors to a proposed development to predict its costs. The model is also benchmarked against industry-wide cost data to ensure that our costs are in line with the industry. With different development characteristics, the predicted total development costs for new construction can vary from \$290,000 to \$645,000 per unit (in 2027 dollars, when 2025 selections will most likely draw funds).

Overall, the model explains a sizable portion (51% to 73%) of the variation in the costs for developments that we financed between 2003 and 2025, which is a robust result.⁹ For comparison, Abt Associates (a national consulting firm) released in August 2018 a cost analysis of housing tax credit developments from across the county, and their regression models explained 52% to 54% of the variation in the national data.¹⁰ Similarly, the U.S. Government Accountability Office (GAO) released in September 2018 another cost analysis of tax credit developments, and their regression models explained 63% to 65% of the variation in their national data.¹¹ Besides the statistical rigor, the model has proven very effective over the last decade and a half in objectively and systematically flagging developments with high costs. Each year, we revise and enhance the model based on the previous year's results and staff feedback.

Over time, we have tested models that predict costs on a per-unit and a per-square-foot basis. Based on our testing, the per-unit models have explained a larger share of the variation. We believe this has occurred for two reasons. First, some costs are clearly tied to the unit and do not increase with the size of the units. For example, apartments regardless of unit size have one kitchen (unless single-room-occupancy). Second, and most importantly, the per-unit model that we use includes a cost factor that

⁹ The model explains about 73% of the variation in construction costs and about 51% of the variation in soft costs.

¹⁰ Abt Associates, *Variation in Development Costs for LIHTC Projects* (prepared for the National Council of State Housing Agencies, August 30, 2018). The adjusted R-Squared values shown in the appendix varied from 0.5222 to 0.5433.

¹¹ U.S. Government Accountability Office (GAO), *Low-Income Housing Tax Credit: Improved Data and Oversight Would Strengthen Cost Assessments and Fraud Risk* (September 2018, GAO-18-637). The adjusted R-Squared values shown in Appendix II varied from 0.626 to 0.648.

accounts for unit size. Developments with larger units and more bedrooms have higher predicted costs.

Under current practice, when staff recommend to the board developments for funding, they identify the developments with a proposed cost that is more than 25% higher than the model's predicted cost for new construction and 35% higher for rehabilitation, and the board can decide to grant a waiver allowing the higher cost. For the higher-cost projects that staff recommends for funding, staff needs to explain why the proposed costs are reasonable even though they are above the 25% and 35% thresholds. There are a wide range of valid reasons why the costs could be reasonable. For example, a housing development and site may be critical to meet a local housing need, but the site requires an unusually large amount of environmental remediation.

While the predictive cost model is a useful tool to identify high-cost developments, it is not the only way that Agency staff review cost reasonableness. The professional judgment and expertise of our underwriting and architectural staff also play a critical role in the assessment of cost reasonableness. Even if a project has costs that are within the 25% and 35% predictive cost model thresholds, staff can still question costs if they seem high given the context of the development. Our staff has extensive experience reviewing funding applications and development costs. Each year, they typically evaluate 75 or more applications for funding.

Strategy 2: Address Systemic Cost Drivers

The first strategy addresses costs that are specific to individual developments. Systemic cost drivers outside the control of developers are critical issues that also need to be addressed. These cost drivers range from local policies and regulations that increase the cost of housing (such as maximum densities), to the cash reserves that funders and investors may require for affordable housing developments, to the complexity of assembling the multiple sources of funding that make an affordable housing deal work.

In January 2014, Enterprise Community Partners and the Urban Land Institute's (ULI's) Terwilliger Center for Housing released a report on best practices from across the country to address these systemic cost drivers.¹² Overall, the report finds that containing and reducing costs in a prudent and

¹² Enterprise Community Partners and Urban Land Institute's Terwilliger Center for Housing, *Bending the Cost Curve on Affordable Rental Development: Understanding the Drivers of Costs* (January 2014).

effective way does not involve a single magic bullet. Rather, housing costs are driven by dozens of small inefficiencies. As one of the lead authors described it, “death by a thousand cuts.”¹³

To take on these cost drivers, we partnered with the McKnight Foundation, Enterprise, and ULI/Regional Conference of Mayors to create an initiative for Minnesota to implement these types of practices, which became the MN Challenge to Lower the Cost of Affordable Housing. It began in the winter of 2014 as an idea competition. We asked the development community to create cross-discipline teams (developers, funders, attorneys, local officials, housing advocates, etc.) and develop and submit ideas to address these systemic cost drivers. From the 12 submissions, we selected one to receive \$70,000 for implementation.¹⁴

The winning idea was submitted by the Center for Urban and Region Affairs at the University of Minnesota, the Housing Justice Center and Becker Consulting. Their proposal addressed the issue of local practices and policies that add to the cost of affordable housing, including fees, land-use and zoning policies, approval processes and others. These cost drivers have been identified and known for years. The value of this idea was identifying and implementing best practices to address them, which included providing technical assistance to communities to pursue the practices and encouraging regional organizations to incorporate the implementation strategies into their policies and guidelines, including the Metropolitan Council’s Planning Handbook and Housing Performance Scores and ULI’s Toolbox for local communities.

As part of our overall cost containment strategy, we have carried out several initiatives that address systemic cost drivers.

- **2014 – Minnesota Housing’s Multifamily Remodel Project.** We carried out a project for our Multifamily Division to redesign and streamline its application and funding processes – everything from proposal inception through application, selection, underwriting, closing, construction management and lease up. The purpose of the remodel was to reduce the time it takes a development to move from concept to occupancy. A key finding from the Enterprise/ULI report identified complexity, uncertainty and delays in the funding process as cost drivers. The project has achieved positive outcomes. For example, we created a customized online portal to receive funding applications for the multifamily consolidated RFP, eliminating paper applications.

¹³ Michael Spotts, Enterprise Community Partner, presentation to the Affordable Housing Investors Council (AHIC), Portland Oregon, October 9, 2014.

¹⁴ The initiative was jointly funded by the McKnight Foundation and Minnesota Housing.

- **2015 – MinnDocs – Consolidated Legal Documents.** Most affordable housing projects have multiple deferred loan funding sources, each with their own set of legal documents and attorneys, which add unnecessary costs. The Enterprise/ULI report highlighted Massachusetts' practice that consolidates legal documents for all subordinate debt into a single set. The development community in Minnesota was intrigued, and we took initial steps to pursue the concept. The complexity of making this work turned out not to be worth the limited cost savings that would result.
- **2016 – Minnesota Housing's Design and Construction Standards.** As part of our annual preparation for the consolidated RFP, we review these standards. During 2016, we specifically reviewed the standards with an emphasis on cost containment. We focused on reducing life-cycle costs (which includes ongoing maintenance, repair and utility costs), not just upfront development costs. Specifically, we surveyed architects, general contractors and developers who work on the developments that we finance about the standards and costs. We received 66 responses. Based on the feedback, we made several design changes that should reduce costs. For example, we clarified that a separate dining room is not required in units with two or more bedrooms but that a dining area (or eat-in kitchen) is sufficient. Each of the changes alone will unlikely result in significant savings, but they are examples of small savings that, when combined, can lead to larger savings over time.
- **2017 – Developer Fees.** These fees compensate developers for the time, compliance requirements and risks associated with developing affordable housing and can account for a substantial portion of a development's soft costs. Minnesota Housing allows a maximum developer fee of 15% of TDC for the first 50 units and 8% for additional units. In 2017, we assessed our fees and found that they are consistent with other states and that the average fee taken by our developers is 7% of TDC, well below our maximum. Given our overall cost containment incentives, it appears that developers are typically taking the minimum fee that still allows the deal to work for them. If developers take a higher fee, their applications will be less competitive in a highly competitive process. Based on this analysis, we decided not to adjust our developer fee structure at that time, but it is an area that we will continue to assess given the size of these costs.
- **2018 – Housing Task Force.** Minnesota Housing was a lead sponsor of Governor Dayton's Task Force, providing much of the staff support. The cost of developing housing was a primary issue addressed by the Task Force, which made several cost-related recommendations, including:
 - Position Minnesota as a national leader in the advancement of housing innovation and technology, which should increase the efficiency and productivity of developing housing and reduce the costs.

- Grow the pool of talent in Minnesota’s building trades to enable the sector to meet current and future demand, which should address the current shortage of skilled labor.
- Create a statewide review panel to evaluate regulations related to building standards, land use and environmental stewardship for their impact on housing affordability.

While these actions are largely outside the scope of our work, they would directly impact the cost of the housing that we finance.

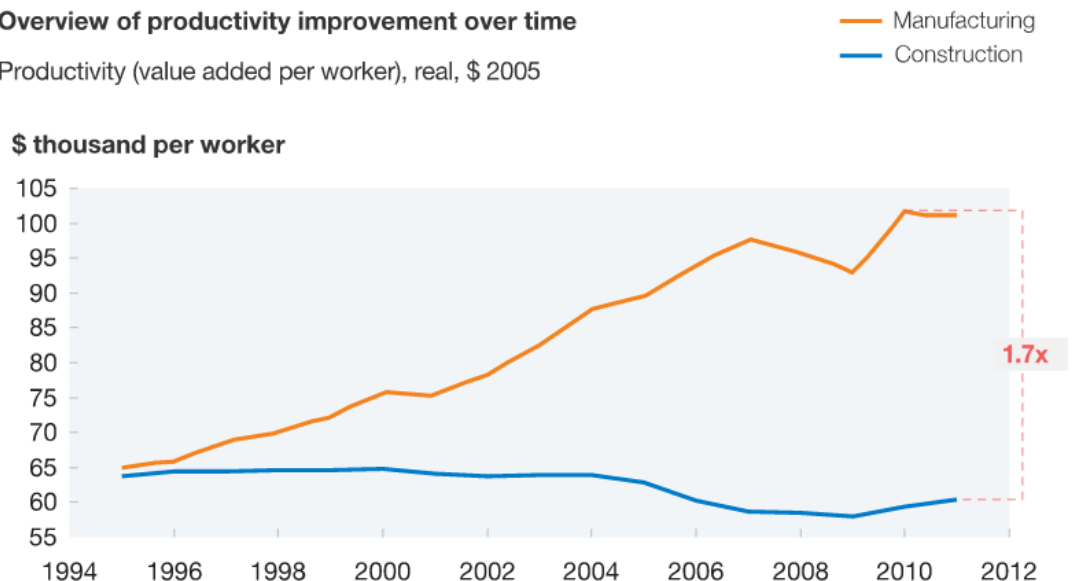
- **2019 to present – Off-site Construction and Other Innovative Techniques.** In 2019, we helped organize and co-sponsor the Construction Revolution Summit, which pursued the innovation and technology recommendation from the Housing Task Force. The Summit brought together construction industry leaders to discuss barriers and opportunities to advancing off-site construction (including modular and panelized).

Housing construction is ripe for a major systemic change but has struggled to takeoff in the United States. Unlike other industries, construction has not experienced meaningful productivity increases over the last few decades. We are largely building homes the same way we did 50 years ago.

Productivity in manufacturing has nearly doubled, whereas in construction it has remained flat.

Overview of productivity improvement over time

Productivity (value added per worker), real, \$ 2005



Source: Expert interviews; IHS Global Insight (Belgium, France, Germany, Italy, Spain, United Kingdom, United States); World Input-Output Database

McKinsey&Company

Without productivity gains, reducing the cost of housing construction will remain elusive. Some estimates suggest that off-site construction could reduce costs by as much as 20%.

The action plan that came out of the Construction Revolution Summit called for, among other things: (1) establishing learning opportunities on how to develop housing using modular construction, and (2) having public funders finance some developments using off-site construction as a pilot.

- In the winter of 2021, the Construction Revolution team provided a course on using modular construction, bringing together developers, architects, general contractors and others from the industry. One of Minnesota Housing's architects participated.
- In our scoring for the 2021 to 2024 consolidated RFPs, we added a selection preference for developments that use innovative construction techniques (including off-site construction) and have the potential to reduce construction costs by at least 10% and construction time by at least 20%.
- For the 2025 and 2026 RFPs, the Agency made the use of innovative construction techniques a pointing category, not just a selection preference. This should give developers an even stronger incentive to pursue innovative techniques. As a pointing category, the use of an innovative construction technique will directly impact a housing project's ranking in the selection process.

In 2025, the Construction Revolution is partnering with MOD X to identify and implement strategies to advance off-site construction in Minnesota. MOD X is a global strategy advisor and knowledge exchange network integrating academic, industry, government and related non-profit sectors to advance offsite construction.

Single-Family Costs

We typically distribute around \$10 million to \$15 million for single-family development through our Community Homeownership Impact Fund. Although the level of cost data that we collect is currently less than what we collect and analyze for multifamily developments, evaluating costs and cost containment is a part of our selection process.

Overview of Single-Family Costs

The total development costs for the single-family projects that we have financed are reasonable and consistent with industry benchmarks for moderately-sized, average-class homes. Table 2 shows the

median cost per home by location and activity for developments that we have financed over the last twelve and a half years, adjusted for residential development inflation.

Table 2: Impact Fund – Median TDC by Location and Project Type, Loans Closed from October 1, 2012 through March 25, 2025 (2027 dollars, when we expect 2025 selections to start construction)

Location	New Construction	Acquisition/Rehab/Resale
Greater Minnesota	\$342,000	\$285,000
Metro	\$505,000	\$399,000

Excludes projects by Habitat for Humanity and Community Land Trusts

In the last few years, some of the projects that we finance are now statutorily required to pay prevailing wages to construction workers. We generally assume that prevailing wages add 5% to 20% to the development costs. Consequently, we have recently seen some costs higher than these figures.

The median new construction costs in Table 2 are generally consistent with industry standards. Table 3 shows the predicted industry-wide costs for building new, average-class homes of varying sizes in the Twin Cities metro area (derived from RSMeans data).¹⁵ These costs do not include prevailing wages. The median cost of the homes that we finance for new construction in the metro area (\$505,000 as shown in Table 2) is in line with industry cost benchmarks for a 1,600 to 2,100 square-foot home (\$486,000 to \$558,000 as shown in Table 3). When prevailing wages apply, we are likely to see costs higher than these.

Table 3: Estimated Total Development Costs in Twin Cities Metro, Two Story Home, Unfinished Basement, Average Class, Wood Siding, 2-Bathrooms, Garage and No Prevailing Wages (2027 dollars, when we expect 2025 selections to start construction)

Location	1,100 Sqft	1,600 Sqft	2,100 Sqft	2,600 Sqft
Total Development Costs	\$414,000	\$486,000	\$558,000	\$630,000

Source: Minnesota Housing analysis based on construction cost data from RSMeans, *Residential Cost Data, 2025*. Besides the RSMeans data on construction costs, we added cost factors for land and soft costs.

The historical median cost for new construction in Table 2 for our work in Greater Minnesota (\$342,000) is quite a bit less than the predicted costs based on the RSMeans data. Table 4 is the same as Table 3 but applies to projects in Greater Minnesota outside of the counties that make up the

¹⁵ RSMeans is a national firm that provides a wide range of data on construction costs.

metropolitan statistical areas of the Twin Cities, Duluth, Moorhead, St. Cloud, Rochester and Mankato. Regardless of the size of the home, these predicted costs from the RSMeans data for rural Minnesota are substantially higher than the median development cost (\$342,000) of the homes we have financed in the past.

Table 4: Estimated Total Development Costs in Rural Minnesota, Two Story Home, Unfinished Basement, Average Class, Wood Siding, 2-Bathrooms, Garage and No Prevailing Wages (2027 dollars, when we expect 2025 selections to start construction)

Location	1,100 Sqft	1,600 Sqft	2,100 Sqft	2,600 Sqft
Total Development Costs	\$377,000	\$443,00	\$509,000	\$574,000

Source: Minnesota Housing analysis based on construction cost data from RSMeans, *Residential Cost Data, 2025*. Besides the RSMeans data on construction costs, we added cost factors for land and soft costs.

The reason for the lower than predicted costs in Table 2 for Greater Minnesota is not entirely clear. The costs in Table 2 exclude projects sponsored by Habitat for Humanity, which often has lower costs with donated labor and materials.

Strategies for Containing and Reducing Single-Family Costs

Since 2015, we have focused on becoming more systematic and objective in our assessment of single-family development costs. We initially compared a project's proposed costs with the median and the 80th percentile cost home that we have financed in the past. While this approach was valuable as an initial assessment, it has deficiencies. It does not account for cost differences resulting from home sizes, garages, number of bathrooms, varying land costs and other factors. Starting with the 2022 RFP selections, we developed a predictive model for new construction projects, which is largely based on the RSMeans data and allows for a more nuanced assessment of the proposed costs. As shown in Tables 2 through 4, the costs are inflated to expected 2027 dollars so that they can serve as cost benchmarks for the 2025 funding selections, which will likely start construction in 2027.

Conclusion

For nearly two decades, we have worked to contain upfront development costs while adding new priorities that can increase costs. Given the shortage of affordable housing, limited resources, and the need to do more, cost containment will remain a critical issue. While many of the cost drivers are outside the direct control of the Agency or driven by the market, we will continue to pursue multiple strategies to contain costs.



Item: Post Sale Report, State Appropriated Housing Infrastructure Bonds (HIB), Series 2025 AB

Information Item: 9.B
Date: 11/20/2025
Staff Contacts: Matt Dieveney, 651.282.2577, matt.dieveney@state.mn.us
Andy Pratt, 651.296.2293, andy.pratt@state.mn.us
Request Type: No Action, Information

Request Summary

The Agency priced \$50,000,000 of State Appropriated Series 2025 AB bonds on October 8, 2025. All series closed October 29, 2025. In accordance with the board's Policy No. 1 (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.

Agency Priorities

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

Attachments

- Post-Sale Report

Via Email Delivery

MEMORANDUM

Date: October 29, 2025

To: Minnesota Housing Finance Agency

From: Eric Olson, David Jones

Re: Post-Sale Report
50,000,000 State Appropriation Bonds (Housing Infrastructure)
2025 Series A and B

KEY RESULTS FOR MINNESOTA HOUSING

Purpose. Minnesota Housing issued the \$50,000,000 2025 Series A and B State Appropriation Bonds to fund loans to six multifamily housing developments with a total of 286 units, and to cover related bond costs of issuance. Bond proceeds may also be used to fund loans for the cost of infrastructure redevelopment in manufactured home parks, and for loans related to other single family housing development including that by Community Land Trusts.

The Housing Infrastructure Loans are expected to be 0% interest, non-amortizing, nonrecourse deferred loans. Certain loans may also be forgivable if the conditions for use are met. The loans do not provide the security for or help repay the bonds. The bonds are paid solely from the State's general fund appropriation.

Under the relevant authorizing legislation, Minnesota Housing may use bond proceeds to make loans to help finance:

- the costs of the construction, acquisition and rehabilitation of supportive housing for individuals and families who are without a permanent residence,
- the costs of the acquisition and rehabilitation of abandoned or foreclosed property to be used for affordable rental housing and the construction of rental housing on that property where the existing structures will be demolished or removed,
- that portion of the costs of the acquisition of abandoned or foreclosed property that is attributable to the land to be leased by community land trusts to low and moderate income homebuyers,
- the costs of acquisition, improvement and infrastructure of manufactured home parks;
- the costs of acquisition, rehabilitation, adaptive reuse, or new construction of senior housing;
- the costs of the acquisition and rehabilitation or refinancing of federally assisted rental housing, including refunding outstanding bonds issued by the Agency or another governmental unit,
- acquisition, rehabilitation, adaptive reuse, or new construction of single-family housing,
- the costs of construction, acquisition, and rehabilitation of permanent housing that is affordable to households with incomes at or below 50 percent of area median income, and

Post-Sale: MHFA \$50,000,000 State Appropriation Bonds (Housing Infrastructure), 2025AB
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- the costs of the construction, acquisition, and rehabilitation of supportive housing for girls and women to provide them protection from and the means to escape exploitation and trafficking.

History of Housing Infrastructure Financings. The 2025 Series A and B issue is the fourteenth financing under this indenture, and it was sized to use the full amount of the 2024 bond authorization. All of the financings are summarized in the following table.

\$15,460,000	2013 Series A/B
\$14,540,000	2014 Series A/B
\$37,570,000	2015 Series A/B
\$31,095,000	2015 Series C
\$18,625,000	2016 Series A/B/C
\$12,690,000	2017 Series A
\$25,295,000	2018 Series A/B/C/D
\$26,775,000	2019 Series A/B/C/D
\$108,280,000	2020 Series A/B/C/D
\$76,970,000	2021 Series A/B/C/D
\$104,195,000	2022 Series A/B/C
\$26,635,000	2023 Series A/B
<u>\$12,960,000</u>	2024 Series A
\$511,090,000	Total prior series
<u>\$50,000,000</u>	2025 Series A/B
\$561,090,000	Total to date

While all of the Housing Infrastructure financings are secured on a parity basis, particular series are issued under different appropriations limits covering both par amount and annual debt service.

KEY FEATURES OF THE BONDS

Limited Obligations of Minnesota Housing. The bonds are not secured or guaranteed by Minnesota Housing and are payable solely from the State Appropriations. The bonds are listed as liabilities on Minnesota Housing's financial statements.

Appropriations Risk. The Housing Infrastructure State Appropriations are a standing annual appropriation that does not require any further action by the Legislature for payments to be made in future years. As provided by Minnesota law, a standing appropriation may be reduced or repealed entirely by the Legislature; this would have significant credit consequences for the State. Due to this possible non-appropriation risk, the bonds are therefore rated slightly below the state General Obligation bonds (which are rated Aaa by Moody's, AAA by Standard & Poor's, and AAA by Fitch).

Ratings. The bonds are rated Aa1 by Moody's and AA+ by Standard & Poor's.

Multiple Series. The issue was divided into two series – A and B – to facilitate distinctions between governmental purpose bonds and private activity exempt facility bonds. The breakdown between series is summarized below.

- 2025A (\$7,125,000): Governmental Purpose
- 2025B (\$42,875,000): Private Activity Exempt Facility

Post-Sale: MHFA \$50,000,000 State Appropriation Bonds (Housing Infrastructure), 2025AB
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Facilitating Access to Low Income Housing Tax Credits. The Series B bonds are private activity bonds using volume cap. As such, bond proceeds can help the developments qualify for 4% low income housing tax credits that can help further leverage the state appropriation.

Bond Structure. Series A and B were structured together to provide level annual debt service, with bond maturities from 8/1/2026 to 8/1/2047. Interest is capitalized through 2/1/2026 given the timing of the first available appropriations. All maturities were structured as serial bonds except 2046 and 2047, which were combined into a single 2047 term bond.

Couponing and Original Issue Discounts/Premiums: The bonds were structured with a mix of coupons ranging from 4.125% to 5% to appeal to a range of different investors, helping maximize investor demand. All but the 2044 to 2047 maturities were sold at premiums. The aggregate net reoffering premium was \$3,117,021.10.

UNDERWRITING

RBC Capital Markets served as senior managing underwriter, with Morgan Stanley, Piper Sandler & Co., and Wells Fargo Securities as co-managers.

On Monday, October 6, RBC shared pricing views from themselves and their co-managers, along with their consensus proposed scale and draft pre-marketing wire. CSG also independently provided Minnesota Housing with pre-pricing comparable transactions (see post-pricing version attached).

On a conference call, representatives of Minnesota Housing, CSG, and RBC discussed the proposed structure and pricing levels, market conditions, and the pricing schedule and steps. RBC indicated that the federal government shutdown starting October 1 was not yet having any material impact on the municipal bond market. RBC described that market conditions looked good for the bond sale, with stable rates, relatively low municipal bond supply the prior week, and average municipal bond supply expected for the current week.

On Wednesday morning, October 8, RBC provided a market update and proposed levels for pre-marketing to begin later that morning. The levels were identical to those discussed on Monday's call except for the 2027 maturity, where RBC proposed lowering the yield spread by 2 basis points. CSG concurred with this approach and RBC began pre-marketing the bonds.

Early on the morning of the pricing, Thursday October 9, the financing team had a conference call to discuss the pre-marketing feedback from the prior day and to determine the offering levels for the order period. RBC shared that investor feedback was good and that market conditions were favorable, with manageable supply and slightly lower MMD index levels for 2034 and later after Wednesday's MMD reset. RBC recommended no changes in the offering yield spreads and one structural change – switching the 2042 and 2043 maturities from par bonds to 5% coupon premium bonds at lower yield spreads. Consistent with past issues, first priority was given to Minnesota individual retail orders up to \$250,000 each.

During the order period, \$186 million of orders were received, representing an overall subscription factor of 3.7x. All maturities were over-subscribed, with subscription levels ranging 1.2x to 5.3x. \$810,000 of individual retail orders were received. MHFA, Management and Budget, and CSG had access to the Ipreo order system to monitor the pricing status in real time.

On a wrap-up call at 1:00 PM Central time, representatives of Minnesota Housing, CSG, and RBC discussed the results of the order period. RBC proposed to underwrite the issue with the following

Post-Sale: MHFA \$50,000,000 State Appropriation Bonds (Housing Infrastructure), 2025AB
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changes from the beginning of the order period. At the conclusion of the call, Minnesota Housing gave RBC the verbal award.

- 1 basis point yield reductions on the 2027, 2030, and 2038 maturities (where the subscription levels were 2.0x)
- 2 basis point yield reductions on the 2028-2029, 2031-2034, and 2043 maturities (where subscription levels ranged from 3.0x to 3.1x)
- 3 basis point yield reductions on the 2037 and 2040-2042 maturities (where subscription levels ranged from 3.4x to 4.0x)
- 4 basis point yield reductions on the 2035-2036, 2039, and 2044-2045 maturities (where subscription levels ranged from 4.6x to 5.3x)
- On the 2047 term bond, where the subscription level was 4.3x, reducing the coupon from 4.375% to 4.25% and reducing the yield by 3 basis points

MARKET CONDITIONS

Treasuries. In the days leading up to the sale of the bonds, U.S. Treasury yields were fluctuating within a narrow range. The 10-year yield was 4.13% on Friday the 3rd and after rising as high as 4.18% on Monday the 6th, it returned to 4.13% on Wednesday the 8th. The 30-year yield rose by just 0.01% from 4.71% on Friday to 4.72% on Wednesday.

Municipals. Municipal rates were relatively steady before the bond sale. On Friday the 3rd the 10-year was 2.91% while the 30-year was 4.21%. On Wednesday the 8th, the 10-year yield was reduced by .03% to 2.88% and the 30-year yield was reduced by 0.02% to 4.19%.

COMPARABLE PRICINGS

Attached are listings comparing the 2025AB transaction to other bond pricings. The first two pages show recent bond issues by other entities both in Minnesota and nationwide, and the last three pages show all the Minnesota Housing State Appropriation Bond issues from 2014 to present.

The listing of recent transactions from other issuers shows a wide variety of spreads to the interpolated MMD curve for any particular maturity year. Overall, the general obligation bond issues (including the State's large financing on September 23) garner significantly lower yield spreads, given investor preferences for general obligation credits over ones with appropriations risk. Minnesota Housing's 2025AB issue priced much closer to the other appropriations credits shown in the listing, including those of Pima County (AZ) which priced the same day and the Economic Development Authority of New Prague (MN) which priced earlier in the week. Other factors that can limit comparability between issues include state-specific demand and the nature of housing credits generally, where some investors perceive higher risks including compliance with affordability requirements.

PRICING COMPARABLES: Recent Bond Issues

Pricing Date	10/9/25			10/9/25			10/7/25			10/7/25			10/1/25			9/29/25		
Amount	\$50,000,000			\$35,910,000			\$10,040,000			\$38,430,000			\$45,140,000			\$15,530,000		
Issuer	Minnesota HFA			Pima County (AZ)			New Prague Econ Dev (MN)			Spring Lake Pk ISD #16 (MN)			North Dakota PFA			St. Louis Co. (MN)		
Series	2025 S. A,B (Housing Infra)			S. 2025 Certif. of Part.			S. 2025 C (Police Lease)			G.O. Bonds, S. 2025A			Capital Fin Prgm, S. 2025A			G.O. Bonds, Series 2025B		
Program	Appropriations / Negotiated			Appropriations / Negotiated			Appropriations / Competitive			GO / Competitive			Appropriations / Competitive			GO / Competitive		
Rating(s)	Aa1 / AA+ / -			- / AA- / AA			- / AA- / -			Aa1 / - / -			- / AA- / -			- / AA+ / -		
Maturity	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread
Year ('25 pricings)	Aug1	(if diff.)	to iMMD	Dec1	(if diff.)	to iMMD	Feb1	(if diff.)	to iMMD	Feb1	(if diff.)	to iMMD	Jun1	(if diff.)	to iMMD	Dec1	(if diff.)	to iMMD
1 2026	5.00	2.66	+25	5.00	2.63	+23							5.00	2.53	+15	5.00	2.65	+27
2 2027	5.00	2.57	+22	5.00	2.55	+21	5.00	2.76	+40	5.00	2.45	+9	5.00	2.44	+14	5.00	2.55	+27
3 2028	5.00	2.53	+22				5.00	2.67	+40	5.00	2.35	+8	5.00	2.42	+15	5.00	2.45	+20
4 2029	5.00	2.54	+22	5.00	2.55	+22	5.00	2.67	+40	5.00	2.35	+8	5.00	2.42	+15	5.00	2.47	+20
5 2030	5.00	2.59	+25	5.00	2.60	+24	5.00	2.69	+40	5.00	2.39	+10	5.00	2.46	+16	5.00	2.51	+20
6 2031	5.00	2.67	+26	5.00	2.69	+26	5.00	2.75	+41	5.00	2.45	+11	5.00	2.53	+16	5.00	2.59	+20
7 2032	5.00	2.83	+29	5.00	2.85	+29	5.00	2.90	+42	5.00	2.60	+12	5.00	2.68	+16	5.00	2.76	+20
8 2033	5.00	2.93	+31	5.00	2.93	+30	5.00	3.04	+43	5.00	2.73	+12	5.00	2.79	+17	5.00	2.83	+20
9 2034	5.00	3.04	+32	5.00	3.05	+30	5.00	3.12	+44	5.00	2.80	+12	5.00	2.90	+18	5.00	2.98	+20
10 2035	5.00	3.17	+31	5.00	3.19	+30	5.00	3.27	+45	5.00	2.95	+13	5.00	3.07	+20	5.00	3.13	+20
11 2036	5.00	3.32	+32	5.00	3.33	+31	5.00	3.43	+45				5.00	3.25	+23	5.00	3.30	+20
12 2037	5.00	3.46	+34	5.00	3.46	+32	5.00	3.58	+45				5.00	3.39	+24	5.00	3.43	+20
13 2038	5.00	3.61	+37	5.00	3.57	+33							5.00	3.53	+25	5.00	3.55	+22
14 2039	5.00	3.69	+34	5.00	3.68	+33	4.00	-	+62				5.00	3.65	+26	5.00	3.68	+24
15 2040	5.00	3.84	+36				4.00	4.10	+59				5.00	3.78	+27	4.125	4.15	+59
16 2041	5.00	3.96	+36				4.125	4.20	+57				5.00	3.91	+28	4.125	4.17	+49
17 2042	5.00	4.08	+36				4.25	-	+51				5.00	4.02	+28	4.125	4.20	+41
18 2043	5.00	4.18	+37				4.25	4.30	+47				5.00	4.11	+28	4.125	4.24	+36
19 2044	4.125	4.35	+46				4.25	4.35	+44				5.00	4.19	+28	4.25	4.27	+31
20 2045	4.25	4.41	+46				4.375	4.40	+43				5.00	4.25	+28	4.25	4.30	+28
21 2046							4.375	4.45	+43									
22 2047	4.25	4.52	+47				4.50	-	+43									
23 2048							4.50	4.53	+43									
24 2049							4.50	4.56	+43									
25 2050							4.50	4.58	+42									
26 2051							4.50	4.60	+43									
27 2052							4.50	4.62	+44									
28 2053							4.50	4.63	+44									
29 2054							4.50	4.64	+44									
30 2055							4.50	4.65	+44									
Notes	Yields on premium bonds are to first optional call			Yields on premium bonds are to first optional call			Yields on premium bonds are to first optional call						Yields on premium bonds are to first optional call			Qualified 501(c)(3) bonds; yields on premium bonds are to first optional call		
Par Call	8/1/34			12/1/35			2/1/35			None			6/1/35			12/1/35		
Sr Manager	RBC Capital Markets			Piper Sandler			Baird			UBS			Fifth Third			UMB Bank		

PRICING COMPARABLES: Recent Bond Issues

Pricing Date	9/23/25			9/23/25			9/22/25			9/22/25			9/22/25		
Amount	\$542,330,000			\$294,915,000			\$28,165,000			\$49,000,000			\$27,000,000		
Issuer	State of Minnesota			State of Minnesota			Blue Earth Co. (MN)			St. Paul ISD #625 (MN)			St. Paul ISD #625 (MN)		
Series	G.O. Various Purp., 2025A			G.O. Trunk Highway, 2025B			G.O. Bonds, Series 2025A			G.O. Bonds, S. 2025B			Cert. of Part., S. 2025A		
Program	GO / Competitive			GO / Competitive			GO / Competitive			GO / Competitive			Appropriations / Competitive		
Rating(s)	Aaa / AAA / AAA			Aaa / AAA / AAA			- / AA+ / -			Aa1 / - / -			Aa1 / - / -		
Maturity Year ('25 pricings)	Coupon Aug1	Yield (if diff.)	Spread to iMMD	Coupon Aug1	Yield (if diff.)	Spread to iMMD	Coupon Dec1	Yield (if diff.)	Spread to iMMD	Coupon Feb1	Yield (if diff.)	Spread to iMMD	Coupon Feb1	Yield (if diff.)	Spread to iMMD
1 2026	5.00	2.25	+7	5.00	2.25	+7	5.00	2.17	+5	5.00	2.42	+30	5.00	2.52	+40
2 2027	5.00	2.15	+7	5.00	2.16	+8	5.00	2.12	+10	5.00	2.15	+13	5.00	2.13	+11
3 2028	5.00	2.15	+10	5.00	2.15	+10	5.00	2.11	+10	5.00	2.15	+14	5.00	2.13	+12
4 2029	5.00	2.17	+9	5.00	2.19	+11	5.00	2.16	+10	5.00	2.15	+11	5.00	2.17	+13
5 2030	5.00	2.26	+8	5.00	2.28	+10	5.00	2.28	+12	5.00	2.25	+14	5.00	2.25	+14
6 2031	5.00	2.43	+9	5.00	2.43	+9	5.00	2.44	+12	5.00	2.31	+7	5.00	2.39	+15
7 2032	5.00	2.58	+9	5.00	2.60	+11	5.00	2.61	+12	5.00	2.52	+11	5.00	2.57	+16
8 2033	5.00	2.67	+9	5.00	2.59	+1	5.00	2.68	+12	5.00	2.64	+10	5.00	2.71	+17
9 2034	5.00	2.83	+10	5.00	2.83	+10	5.00	2.85	+12	5.00	2.73	+10	5.00	2.81	+18
10 2035	5.00	2.99	+9	5.00	2.99	+9	5.00	3.04	+15	5.00	2.90	+11	5.00	2.98	+19
11 2036	5.00	3.13	+5	5.00	3.17	+9	5.00	3.23	+16	5.00	3.11	+11	5.00	3.20	+20
12 2037	5.00	3.30	+9	5.00	3.30	+9	5.00	3.38	+18	5.00	3.28	+12	5.00	3.36	+20
13 2038	5.00	3.43	+10	5.00	3.42	+9	5.00	3.50	+20	5.00	3.40	+12	5.00	3.48	+20
14 2039	5.00	3.54	+11	5.00	3.53	+10	4.00	3.65	+25	5.00	3.52	+12	5.00	3.60	+20
15 2040	5.00	3.65	+11	5.00	3.64	+10				5.00	3.64	+13	5.00	3.71	+20
16 2041	5.00	3.76	+10	4.00	-	+34				4.00	-	+37	4.00	4.05	+42
17 2042	5.00	3.85	+8	4.00	4.10	+33	4.00	4.05	+30	4.125	4.17	+42	4.00	4.15	+40
18 2043	5.00	3.94	+8	4.125	4.20	+34				4.125	4.24	+40	4.00	4.25	+41
19 2044	5.00	4.02	+8	4.25	4.30	+36				4.25	4.31	+39	4.00	4.30	+38
20 2045	5.00	4.08	+8	4.25	4.35	+35	4.25	4.28	+30	4.25	4.37	+39	4.125	4.35	+37
21 2046															
22 2047															
23 2048															
24 2049															
25 2050															
26 2051															
27 2052															
28 2053															
29 2054															
30 2055															
Notes	Yields on premium bonds are to first optional call			Yields on premium bonds are to first optional call			Yields on premium bonds are to first optional call			Yields on premium bonds are to first optional call			Yields on premium bonds are to first optional call		
Par Call	8/1/35 at par			8/1/35 at par			12/1/35			2/1/34			2/1/34		
Sr Manager	BofA, Wells			J.P. Morgan			Huntington Securities			Janney			Morgan Stanley		

PRICING COMPARABLES: MHFA HIB Only

Pricing Date	10/9/25			8/28/24			8/30/23			8/31/22			9/21/21		
Amount	\$50,000,000			\$12,960,000			\$26,635,000			\$104,195,000			\$76,970,000		
Issuer	Minnesota HFA			Minnesota HFA			Minnesota HFA			Minnesota HFA			Minnesota HFA		
Series	2025 S. A,B (Housing Infra)			2024 Series A (Housing Infra)			2023 Series AB (Housing Infra)			2022 Series ABC (Housing Infra)			2021 Series ABCD (Housing Infra)		
Program	Appropriations / Negotiated			Appropriations / Negotiated			Appropriations / Negotiated			Appropriations / Negotiated			Appropriations / Negotiated		
Rating(s)	Aa1 / AA+ / -			Aa1 / AA+ / -			Aa1 / AA+ / -			Aa1 / AA+ / -			Aa2 / AA+ / -		
	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread
Year	Aug1	(if diff.)	to iMMD	Aug1	(if diff.)	to iMMD	Aug1	(if diff.)	to iMMD	Aug1	(if diff.)	to iMMD	Aug1	(if diff.)	to iMMD
0															
1	5.00	2.66	+25	5.000	2.75	+24	5.000	3.50	+25	A,B:5.00	2.35	+14	A,B,D:4.00	0.12	+5
2	5.00	2.57	+22	5.000	2.74	+29	5.000	3.42	+28	A,B:5.00	2.46	+18	A,B,D:4.00	0.18	+7
3	5.00	2.53	+22	5.000	2.75	+31	5.000	3.35	+33	A,B:5.00	2.53	+24	A,B,D:4.00	0.25	+9
4	5.00	2.54	+22	5.000	2.76	+32	5.000	3.24	+33	A,B:5.00	2.58	+27	A,B,D:5.00	0.38	+11
5	5.00	2.59	+25	5.000	2.75	+33	5.000	3.21	+33	A,B:5.00	2.63	+31	A,B,D:5.00	0.53	+13
6	5.00	2.67	+26	5.000	2.82	+35	5.000	3.22	+34	A,B:5.00	2.69	+33	A,B,D:5.00	0.68	+15
7	5.00	2.83	+29	5.000	2.92	+37	5.000	3.22	+34	A,B:5.00	2.75	+35	A,B,D:5.00	0.83	+17
8	5.00	2.93	+31	5.000	3.02	+39	5.000	3.23	+34	A,B:5.00	2.85	+39	A,B,D:5.00	0.96	+19
9	5.00	3.04	+32	5.000	3.04	+39	5.000	3.28	+37	A,B:5.00	2.96	+42	A,B,D:5.00	1.07	+21
10	5.00	3.17	+31	5.000	3.09	+40	5.000	3.30	+37	A,B:5.00	3.04	+45	A,B,C,D:5.00	1.17	+23
11	5.00	3.32	+32	5.000	3.15*	+40	5.000	3.40*	+40	A,B,C:5.00	3.16*	+48	A,B,C:5.00	1.25*	+25
12	5.00	3.46	+34	5.000	3.20*	+40	5.000	3.50*	+42	A,C:5.00	3.30*	+50	A,B,C:5.00	1.30*	+25
13	5.00	3.61	+37	5.000	3.25*	+41	5.000	3.62*	+42	A,C:5.00	3.39*	+53	A,B,C:5.00	1.34*	+25
14	5.00	3.69	+34	5.000	3.30*	+42	5.000	3.75*	+43	A,C:5.00	3.46*	+56	A,B:3.00/C:4.00	1.73*/1.52*	+60/+39
15	5.00	3.84	+36	5.000	3.40*	+44	5.000	3.87*	+45	A,C:5.00	3.52*	+59	A,B:3.00/C:4.00	1.80*/1.57*	+64/+41
16	5.00	3.96	+36	5.000	3.48*	+44	4.000	4.20	+74	A,C:5.00	3.60*	+63	A,B:3.00/C:4.00	1.85*/1.60*	+66/+41
17	5.00	4.08	+36				4.000	4.25	+75	A,C:5.00	3.66*	+65	A,B:3.00/C:4.00	1.90*/1.64*	+67/+41
18	5.00	4.18	+37	4.000	4.05	+86	5.000	4.05*	+50	A,C:5.00	3.70*	+65	B:3.00/C:4.00	1.95*/1.68*	+68/+41
19	4.125	4.35	+46	4.000	4.09	+84	5.000	4.16*	+55	A,C:5.00	3.75*	+65	B:3.00/C:4.00	1.99*/1.72*	+68/+41
20	4.25	4.41	+46	4.000	4.11	+81	5.000	4.20*	+55	A:4.00/C:5.00	4.09/3.79*	+95/+65	A:3.00	2.04*	+70
21							5.000	4.23*	+55	A,C:4.00	4.13	+95			
22	4.25	4.52	+47							C:4.00	4.15	+95	B:3.00/C:4.00	2.11*/1.83*	+71/+43
23															
24															
Notes	Yields on premium bonds are to first optional call			* Yield to first optional call			* Yields to first optional call; Par A: \$23,100,000 2028-43; B: \$3,535,000 2024-28			* Yields to first optional call; Par A: \$43,790,000; B: \$20,355,000; C: \$40,050,000			* Yields to first optional call; Par A: \$4,515,000; B: \$16,245,000; C: \$38,350,000; D: \$17,860,000		
Par Call	8/1/34			8/1/34			8/1/33			8/1/32			8/1/31		
Sr Manager	RBC Capital Markets			RBC Capital Markets			RBC Capital Markets			RBC Capital Markets			RBC Capital Markets		

PRICING COMPARABLES: MHFA HIB Only

Pricing Date	8/19/20			8/22/19			9/11/18			10/12/17			8/16/16		
Amount	\$108,280,000			\$26,775,000			\$25,295,000			\$12,690,000			\$16,905,000		
Issuer	Minnesota HFA			Minnesota HFA			Minnesota HFA			Minnesota HFA			Minnesota HFA		
Series	2020 Series ABCD (Housing Infra)			2019 Series ABCD (Housing Infra)			2018 Series ABCD (Housing Infra)			2017 Series A (Housing Infra)			2016 Series ABC (Housing Infr)		
Program	Appropriations / Negotiated			Appropriations / Negotiated			Appropriations / Negotiated			Appropriations / Negotiated			Appropriations / Negotiated		
Rating(s)	Aa2 / AA+ / -			Aa2 / AA+ / -			Aa2 / AA+ / -			Aa2 / AA / -			Aa2 / AA / -		
Year	Coupon Aug1	Yield (if diff.)	Spread to iMMD	Coupon Aug1	Yield (if diff.)	Spread to iMMD	Coupon Aug1	Yield (if diff.)	Spread to iMMD	Coupon Aug1	Yield (if diff.)	Spread to iMMD	Coupon Aug1	Yield (if diff.)	Spread to iMMD
0															
1	C:2.00	0.21	+8	B:2.00/D:3.00	1.07	+7	C:5.00	1.89	+19	2.000	1.03	+10	B:3.00/C:2.00	0.61	+15
2	D:2.00/C:3.00	0.24	+10	B:2.00/D:3.00	1.10	+12	C:5.00	2.01	+21	3.000	1.14	+15	B:3.00/C:2.00	0.72	+20
3	D:3.00/C:4.00	0.28	+13	A,B:2.00/D:3.00	1.12	+13	C:5.00	2.13	+23	4.000	1.25	+17	A:3.00/B,C:2.00	0.85	+25
4	C:3.00/A,D:4.00	0.35	+17	A:1.75/D:3.00	1.15	+16	C:5.00	2.25	+26	4.000	1.37	+19	A:3.00/C:2.00	1.02	+30
5	A,D:4.00	0.42	+19	A,D:3.00	1.20	+19	A,B,C:2.375		+29	4.000	1.55	+22	A:3.00/C:2.00	1.20	+35
6	A,D:4.00	0.55	+22	A,D:3.00	1.26	+23	C:5.00	2.50	+30	5.000	1.72	+26	A:3.00/C:2.00	1.42	+40
7	A,D:4.00	0.69	+26	A:2.50/D:3.00	1.31	+24	C:5.00	2.62	+33	5.000	1.88	+29	A:3.00/C:2.00	1.58	+44
8	A,D:4.00	0.80	+27	A,D:3.00	1.39	+26	C:5.00	2.76	+38	5.000	2.05	+32	A:3.00/C:2.00	1.70 / 1.72	+47 / +49
9	A,D:4.00	0.91	+29	A:2.00/D:3.00	1.51	+32	C:5.00	2.88	+42	5.000	2.22	+35	A:3.00/C:2.00	1.81 / 1.86	+49 / +54
10	A,D:4.00	1.01	+31	A:5.00/D:3.00	1.64	+38	A,B,C:3.00	3.00	+48	5.000	2.34	+37	A:3.00/C:2.00	1.95* / 2.00	+54 / +59
11	A,B,D:4.00	1.11*	+33	A,C,D:4.00	1.80*	+48	C:5.00	3.04*	+46	4.000	2.53*	+47	A:4.00/C:2.00	2.05* / 2.15	+54 / +64
12	B,D:4.00	1.20*	+34	A,C:4.00	1.90*	+53	C,D:5.00	3.10*	+46	4.000	2.68*	+54	A:4.00/C:2.25	2.20* / 2.33	+61 / +74
13	B,D:4.00	1.30*	+36	A,C:4.00	2.00*	+58	D:5.00	3.15*	+46	4.000	2.85*	+64	A:4.00/C:2.375	2.32* / 2.45	+66 / +79
14	B,D:4.00	1.37*	+38	A,C:4.00	2.10*	+63	D:5.00	3.19*	+46	3.000	3.05	+77	A:4.00/C:2.50	2.40* / 2.56	+68 / +84
15	B,D:4.00	1.43*	+39	A,C:4.00	2.19*	+67	B:3.50/D:5.00	3.54/3.25*	+76/+47	3.000	3.09	+74	A:4.00/C:2.625	2.49* / 2.67	+71 / +89
16	B,D:4.00	1.49*	+41	A,C:4.00	2.24*	+68	D:4.00	3.58*	+75	4.000	3.05*	+64	A:4.00/C:2.75	2.54* / 2.77	+71 / +94
17	B,D:4.00	1.55*	+43	A,C:4.00	2.29*	+69	D:4.00	3.63*	+75	4.000	3.11*	+65	A:4.00/C:2.75	2.59* / 2.875	+71 / +100
18	B,D:4.00	1.59*	+43	A,C:4.00	2.33*	+69	D:4.00	3.68*	+75	4.000	3.15*	+64	A,C:4.00	2.64*	+71
19	B,D:4.00	1.63*	+43	A:4.00	2.35*	+67	A:3.75/D:4.00	3.83/3.74*	+85/+76	3.250	3.32	+77	A,C:4.00	2.69*	+71
20	B,D:4.00	1.67*	+43	A,C:4.00	2.39*	+67	B:3.875/D:4.00	3.875/3.78*	+87/+77	3.250	3.34	+75	A,C:3.00	3.01	+99
21	B,D:4.00	1.70*	+43	A:4.00	2.43*	+67	D:4.00	3.80*	+77				A,C:3.00	3.03	+99
22	D:4.00	1.73*	+43	A,C:4.00	2.46*	+67	D:4.00	3.82*	+77				C:3.00	3.04	+98
23	D:4.00	1.76*	+43												
24															
Notes	* Yields to first optional call; Par A: \$18,570,000; B: \$38,900,000; C: \$7,055,000; D: \$43,755,000			* Yields to first optional call; Par A: \$14,535,000; B: \$1,280,000; C: \$6,915,000; D: \$4,045,000			* Yields to first optional call; Par A: \$1,130,000; B: \$4,980,000; C: \$8,810,000; D: \$10,375,000			* Yields to first optional call			* Yields to first optional call		
Par Call	8/1/30			8/1/29			8/1/28			8/1/27			8/1/25		
Sr Manager	RBC Capital Markets			RBC Capital Markets			RBC Capital Markets			RBC Capital Markets			RBC Capital Markets		

PRICING COMPARABLES: MHFA HIB Only

Pricing Date	9/1/15			2/18/15			2/6/14		
Amount	\$31,095,000			\$37,570,000			\$14,540,000		
Issuer	Minnesota HFA			Minnesota HFA			Minnesota HFA		
Series	2015 Series C (Housing Infr)			2015 Series A,B (Housing Infr)			2014 Series A,B (Housing Infr)		
Program	Appropriations / Negotiated			Appropriations / Negotiated			Appropriations / Negotiated		
Rating(s)	Aa2 / AA / -			Aa2 / AA / -			Aa2 / AA / -		
Year	Coupon Aug1	Yield (if diff.)	Spread to iMMD	Coupon Aug1	Yield (if diff.)	Spread to iMMD	Coupon Aug1	Yield (if diff.)	Spread to iMMD
0				2.000	0.13				
1	2.000	0.34	+12	3.000	0.34	+5	3.000	0.33	+10
2	3.000	0.72	+13	4.000	0.67	+11	3.000	0.51	+14
3	4.000	1.04	+18	4.000	1.01	+17	4.000	0.82	+21
4	4.000	1.34	+21	4.000	1.26	+22	4.000	1.22	+25
5	5.000	1.58	+25	4.000	1.53	+27	4.000	1.56	+30
6	5.000	1.88	+27	5.000	1.74	+29	2.000	2.02	+35
7	5.000	2.12	+32	5.000	2.00	+31	2.375	2.39	+41
8	5.000	2.28	+33	2.150	2.18	+33	4.000	2.74	+47
9	5.000	2.42	+35	2.300	2.34	+34	2.900	2.95	+50
10	5.000	2.54*	+36	5.000	2.50*	+38	3.125	3.13	+54
11	4.000	2.93*	+63	5.000	2.64*	+41	3.250	3.25	+53
12	4.000	3.07*	+68	5.000	2.75*	+42	5.000	3.45*	+61
13	4.000	3.16*	+67	3.000	3.15	+72	3.500	3.65	+69
14	4.000	3.25*	+68	5.000	2.88*	+41	3.625	3.75	+70
15	3.250	3.48	+83	5.000	2.93*	+41	3.750	3.84	+70
16	3.375	3.56	+83	5.000	2.97*	+40	3.750	3.93	+70
17	5.000	3.19*	+41	5.000	3.02*	+41	4.000	4.00	+68
18	5.000	3.24*	+41	5.000	3.06*	+41	4.000	4.05	+65
19	5.000	3.28*	+41	5.000	3.09*	+40	4.000	4.10	+62
20	5.000	3.31*	+41	5.000	3.13*	+40	4.750	4.08*	+55
21	5.000	3.35*	+41				5.000	4.08*	+50
22	5.000	3.38*	+41						
23									
24									
Notes	* Yields to first optional call			* Yields to first optional call			* Yields to first optional call		
Par Call	8/1/24			8/1/24			8/1/23		
Sr Manager	RBC Capital Markets			RBC Capital Markets			RBC Capital Markets		



Item: Post Sale Report, Residential Housing Finance Bonds, Series 2025 KLMN

Information Item: 9.C
Date: 11/20/2025
Staff Contacts: Matt Dieveney, 651.282.2577, matt.dieveney@state.mn.us
Andy Pratt, 651.296.2293, andy.pratt@state.mn.us
Request Type: No Action, Information

Request Summary

The Agency priced \$175,000,000 of its Series 2025 KLMN Residential Housing Finance Bonds on September 16, 2025. Series KLM are fixed-rate with Series M being a taxable issue. Series N is a variable-rate, taxable issue. All series closed on October 16, 2025. In accordance with the board's Policy No. 1 (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.

Agency Priorities

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

Attachments

- Post-Sale Report



\$175,000,000
Minnesota Housing Finance Agency
Residential Housing Finance Bonds
\$11,375,000 2025 Series K (AMT)
\$77,020,000 2025 Series L (Non-AMT)
\$51,605,000 2025 Series M (Taxable)
\$35,000,000 2025 Series N (Taxable)

KEY RESULTS FOR MINNESOTA HOUSING

Purpose. 2025 Series KLMN accomplished the following major objectives:

1. Enabled Minnesota Housing to profitably finance Start Up first mortgages on its balance sheet and earn net income over future years.
2. Issued 49.5% of the debt as taxable, in conjunction with recycled cap from replacement refundings and carry-over volume cap from 2023. No new volume cap was used.
3. Achieved a direct spread on the bond issue of 1.54%. There was no hedge loss or gain associated with the issue.

Key Measurable Objectives and Accomplishments. This issue was very successful despite a volatile market environment.

<i>Objective</i>	<i>Result</i>
Finance new production on balance sheet	\$166.25 million of new Start Up first-mortgage loans in MBS securities and \$8.75 million of 0% deferred payment loan second mortgages.
Leverage private activity bond volume cap by efficiently incorporating taxable debt	Issued 49.5% of the debt as taxable. Used \$55.24 million of recycled volume cap and \$37.86 million of carry-forward cap from 2023. No new volume cap was used for the issue.
Maximize spread on the overall transaction	Achieved a direct spread of 1.54% on the bond issue. There was no hedge loss associated with the issue.
Minimize use of and/or create zero participations (interest subsidies under IRS rules), and preserve them for future issues	No zeros were created as a result of this issuance. There are no zeros left in the Agency's indenture as the remaining balance was absorbed into the 2024 LMN transaction.
Achieve cost-effective bond yield	Overall bond yield is projected to be approximately 4.79%
Create future income streams that will support Pool 3	Increased indenture's expected net present value by approximately \$9.8 million at 150% PSA prepayment speed, after accounting for net service release premiums
Maintain high bond ratings	RHFB bonds are rated Aa1/AA+

TIMING AND STRUCTURE

Timing. The bonds were priced on September 16, 2025.

Sizing. The issue was sized to fund pipeline lending.

Major Design Decisions

1. **Efficiently leverage volume cap.** To help preserve volume cap at a time when loan prepayments (and thus the ability to recycle past volume cap) have decreased significantly, the Agency structured 49.5% of the issue (\$86.6 million) as taxable debt. The Agency then utilized \$55.24 million in recycled volume cap from replacement refundings and \$37.86 million in carryforward volume cap from 2023, requiring no new volume cap.
2. **Deferred Payment Loans.** The issue was designed to finance approximately \$8.75 million of Deferred Payment Loans to help fund such loans from resources outside Pool 3. Because they have a 0% interest rate and are deferred until sale or refinancing, these loans reduced the net spread and net income earned by the indenture on this issue.
3. **Issue variable-rate debt.** In order to finance these loans at or above full spread, the Agency issued Series N (20% of the entire issue) as variable-rate demand bonds. For RHFB as a whole, the total amount of variable-rate debt remains about 20.3%, well below the 30% of total indenture bonds outstanding often used as a benchmark for comparisons among HFAs and presentations to rating agencies.
4. **Appropriately hedge the variable-rate debt.** For the \$35 million of variable-rate Series N bonds, the Agency entered into an interest rate swap with Royal Bank of Canada (Aa1/AA-/A-1+) at a rate of 4.59%. Minnesota Housing can terminate the entire swap at no cost to the Agency starting on July 1, 2032.
5. **Time and size the issue to address volatile interest rates.** To deal with fluctuations in the bond and mortgage markets, Minnesota Housing has been: (a) actively adjusting interest rates for new loan reservations to help keep pace with the market and (b) issuing bonds frequently and quickly, in relationship to the amount of loans reserved, to help reduce interest rate risk.

Bond Structure

1. **Series K.** The \$11.375 million of AMT fixed-rate bonds included serial maturities due between 2026 and 2035.
2. **Series L.** The \$77.02 million of non-AMT fixed-rate bonds included serial maturities due between 2026 and 2037 (\$4.41 million), term bonds due in 2040, 2045, and 2050 (totaling \$33.595 million), and \$39.015 million of planned amortization class (PAC) bonds due in 2056.
3. **Series M.** The \$51.605 million of taxable fixed-rate bonds included serial maturities due between 2027 and 2037 (\$15.955 million), and term bonds due in 2040, 2045, and 2050 (totaling \$35.65 million).
4. **Series N.** The \$35 million of taxable variable-rate demand bonds are covered by an initial 5-year standby bond purchase agreement from Federal Home Loan Bank of Des Moines (effective October 16, 2025), assuring investors they can tender their bonds with reasonable notice if desired. The cost of the liquidity facility to the Agency is 28 basis points (bps) per year.

SOCIAL BONDS

The Series KLMN bonds are designated as Social Bonds. Minnesota Housing continued its practice since 2021 of designating its RHFB bonds as meeting an important social purpose. This confirms to investors that the bonds meet specific 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. Like many housing finance agencies, Minnesota Housing contracts 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 certification based on detailed information from Minnesota Housing on the income mix of borrowers.

BOND SALE RESULTS

- 1. Market Environment.** The yield on 10-year Treasury bonds has been somewhat volatile but within a relatively small range in 2025 compared to the large swings seen in the last quarter of 2024. Starting the year on January 2nd at 4.57%, the yield curve reached a high of 4.79% on January 13th and then began a bumpy decline to a low of 4.01% on April 4th. On the day of pricing, September 16, 2025, the 10-year Treasury yield closed at approximately 4.04%

Continued uncertainty surrounding economic impacts of the tariffs imposed earlier this year, as well as expectations ahead of the September 17th Federal Reserve meeting, contributed to ongoing daily volatility. Despite this turbulence, the 10-year Treasury yield of 4.04% on the day of pricing was about 35 basis points below the 4.39% yield on June 17th when 2025IJ priced.

In the municipal market, issuance has remained strong. Through August, year-to-date volume reached approximately \$388 billion, up nearly 15% from the same period in 2024, with full-year issuance expected to surpass last year's record. Single-family bond issuance has also remained elevated, closely tracking the \$10.4 billion pace set during the same period in 2024, and far exceeding the supply recorded in 2021 through 2023, which ranged between \$3.8 and \$5.7 billion annually.

- 2. Institutional Interest.** Investor interest in the \$11.375 million AMT Series K was moderate, with a total of \$14.64 million in orders. Six of the earlier serial bond maturities (July 2028 through January 2031) were undersubscribed with an unsold balance of \$3.04 million. The longer-term serials (2033 through 2035) performed more strongly with oversubscription between 2.0x to 4.0x, resulting in spreads being tightened by 5 bps on the July 2034 and July 2035 maturities.

Investor interest in the \$77.02 million non-AMT Series L was slightly stronger, receiving a total of \$124.76 million in orders. The earlier maturities for the serial bonds (2026 through 2028) were undersubscribed, with an unsold balance of \$500 thousand. The longer-term serials performed better with oversubscription between 1.1x and 3.9x, resulting in spreads being tightened by 5bps on the 2035 and 2036 maturities. The 2040 term bond performed particularly well with 3.4x oversubscription, resulting in the spread being tightened by 5 bps. The 2045 and 2050 term bonds were subscribed at 1.0x and 1.7x respectively, with no adjustment in price. The \$62 million 2056 PAC bond performed well, particularly given recent market sentiment, at 1.6x subscription and no adjustment in price.

Investor interest was strong for the taxable Series M, which was 1.6x oversubscribed resulting in several spread reductions. The earliest maturities (January 2027 through January 2028) were 2x to 3x oversubscribed, resulting in spread reductions between 2 and 3 bps. The mid-length maturities were generally 1.0x subscribed, with no change in price. The longer-term serials (2034 through 2037) performed the strongest, with oversubscription between 2.0x and 3.4x leading to spread reductions between 2 and 3 bps. The 2040 term bond performed the best at 1.7x subscription, while the 2045 and 2050 term bonds were both undersubscribed at 0.0x and 0.1x, respectively.

- 3. Comparable Transactions.** There were no comparable AMT offerings for the 2025 Series K. The most comparable non-AMT offerings were New Hampshire (Aa1/AA+) on 9/15, and Missouri (AA+) and Florida (Aaa) on 9/9. Minnesota's Series L Non-AMT spreads across maturities for the serial bonds were 2 to 8 bps wider than Missouri and Florida. Minnesota's spreads on the Series L 2040 term maturity (\$6.57 million) was 2 bps wider than Missouri and 7 bps wider than Florida. The 2045 term maturity (\$14.05 million) was 2 bps wider than New Hampshire and 7 bps wider than Missouri and Florida. The 2050 term maturity (\$15.04 million) was 5 bps wider than New Hampshire, Missouri, and Florida. On the PAC bond, however, Minnesota was 2 bps tighter than New Hampshire and Missouri, and 5 bps wider than Florida.

The most comparable taxable offerings were Idaho HFA (Aa1) on 9/16, New Hampshire (Aa1) on 9/15, and Missouri (AA+) on 9/9. Minnesota's spreads to treasuries on the Series M serial maturities were equal to or slightly wider than Idaho and New Hampshire. Minnesota's spreads for the earlier serial maturities were also equal to or slightly wider than Missouri's, however spreads on the later maturities were 3 to 7 bps tighter than Missouri's.

Minnesota's spread to treasuries for the Series M 2040, 2045, and 2050 term maturities were equal to Missouri's. Spreads on the 2040 and 2050 term maturities were slightly wider than Idaho's.

UNDERWRITING

Underwriters. RBC Capital Markets was senior manager. J.P. Morgan Securities, Morgan Stanley, Piper Sandler, and Wells Fargo served as regular co-managers. The selling group members were AmeriVet Securities, Blaylock, D.A. Davidson, Huntington Securities, Mesiroow Financial, Northland, Raymond James, and TD Financial Products.

Sales by Underwriter. As is customary for senior managers, RBC brought in most institutional orders. For the Series K and L bonds, excluding stock orders, RBC brought in \$140 million of total orders, J.P. Morgan brought in \$2.3 million of total orders, Raymond James brought in \$1.5 million of total orders, Morgan Stanley brought in \$970 thousand of total orders, Piper Sandler brought in \$555 thousand of total orders, and Wells Fargo brought in \$30 thousand of total orders. For the Series M bonds, RBC brought in \$64 million of total orders and Piper Sandler brought in \$6 million of total orders.

Underwriter Fees. Management fees were appropriate, consistent with industry standards, and in the same range as fees reported for other housing issues of similar size and structure.

ISSUE DETAILS

Economic Calendar. At the time of pricing (9/16), the fed funds rate had remained unchanged since December 2024, when it was cut by 25 bps to a target range of 4.25%–4.50%. The Fed maintained that range through three consecutive meetings, underscoring its cautious “wait-and-see” approach amid a mixed economic backdrop. Labor market data continued to soften, with unemployment rising to 4.3% in August and job gains averaging about 29,000 per month over the prior quarter. GDP expanded at a 3.3% pace in the second quarter following a modest contraction in the first quarter.

Inflation expectations diverged with near-term measures edging higher, but long-term expectations remaining anchored close to the Fed's 2% target. Chair Powell emphasized the importance of maintaining that stability in remarks ahead of the September meeting.

Earlier in the year, markets had anticipated as many as six rate cuts in 2025. By September, expectations had shifted to a more gradual path, with investors broadly pricing in an all-but-certain 25 basis point cut at the September 17th meeting, the day following pricing. That expectation, later confirmed when the Fed delivered the cut, had already contributed to downward pressure on Treasury yields in the weeks leading up the RHFB sale.

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Treasuries. At market close on September 16th, the 10-year Treasury yield was 4.04%, 35 bps lower than when the 2025IJ bonds priced on June 16th.

The yield curve has continued to normalize in 2025, with the 2-year treasury at 3.51% on September 16th—53 bps below the 10-year. This has been a significant change since early 2023, when the curve was inverted with the 2-year Treasury as high as 100 basis points *above* the 10-year Treasury.

Municipals. In the week leading into the September 16th pricing, Bloomberg’s 30-day visible supply stood at approximately \$10.5 billion, reflecting new issuance expected over the next month. Market participants noted that actual supply could prove higher, as many issuers schedule transactions with short notice. Despite this backdrop, demand for municipals remained solid. Long maturities rallied on expectations of Fed policy easing, and municipal ETFs continued to attract inflows even as traditional mutual funds saw redemptions.

Earlier in 2025, tariff announcements had temporarily pushed muni yields higher relative to Treasuries. Since then, ratios have retraced as investors stepped in at more attractive absolute yields. On the pricing date, the 10-year MMD/Treasury ratio was 70.8%, richer than the 75.6% level seen at the Agency’s June 2025 sale of 2025IJ, underscoring favorable relative value for tax-exempt borrowers in this market.

Post-Sale Report: Minnesota Housing \$175,000,000 RHFB Series 2025 KLMN

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TABLE 1: COMPARISON OF RATES IN RECENT MHFA SINGLE-FAMILY TRANSACTIONS

Issue	Date	10-Year Treasury	10-Year MMD	MMD/Treasury	30-Year Treasury	30-Year MMD	MMD/Treasury
2022 RHFB AB	2/1/22	1.79%	1.50%	83.8%	2.11%	1.91%	91.1%
2022 RHFB CD	3/3/22	1.73%	1.61%	93.1%	2.16%	2.03%	94.0%
2022 RHFB EF	4/13/22	2.70%	2.46%	91.1%	2.81%	2.81%	100.0%
2022 RHFB GH	6/8/22	3.02%	2.45%	81.1%	3.17%	2.92%	92.1%
2022 RHFB IJK	9/13/22	3.42%	2.81%	82.1%	3.51%	3.62%	103.1%
2022 RHFB LMN	11/9/22	3.83%	3.26%	85.1%	4.31%	4.06%	94.2%
2023 RHFB ABC	2/7/23	3.68%	2.23%	60.6%	3.71%	3.24%	87.3%
2023 RHFB DE	4/19/23	3.60%	2.36%	65.6%	3.79%	3.40%	89.7%
2023 RHFB FG	6/18/23	3.72%	2.57%	69.1%	3.84%	3.50%	91.1%
2023 RHFB HI	6/29/23	3.85%	2.56%	66.5%	3.90%	3.49%	89.5%
2023 RHFB JK	7/27/23	4.01%	2.52%	62.8%	4.06%	3.51%	86.5%
2023 RHFB LM	8/23/23	4.19%	2.95%	70.4%	4.27%	3.91%	91.6%
2023 RHFB NOPQ	9/12/23	4.27%	2.98%	69.8%	4.35%	3.92%	90.1%
2023 RHFB RST	11/8/23	4.49%	3.20%	71.3%	4.64%	4.20%	90.5%
2023 RHFB UV	11/15/23	4.53%	3.10%	68.4%	4.68%	4.12%	88.0%
2024 RHFB ABC	1/23/24	4.14%	2.46%	59.4%	4.38%	3.61%	82.4%
2024 RHFB DE	3/11/24	4.10%	2.40%	58.5%	4.26%	3.57%	83.8%
2024 RHFB FGHI	4/9/24	4.36%	2.65%	60.8%	4.50%	3.81%	84.7%
2024 RHFB JK	5/16/24	4.38%	2.75%	62.8%	4.52%	3.76%	83.2%
2024 RHFB LMN	6/11/24	4.39%	2.92%	66.5%	4.53%	3.79%	83.7%
2024 RHFB OPQ	7/30/24	4.15%	2.82%	67.9%	4.40%	3.68%	83.6%
2024 RHFB RS	8/20/24	3.82%	2.71%	70.9%	4.07%	3.59%	88.2%
2024 RHFB TUVW	11/12/24	4.43%	2.96%	66.8%	4.58%	3.79%	82.8%
2025 RHFB AB	2/4/2025	4.43%	2.89%	65.2%	4.64%	3.90%	84.1%
2025 RHFB CDE	2/20/2025	4.50%	3.00%	66.7%	4.74%	4.01%	84.6%
2025 RHFB FGH	5/1/2025	4.25%	3.29%	77.4%	4.74%	4.36%	92.0%
2025 RHFB IJ	6/17/2025	4.39%	3.32%	75.6%	4.88%	4.54%	93.0%
2025 RHFB KLMN	9/16/2025	4.04%	2.86%	70.8%	4.65%	4.21%	90.5%
Change from IJ		- 35 bps	- 46 bps	- 4.8%	- 23 bps	- 33 bps	- 2.5%

AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES, PAST 6 MONTHS

Pricing Date	8/11/25			7/22/25			7/16/25			6/11/25			5/5/25			4/22/25		
Amount	\$4,110,000			\$21,655,000			\$4,015,000			\$9,500,000			\$3,670,000			\$2,300,000		
Issuer	Massachusetts HFA			SONYMA			Rhode Island HMFC			Colorado HFA			Indiana HCDA			Washington SHFC		
Series	Series 245			Series 271			Series 86-B			2025 Series I			2025 Series B-2			2025 Series 1A		
Program	Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)	Aa1 / AA+ / -			Aa1 / - / -			Aa1 / AA+ / -			Aaa / AAA / -			Aaa / - / -			Aaa / - / -		
Tax Status	AMT			AMT			AMT			AMT			AMT			AMT		
Maturity	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread
Yr (25 pricings)	Jun1 / Dec1	(if diff.)	to iMMD	Apr1 / Oct1	(if diff.)	to iMMD	Apr1 / Oct1	(if diff.)	to iMMD	May1 / Nov1	(if diff.)	to iMMD	Jan1	(if diff.)	to iMMD	Jun1 / Dec1	(if diff.)	to iMMD
0 2025																3.95	-	-
1 2026	3.15 / 3.20	-	+92 / +97	3.30 / 3.35	-	+85 / +90	3.45 / 3.50	-	+99 / +104	3.75 / 3.80	-	+105 / +110	4.00	-	+109	4.00 / 4.00	-	+100 / +98
2 2027	3.25 / 3.30	-	+100 / +105	3.45 / 3.55	-	+100 / +110	3.55 / 3.60	-	+109 / +114	3.85 / 3.90	-	+117 / +122	4.00	-	+108	4.00 / 4.00	-	+98 / +98
3 2028				3.60 / 3.65	-	+114 / +119	3.65 / 3.70	-	+118 / +123	3.95 / 4.00	-	+127 / +131	4.00	-	+108			
4 2029				3.70 / 3.75	-	+124 / +128												
5 2030				3.90 / 3.95	-	+131 / +135												
6 2031				4.10 / 4.15	-	+137 / +141												
7 2032				4.25 / 4.35	-	+139 / +144												
8 2033				4.45 / 4.50	-	+143 / +147												
9 2034				4.55 / 4.60	-	+142 / +142												
10 2035				4.65 / 4.70	-	+132 / +135												
11 2036																		
12 2037																		
13 2038																		
14 2039																		
15 2040										5.15	-	+128						
16 2041																		
17 2042																		
18 2043																		
19 2044																		
20 2045																		
21 2046																		
22 2047																		
23 2048																		
24 2049																		
25 2050																		
26 2051																		
27 2052																		
28 2053																		
29 2054																		
30 2055																		
31 2056																		
32 2057																		
PAC																		
PAC AvgLf, Price																		
Notes																		
Par Call	None			4/1/33			None			5/1/33			None			None		
Sr Manager	Morgan Stanley			Jefferies			J.P. Morgan			BofA			J.P. Morgan			RBC Capital Markets		

AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES, PAST 6 MONTHS

Pricing Date	4/15/25			3/11/25		
Amount	\$9,500,000			\$7,035,000		
Issuer	Colorado HFA			Massachusetts HFA		
Series	2025 Series E			Series 241		
Program	Single Family / Negotiated			Single Family / Negotiated		
Rating(s)	Aaa / AAA / -			Aa1 / AA+ / -		
Tax Status	AMT			AMT		
Maturity	Coupon	Yield	Spread	Coupon	Yield	Spread
Yr (25 pricings)	May1 / Nov1	(if diff.)	to iMMD	Jun1 / Dec1	(if diff.)	to iMMD
0 2025				3.35	-	-
1 2026	4.10 / 4.10	-	+104 / +102	3.40 / 3.45	-	+88 / +93
2 2027	4.15 / 4.20	-	+107 / +112	3.50 / 3.55	-	+97 / +102
3 2028	4.25 / 4.30	-	+115 / +118	3.60	-	+103
4 2029						
5 2030						
6 2031						
7 2032						
8 2033						
9 2034						
10 2035						
11 2036						
12 2037						
13 2038						
14 2039						
15 2040	5.10	-	+123			
16 2041						
17 2042						
18 2043						
19 2044						
20 2045						
21 2046						
22 2047						
23 2048						
24 2049						
25 2050						
26 2051						
27 2052						
28 2053						
29 2054						
30 2055						
31 2056						
32 2057						
PAC						
PAC AvgLf, Price						
Notes						
Par Call	5/1/33			None		
Sr Manager	BofA			Raymond James		

NON-AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date	9/15/25				9/9/25			9/9/25			9/8/25			9/4/25		
Amount	\$70,000,000				\$187,500,000			\$165,000,000			\$70,480,000			\$50,000,000		
Issuer	New Hampshire HFA				Missouri HDC			Florida HFC			Virginia HDA			Colorado HFA		
Series	2025 Series E				2025 Series F			2025 Series 5			2024 Series F-3			2025 Series M		
Program	Single Family / Negotiated				Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)	Aa1 / - / -				- / AA+ / -			Aaa / - / -			Aaa / AAA / -			Aaa / AAA / -		
Tax Status	Non-AMT				Non-AMT			Non-AMT			Non-AMT			Non-AMT		
Maturity	Coupon	Yield	Spread		Coupon	Yield	Spread		Coupon	Yield	Spread		Coupon	Yield	Spread	
Yr ("25 pricings)	Jan1 / Jul1	(if diff.)	to UST	Takedown	May1 / Nov1	(if diff.)	to iMMD		Jan1 / Jul1	(if diff.)	to iMMD		Jan1 / Jul1	(if diff.)	to iMMD	
0	2025															
1	2026				2.55	-	+40						2.55	-	+40	
2	2027				2.55 / 2.60	-	+49 / +54		2.55 / 2.60	-	+51 / +54		2.55 / 2.60	-	+51 / +54	
3	2028				2.65 / 2.70	-	+58 / +63		2.65 / 2.70	-	+58 / +63		2.65 / 2.70	-	+58 / +63	
4	2029				2.80 / 2.85	-	+70 / +74		2.75 / 2.80	-	+65 / +70		2.75 / 2.80	-	+65 / +70	
5	2030				3.00 / 3.10	-	+79 / +86		2.95 / 3.00	-	+75 / +78		2.95 / 3.05	-	+75 / +83	
6	2031				3.25 / 3.35	-	+88 / +95		3.20 / 3.30	-	+87 / +91		3.20 / 3.30	-	+87 / +91	
7	2032				3.45 / 3.50	-	+92 / +93		3.40 / 3.45	-	+90 / +90		3.40 / 3.45	-	+90 / +90	
8	2033				3.55 / 3.65	-	+91 / +100		3.55 / 3.625	-	+92 / +98.5		3.60 / 3.65	-	+94 / +98	
9	2034				3.75 / 3.80	-	+99 / +98		3.75 / 3.80	-	+103 / +102		3.75 / 3.85	-	+99 / +103	
10	2035				3.80 / 3.90	-	+87 / +91		3.85 / 3.875	-	+97 / +92.5		3.85 / 3.90	-	+93 / +91	
11	2036				4.05 / 4.10	-	+92 / +94		3.95 / 4.00	-	+84 / +86		4.00 / 4.10	-	+85 / +92	
12	2037				4.10 / 4.15	-	+83 / +86		4.10 / 4.125	-	+84 / +85.5					
13	2038															
14	2039															
15	2040				4.65	-	+104		4.60	-	+99		4.60	-	+95	
16	2041															
17	2042															
18	2043															
19	2044															
20	2045	4.85	-	+85	5/8	4.90	-	+80	4.90	-	+80		4.95	-	+81	
21	2046															
22	2047															
23	2048															
24	2049															
25	2050	4.90	-	+74	5/8	5.00	-	+74	5.00	-	+74		5.00	-	+70	
26	2051															
27	2052															
28	2053															
29	2054															
30	2055				5.05	-	+74						5.05	-	+70	
31	2056	4.95	-	+74	5/8			5.05	-	+74						
32	2057															
PAC	6.25	3.54	+122	1/2	6.00	3.45	+122	6.25	3.38	+115			6.25	3.61	+126	
PAC AvgLf, Price	6yrs, 100-500% PSA, \$114.211				5yrs, 75-500% PSA, \$111.366			5yrs, 75-600% PSA, \$112.953			5yrs, 100-700% PSA, \$111.782					
Notes																
Par Call	7/1/33				5/1/34 (+adj PAC)			1/1/34 (+adj PAC)			1/1/35			5/1/33		
Sr Manager	RBC Capital Markets				Stifel			BofA			Morgan Stanley			Jefferies		

NON-AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date	9/3/25			8/26/25			8/26/25			8/19/25			8/19/25		
Amount	\$224,420,000			\$80,000,000			\$114,010,000			\$125,000,000			\$100,000,000		
Issuer	Georgia HFA			Utah HC			Tennessee HDA			Maine SHA			Mississippi HC		
Series	2025 Series E			2025 Series H			Issue 2025-2A			2025 Series C			Series 2025C		
Program	Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)	- / AAA / -			Aa2 / - / -			Aa1 / AA+ / -			Aa1 / AA+ / -			Aa1 / - / -		
Tax Status	Non-AMT			Non-AMT			Non-AMT			Non-AMT			Non-AMT		
Maturity Yr (25 pricings)	Coupon Jun1 / Dec1	Yield (if diff.)	Spread to iMMD	Coupon Jan1 / Jul1	Yield (if diff.)	Spread to iMMD	Coupon Jan1 / Jul1	Yield (if diff.)	Spread to iMMD	Coupon Nov15	Yield (if diff.)	Spread to iMMD	Coupon Jun1 / Dec1	Yield (if diff.)	Spread to iMMD
0 2025															
1 2026				2.65	-	+48	2.80	-	+63						
2 2027	5.00	2.56	+35	2.70 / 2.75	-	+53 / +56	2.85 / 2.90	-	+68 / +71	2.90	-	+68			
3 2028				2.80 / 2.90	-	+60 / +70	2.95 / 2.95	-	+75 / +75	3.00	-	+77	2.85 / 2.95	-	+62 / +72
4 2029				2.95 / 3.00	-	+72 / +77	3.05 / 3.15	-	+82 / +92	3.10	-	+82	3.00 / 3.05	-	+74 / +77
5 2030	5.00	2.89	+50	3.05 / 3.15	-	+71 / +79	3.20 / 3.20	-	+86 / +84	3.25	-	+85	3.10 / 3.20	-	+73 / +80
6 2031	5.00	3.06	+50	3.35 / 3.375	-	+86 / +82.5	3.40 / 3.45	-	+91 / +90				3.40 / 3.45	-	+84 / +87
7 2032	5.00 / 5.00	3.21 / 3.27	+50 / +52	3.60 / 3.65	-	+94 / +94	3.65 / 3.65	-	+99 / +94				3.65 / 3.70	-	+93 / +94
8 2033	5.00 / 3.80	3.39 / 3.80	+55 / +95	3.75 / 3.75	-	+90 / +89	3.80 / 3.85	-	+95 / +99				3.80 / 3.80	-	+92 / +91
9 2034	3.90 / 3.95	-	+90 / +89	3.85 / 3.90	-	+89 / +87	3.90 / 3.95	-	+94 / +92				3.95 / 3.95	-	+92 / +86
10 2035	3.95 / 4.05	-	+78 / +83	4.00 / 4.00	-	+87 / +79	4.05 / 4.10	-	+92 / +89				4.10 / 4.15	-	+89 / +89
11 2036	4.25 / 4.30	-	+86 / +88	4.15 / 4.25	-	+78 / +84	4.30 / 4.35	-	+93 / +94				4.30 / 4.35	-	+88 / +90
12 2037	4.35 / 4.40	-	+82 / +84	4.30 / 4.35	-	+77 / +80	4.45 / 4.45	-	+92 / +90				4.45 / 4.50	-	+89 / +91
13 2038															
14 2039															
15 2040	4.85	-	+97	4.875	-	+97.5	4.85	-	+95	4.85	-	+93	4.875	-	+95.5
16 2041															
17 2042															
18 2043															
19 2044															
20 2045	5.125	-	+74.5	5.125	-	+73.5	5.10	-	+71	5.10	-	+69	5.125	-	+71.5
21 2046															
22 2047															
23 2048															
24 2049				5.15	-	+60									
25 2050	5.20	-	+65				5.15	-	+59	5.15	-	+57	5.20	-	+62
26 2051															
27 2052															
28 2053															
29 2054															
30 2055	5.25	-	+65				5.20	-	+59	5.25	-	+62			
31 2056															
32 2057															
PAC	6.50	3.55	+117	6.50	3.81	+128	6.00	3.82	+126						
PAC AvgLf, Price	5yrs, 50-600% PSA, \$113.217			5.7yrs, 100-600% PSA, \$113.215			6yrs 75-500% PSA, \$111.378								
Notes	12/27-6/33 are 5% lockouts														
Par Call	1/1/34 (+adj PAC)			1/1/34 (+adj PAC)			1/1/34 (+adj PAC)			5/15/33			6/1/33		
Sr Manager	Raymond James			BofA			Raymond James			Barclays			Wells Fargo		

NON-AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date	8/19/25				8/13/25			8/13/25			8/11/25			8/11/25		
Amount	\$354,860,000				\$250,000,000			\$26,760,000			\$60,780,000			\$65,000,000		
Issuer	Pennsylvania HFA				Texas DHCA			Connecticut HFA			Massachusetts HFA			Iowa FA		
Series	Series 2025-150A				Series 2025 D			2025 Series C			Series 246			2025 Series E		
Program	Single Family / Negotiated				Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)	Aa1 / - / -				Aa1 / AA+ / -			Aa1 / - / -			Aa1 / AA+ / -			Aaa / AAA / -		
Tax Status	Non-AMT				Non-AMT			Non-AMT			Non-AMT			Non-AMT		
Maturity	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	
Yr ("25 pricings)	Apr1 / Oct1	(if diff.)	to iMMD	Jan1 / Jul1	(if diff.)	to iMMD	Apr1 / Oct1	(if diff.)	to iMMD	Jun1 / Dec1	(if diff.)	to iMMD	Jan1 / Jul1	(if diff.)	to iMMD	
0	2025															
1	2026	5.00 / 5.00	2.55 / 2.60	+35 / +40			2.75 / 2.75	-	+52 / +52							
2	2027	5.00 / 5.00	2.62 / 2.64	+41 / +42	2.90 / 2.90	-	+67 / +65	2.85 / 2.85	-	+61 / +60						
3	2028	5.00 / 5.00	2.64 / 2.67	+41 / +44	2.95 / 2.95	-	+70 / +70	2.90 / 2.90	-	+65 / +65	2.90 / 2.90	-	+65 / +65			
4	2029	5.00 / 5.00	2.76 / 2.79	+50 / +52	3.00 / 3.05	-	+72 / +77	2.95 / 3.00	-	+67 / +71	2.95 / 3.00	-	+67 / +70			
5	2030	5.00 / 5.00	2.88 / 2.95	+51 / +55	3.15 / 3.20	-	+77 / +80	3.10 / 3.15	-	+71 / +73	3.10 / 3.15	-	+71 / +73			
6	2031	5.00 / 5.00	3.14 / 3.17	+60 / +59	3.40 / 3.45	-	+88 / +87	3.35 / 3.40	-	+80 / +81	3.35 / 3.40	-	+78 / +81			
7	2032	5.00 / 5.00	3.29 / 3.38	+59 / +63	3.60 / 3.65	-	+91 / +91	3.55 / 3.60	-	+84 / +84	3.55 / 3.60	-	+82 / +83			
8	2033	5 / 5,3.75	3.52 / 3.55,3.75	+64 / +66,+86	3.80 / 3.80	-	+94 / +93	3.75 / 3.75	-	+88 / +87	3.75 / 3.75	-	+88 / +87			
9	2034	5,3.85 / 5,3.9	3.67,3.85/3.74,3.9	+66,+84/+66,+82	3.90 / 3.95	-	+93 / +92	3.85 / 3.90	-	+85 / +85	3.85 / 3.90	-	+84 / +85			
10	2035	3.95 / 3.95	-	+76 / +69	4.00 / 4.05	-	+86 / +84	3.95 / 4.00	-	+77 / +77	3.95 / 4.00	-	+76 / +78			
11	2036	4.15 / 4.25	-	+74 / +81	4.20 / 4.25	-	+85 / +86	4.15 / 4.25	-	+78 / +85	4.15 / 4.25	-	+78 / +85	4.15 / 4.20	-	+81 / +82
12	2037	5,4.35 / 5,4.4	4.21,4.35/4.23,4.4	+65,+79/+65,+82	4.35 / 4.40	-	+84 / +87	4.30 / 4.35	-	+78 / +81	4.35 / 4.40	-	+84 / +86	4.35 / 4.35	-	+85 / +83
13	2038															
14	2039															
15	2040	4.90	-	+98	4.75	-	+87				4.75	-	+88	4.75	-	+88
16	2041							4.80	-	+80						
17	2042															
18	2043															
19	2044															
20	2045	5.15	-	+74	5.00	-	+63				5.00	-	+64	5.00	-	+64
21	2046															
22	2047															
23	2048															
24	2049															
25	2050	5.20	-	+62	5.10	-	+56				5.05	-	+52	5.05	-	+52
26	2051															
27	2052	5.25	-	+65												
28	2053															
29	2054															
30	2055				5.15	-	+57				5.10	-	+52	5.10	-	+52
31	2056															
32	2057															
PAC	6.25	3.89	+131	6.25	3.95	+141										
PAC AvgLf, Price	6yrs 50-500% PSA, \$112.224				5.5yrs 75-700% PSA, \$111.114											
Notes	4/26-4/33 plus portions of 10/33, 4/34, and 10/34 are 5% lockouts															
Par Call	4/1/33 (+adj PAC)				7/1/33			None			6/1/33			1/1/34		
Sr Manager	RBC Capital Markets				Jefferies			Jefferies			Morgan Stanley			RBC Capital Markets		

NON-AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date	8/6/25			8/5/25			8/5/25			8/5/25			7/31/25			7/29/25		
Amount	\$77,560,000			\$105,000,000			\$106,980,000			\$100,000,000			\$60,000,000			\$75,000,000		
Issuer	Wyoming CDA			Delaware SHA			Nebraska IFA			Oklahoma HFA			New Mexico MFA			Montana BOH		
Series	2025 Series 3			2025 Series C			2025 Series E			Series 2025C			2025 Series E			2025 Series B		
Program	Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)	Aa1 / AA+ / -			Aa1 / - / -			- / AAA / -			Aaa / - / -			Aa1 / - / -			Aa1 / AA+ / -		
Tax Status	Non-AMT			Non-AMT			Non-AMT			Non-AMT			Non-AMT			Non-AMT		
Maturity	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread
Yr (25 pricings)	Jun1 / Dec1	(if diff.)	to iMMD	Jan1 / Jul1	(if diff.)	to iMMD	Mar1 / Sep1	(if diff.)	to iMMD	Mar1 / Sep1	(if diff.)	to iMMD	Mar1 / Sep1	(if diff.)	to iMMD	Jun1 / Dec1	(if diff.)	to iMMD
0 2025																		
1 2026				2.80	-	+53	2.75 / 2.80	-	+48 / +53	2.85	-	+58	2.95	-	+56	2.95 / 2.95	-	+54 / +54
2 2027				2.90 / 2.90	-	+63 / +63	2.90 / 2.90	-	+63 / +63	2.90 / 2.90	-	+63 / +63	3.00 / 3.00	-	+61 / +61	2.95 / 2.95	-	+54 / +54
3 2028				2.95 / 2.95	-	+67 / +67	2.95 / 2.95	-	+67 / +67	2.90 / 2.95	-	+62 / +67	3.00 / 3.00	-	+60 / +60	3.00 / 3.00	-	+58 / +58
4 2029				2.95 / 3.00	-	+67 / +72	2.95 / 3.00	-	+67 / +71	3.05 / 3.10	-	+77 / +81	3.10 / 3.15	-	+70 / +74	3.05 / 3.125	-	+63 / +68.5
5 2030				3.15 / 3.20	-	+74 / +79	3.15 / 3.20	-	+74 / +79	3.20 / 3.25	-	+79 / +84	3.25 / 3.30	-	+72 / +77	3.20 / 3.25	-	+65 / +69
6 2031				3.40 / 3.45	-	+86 / +86	3.35 / 3.35	-	+79 / +76	3.45 / 3.50	-	+89 / +91	3.50 / 3.55	-	+82 / +85	3.50 / 3.50	-	+78 / +78
7 2032				3.60 / 3.65	-	+91 / +91	3.60 / 3.65	-	+89 / +89	3.65 / 3.70	-	+94 / +94	3.70 / 3.75	-	+88 / +89	3.70 / 3.70	-	+84 / +80
8 2033				3.80 / 3.80	-	+94 / +93	3.80 / 3.80	-	+94 / +93	3.85 / 3.85	-	+99 / +98	3.90 / 3.90	-	+93 / +92	3.90 / 3.95	-	+90 / +94
9 2034				3.90 / 3.95	-	+94 / +93	3.90 / 3.95	-	+92 / +91	3.95 / 4.00	-	+97 / +96	4.00 / 4.05	-	+91 / +90	4.05 / 4.10	-	+91 / +92
10 2035	4.00	-	+78	4.00 / 4.05	-	+82 / +84	4.00 / 4.05	-	+81 / +84	4.05 / 4.10	-	+86 / +89	4.15 / 4.20	-	+85 / +88	4.15 / 4.15	-	+81 / +80
11 2036	4.20 / 4.25	-	+83 / +85	4.20 / 4.25	-	+86 / +87	4.20 / 4.25	-	+85 / +86	4.30 / 4.30	-	+95 / +91	4.35 / 4.35	-	+89 / +85	4.35 / 4.40	-	+85 / +87
12 2037	4.35 / 4.35	-	+84 / +81	4.40 / 4.40	-	+90 / +88	4.40 / 4.40	-	+90 / +87	4.40 / 4.45	-	+90 / +92	4.45 / 4.50	-	+84 / +86	4.45 / 4.50	-	+81 / +83
13 2038																		
14 2039																		
15 2040	4.80	-	+93	4.75	-	+88	4.75	-	+88	4.80	-	+93	4.85	-	+87	4.85	-	+85
16 2041																		
17 2042																		
18 2043																		
19 2044																		
20 2045	5.00	-	+64	4.95	-	+59	4.95	-	+59	4.95	-	+59	5.05	-	+60	5.10	-	+63
21 2046																		
22 2047										5.00	-	+54						
23 2048																		
24 2049																		
25 2050	5.05	-	+52	5.05 / 5.05	-	+52 / +52	5.05	-	+52				5.15	-	+53	5.20	-	+56
26 2051																		
27 2052																		
28 2053	5.10	-	+54															
29 2054																		
30 2055				5.10 / 5.10	-	+52 / +52							5.20	-	+53	5.25	-	+56
31 2056																		
32 2057																		
PAC	6.25	3.54	+113	6.00	3.72	+131	6.25	3.62	+121	6.50	3.80	+121	6.00	3.70	+117	6.00	3.68	+113
PAC AvgLf, Price	5yrs 50-700% PSA, \$112.167			5yrs 100-500% PSA, \$110.085			5yrs 50-600% PSA, \$111.758			6yrs 100-500% PSA, \$114.025			5yrs 75-500% PSA, \$110.291			5yrs 75-600% PSA, \$110.352		
Notes																		
Par Call	12/1/33 (+adj PAC)			1/1/34 (+adj PAC)			3/1/34 (+adj PAC)			9/1/33 (+adj PAC)			9/1/33 (+adj PAC)			12/1/33 (+adj PAC)		
Sr Manager	RBC Capital Markets			J.P. Morgan			J.P. Morgan			Raymond James			RBC Capital Markets			RBC Capital Markets		

NON-AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date	7/29/25	7/23/25	7/22/25	7/22/25	7/16/25	7/16/25
Amount	\$95,000,000	\$150,000,000	\$196,345,000	\$18,345,000	\$150,000,000	\$100,985,000
Issuer	Maryland DHCD	Illinois HDA	Idaho HFA	SONYMA	Ohio HFA	Rhode Island HMFC
Series	2025 Series E	2025 Series D	2025 Series C	Series 269	2025 Series B	Series 86-A
Program	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated	Single Family / Negotiated
Rating(s)	Aa1 / - / AA+	Aaa / - / -	Aa1 / - / -	Aa1 / - / -	Aa1 / - / -	Aa1 / AA+ / -
Tax Status	Non-AMT	Non-AMT	Non-AMT	Non-AMT	Non-AMT	Non-AMT
Maturity	Coupon	Yield	Spread	Coupon	Yield	Spread
Yr ("25 pricings)	Mar1 / Sep1	(if diff.)	to iMMD	Apr1 / Oct1	(if diff.)	to iMMD
0 2025						
1 2026	2.85	-	+44	2.95 / 2.95	-	+52 / +52
2 2027	2.90 / 2.95	-	+49 / +54	2.95 / 2.95	-	+52 / +52
3 2028	2.95 / 3.00	-	+53 / +58	3.00 / 3.05	-	+56 / +61
4 2029	3.10 / 3.20	-	+68 / +77	3.10 / 3.20	-	+66 / +75
5 2030	3.30 / 3.35	-	+75 / +80	3.35 / 3.35	-	+78 / +77
6 2031	3.50 / 3.55	-	+80 / +83	3.55 / 3.60	-	+82 / +86
7 2032	3.70 / 3.75	-	+86 / +87	3.75 / 3.80	-	+89 / +89
8 2033	3.90 / 3.95	-	+91 / +95	4.00 / 4.00	-	+98 / +97
9 2034	4.00 / 4.05	-	+89 / +88	4.05 / 4.10	-	+92 / +92
10 2035	4.15 / 4.20	-	+83 / +86	4.20 / 4.25	-	+87 / +90
11 2036	4.35 / 4.40	-	+87 / +88	4.40 / 4.45	-	+91 / +93
12 2037	4.45 / 4.45	-	+82 / +79	4.50 / 4.55	-	+86 / +89
13 2038						
14 2039						
15 2040	4.875	-	+87.5	4.90	-	+90
16 2041						
17 2042						
18 2043						
19 2044						
20 2045	5.125	-	+65.5	5.15	-	+68
21 2046						
22 2047						
23 2048						
24 2049						
25 2050				5.25	-	+61
26 2051				5.25	-	+59
27 2052	5.20	-	+54			
28 2053						
29 2054						
30 2055						
31 2056						
32 2057						
PAC	6.25	3.75	+120	6.25	3.91	+117
PAC AvgLf, Price	5yrs 75-600% PSA, \$111.131	6yrs 75-500% PSA, \$112.083	6yrs 75-400% PSA, \$111.747			
Notes					Serial maturities from 2026-2034 are 6% lockouts	
Par Call	3/1/33 (+adj PAC)	10/1/33 (+adj PAC)	7/1/33 (+adj PAC)	4/1/33	9/1/34 (+adj PAC)	10/1/33
Sr Manager	Jefferies	RBC Capital Markets	RBC Capital Markets	Jefferies	BofA	J.P. Morgan

NON-AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date	7/15/25			7/9/25			7/8/25			7/8/25			5/1/25			2/20/25		
Amount	\$65,000,000			\$30,000,000			\$60,000,000			\$83,510,000			\$87,560,000			\$69,565,000		
Issuer	Arkansas DFA			West Virginia HDF			Nevada HD			Louisiana HC			Minnesota HFA			Minnesota HFA		
Series	Series 2025B			2025 Series C			Series 2025C			Series 2025C			2025 Series F			2025 Series C		
Program	Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)	- / AA+ / -			Aaa / AAA / -			- / AA+ / -			Aa1 / - / -			Aa1 / AA+ / -			Aa1 / AA+ / -		
Tax Status	Non-AMT			Non-AMT			Non-AMT			Non-AMT			Non-AMT			Non-AMT		
Maturity	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread
Yr ('25 pricings)	Jan1 / Jul1	(if diff.)	to iMMD	May1 / Nov1	(if diff.)	to iMMD	Apr1 / Oct1	(if diff.)	to iMMD	Jun1 / Dec1	(if diff.)	to iMMD	Jan1 / Jul1	(if diff.)	to iMMD	56796	(if diff.)	to iMMD
0 2025																		
1 2026	2.95	-	+49	5.00 / 5.00	2.82 / 2.85	+36 / +39							3.50	-	+64			
2 2027	3.00 / 3.05	-	+54 / +59	5.00 / 5.00	2.87 / 2.89	+41 / +43							3.55 / 3.60	-	+66 / +71			
3 2028	3.10 / 3.15	-	+63 / +68	5.00 / 5.00	2.93 / 2.96	+46 / +49							3.65 / 3.70	-	+76 / +81			
4 2029	3.20 / 3.20	-	+73 / +73	5.00 / 5.00	2.98 / 3.02	+51 / +53							3.80 / 3.85	-	+88 / +93			
5 2030	3.35 / 3.40	-	+80 / +85	5.00 / 5.00	3.11 / 3.17	+56 / +61							3.875 / 3.90	-	+90.5 / +93			
6 2031	3.65 / 3.70	-	+98 / +100	5.00 / 5.00	3.40 / 3.41	+71 / +71							4.00 / 4.00	-	+99 / +99			
7 2032	3.70 / 3.80	-	+90 / +95	5.00 / 5.00	3.51 / 3.55	+71 / +71	3.70 / 3.80	-	+91 / +96				4.10 / 4.10	-	+105 / +103			
8 2033	3.85 / 3.95	-	+92 / +101	5.00 / 5.00	3.61 / 3.64	+71 / +73	3.90 / 3.95	-	+100 / +104				4.20 / 4.20	-	+109 / +108			
9 2034	4.00 / 4.05	-	+98 / +96	5.00 / 4.05	3.78 / 4.05	+76 / +98	4.05 / 4.10	-	+104 / +104				4.30 / 4.35	-	+111 / +113			
10 2035	4.20 / 4.25	-	+97 / +99	4.20 / 4.30	-	+99 / +107	4.25 / 4.25	-	+104 / +102	4.30	-	+107	4.40 / 4.40	-	+113 / +111			
11 2036	4.30 / 4.35	-	+91 / +92	4.35 / 4.40	-	+99 / +100	4.35 / 4.40	-	+99 / +101	4.35 / 4.40	-	+98 / +100	4.50 / 4.50	-	+113 / +111			
12 2037	4.45 / 4.45	-	+91 / +89	4.50 / 4.50	-	+100 / +97	4.50 / 4.50	-	+100 / +98	4.50	-	+100	4.50 / 4.50	-	+105 / +103			
13 2038																		
14 2039																		
15 2040	4.65	-	+75	4.75	-	+91	4.75	-	+91	4.75	-	+91	4.60	-	+89			
16 2041																		
17 2042																		
18 2043																		
19 2044																		
20 2045	4.95	-	+58	5.05	-	+74	5.05	-	+74	5.05	-	+74	4.85	-	+72			
21 2046																		
22 2047																		
23 2048													4.90	-	+67			
24 2049																		
25 2050	5.00	4.98	+43	5.10	-	+62	5.10	-	+62	5.10	-	+62						
26 2051																		
27 2052																		
28 2053																		
29 2054										5.15	-	+61						
30 2055	5.00	-	+38	5.125	-	+57.5	5.15	-	+60									
31 2056																		
32 2057																		
PAC	5.50	3.73	+117							6.25	3.69	+114	6.25	3.96	+99	6.25	3.77	+100
PAC AvgLf, Price	5.2yr 75-500% PSA, \$108.199									5yr 50-700% PSA, \$111.446			5yrs 75-500% PSA, \$110.143			yrs 75-400% PSA, \$112.91		
Notes				Serial maturities from 2026-2034 are 5% lockouts														
Par Call	7/1/33 (+adj PAC)			5/1/34			4/1/34			1/1/34			7/1/33			7/1/33		
Sr Manager	Raymond James			Raymond James			J.P. Morgan			Raymond James			RBC Capital Markets			RBC Capital Markets		

NON-AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES, PAST 2 MONTHS PLUS EARLIER MHFA

Pricing Date	11/12/24			7/30/24			6/11/24		
Amount	\$78,350,000			\$75,000,000			\$80,000,000		
Issuer	Minnesota HFA			Minnesota HFA			Minnesota HFA		
Series	2024 Series U			2024 Series O			2024 Series L		
Program	Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)	Aa1 / AA+ / -			Aa1 / AA+ / -			Aa1 / AA+ / -		
Tax Status	Non-AMT			Non-AMT			Non-AMT		
Maturity	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread
Yr ('25 pricings)	Jan1 / Jul1	(if diff.)	to iMMD	1/1/55	(if diff.)	to iMMD	Jan1 / Jul1	(if diff.)	to iMMD
0 2025									
1 2026	3.25	-	+22				3.4	-	+20
2 2027	3.20 / 3.20	-	+39 / +45				3.45 / 3.45	-	+27 / +30
3 2028	3.25 / 3.25	-	+67 / +67				3.50 / 3.50	-	+41 / +47
4 2029	3.30 / 3.35	-	+70 / +75				3.55 / 3.60	-	+54 / +60
5 2030	3.40 / 3.45	-	+77 / +81				3.625 / 3.65	-	+66 / +68
6 2031	3.50 / 3.50	-	+82 / +80				3.75 / 3.80	-	+80 / +85
7 2032	3.55	-	+80				3.85 / 3.90	-	+91 / +96
8 2033							3.95 / 3.95	-	+102 / +102
9 2034							4.00 / 4.00	-	+108 / +108
10 2035							4.05 / 4.05	-	+113 / +113
11 2036							4.10 / 4.10	-	+118 / +117
12 2037									
13 2038									
14 2039							4.15	-	+105
15 2040									
16 2041									
17 2042									
18 2043									
19 2044									
20 2045									
21 2046									
22 2047									
23 2048									
24 2049									
25 2050									
26 2051									
27 2052									
28 2053									
29 2054									
30 2055									
31 2056									
32 2057									
PAC	6.25	3.78	+106	6.25	3.9	+113	6.50	4.09	+114
PAC AvgLf, Price	6yrs 75-500% PSA, \$112.83			6yrs 75-500% PSA			6yrs 75-500% PSA		
Notes									
Par Call	1/1/33			1/1/33			1/1/33		
Sr Manager	RBC Capital Markets			RBC Capital Markets			RBC Capital Markets		

TAXABLE HOUSING BOND PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA

Pricing Date	9/16/25					9/15/25					9/9/25					9/9/25				
Amount	\$175,000,000					\$30,000,000					\$62,500,000					\$15,000,000				
Issuer	Idaho HFA					New Hampshire HFA					Missouri HDC					Missouri HDC				
Series	2025 Series E					2025 Series F					2025 Series G					2025 Series H				
Program	Single Family / Negotiated					Single Family / Negotiated					Single Family / Negotiated					Single Family / Negotiated				
Rating(s)	Aa1 / - / -					Aa1 / - / -					- / AA+ / -					- / AA+ / -				
Tax Status	Taxable					Taxable					Taxable					Taxable				
Maturity Yr	Coupon Jan1 / Jul1	Yield (if diff.)	Spread to UST	Takedown		Coupon Jan1 / Jul1	Yield (if diff.)	Spread to UST	Takedown		Coupon May1 / Nov1	Yield (if diff.)	Spread to UST	Takedown		Coupon Nov1	Yield (if diff.)	Spread to UST	Takedown	
0 2025																				
1 2026	3.744	-	+23 to 2yr	1/4							3.792	-	+25 to 2yr							
2 2027	3.644 / 3.724	-	+13 / +21 to 2yr	3/8		3.787 / 3.787	-	+25 / +25 to 2yr	1/8		3.792 / 3.792	-	+25 / +25 to 2yr			3.792	-	+25 to 2yr		
3 2028	3.73 / 3.74	-	+25 / +26 to 3yr	3/8		3.788 / 3.788	-	+28 / +28 to 3yr	1/4		3.803 / 3.803	-	+30 / +30 to 3yr			3.803	-	+30 to 3yr		
4 2029	3.82 / 3.89	-	+23 / +30 to 5yr	1/2		3.854 / 3.904	-	+25 / +30 to 5yr	3/8		3.851 / 3.901	-	+25 / +30 to 5yr			3.901	-	+30 to 5yr		
5 2030	3.92 / 3.97	-	+33 / +38 to 5yr	1/2		3.934 / 3.984	-	+33 / +38 to 5yr	3/8		3.951 / 4.001	-	+35 / +40 to 5yr			4.001	-	+40 to 5yr		
6 2031	4.177 / 4.227	-	+40 / +45 to 7yr	1/2		4.187 / 4.237	-	+40 / +45 to 7yr	3/8		4.173 / 4.253	-	+37 / +45 to 7yr			4.253	-	+45 to 7yr		
7 2032	4.277 / 4.327	-	+50 / +55 to 7yr	1/2		4.287 / 4.337	-	+50 / +55 to 7yr	1/2		4.303 / 4.373	-	+50 / +57 to 7yr			4.373	-	+57 to 7yr		
8 2033	4.554 / 4.654	-	+52 / +62 to 10yr	1/2		4.568 / 4.668	-	+53 / +63 to 10yr	1/2		4.624 / 4.724	-	+55 / +65 to 10yr			4.724	-	+65 to 10yr		
9 2034	4.764 / 4.814	-	+73 / +78 to 10yr	1/2		4.768 / 4.818	-	+73 / +78 to 10yr	1/2		4.824 / 4.924	-	+75 / +85 to 10yr			4.924	-	+85 to 10yr		
10 2035	4.934 / 4.984	-	+90 / +95 to 10yr	1/2		4.938 / 4.988	-	+90 / +95 to 10yr	1/2		4.974 / 5.024	-	+90 / +95 to 10yr			5.024	-	+95 to 10yr		
11 2036	5.014 / 5.064	-	+98 / +103 to 10yr	1/2		5.018 / 5.068	-	+98 / +103 to 10yr	1/2		5.094 / 5.144	-	+102 / +107 to 10yr							
12 2037	5.114 / 5.164	-	+108 / +113 to 10yr	1/2		5.118 / 5.168	-	+108 / +113 to 10yr	1/2		5.224 / 5.274	-	+115 / +120 to 10yr							
13 2038																				
14 2039																				
15 2040	5.444	-	+141 to 10yr	5/8							5.524	-	+145 to 10yr			5.524	-	+145 to 10yr		
16 2041						5.488	-	+145 to 10yr	5/8											
17 2042																				
18 2043																				
19 2044																				
20 2045	5.703	-	+105 to 30yr	5/8							5.769	-	+105 to 30yr			5.769	-	+105 to 30yr		
21 2046																				
22 2047																				
23 2048																				
24 2049																				
25 2050	5.743	-	+109 to 30yr	5/8							5.819	-	+110 to 30yr			5.819	-	+110 to 30yr		
26 2051																				
27 2052																				
28 2053																				
29 2054																				
30 2055											5.869	-	+115 to 30yr			5.869	-	+115 to 30yr		
31 2056																				
32 2057																				
PAC	6.50	4.59	+100 to 5yr	1/2							6.00	4.571	+97 to 5yr							
PAC AvgLf, Price	5yrs, 100-500% PSA, \$108.273										5yrs, 75-500% PSA, \$106.150									
Notes																				
Par Call	7/1/33 (+adj PAC)					7/1/33					5/1/34 (+adj PAC)					5/1/34				
Sr Manager	BofA					RBC Capital Markets					Stifel					Stifel				

TAXABLE HOUSING BOND PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA

Pricing Date	9/8/25			9/4/25			9/3/25			8/26/25		
Amount	\$140,960,000			\$99,245,000			\$19,580,000			\$170,000,000		
Issuer	Virginia HDA			Colorado HFA			Georgia HFA			Utah HC		
Series	2025 Series D			2025 Series N-1			2025 Series F			2025 Series I		
Program	Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)	Aaa / AAA / -			Aaa / AAA / -			- / AAA / -			Aa2 / - / -		
Tax Status	Taxable			Taxable			Taxable			Taxable		
Maturity	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread
Yr ("25 pricings)	Jan1 / Jul1	(if diff.)	to UST	May1 / Nov1	(if diff.)	to UST	Jun1 / Dec1	(if diff.)	to UST	Jan1 / Jul1	(if diff.)	to UST
0 2025												
1 2026	3.745	-	+25 to 2yr	3.81	-	+22 to 2yr	3.91 / 3.91	-	+25 / +25 to 2yr	3.907	-	+23 to 2yr
2 2027	3.695 / 3.725	-	+20 / +23 to 2yr	3.81 / 3.81	-	+22 / +22 to 2yr	3.91 / 3.91	-	+25 / +25 to 2yr	3.927 / 3.957	-	+25 / +28 to 2yr
3 2028	3.71 / 3.71	-	+25 / +25 to 3yr	3.818 / 3.818	-	+27 / +27 to 3yr	3.897 / 3.897	-	+27 / +27 to 3yr	3.873 / 3.903	-	+25 / +28 to 3yr
4 2029	3.768 / 3.818	-	+20 / +25 to 5yr	3.899 / 3.929	-	+25 / +28 to 5yr	3.966 / 4.016	-	+22 / +27 to 5yr	3.99 / 4.02	-	+25 / +28 to 5yr
5 2030	3.868 / 3.918	-	+30 / +35 to 5yr	3.999 / 4.049	-	+35 / +40 to 5yr	4.066 / 4.146	-	+32 / +40 to 5yr	4.07 / 4.16	-	+33 / +42 to 5yr
6 2031	4.192 / 4.252	-	+42 / +48 to 7yr	4.282 / 4.342	-	+41 / +47 to 7yr	4.401 / 4.451	-	+42 / +47 to 7yr	4.398 / 4.488	-	+43 / +52 to 7yr
7 2032	4.322 / 4.372	-	+55 / +60 to 7yr	4.39 / 4.442	-	+51.8 / +57 to 7yr				4.528 / 4.538	-	+56 / +57 to 7yr
8 2033	4.642 / 4.692	-	+60 / +65 to 10yr	4.79 / 4.84	-	+62 / +67 to 10yr				4.858 / 4.888	-	+60 / +63 to 10yr
9 2034	4.792 / 4.842	-	+75 / +80 to 10yr	4.94 / 5.00	-	+77 / +83 to 10yr				5.028 / 5.078	-	+77 / +82 to 10yr
10 2035	4.892 / 4.992	-	+85 / +95 to 10yr	5.05 / 5.14	-	+88 / +97 to 10yr				5.108 / 5.188	-	+85 / +93 to 10yr
11 2036	5.092 / 5.142	-	+105 / +110 to 10yr	5.22 / 5.27	-	+105 / +110 to 10yr				5.238 / 5.308	-	+98 / +105 to 10yr
12 2037	5.192 / 5.242	-	+115 / +120 to 10yr	5.32 / 5.37	-	+115 / +120 to 10yr				5.358 / 5.408	-	+110 / +115 to 10yr
13 2038												
14 2039												
15 2040	5.492	-	+145 to 10yr	5.62	-	+145 to 10yr				5.708	-	+145 to 10yr
16 2041												
17 2042												
18 2043												
19 2044												
20 2045	5.759	-	+107 to 30yr	5.937 / 5.717	-	+107 / +85 to 30yr				5.961	-	+105 to 30yr
21 2046												
22 2047												
23 2048												
24 2049										5.991	-	+108 to 30yr
25 2050	5.789	-	+110 to 30yr									
26 2051												
27 2052												
28 2053												
29 2054												
30 2055	5.839	-	+115 to 30yr									
31 2056												
32 2057												
PAC				6.25	4.619	+97 to 5yr				6.50	4.938	+97 to 7yr
PAC AvgLf, Price				5yrs, 100-700% PSA, \$107.061						5.6yrs, 100-500% PSA, \$107.376		
Notes												
Par Call	7/1/33			5/1/33			None			1/1/34		
Sr Manager	Morgan Stanley			Jefferies			Raymond James			BoFA		

TAXABLE HOUSING BOND PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA

Pricing Date	8/26/25			8/19/25			8/19/25			8/11/25		
Amount	\$45,990,000			\$23,955,000			\$47,375,000			\$50,375,000		
Issuer	Tennessee HDA			Mississippi HC			Pennsylvania HFA			Iowa FA		
Series	Issue 2025-2B			Series 2025D			Series 2025-150B			2025 Series F		
Program	Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)	Aa1 / AA+ / -			Aa1 / - / -			Aa1 / - / -			Aaa / AAA / -		
Tax Status	Taxable			Taxable			Taxable			Taxable		
Maturity	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread
Yr (25 pricings)	Jan1 / Jul1	(if diff.)	to UST	Jun1 / Dec1	(if diff.)	to UST	Apr1 / Oct1	(if diff.)	to UST	Jan1 / Jul1	(if diff.)	to UST
0 2025												
1 2026	3.956	-	+23 to 2yr	3.952 / 3.952	-	+20 / +20 to 2yr	6.00 / 6.00	4.00 / 4.00	+25 / +25 to 2yr			
2 2027	3.956 / 3.956	-	+23 / +23 to 2yr	3.952 / 4.002	-	+20 / +25 to 2yr	6.00 / 6.00	4.03 / 4.07	+28 / +32 to 2yr			
3 2028	3.952 / 3.952	-	+28 / +28 to 3yr	3.957	-	+25 to 3yr	6.00 / 6.00	4.008 / 3.988	+30 / +28 to 3yr			
4 2029	4.057 / 4.087	-	+27 / +30 to 5yr				6.00 / 6.00	4.12 / 4.17	+30 / +35 to 5yr			
5 2030	4.137 / 4.217	-	+35 / +43 to 5yr				6.00 / 6.00	4.22 / 4.27	+40 / +45 to 5yr	5.00	4.302	+48 to 5yr
6 2031	4.455 / 4.505	-	+45 / +50 to 7yr				6.00 / 6.00	4.486 / 4.536	+45 / +50 to 7yr			
7 2032	4.555 / 4.605	-	+55 / +60 to 7yr				6.00 / 6.00	4.586 / 4.636	+55 / +60 to 7yr			
8 2033	4.929 / 4.979	-	+65 / +70 to 10yr				6.00 / 5.004	4.934 / 5.004	+63 / +70 to 10yr			
9 2034	5.099 / 5.129	-	+82 / +85 to 10yr				5.134 / 5.204	-	+83 / +90 to 10yr	5.143	-	+87 to 10yr
10 2035	5.179 / 5.219	-	+90 / +94 to 10yr				5.224 / 5.274	-	+92 / +97 to 10yr	5.243 / 5.283	-	+97 / +101 to 10yr
11 2036	5.329 / 5.429	-	+105 / +115 to 10yr				5.324 / 5.424	-	+102 / +112 to 10yr	5.333 / 5.383	-	+106 / +111 to 10yr
12 2037	5.479 / 5.529	-	+120 / +125 to 10yr				5.474 / 5.524	-	+117 / +122 to 10yr	5.453 / 5.503	-	+118 / +123 to 10yr
13 2038												
14 2039												
15 2040	5.709	-	+143 to 10yr				5.754	-	+145 to 10yr	5.723	-	+145 to 10yr
16 2041												
17 2042												
18 2043												
19 2044												
20 2045	5.966	-	+107 to 30yr				6.008	-	+110 to 30yr	5.899	-	+105 to 30yr
21 2046												
22 2047												
23 2048												
24 2049												
25 2050	5.976	-	+108 to 30yr				6.058	-	+115 to 30yr	5.949	-	+110 to 30yr
26 2051												
27 2052												
28 2053							6.078	-	+117 to 30yr			
29 2054												
30 2055	6.016	-	+112 to 30yr									
31 2056												
32 2057												
PAC	6.25	4.91	+90.5 to 7yr	6.25	4.73	+91 to 5yr	6.50	5.046	+101 to 7yr	6.25	4.812	+99 to 5yr
PAC AvgLf, Price	6yrs 75-500% PSA, \$106.738			5yrs 50-700% PSA, \$106.590			6yrs 50-500% PSA, \$107.233			5yrs 50-600% PSA, \$106.199		
Notes							4/26-4/33 are 6% lockout premiums			1/34 priced to 5yr average life		
Par Call	1/1/34			6/1/33			4/1/33 (+adj PAC)					
Sr Manager	Raymond James			Wells Fargo			RBC Capital Markets			RBC Capital Markets		

TAXABLE HOUSING BOND PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA

Pricing Date	8/11/25			8/6/25			8/5/25			8/5/25		
Amount	\$78,640,000			\$20,000,000			\$30,000,000			\$25,000,000		
Issuer	Massachusetts HFA			Wyoming CDA			Nebraska IFA			Oklahoma HFA		
Series	Series 247			2025 Series 4			2025 Series F			Series 2025D		
Program	Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)	Aa1 / AA+ / -			Aa1 / AA+ / -			- / AAA / -			Aaa / - / -		
Tax Status	Taxable			Taxable			Taxable			Taxable		
Maturity	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread
Yr (*25 pricings)	Jun1 / Dec1	(if diff.)	to UST	Jun1 / Dec1	(if diff.)	to UST	Mar1 / Sep1	(if diff.)	to UST	Mar1 / Sep1	(if diff.)	to UST
0 2025												
1 2026				3.98 / 3.99	-	+27 / +28 to 2yr				3.98	-	+29 to 2yr
2 2027	4.066	-	+30 to 2yr	3.99 / 4.06	-	+28 / +35 to 2yr				3.99 / 4.04	-	+30 / +35 to 2yr
3 2028	3.983 / 4.033	-	+25 / +30 to 3yr	4.002 / 4.052	-	+32 / +37 to 3yr				4.057 / 4.057	-	+40 / +40 to 3yr
4 2029	4.083 / 4.133	-	+25 / +30 to 5yr	4.136 / 4.186	-	+36 / +41 to 5yr				4.147 / 4.197	-	+40 / +45 to 5yr
5 2030	4.203 / 4.313	-	+37 / +48 to 5yr	4.246 / 4.306	-	+47 / +53 to 5yr				4.247 / 4.297	-	+50 / +55 to 5yr
6 2031	4.508 / 4.628	-	+48 / +60 to 7yr	4.482 / 4.582	-	+50 / +60 to 7yr				4.448 / 4.548	-	+50 / +60 to 7yr
7 2032	4.678 / 4.728	-	+65 / +70 to 7yr	4.602 / 4.652	-	+62 / +67 to 7yr				4.588 / 4.688	-	+64 / +74 to 7yr
8 2033	4.951 / 5.031	-	+67 / +75 to 10yr	4.96 / 5.01	-	+73 / +78 to 10yr	4.242 / 4.93	-	+48 / +73 to 5/10yr	4.898 / 4.988	-	+70 / +79 to 10yr
9 2034	5.061 / 5.111	-	+78 / +83 to 10yr	5.08 / 5.13	-	+85 / +90 to 10yr	5.05 / 5.08	-	+85 / +88 to 10yr	5.098 / 5.148	-	+90 / +95 to 10yr
10 2035	5.181 / 5.231	-	+90 / +95 to 10yr	5.23 / 5.26	-	+100 / +103 to 10yr	5.20 / 5.25	-	+100 / +105 to 10yr	5.198 / 5.238	-	+100 / +104 to 10yr
11 2036	5.261 / 5.311	-	+98 / +103 to 10yr	5.33 / 5.38	-	+110 / +115 to 10yr	5.28	-	+108 to 10yr	5.298 / 5.348	-	+110 / +115 to 10yr
12 2037	5.381 / 5.431	-	+110 / +115 to 10yr				5.33	-	+113 to 10yr	5.378 / 5.398	-	+118 / +120 to 10yr
13 2038												
14 2039												
15 2040	5.781	-	+150 to 10yr	5.68	-	+145 to 10yr	5.57	-	+137 to 10yr	5.618	-	+142 to 10yr
16 2041												
17 2042												
18 2043												
19 2044												
20 2045				5.923	-	+110 to 30yr				5.871	-	+107 to 30yr
21 2046												
22 2047												
23 2048												
24 2049												
25 2050										5.911	-	+111 to 30yr
26 2051												
27 2052												
28 2053												
29 2054												
30 2055												
31 2056										5.971	-	+117 to 30yr
32 2057												
PAC	6.25	4.883	+105 to 5yr									
PAC AvgLf, Price	5yrs 50-700% PSA, \$105.895											
Notes							3/33 priced to 5yr average life					
Par Call	6/1/33			12/1/33			3/1/34			9/1/33		
Sr Manager	Morgan Stanley			RBC Capital Markets			J.P. Morgan			Raymond James		

TAXABLE HOUSING BOND PRICING COMPARABLES, PAST MONTH PLUS EARLIER MHFA

Pricing Date	8/4/25			6/17/25			5/1/25			2/20/25		
Amount	\$45,000,000			\$60,000,000			\$52,440,000			\$90,435,000		
Issuer	Delaware SHA			Minnesota HFA			Minnesota HFA			Minnesota HFA		
Series	2025 Series D			2025 Series I			2025 Series G			2025 Series D		
Program	Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated			Single Family / Negotiated		
Rating(s)	Aa1 / - / -			Aa1 / AA+ / -			Aa1 / AA+ / -			Aa1 / AA+ / -		
Tax Status	Taxable			Taxable			Taxable			Taxable		
Maturity	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread
Yr ('25 pricings)	Jan1 / Jul1	(if diff.)	to UST	Jan1 / Jul1	(if diff.)	to UST	Jan1 / Jul1	(if diff.)	to UST	Jan1 / Jul1	(if diff.)	to UST
0 2025												
1 2026	3.981	-	+30 to 2yr	4.316	-	+36 to 2yr						
2 2027	3.991 / 4.001	-	+31 / +32 to 2yr	4.336 / 4.376	-	+38 / +42 to 2yr						
3 2028	4.031 / 4.021	-	+38 / +37 to 3yr	4.438 / 4.508	-	+53 / +60 to 3yr						
4 2029	4.115 / 4.165	-	+37 / +42 to 5yr	4.551 / 4.601	-	+55 / +60 to 5yr						
5 2030	4.225 / 4.275	-	+48 / +53 to 5yr	4.651 / 4.701	-	+65 / +70 to 5yr						
6 2031	4.448 / 4.528	-	+50 / +58 to 7yr	4.907 / 4.967	-	+72 / +78 to 7yr						
7 2032	4.578 / 4.678	-	+63 / +73 to 7yr	5.037 / 5.087	-	+85 / +90 to 7yr						
8 2033	4.898 / 4.998	-	+70 / +80 to 10yr	5.335 / 5.385	-	+93 / +98 to 10yr	6.00	4.368	+55 to 5yr	6.00	4.692	+35 to 5yr
9 2034	5.098 / 5.148	-	+90 / +95 to 10yr	5.435 / 5.485	-	+103 / +108 to 10yr	5.211 / 5.281	-	+98 / +105 to 10yr	5.249 / 5.299	-	+75 / +80 to 10yr
10 2035	5.178 / 5.228	-	+98 / +103 to 10yr	5.525 / 5.575	-	+112 / +117 to 10yr	5.291 / 5.331	-	+106 / +110 to 10yr	5.349 / 5.379	-	+85 / +88 to 10yr
11 2036	5.298 / 5.348	-	+110 / +115 to 10yr	5.526 / 5.558	5.605 / 5.635	+120 / +123 to 10yr	5.381 / 5.421	-	+115 / +119 to 10yr	5.409 / 5.439	-	+91 / +94 to 10yr
12 2037	5.378 / 5.398	-	+118 / +120 to 10yr	5.59 / 5.623	5.665 / 5.695	+126 / +129 to 10yr				5.459 / 5.499	-	+96 / +100 to 10yr
13 2038												
14 2039												
15 2040	5.648	-	+145 to 10yr	5.925	-	+152 to 10yr	5.701	-	+147 to 10yr	5.599	-	+110 to 10yr
16 2041												
17 2042												
18 2043												
19 2044												
20 2045	5.867	-	+107 to 30yr				6.014	-	+127 to 30yr	5.846	-	+110 to 30yr
21 2046				6.109	-	+120 to 30yr						
22 2047												
23 2048												
24 2049												
25 2050	5.927	-	+113 to 30yr				6.034	-	+129 to 30yr			
26 2051										5.896	-	+115 to 30yr
27 2052												
28 2053												
29 2054												
30 2055	5.967	-	+117 to 30yr									
31 2056												
32 2057												
PAC	6.00	4.765	+102 to 5yr	6.25	5.181	+118 to 5yr						
PAC AvgLf, Price	5yrs 100-500% PSA, \$105.297			5yrs 75-500% PSA, \$104.567								
Notes							7/33 is 6% lockout priced to 5yr average life			7/1/33 is 6% lockout priced to 5yr average life		
Par Call	1/1/34 (+adj PAC)			7/1/33			7/1/33			1/1/34		
Sr Manager	J.P. Morgan			RBC Capital Markets			RBC Capital Markets			RBC Capital Markets		

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